

S
810

PREM 19/1423

PART 5

MT

28/12

Confidential Filing

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

CANADA

Part 1: May 1979

Part 5: Feb 1982

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
4.2.82		22.12.81		14.2.85			
15.2.82		30/12/83		11.3.85			
16.2.82		24/1/84		14.3.85			
26.2.82		16.2.84		21/3/85			
17.3.82		29.2.84		24.3.85			
8.3.82		31/5/84		4.4.85			
12.3.82		20.6.84		23.4.85			
18.3.82		3/7/84		29.4.85			
26.3.82		16.7.84		24.5.85			
7.4.82		5.4.84		10.6.85			
9.4.82				14.6.85			
13.4.82		14.9.84					
5.5.82		17.9.84					
21.6.82		20/9/84					
2.10.82		3.10.84					
2.11.82		22.10.84					
3.11.82		29.11.84					
24.11.82		6.12.84					
2.12.82		11.12.84					
23.12.82		21.1.85					
		2.2.85					
		7.2.85					
		15.2.85					

— ENDS —

PREM 19/1423

● PART 5 ends:-

Canadian High Commission to FM 14/6/85

PART 6 begins:-

CAF to AS/FCO 5/9/85

Published Papers

The following published paper(s) enclosed on this file have been removed and destroyed. Copies may be found elsewhere in The National Archives.

1. House of Commons Hansard, 17 February 1982,
Columns 290-373 "Canada Bill"
2. House of Commons Hansard, 23 February 1982,
Columns 760-832 "Canada Bill"
3. House of Commons Hansard, 3 March 1982,
Columns 287-377 "Canada Bill"
4. House of Commons Hansard, 8 March 1982,
Columns 655-695 "Canada Bill"

Signed AWayland Date 6 May 2014

PREM Records Team

Foreign and Commonwealth Office documents

1. DS(L) 2084: Canada, Nato and the Cruise Missile, 11 April 1983
2. Diplomatic Report No. 59/84: Canada: Now What?,
9 October 1984

The above FCO documents, which were enclosed on this file have been removed and destroyed.

Such documents are the responsibility of the Foreign and Commonwealth Office. When released they are available in the appropriate FCO CLASSES.

Signed AWayland

Date 6 May 2014

PREM Records Team

DS
Canadian High Commission



ccpc
Haut Commissariat du Canada

1 Grosvenor Sq.
London W1.

June 14, 1985.

Dear Prime Minister,

I have been asked by the Prime Minister,
the Rt. Hon. Brian Mulroney, to transmit the enclosed
letter to you.

Yours sincerely,

A handwritten signature in blue ink, appearing to read "Paul A. Lapointe".

Paul A. Lapointe,
Acting High Commissioner.

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



Foreign and Commonwealth Office

London SW1A 2AH

10 June, 1985

CFK
CDD
11/6

Dear Charles,

Message to Prime Minister from Former Premier of Ontario

In your letter of 7 February you conveyed the Prime Minister's agreement to a message to Mr Bill Davis on his retirement from the Premiership of Ontario and the leadership of the Ontario Progressive Party.

The High Commissioner in Ottawa has received a letter from Mr Davis asking him to pass the following message to the Prime Minister.

"I was very pleased to receive your warm greetings on the occasion of my leaving the office of Premier of Ontario.

The cordial relations we have enjoyed with your Government have been a source of satisfaction to me. I look forward, as well, to the challenges which Prime Minister Mulroney has asked me to undertake on behalf of Canada in discussions with the United States on acid rain.

Mrs Davis joins me in thanking you for your warm greetings and extending to you our kindest regards and best wishes".

Yours ever,

Colin Budd

(C R Budd)
Private Secretary

P
C D Powell Esq
10 Downing Street

CANADA : Relations : Pt 5 .

THE NATIONAL ARCHIVES

1155 AVENUE JACQUES-CARTIER



GRS 360
RESTRICTED [CULL]
FM OTTAWA 242105Z MAY 85
TO PRIORITY FCO
TELEGRAM NUMBER 308 OF 24 MAY 1985
AND SAVING TO WASHINGTON

RESTRICTED

THE CANADIAN BUDGET

1. THE MINISTER OF FINANCE, MR WILSON, PRESENTED HIS FIRST BUDGET YESTERDAY. IT IS SEEN AS GENERALLY GOOD FOR THE BUSINESS COMMUNITY, HARD ON THE MIDDLE INCOME CONSUMERS AND LESS TOUGH THAN IT MIGHT HAVE BEEN ON THE DEFICIT. DETAILS OF THE MEASURES AND PRESS REACTION ARE IN MIFT.
2. IN THE RUN-UP TO BUDGET DAY, MR WILSON SAID THAT HE WOULD ADDRESS BOTH CONTROL OF THE DEFICIT AND JOB CREATION. BOTH HE AND MR MULRONEY SAID IT WOULD BE A TOUGH BUDGET. IN THE EVENT, IT APPEARS TOUGH IN CERTAIN AREAS BUT PROBABLY NOT TOUGH ENOUGH TO GET FULLY TO GRIPS WITH THE DEFICIT PROBLEM. MR WILSON ESTIMATES THAT THE BUDGETARY DEFICIT WILL BE CDN 33.8 DOLLARS BILLION IN 1985/86 AND 32.7 DOLLARS BILLION IN 1986/87. HE CLAIMS THAT WITHOUT THE SPENDING CUTS AND TAX INCREASES, BOTH IN THIS BUDGET AND HIS ECONOMIC STATEMENT OF LAST NOVEMBER, THE DEFICIT WOULD HAVE BEEN HIGHER BY 4.4 DOLLARS BILLION IN 1985/86 AND 8.3 BILLION IN 1986/87. HOWEVER, IN CLAIMING CREDIT FOR THESE 'CUTS', NO MENTION IS MADE OF THE FACT THAT THE STATUS QUO FIGURES SHOW AN INCREASE ON THOSE IN THE NOVEMBER ECONOMIC STATEMENT OF 1.1 DOLLARS BILLION AND 6.7 BILLION RESPECTIVELY.
3. THE OVERALL IMPRESSION IS THAT THE CANADIAN DEFICIT OUTLOOK HAS GOT SUBSTANTIALLY WORSE OVER THE LAST SIX MONTHS, AND THAT MR WILSON'S MEASURES HAVE BARELY KEPT PACE WITH THIS DETERIORATION. THE BUDGETARY DEFICIT IS EXPECTED TO BE 7.5 PER CENT OF GNP IN 1985/86 FALLING TO 6.8 PER CENT IN 1986/87, BUT THE COST OF SERVICING THE PUBLIC DEBT IS EXPECTED TO CONTINUE RISING FROM 5.8 PER CENT OF GNP IN 1985/86 TO 6 PER CENT IN 1986/87.
4. MR MULRONEY'S PRE-ELECTION CRY OF 'JOBS, JOBS AND MORE JOBS' HAS NOT BEEN TRANSLATED INTO A JOB CREATION BUDGET. THE RELATIVELY MODEST SUM OF 900 DOLLARS MILLION IS ALLOCATED TO TRAINING AND DIRECT JOB CREATION MEASURES. THE GOVERNMENT IS HOPING THAT THE FINANCIAL INCENTIVES OFFERED TO SMALL BUSINESS WILL LEAD THEM TO EXPAND THEIR ACTIVITIES-AND LABOUR FORCE- BUT THE PROJECTION OF 10.3 PER CENT UNEMPLOYMENT BY THE END OF 1986 SUGGESTS THAT THEIR HOPES OF GREATER EMPLOYMENT ARE FAIRLY MODEST.
5. THE BUDGET INCLUDES A LARGE NUMBER OF CHANGES OR SUGGESTED CHANGES TO THE TAX SYSTEM. THE NET EFFECT OF THESE CHANGES, TAKEN WITH THOSE RESULTING FROM THE ENERGY DEAL WITH THE WESTERN

RESTRICTED

/ PROVINCES

RESTRICTED

PROVINCES SIGNED IN MARCH, WILL BE TO RAISE REVENUE BY ONLY 250 DOLLARS MILLION THIS YEAR AND 1795 DOLLARS MILLION NEXT YEAR. IN 1986/7 REVENUE FROM PERSONAL INCOME TAX WILL BE UP BY 1 DOLLARS BILLION WHILE CORPORATE TAXES WILL BE DOWN BY 500,000 DOLLARS. THIS HAS GIVEN THE BUDGET ITS FLAVOUR AS ONE WHICH SQUEEZES THE TAX PAYER—PARTICULARLY IN THE MIDDLE INCOME BRACKET AND FAVOURS SMALL BUSINESS. ON THE EXPENDITURE SIDE, MR WILSON IS

EXPECTING SAVINGS OF 2 DOLLARS BILLION THIS YEAR AND 3.5 DOLLARS BILLION NEXT YEAR, BUT MOST OF THIS IS TO COME FROM BETTER MANAGEMENT RATHER THAN PROGRAMME CUTS. IT INCLUDES DOLLARS 350 MILLION FROM PRIVATISATION MEASURES.

6. OUR INITIAL IMPRESSION IS THAT THIS IS AN IMAGINATIVE AND SKILFUL BUDGET BUT ONE WHICH WILL TAKE TIME TO WORK AND ONE WHICH IS NOT AS TOUGH AS IT MIGHT HAVE BEEN. THE CHALLENGE HAS BEEN PASSED TO THE BUSINESS COMMUNITY TO RETURN THE TAX INCENTIVES INTO EXPANDED PROFITABLE ACTIVITIES AND THUS TO REDUCE UNEMPLOYMENT. IF IT FAILS TO DELIVER, CANADA WILL BE IN SERIOUS DIFFICULTIES. THE PUBLIC SECTOR WILL PROBABLY BE RELIEVED THAT THE CUTS HAVE NOT GONE FURTHER ALTHOUGH THERE IS SOME EXPECTATION THAT THE PROGRAMME CUTS MAY BE DEEPER THAN THOSE SPECIFICALLY MENTIONED IN ORDER TO ACHIEVE THE SAVINGS ANNOUNCED.

7. A SPOKESMAN FOR THE BUSINESS COMMUNITY TOLD ME IN CONFIDENCE THAT MR WILSON HAD SAID TO HIM TODAY THAT THE SOME-WHAT CAUTIOUS NATURE OF THE BUDGET WAS AT THE INSISTENCE OF MR MULRONEY.

8. FCO PLEASE PASS TO WEBB, HM TREASURY, HEALEY, OT2/1, DTI AND STRACHAN, BANK OF ENGLAND.

**THIS TELEGRAM
WAS NOT
ADVANCED**

DAY

FINANCIAL

ERD
NAD

COPIES TO:

MR WEBB, TREASURY
MR HEALEY, OT2/1 DTI
MR STRACHAN, BANK OF ENGLAND

²
RESTRICTED



MINISTER OF STATE FOR DEFENCE PROCUREMENT

D/MIN/AB/19/5/49

29th April 1985

Secretary of State

Copies to:

Minister (AF)

US of S(DP)

PUS

CDP

HDS

DUS(P)

AUS(D Staff)

DG Mktg

Sec(NATO/UK)(Pol)

RMD 3

CSSE

Counsellor (Defence Supply) Washington

HMHC Ottawa

HMA Washington

FCO - NAD

CANADIAN DEFENCE ISSUES

In view of the visit here tomorrow of Mr Mulroney, it might be helpful if I set out the main points which emerged during my visit last week to Ottawa. I will follow this later with a summary of my visit to US industry where, at Westinghouse and Lockheed in particular, I learned a good deal about the realistic prospects for UK industrial participation in the Trident programme.

2. In Ottawa, Mr Neilsen, the new Canadian Minister for National Defence, spoke frankly about the need to stimulate greater public awareness of defence issues after years of intellectual and budgetary neglect under Mr Trudeau. This Autumn, the Canadians hope to produce their first Defence White Paper for more than a decade. This and their forthcoming Budget should reveal much of the Administration's thinking and whether Mr Mulroney is prepared to spend in line with the increased emphasis which he is giving to Defence, particularly against the small downward adjustment of \$154m announced in the Autumn.

/ 3. ...

3. Mr Neilsen appeared confident that Canada should get close to or achieve the 3% growth target for defence spending both this year and next. However, it is far from clear what will happen thereafter. Against this background, Mr Neilsen expressed concern that Canada might be attempting too many and varied defence roles. He felt that Canada would serve itself and NATO better by a narrower "focus" of its efforts, but gave little indication of what this might involve. Clearly, we should take every opportunity to explore and, where possible, influence Canadian thinking ahead of their White Paper.

4. The Canadian Armed Forces' equipment is entering a period of block obsolescence. The proportion of the defence budget devoted to procurement has risen steadily in recent years, but only to some 25% of the whole. (On the NATO-agreed basis of calculations the corresponding UK figure would be 31%). There is room for further growth despite the on-going F-18 acquisition programme and Canada's capital contribution to the new Northern Warning System. There is no reason why our defence suppliers should not benefit from any increased spending, particularly in view of the Canadian desire to be used by overseas suppliers as a stalking horse for the US market. This point was repeatedly made to me, not least by Mr Sinclair Stevens, the Minister for Regional Industrial Expansion, who stressed the relevance, in this context, of the greatly improved relations between Ottawa and Washington with the advent of Mr Mulroney's Government. He also pressed me repeatedly on our attitude towards collaboration in general and towards SDI research in particular. Throughout the visit, I reassured the Canadians that your endeavours within IEPG to force the pace of European equipment collaboration would not preclude further, and indeed more extensive, co-operation

/ with ...

with North America. I stressed that we would encourage closer co-operation both at the Government and industry level. On SDI, I said that it was more difficult at this early stage to predict whether the UK and Canada could adopt common approaches and suggested that the Americans seemed to favour bilateral relationships in this field.

4. I was glad to see that a good number of British firms are already active in Canada: they can hardly fail to better in future the derisory level of UK defence sales to Ottawa achieved in recent years. As you know, the most immediate and important sales opportunity is for a Low Level Air Defence System (LLADS) for which Rapier is a contender. On this I was interested not only that Mr Neilsen volunteered the importance he attaches to the Canadian choice, if possible, favouring a NATO Ally, but also that my German counterpart, Manfred Timmermann was in town, no doubt to promote the Franco-German Roland system. We should soon know which of the several competing systems are to be shortlisted. Obviously, it would enormously enhance the prospects of BAe's Rapier system if the Prime Minister were able to stress to Mr Mulroney the importance we attach to developing concretely Anglo-Canadian defence trade and co-operation. Because of a belief in some quarters that the system is obsolescent, it should be stressed that it is our intention to continue to enhance Rapier both to incorporate lessons learned in the South Atlantic and also to keep it fully effective and in service with our own Armed Forces well into the next century.

5. In view of the imminence of Mr Mulroney's visit, with your agreement, I am copying this directly to the Prime Minister.

Adem.



JR(46)

bcPC

10 DOWNING STREET

From the Private Secretary

23 April 1985

CALL BY THE NEW CANADIAN HIGH COMMISSIONER

Mr. McMurtry paid his initial call this morning on the Prime Minister and left his letter of introduction, a copy of which I enclose.

The Prime Minister told Mr. McMurtry how much she was looking forward to a substantial discussion with Mr. Mulroney on 30 April. She will, I think, wish a fair part of this to be either tete-a-tete or in a very restricted group.

(C. D. POWELL)

C.R. Budd, Esq.,
Foreign and Commonwealth Office.

6



Prime Minister Foreign and Commonwealth Office

London SW1A 2AH

22 April 1985

This is just a brief
courtesy call - 15 minutes -
which might focus on
Mr. Mulroney's forthcoming
visit.
Dear Charles,

C.D.P. 22/4.

Call by New Canadian High Commissioner

The new Canadian High Commissioner will call on the Prime Minister at 0930 on 23 April. I attach a biographical note, together with a short brief on Anglo-Canadian relations and a note on the Canadian political and economic scene.

Mr McMurtry made his initial calls at the FCO, including the Foreign Secretary, on 18 April. An audience with The Queen will be arranged as soon as possible after Her Majesty's return to London in early May.

During his initial calls Mr McMurtry spoke of trying to identify fields for new initiatives in UK-Canada relations. Following her meeting with Mr Turner last July, the Prime Minister instructed that we should look for practical measures to strengthen Anglo-Canadian relations (your letter of 6 August refers). Action is in train on a number of fronts, and we shall be letting you have a round-up report with the briefing for the Mulroney visit.

Mr McMurtry stressed that Britain should not be suspicious of the highly publicised but necessary fence-mending which Mr Mulroney had undertaken with President Reagan. Mr Trudeau's rather abrasive stance towards the United States (including a long-remembered visit to Cuba) had led to a particularly uneasy period in what was always bound to be a delicate relationship with the giant neighbour. Mr Mulroney was determined to set that straight but the Irishness of it all had been rather over-done.

Yours ever,
Colin Budd

(C R Budd)
Private Secretary

C D Powell Esq
10 Downing Street



McMURTRY, THE HON (ROLAND) ROY QC

High Commissioner for Canada to Britain. (With effect from 15 April 1985.)

Born in Toronto, May 1932.

Educated at University of Toronto (modern history, 1954), Osgoode Hall Law School (1958). Called to the Bar 1958: QC 1970.

He practiced law for 17 years before being elected to the Ontario Provincial Legislature in 1975. Appointed Attorney-General for Ontario two weeks later, a post which he held throughout his time in the Ontario Government. He was also Solicitor General 1978-82.

He ran for the Provincial Progressive Conservative leadership in 1985, but started late, being a loyal supporter of the incumbent, William Davis. He failed to build up a following among the party rank and file, and in consequence finished last at the convention in January 1985. He had nevertheless gained a considerable popular following in the province.

A close friend of Prime Minister Mulroney, whose bid for the federal Tory leadership he supported in 1976 and 1983.

He has been outspoken on many legal/political issues, and has been a high-profile provincial Minister, prominent within Ontario, and also very visible at the federal level, especially when he took a leading part in the 'kitchen cabinet' negotiations preceding patriation of the Constitution. He has a strong sense of social justice, but a tough view of criminal law.

He is an astute politician, though his intellectual nimbleness is not very apparent in his personal appearance: he is heavily built, rather lumbering with heavy eyes. A bit of a loner in some ways.

/Interests:



Interests: landscape painting and community service.

Married. His wife, Riajean (pronounced with i as in ride), shares those interests but has not played a prominent part in his political life. Six children.

NORTH AMERICA DEPARTMENT
17 April 1985



From: P J Fowler, NAD

Date: 22 April 1985

INITIAL CALL BY THE NEW CANADIAN HIGH COMMISSIONER, 23 APRIL 1985

ANGLO-CANADIAN RELATIONS

Points to make

1. UK's relationship with Canada important and valued. Looking forward to Prime Minister Mulroney's official visit on 28 April-1 May and to developing relations with his Progressive Conservative government (elected September 1984).
2. We welcomed the new Canadian Government's strong support for the NATO Alliance and moves to strengthen its defence contribution.
3. Officials are working on new ideas for strengthening links.

Points Mr McMurtry might raise

4. New Canadian Government's stress on improving relations with USA, eg Reagan visit to Quebec in March, not meant to downgrade relations with UK and EC.
5. Importance of good Canadian TV coverage of Mr Mulroney's visit. (We are doing what we can to help.)
6. **Renewal of EC Ban on Seal Skins and Products:**
We told the Canadians we should support a three year extension of the current EC ban - to preempt EC Commission pressing for a permanent ban - but Ministers will consider further before taking a definitive view.
7. Non-payment of pension increases to British pensioners in Canada. We understand that Mr Mulroney may raise this. We see no immediate prospect of obtaining the necessary finance but the question is being kept under review.



- 2 -

Background

- / 8. Mr Mulroney's Visit: A copy of the programme is attached.
9. There are frequent ministerial visits between Canada and the UK. Mr Clark, Secretary of State for External Affairs, visited London as HMG's guest in December 1984. Miss Carney, Minister for Energy, Mines and Resources, will visit the UK in June at the invitation of Mr Walker. UK Ministers currently due to visit Canada are the Minister for Defence Procurement (22-26 April), Lady Young (24-30 May), and the Minister of State DTI (16-20 June).
10. Work is in hand to strengthen Anglo-Canadian links eg by Parliamentary delegation visits (one each way in 1984); regular meetings on the lines of the Dalhousie University Colloquium in May 1984, to include academics, businessmen, officials and professional people. A seminar on 'Britain, Canada and the Commonwealth' is being held in Leeds at the end of May.
11. The new Canadian Government is pledged to increase defence spending, despite a massive deficit. It has reached agreement with the US on a jointly funded New Early Warning radar net and will increase the number of Canadian troops in Europe.
- / 12. Seals: FCO telno 118 to Ottawa, attached, gives background.
- / 13. A separate note is attached giving detail on the political and economic situation in Canada and in Ontario (Mr McMurtry's Province).



VISIT OF CANADIAN PRIME MINISTER : 28 APRIL - 1 MAY 1985

SUNDAY 28 APRIL

10 am (approx) Arrive London Heathrow Southside by Canadian Armed Forces special flight

Met by Lady Young

RAF Ceremonial Guard

Drive to Inn on the Park (main party) and Intercontinental Hotel (remainder)

[Private - Dinner at Waterside Inn, Bray]

MONDAY 29 APRIL

11 am - 11.45 am Mrs Mulroney to visit Canadian exhibit at Commonwealth Institute

12.30 pm for 1 pm Luncheon hosted by Canadian High Commissioner (to include some British businessmen)

3 pm - 3.25 pm Visit The London International Financial Futures Exchange

5 pm - 7 pm Reception hosted by Canadian High Commissioner, Canada House

Evening Theatre party (Starlight Express) - hosted by a Minister

TUESDAY 30 APRIL

11 am Laying a wreath at the Grave of the Unknown Warrior, Westminster Abbey

11.30 am - 12.45 pm Talks at No 10 (Photo call)

8.15 pm Dinner at No 10

WEDNESDAY 1 MAY

12.15 pm Call on HM Queen Elizabeth The Queen Mother at Clarence House

1 pm Luncheon with Her Majesty The Queen, Buckingham Palace

7 pm Departure London Heathrow Southside
Special Representative will bid farewell

RESTRICTED

13161 - 2

OO OTTAWA

GRS327

RESTRICTED

FM FCO 191844Z APR 85

IMMEDIATE OTTAWA

TELEGRAM NUMBER 118 OF 19 APRIL

AND TO UKREP BRUSSELS

FCO TELNO 112: EC BAN ON SEAL SKINS AND PRODUCTS

1. FOLLOWING IS TEXT OF WRITTEN REPLY TO PQ ON 18 APRIL BY
MR WALDEGRAVE.

BEGINS.

QUESTION

TO ASK THE SECRETARY OF STATE FOR THE ENVIRONMENT WHETHER HE
WILL SUPPORT THE EXTENSION OF THE EC DIRECTIVE BANNING THE
COMMERCIAL IMPORT OF HARP AND HOODED SEAL PUP SKINS AND PRODUCTS
WHEN IT EXPIRES IN SEPTEMBER?

ANSWER.

THE GOVERNMENT REMAINS CONCERNED ABOUT CONSERVING SEALS.
CONSCIOUS OF PUBLIC ANXIETY, WE WILL BE DISCUSSING A RANGE OF
OPTIONS FOR THE EXTENSION OF THE EXISTING BAN WITH OUR EUROPEAN
COLLEAGUES IN THE COMING MONTHS, TAKING ACCOUNT OF ALL THE VIEWS
THAT HAVE BEEN EXPRESSED.

IN ADDITION, THE GOVERNMENT WILL SUPPORT A SWEDISH PROPOSAL TO
INCLUDE HOODED SEALS ON APPENDIX II OF THE CONVENTION ON
INTERNATIONAL TRADE IN ENDANGERED SPECIES OF WILD FAUNA AND FLORA
(CITES), WHICH WILL BE CONSIDERED AT THE FIFTH CONFERENCE OF THE
PARTIES TO THE CONVENTION WHICH BEGINS NEXT WEEK. THIS WOULD
PROVIDE A MEASURE OF PERMANENT PROTECTION FOR ALL HOODED SEALS -
ADULTS AND THEIR PUPS - BECAUSE THERE CAN BE NO TRADE IN SPECIES
LISTED IN APPENDIX II EXCEPT UNDER STRICT LICENSING CONTROLS.

ENDS

2. FOR REASONS YOU ALREADY KNOW (TELECONS PUBLICOVER/LEWINGTON
AND BROWNE/LEWINGTON) THIS IS NOT THE LINE PRESAGED IN TUR. IN
HANDING OVER TO THE CANADIANS THE TEXT OF THE PQ REPLY YOU
SHOULD, AT THIS STAGE, SAY ONLY THAT FOLLOWING MR FRASER'S LETTER

1

RESTRICTED

RESTRICTED

13161 - 2

OF 18 APRIL TO THE SECRETARY OF STATE FOR THE ENVIRONMENT, MINISTERS WILL BE CONSIDERING FURTHER THE UK POSITION ON RENEWAL OF THE COMMUNITY BAN. WE CANNOT OF COURSE PREDICT WHAT THE OUTCOME MAY BE.

3. (UKREP ONLY) IN SPEAKING TO THE COMMISSION YOU MAY WISH TO ADD THAT IT HAS NOT YET PROVED POSSIBLE FOR MINISTERS TO REACH A DEFINITIVE POSITION ABOUT THE FUTURE OF THE BAN: WE WILL NEVERTHELESS WISH TO KEEP IN CLOSE TOUCH WITH THE COMMISSION ONCE MINISTERS HAVE CONSIDERED FURTHER.

HOWE

DISTRIBUTION:-

LIMITED

ECD(E)

MAED

NAD

SIR W HARDING

MR RENWICK

MR DAVID THOMAS


MR O'NEILL

COPIES TO:-

DOE WILDLIFE DIV, BRISTOL

ITP3 DTI

1. The first six months of Mr Mulroney's office has been a period of settling in and consultation on virtually every aspect of Government (the economy, defence, foreign policy, foreign trade, social benefits, energy policy etc). His principal policies, outlined in the speech from the Throne on 5 November are national reconciliation and national consensus (after the divisive years of Mr Trudeau's Government), the need to bring Quebec into the constitutional framework, economic renewal, social justice, the strengthening of the free market economy, the encouragement of foreign investment in Canada, the liberalisation of the National Energy Policy, closer relations with the United States, and commitment to strengthen Canada's defence efforts, give more support to NATO and to promote peace and nuclear disarmament.
2. In his Economic Statement on 8 November, the Finance Minister announced measures to reduce the budget deficit (C\$34.5 billion) and stimulate the economy. A full budget is expected in the week beginning 22 May.
3. The Canadian economy is very dependent on exports to the US. After falling sharply in 1982 it grew strongly all last year as the US economy recovered: Canadian GNP rose by more than a quarter. In the first two quarters of 1984, however, growth slowed down to an annual rate of around 3%, and a further slowdown is generally expected in 1985 as US growth lessens and high interest rates continue to depress activity.
4. Canada has not been nearly as successful as the US in reducing unemployment. Despite rapid growth in 1983 unemployment only fell from 12½% early last year to just over 11% at the end of the year; it then started to rise again and was 11.3% in September, and is one of Mr Mulroney's main economic challenges.
5. Canada has a healthy surplus in merchandise trade, due almost exclusively to exports to the United States (C\$11 billion out of a total surplus of C\$12 billion). Canada's imports from the UK increased by 41% in the second quarter of 1984 compared with the



st seven months of 1983. More than half of this growth was in crude petroleum sales, but there were also significant increases in Canadian imports of British transportation and high technology equipment.

Ontario

6. Ontario is the third largest land area in Canada: 412,582 square miles (four times the size of Britain). The population is 8.8 million (36% of the country's total). Toronto, the provincial capital, is Canada's largest city, with a population of almost three million. It is the world's sixth largest financial centre. Four of every five Canadian national companies have their head offices here.

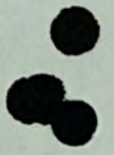
7. Ontario is responsible for 37% of Canada's GDP. It produces more than half the country's manufactured goods; 80% of its steel. The province is a major producer of nickel, copper, gold, silver, iron and uranium. It has large agricultural and forestry sectors. The commercial and financial activity that takes place within 50 miles of Toronto generates half the federal Governments total revenue. About 60% of British exports to Canada go to Ontario.

8. Ontario has had a Progressive Conservative (PC) Government for the last 42 years. The PC Party has 72 seats in the Legislature, the Liberal Party 28 and the New Democratic Party 22. The provincial Premier is Frank Miller who was elected leader of the provincial PC Party in January to succeed William Davis who had been Premier for thirteen years. Mr Miller was sworn-in on 8 February, and has called an election for 2 May.

North America Department
Foreign and Commonwealth Office
16 April 1985

22 APR 1985

0 11 12 1 2 3 4
9 8



Subject



PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T68A185

PRIME MINISTER • PREMIER MINISTRE

OTTAWA, K1A 0A2

April 16, 1985

CC Master
OPS

Dear Mrs. Thatcher:

I take pleasure in introducing to you Mr. Roland Roy McMurtry, Q.C., who has been appointed by the Canadian Government as its High Commissioner in London.

Mr. McMurtry is an experienced and respected personality in Canada who is, I am aware, well-known to you by reputation if not by personal acquaintance. He was first elected to the Ontario Legislature in 1975, and served ten years in the Ontario Cabinet as Attorney General.

I believe that Mr. McMurtry, both by his personal qualities and by his long experience in governmental affairs, is eminently qualified for the mission entrusted to him, and that this appointment will promote the relations of close friendship which so happily exist between our two countries.

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

Yours sincerely,

A handwritten signature in dark ink, appearing to read "Brian Mulroney".

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

RESTRICTED



file 16

10 DOWNING STREET

From the Private Secretary

4 April 1985

Dear Peter,

Thank you for your letter of 2 April about the Montreal Branch of the UN Association's request for a message from the Prime Minister to be engraved on a statue dedicated to the Youth of the World.

The Prime Minister agrees to send a message as follows:-

"Our hopes for a better world rest heavily on the willingness of young people to dedicate themselves to the service of others."

Yours sincerely,
Charles Powell

Charles Powell

Peter Ricketts Esq
Foreign and Commonwealth Office.

RESTRICTED

16

Delayed
CD 4/4. ①



Foreign and Commonwealth Office

Prime Minister

London SW1A 2AH

You commented earlier 2 April, 1985
that this was a strange request.

This letter gives more details. These
sending messages are quite a
respectable bunch!
Dear Charles,
Agree to send a message?
Agree to my draft?
[25 words max.]
Yes not

Thank you for your letter of 11 March about the Montreal Branch of the UN Association's request for a message from the Prime Minister which will be engraved on a statue dedicated to the Youth of the World.

CDP
3/4.

I now enclose an updated list, obtained by our High Commission in Ottawa, of responses to UNA Montreal's invitation for a message to commemorate International Youth Year.

The sculpture is still being constructed by students of the Arts Department, Montreal University. It is apparently to be a hollow cube made from electricity pylons, 20 feet high. Brass or granite plaques bearing international leaders' messages will be placed inside and at the base of sculpture. The project has been funded by the Federal Government, Bell Canada and Hydro Quebec. The finished sculpture will be presented to the city of Montreal and placed on the former Montreal Expo Site. A park is to be laid out around it. The Canadian Minister for Youth will preside over the official unveiling ceremony in June.

Yours ever,

Peter Ricketts

(P F Ricketts)
Private Secretary

C D Powell Esq
10 Downing Street

02 APR 1985

11 12 1
9 2
8 3
7 6 5 4



UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

RESPONSES TO UNA MONTREAL'S INVITATION FOR A MESSAGE
TO COMMEMORATE INTERNATIONAL YOUTH YEAR

Messages already sent by:

Secretary-General of the UN
The Governor-General of Canada
Prime Minister of Canada
Premier of Quebec
Canadian Minister for Youth
Mayor of Montreal
Prime Minister of Greece
Prime Minister of Spain
Prime Minister of Jamaica
President of India
President of Italy.

Messages on the way from:

The Pope
President of the United States

The following are expected to send messages:

President of France
President of Venezuela
Prime Minister of Egypt
Prime Minister of Japan
President of Hydro Quebec

Intentions of the following are unknown:

President of the Federal Republic of Germany
Prime Minister of Australia
President of the Soviet Union

Canada : Relations B75

DRAFT MESSAGE FOR UNA MONTREAL

FCO.

Our constant inspiration for a better world lies
in the hope, vigour and idealism of youth.

Alternative

CD?

Our hopes for a better world
rest heavily on the willingness of
young people to dedicate themselves
to the service of others.

mf



Foreign and Commonwealth Office

London SW1A 2AH

29 March 1985

Mr Paul Lapointe
Canadian High Commission
Macdonald House
1 Grosvenor Square
LONDON
W1X 0AB

~~C.D.P.~~
I fixed nos
direct. Hope you
don't mind. OK

My dear Paul,

You told me that the new High Commissioner, the Hon Roy McMurtry, would be arriving in London on Monday 15 April at 8.25 am on Flight AC 856. I shall be at Heathrow to welcome him on behalf of the Secretary of State.

I have arranged that Mr McMurtry should call on the Prime Minister at 10 Downing Street at 9.30 am on Tuesday 23 April in order to present his letter of introduction from the Prime Minister of Canada.

As I told you, I hope to arrange for Mr McMurtry to pay his initial courtesy calls on Ministers and senior officials of the Foreign and Commonwealth Office in the week of his arrival. I shall let you know when we have been able to arrange a programme.

Yours ever
Stanley

S W F Martin
Assistant Marshal of the
Diplomatic Corps

Bcc: Mrs Stephens, 10 Downing St
Miss Phillips, Private Office
Miss Hughes, NAD Could briefing
please reach No 10 by evening
of Monday 22 April

01 APR 1985

3
4
5
6
7
8
9
10
11
12

cc Soviet Union; PM's attendance
at funeral: May 1984

CONFIDENTIAL

file VC
cpc

a MATTER SET



10 DOWNING STREET

From the Private Secretary

14 March 1985

Dear Len,

PRIME MINISTER'S MEETING WITH MR. MULRONEY

I enclose a record of the Prime Minister's meeting with Mr. Mulroney while in Moscow for President Chernenko's funeral.

I am copying this letter and enclosure to Richard Mottram (Ministry of Defence) and Richard Hatfield (Cabinet Office).

Yours sincerely,

C.D. POWELL

L.V. Appleyard, Esq.,
Foreign and Commonwealth Office.

CONFIDENTIAL

RECORD OF A MEETING BETWEEN THE PRIME MINISTER AND THE
PRIME MINISTER OF OF CANADA, MR. MULRONEY, AT THE BRITISH
EMBASSY, MOSCOW ON 13 MARCH 1985 AT 1730

Present:

Prime Minister	Mr. Mulroney
Foreign Secretary	Mr. Smith
Mr. C.D. Powell	Mr. Fowler
Mr. B. Ingham	Mr. Fox
Mr. A. Turnbull	Mr. Pristanski
Mr. L.V. Appleyard	

The Prime Minister congratulated Mr. Mulroney on his spectacular election victory. Mr. Mulroney said he took particular satisfaction from the fact that the Conservatives had won 58% of the votes in the French speaking seats. The Government was maintaining its popularity, with a 53% approval rating.

Mr. Mulroney set out the priorities for his Government. First, there was the need to restore the alliance with the United States and the other allies. He detected that the Canadian people had had enough of posturing on peace questions and on the denigration of Canada's allies. Canada would shortly increase its forces in Europe by 1,200, bringing the total to 7,100. He would like to reach a total of 10,000. Canada would also be signing an agreement with the United States for the joint refurbishment of the North Warning System.

Secondly, it was essential to rebuild the economic relationship with the United States. 78% of Canada's trade was with the United States and 3 million jobs depended on it. The Foreign Investment Review Act had been scrapped.

Thirdly, his Government sought greater harmony between the Provinces and with the Federal Government. For example, an agreement had been reached on a formula which would allow Newfoundland to develop its substantial oil resources.

Fourthly, it was essential to reduce the budget deficit which stood at C\$35 billion. This was higher proportionately than the deficit in the United States. Expenditure cuts of C\$4½ billion had already been introduced and cuts of a further C\$3 billion were needed. The Prime Minister said she was particularly concerned at the growing burden of welfare expenditure. She reported that she had sought to get the Economic Summit to address this theme but without success.

Mr. Mulroney asked what line the Prime Minister was taking on SDI. The Prime Minister said that Britain sought to make two points. First, Russia was already carrying out substantial research in this area and was updating the anti-missile system around Moscow. It was necessary for the United States, therefore, to undertake research in this area. Secondly, it was not possible to verify research and therefore make it subject to international agreement. If the United States reached the point of testing or deployment, it would have to negotiate this under the terms of the ABM Treaty. The Prime Minister said that President Reagan had confirmed this position, both at Camp David in December and in Washington in February. The Prime Minister said the Soviet Union put forward the argument that once research had begun, it would develop an unstoppable momentum. Against this, the West should argue that testing and deployment were still subject to treaty obligations. The United States was unlikely to want to abrogate the Treaty and public opinion in the West would strongly resist this.

Mr. Mulroney asked the Prime Minister how Mr. Gorbachev had reacted to these arguments. The Prime Minister said that Mr. Gorbachev, though able, had been brought up entirely within the Soviet system. He still believed that the United

States was seeking to build up a first strike capability. She had sought to impress upon him that the West was a defensive alliance; while the United States would use its resources to develop its freedoms, it would not use them to seek more power.

The meeting ended at 1755.

C.D.P.

14 March 1985



10 DOWNING STREET

From the Private Secretary

11 March 1985

Thank you for your letter of 7 March about the statue to be erected in Montreal to commemorate International Youth Year, and the request for a message from the Prime Minister to be inscribed on the base.

BT

The Prime Minister has commented that this seems a rather strange request. She would like to know more about the statue and to have a clear impression of which Heads of Government will in practice send messages. I should be grateful if you could look into this.

(C.D. Powell)

Peter Ricketts, Esq.,
Foreign and Commonwealth Office

R17



Prime Minister

Foreign and Commonwealth Office

London SW1A 2AH

7 March 1985

This seems unexceptionable if it is confirmed that other major western leaders will contribute a message.

But I don't understand the Foreign Office draft & submit an alternative.
Dear Charles,

Agree?
I would think a very strange request what sort of letter?
CDP
2/3/85

The Montreal Branch of the UN Association in Canada plans to commemorate the International Youth Year (1985) by erecting a statue dedicated to the Youth of the World.

The organisers have sought and received the patronage of Mr Joe Clark, the Minister for Foreign Affairs, for the event. M. Crepeau, the President of the Organising Committee, has approached our Mission in Ottawa and asked for a message from the Prime Minister. Messages from other Heads of State, Heads of Government and other political personalities are being sought. I enclose a list obtained by our High Commission. Each message, limited to 25 words, will be engraved at the base of the statue.

The United Nations Association in the UK is aware of and supports the event. We consider this to be a serious project which could receive international publicity. Although the list of those invited to contribute lacks an obvious rationale, it is respectable company. We can therefore see no objection to the Prime Minister accepting the UNA Montreal's proposal if she wished to do so. I enclose a draft of a possible message. If the Prime Minister is content to go ahead, we would arrange to forward her message to M. Crepeau.

There is a risk, which you may wish to consider, that if the Prime Minister agrees to such a message, various other respectable and equally deserving organisations from UK and other countries may seek similar treatment. Although our Mission in Ottawa is unaware of any similar requests from Canada and we have not, to date, received any from other countries, there could well be further such requests as the International Year progresses.

Yours ever,

Peter Ricketts

(P F Ricketts)
Private Secretary

C D Powell Esq
10 Downing Street

RESPONSES TO UNA MONTRAL'S INVITATION
FOR A MESSAGE TO COMMEMORATE INTERNATIONAL YOUTH YEAR

Messages already sent by:

Governor-General of Canada
President of Italy

The following are expected to send messages:

The Pope
Secretary-General of the UN
Canadian Minister for Youth
President of the United States
President of France
President of Venezuela
Prime Minister of Egypt
Prime Minister of Spain
Prime Minister of Greece
Prime Minister of Jamaica
Prime Minister of Japan
President of Hydro Quebec

Intentions of the following are unknown:

Prime Minister of Canada
Premier of Quebec
Mayor of Montreal
President of the Federal Republic of Germany
Prime Minister of Australia
President of India
President of the Soviet Union



10 DOWNING STREET

From the Private Secretary

14 February 1985

CANADIAN NATIONAL CITIZENS' COALITION

Thank you for your letter of 13 February enclosing a telegram to the Prime Minister from the National Citizens' Coalition in Toronto.

The Prime Minister has no memory of the NCC arranging her visit to Canada while Leader of the Opposition. She would be content for the High Commissioner to reply to the telegram on her behalf as suggested in your letter.

Charles Powell

Peter Ricketts, Esq.,
Foreign and Commonwealth Office.



Prime Minister

Foreign and Commonwealth Office

Do you remember this group?

No. London SW1A 2AH

May we politely decline on your behalf?

13 February 1985

Dear Charles,

CDP 13/1. ^{Yes} _{not}

Canadian National Citizens' Coalition

I enclose a telegram addressed to the Prime Minister from the National Citizens' Coalition (NCC) in Toronto, which was delivered to Wilton Park and thence the FCO. It proposes the award to the Prime Minister of honorary, lifetime membership in the NCC and asks whether the Prime Minister would accept an invitation from the Coalition "to speak to Canadians in Toronto".

We have consulted the High Commission in Ottawa, who tell us that the NCC is a right-wing lobbying/pressure group who have not sought representation in Parliament. They are well funded and able to run extensive advertisement campaigns. During the run-up to last year's General Election they fought successfully in the courts to block implementation of a legal provision designed to prevent abuses of election expenditure, but plausibly attacked by the NCC as infringing freedom of expression. Some earlier campaigns were less well judged, and they have on occasion been an embarrassment to the Progressive Conservatives.

Neither the High Commission nor the FCO have any records which throw light on the NCC's claim that they took the initiative in arranging Mrs Thatcher's visit to Canada while Leader of the Opposition.

We therefore recommend that the High Commission be instructed to reply to the telegram on the Prime Minister's behalf with the aim of deflecting them from giving the Prime Minister honorary lifetime membership of the NCC and declining the invitation to speak in Toronto. The reply would indicate that while the Prime Minister appreciates the gesture, she feels that for her to accept the membership, or speak under their auspices while Prime Minister, might be open to misunderstanding as indicating involvement in the internal political life of another country.

Z ever,
P F Ricketts

(P F Ricketts)
Private Secretary

C D Powell Esq
No 10 Downing Street

Enter Command

Store Message 003

2137 Words Left

877242 CONFST G
ROYAL YORK TOR

End of Message 003

Enter Command

Store Message 004

2133 Words Left

877242 CONFST G
ROYAL YORK TOR

TO: THE RT. HON. MARGARET THATCHER, PC, MP,
10 DOWNING ST.,
LONDON,
UNITED KINGDOM.

DEAR MADAM PRIME MINISTER,

THE NATIONAL CITIZENS' COALITION WISHES TO DO WHAT OXFORD UNIVERSITY IS CLEARLY UNWILLING TO DO - PRAISE YOU FOR YOUR WORK AND ACCOMPLISHMENTS ON BEHALF OF FREEDOM AND FREE ENTERPRISE:

THE BEST THAT WE AT THE NATIONAL CITIZENS' COALITION CAN DO TO RECOGNIZE YOUR YEARS OF SERVICE FOR FREEDOM AND FREE ENTERPRISE IS TO GIVE TO YOU AN HONORARY, LIFETIME MEMBERSHIP IN OUR ORGANIZATION.

WE HOPE THAT SINCE YOU NO LONGER HAVE A COMMITMENT TO SPEAK AT OXFORD UNIVERSITY, YOU CAN ACCEPT AN INVITATION, HEREBY EXTENDED, FROM THE NATIONAL CITIZENS' COALITION TO SPEAK TO CANADIANS IN TORONTO INSTEAD.

YOU MAY RECALL THAT IT WAS AT THE INSTIGATION OF THE NATIONAL CITIZENS' COALITION THAT YOU CAME TO CANADA TO SPEAK SEVERAL YEARS AGO WHEN YOU WERE LEADER OF THE OPPOSITION. WE STILL REMEMBER CLEARLY THE IMPORTANCE YOU ADDRESS.

OUR ORGANIZATION BELIEVES IN VALUES WHICH WE KNOW WE SHARE: MORE FREEDOM THROUGH LESS GOVERNMENT.

SINCERELY,
COLIN M. BROWN
PRESIDENT,
NATIONAL CITIZENS' COALITION.

877242 CONFST G
ROYAL YORK TOR

.....
End of Message 004

Enter Command

Yel to Ottawa

R 9 B.V. 6 Feb

nted 5/4/42

Bu 17 Feb for

EP 1/2

vinei

EP 1/2



Foreign and Commonwealth Office

London SW1A 2AH

13 February 1985

ED

Dear Charles,

Canadian National Citizens' Coalition

I enclose a telegram addressed to the Prime Minister from the National Citizens' Coalition (NCC) in Toronto, which was delivered to Wilton Park and thence the FCO. It proposes the award to the Prime Minister of honorary, lifetime membership in the NCC and asks whether the Prime Minister would accept an invitation from the Coalition "to speak to Canadians in Toronto".

We have consulted the High Commission in Ottawa, who tell us that the NCC is a right-wing lobbying/pressure group who have not sought representation in Parliament. They are well funded and able to run extensive advertisement campaigns. During the run-up to last year's General Election they fought successfully in the courts to block implementation of a legal provision designed to prevent abuses of election expenditure, but plausibly attacked by the NCC as infringing freedom of expression. Some earlier campaigns were less well judged, and they have on occasion been an embarrassment to the Progressive Conservatives.

Neither the High Commission nor the FCO have any records which throw light on the NCC's claim that they took the initiative in arranging Mrs Thatcher's visit to Canada while Leader of the Opposition.

We therefore recommend that the High Commission be instructed to reply to the telegram on the Prime Minister's behalf with the aim of deflecting them from giving the Prime Minister honorary lifetime membership of the NCC and declining the invitation to speak in Toronto. The reply would indicate that while the Prime Minister appreciates the gesture, she feels that for her to accept the membership, or speak under their auspices while Prime Minister, might be open to misunderstanding as indicating involvement in the internal political life of another country.

Z ever,
P F Ricketts

(P F Ricketts)
Private Secretary

C D Powell Esq
No 10 Downing Street

Enter Command

Store Message 003

2137 Words Left

877242 CONFST G
ROYAL YORK TOR

End of Message 003

Enter Command

Store Message 004

2133 Words Left

877242 CONFST G
ROYAL YORK TOR

TO: THE RT. HON. MARGARET THATCHER, PC, MP,
10 DOWNING ST.,
LONDON,
UNITED KINGDOM.

DEAR MADAM PRIME MINISTER,

THE NATIONAL CITIZENS' COALITION WISHES TO DO WHAT OXFORD UNIVERSITY IS CLEARLY UNWILLING TO DO - PRAISE YOU FOR YOUR WORK AND ACCOMPLISHMENTS ON BEHALF OF FREEDOM AND FREE ENTERPRISE.

THE BEST THAT WE AT THE NATIONAL CITIZENS' COALITION CAN DO TO RECOGNIZE YOUR YEARS OF SERVICE FOR FREEDOM AND FREE ENTERPRISE IS TO GIVE TO YOU AN HONORARY, LIFETIME MEMBERSHIP IN OUR ORGANIZATION.

WE HOPE THAT SINCE YOU NO LONGER HAVE A COMMITMENT TO SPEAK AT OXFORD UNIVERSITY, YOU CAN ACCEPT AN INVITATION, HEREBY EXTENDED, FROM THE NATIONAL CITIZENS' COALITION TO SPEAK TO CANADIANS IN TORONTO INSTEAD.

YOU MAY RECALL THAT IT WAS AT THE INSTIGATION OF THE NATIONAL CITIZENS' COALITION THAT YOU CAME TO CANADA TO SPEAK SEVERAL YEARS AGO WHEN YOU WERE LEADER OF THE OPPOSITION. WE STILL REMEMBER CLEARLY THE IMPORTANCE YOU ADDRESS.

OUR ORGANIZATION BELIEVES IN VALUES WHICH WE KNOW WE SHARE: MORE FREEDOM THROUGH LESS GOVERNMENT.

SINCERELY,
COLIN M. BROWN
PRESIDENT,
NATIONAL CITIZENS' COALITION.

877242 CONFST G
ROYAL YORK TOR

End of Message 004

Enter Command

Tel to Ottawa

R 9 By 6 Feb

nded 5/2 PA 4/2

By 2 Feb for

LS 1/2 V.wei

LS 1/2

13 FEB 1985



10 DOWNING STREET

From the Private Secretary

7 February 1985

CHANGE OF PREMIER IN ONTARIO

Thank you for your letter of 6 February about the retirement of Mr. William Davis as Premier of Ontario.

The Prime Minister agrees to the proposed message (except that "success" in the last line should be changed to "good wish". I should be grateful if it could be despatched.

(C. D. POWELL)

Colin Budd, Esq.,
Foreign and Commonwealth Office.

CR

874

010

cc/c
②



Foreign and Commonwealth Office

London SW1A 2AH

6 February 1985

Prime Minister
Agree message?
CDP
9/2

Dear Charles,

Yes mt

Change of Premier in Ontario

You may have seen press reports of the election of a new leader of the Ontario Progressive Conservative Party on 26 January, to succeed Premier William Davis. Frank Miller is to be sworn in as Premier of Ontario on 8 February.

Mr Davis was Premier of Ontario for 13 years and a member of the provincial legislature for 25 years. His party has been in power in Ontario for 41 years. He has given no indication of what he expects to do next.

The High Commissioner in Ottawa has suggested that the Prime Minister might wish to send a message to Mr Davis to mark his departure from Office, in view of his length of service and the Prime Minister's meetings with him in Toronto in 1983 and London in 1984. The Canadian High Commissioner designate to London, Mr McMurtry, is a senior member of Mr Davis's government. We consider the occasion justifies a message if the Prime Minister wishes to send one. It might be on the following lines:

"As you step down as Premier of Ontario, I would like to send you my personal good wishes. I recall with great pleasure my visit to Ontario in the autumn of 1983 and our subsequent meeting in London. Every ~~success~~ for the future."

good wish

Yours ever,

Colin Budd

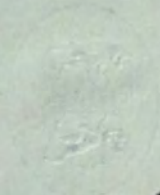
(C R Budd)
Private Secretary

C D Powell Esq
10 Downing Street

- 6 FEB 1985

11 12 1
10 2
9 3
8 4
7 5

UNITED STATES AIR FORCE
MAIL ROOM





flh

10 DOWNING STREET

From the Private Secretary

2 February 1985

PROPOSED NEW CANADIAN HIGH COMMISSIONER

Thank you for your letter of 2 February about the Canadian Government's intention to appoint Mr. Roy McMurtry as Canadian High Commissioner in London. The Prime Minister is content for the appointment of Mr. McMurtry to be announced on Monday, 4 February. She would not wish to trouble Mr. Mulroney to telephone her on this. In any case, she is already heavily engaged on Monday. But she looks forward to an early opportunity to meet Mr. Mulroney for a thorough discussion.

I should be grateful if this message could be conveyed through our High Commissioner in Ottawa.

CHARLES POWELL

The Resident Clerk,
Foreign and Commonwealth Office.

ms

CONFIDENTIAL



Foreign and Commonwealth Office

London SW1A 2AH

2 February 1985

C D Powell Esq
No 10 Downing Street

Dear Powell,

PROPOSED NEW CANADIAN HIGH COMMISSIONER

We have been informed that the Canadian Government propose to appoint Mr Roy McMurtry, at present Attorney-General in the province of Ontario, to be Canadian High Commissioner in London in succession to Mr Jamieson. I enclose a curriculum vitae.

The Foreign Secretary welcomes this appointment. As you will be aware, it is not the practice between Commonwealth countries of which Her Majesty is Queen to seek formal agreement to the appointment of a High Commissioner. The Foreign Secretary would be grateful however if the Prime Minister would agree to our informing the Canadian Government that the British Government will be glad to welcome Mr McMurtry in London and look forward to continuing with him the happy association which they enjoyed with his predecessor.

Mr McMurtry was a member of Premier Davis's Ontario provincial Cabinet, and an unsuccessful candidate in the recent election of a successor to Mr Davis as leader of the Ontario Progressive Conservative Party. Our High Commissioner in Ottawa telephoned last night to say that he had been asked by Mr Mulroney's office whether it would be possible for us to agree to their announcing Mr McMurtry's appointment on Monday 4 February, because the new Premier of Ontario is expected to announce his Cabinet within the next few days.

I should be grateful if you would seek the Prime Minister's agreement to the Canadian request, and let me know a time today when it would be convenient for Mr Mulroney to telephone Mrs Thatcher.

Yours sincerely,

Shepard Cooper-Giles

Resident Clerk

CONFIDENTIAL

*original
of letter
re faxed*



THE HONOURABLE R ROY McMURTRY QC

Born in Toronto on 31 May 1932.

Educated Trinity College, University of Toronto (modern history). Osgoode Hall Law School (graduated 1958). Trial lawyer and instructor in the Bar admission course and the Bar Association's continuing education programme.

First elected to the Provincial Legislature in 1975. Appointed Attorney-General two weeks later, a post which he held continuously until the present. At one time he also held the office of Solicitor-General.

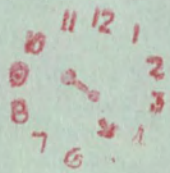
Mr McMurtry is a long-standing friend of Mr Mulroney and is a close friend and confidant of former Premier Davis of Ontario. He is a key member of the Ontario Progressive Conservative Party, and has been active in Progressive Conservative politics (at both federal and provincial level) since the late 1960s. He worked in the campaign to remove Mr Diefenbaker from the leadership of the federal PC Party in 1967. Although his breadth of experience is limited, he has been the most high-profile Minister in the Ontario provincial Cabinet, and has been responsible for an impressive amount of important provincial legislation much of it designed to help disadvantaged people and minority groups. Mr McMurtry was a candidate in the recent election of a new leader for the Progressive Conservative Party of Ontario.

He is a federalist, and played a central role in the federal-provincial negotiations leading to the request in 1981 for the patriation of the Canadian constitution.

He is a keen sportsman and an accomplished artist. His wife, Ria Jean, has not played a prominent part in his political life, but shares his interest in landscape painting and community services.

North America Department
Foreign and Commonwealth Office
2 February 1985

2 FEB 1985





10 DOWNING STREET

From the Private Secretary

21 January 1985

VISIT TO THE UNITED KINGDOM BY THE CANADIAN PRIME MINISTER

Thank you for your letter of 18 January.

The Prime Minister has noted that Mr. Mulroney will not be able to visit London at the time of the Bonn Economic Summit; and that fresh proposals from the Canadians are awaited.

(C.D. POWELL)

C.R. Budd, Esq.,
Foreign and Commonwealth Office.

67.

CONFIDENTIAL

CR
②



Foreign and Commonwealth Office

London SW1A 2AH

Prime Minister

18 January, 1985

CDP
10/1

Dear Charles,

Visit to UK by Canadian Prime Minister

In your letter of 6 December you informed us that the Prime Minister agreed in principle to the suggestion that the Canadian Prime Minister should visit London immediately before the Bonn Economic Summit in May. Mr Mulroney's office have now told Sir Derek Day that a decision has been taken that Mr Mulroney will not undertake any additional visits at the time of the Bonn Summit; hence he will not be able to take up the Prime Minister's invitation.

The High Commission are awaiting proposals for an alternative date or dates from Mr Mulroney's office.

Yours ever,

Colin Budd

(C R Budd)
Private Secretary

C D Powell Esq
10 Downing Street

CONFIDENTIAL

CANADA ; Relations : A 5.

POSTAGE AND TELEGRAPH OFFICE
DEPARTMENT OF REVENUE

18 JAN 1985

0 1 2 3 4 5 6 7 8 9

PRIME MINISTER

MEETING WITH JOE CLARK, 12 DECEMBER

He comes tomorrow at 0900 hrs for a courtesy call following his detailed talks with Geoffrey Howe today.

He will have the Canadian High Commissioner (Mr. Jamieson) and the Political Director (Mr. de Montigny Marchand). Lady Young and Derek Day will attend. I suggest the White Drawing Room.

The briefing provided is tailored to the Foreign Secretary's meeting and not to yours. I suggest that you ask him how the new Government is settled in, look forward to Mr. Mulroney's visit next May, pick up his commitment to developing Anglo/Canadian relations and ask what practical steps he and Geoffrey Howe were able to identify to this end, and tell him about your forthcoming meetings with Gorbachev, Deng and Reagan. If time you might give him a resume of your views on arms control on which the Canadians in the past have been wobbly.

He may raise the payment of British pensions in Canada. Briefing at Flag A. The problem is that we don't pay increases: we can't afford it.

Card attached.

C.D.P.

11 December, 1984

PRIME MINISTER'S MEETING WITH
JOE CLARK, 12 DECEMBER, 1984

1. Glad Mr. Mulroney able to come in May.
2. Invite him to speak on policies and prospects of new Canadian Government.
3. Welcome commitment to look for ways to strengthen Anglo-Canadian relations. What progress in talks with Geoffrey Howe?
4. Tell him of talks with Gorbachev, Deng and Reagan.
5. Review prospects for progress on arms control.

CONFIDENTIAL



Foreign and Commonwealth Office

London SW1A 2AH

10 December 1984

Dear Charles,

Visit of Canadian Secretary of State for External Affairs:
10-12 December 1984

Mr Clark is to pay a call on the Prime Minister at 9 am on 12 December. He will be accompanied by the Canadian High Commissioner, Mr Jamieson, and Mr de Montigny Marchand, Deputy Minister, Political Affairs, Department of External Affairs. Lady Young and Sir Derek Day will also attend.

// The background to Mr Clark's visit, UK and Canadian objectives and an outline of the main subjects to be discussed are set out in the steering brief for the Foreign Secretary's meeting with Mr Clark, a copy of which I attach. I also attach the following papers:

- (i) the brief for Mr Clark's meeting with the Foreign Secretary on EC/Canada issues;
- (ii) the brief for Mr Clark's meeting with the Foreign Secretary on UK/Canada bilateral relations;
- (iii) personality notes;
- (iv) a background brief on the political and economic situation in Canada.

This is essentially a courtesy call. The Prime Minister's objectives might usefully be:

- (a) to reassure Mr Clark that UK takes Canada seriously and attaches value to a close and continuing relationship between UK and Canada, to be pursued through Governmental, Parliamentary, official and non-Governmental contacts;
- (b) to encourage consultation between UK and Canada on international issues of common concern, particularly on East/West, Alliance and disarmament questions;
- (c) to encourage the Canadian Government to play a greater and more constructive part within the Alliance than has been the case under recent Governments.

/The

CONFIDENTIAL



The Prime Minister may wish to tell Mr Clark that she looks forward to Mr Mulroney's proposed visit to London before the Bonn Economic Summit next May.

As recorded in the steering brief (paragraph 4) Mr Clark has expressed his belief that UK/Canadian relations are a significant element in Canada's overall foreign policy and should be developed further. This matches views expressed by the Prime Minister in her congratulatory message to Mr Mulroney on his election and her instruction in your letter of 6 August that practical ways be sought to improve Anglo/Canadian relations. Existing Anglo/Canadian contacts are extensive; Ministerial visits and official contacts are listed in Annexes A and B to the UK/Canada brief; there has also been an exchange of UK and Canadian Parliamentary Delegations in the course of 1984. Both the Department and the High Commission in Ottawa have been examining what may be done to increase further the substance of the UK/Canada relationship and the Secretary of State will be discussing this subject with Mr Clark on 11 December with a view to identifying additional areas of cooperation.

Mr Clark may well raise with the Prime Minister payment of British pensions in Canada, on which he is coming under pressure in the Canadian Parliament (see paragraph 7 of Points to Make and paragraphs 5-7 of Essential Facts of the UK/Canada brief).

The Prime Minister last met Mr Clark at the Commonwealth Heads of Government meeting in Lusaka in 1979 and at the Tokyo Economic Summit.

I am sending a copy of this letter and enclosures to Sir Robert Armstrong.

Your ever,

Len Appleyard

(L V Appleyard)
Private Secretary

C D Powell Esq
10 Downing Street

VISIT OF CANADIAN SECRETARY OF STATE FOR EXTERNAL AFFAIRS: 10-12
DECEMBER 1984

STEERING BRIEF

BACKGROUND TO THE VISIT

1. Mr Clark will pay an official visit to London from 10-12 December, as the guest of the British Government. His main official engagement will be talks with the Secretary of State from 11.30 am on 11 December followed by a working lunch, both at Lancaster House. Mr Clark will also call on the Prime Minister at 9.00 am on 12 December, address the Canada Club on 10 December, and meet the British-Canadian Parliamentary Group and Mr Denis Healey on 11 December.

2. Mr Clark's visit was suggested by the Secretary of State after he had met Mr Clark in New York in the margins of the United Nations General Assembly in September. It provides a timely opportunity for an exchange of views at a stage when the Canadian Government's foreign policies are still being developed. Although Sir Geoffrey Howe met the Canadian Minister for National Defence during his visit to the UK in October, Mr Clark's visit will be the first opportunity for substantive discussions with the new Canadian Government since it assumed office following the General Election on 4 September. A number of other Ministerial visits are in prospect to and from Canada in the course of 1985 and it is now agreed in principle that Mr Mulroney will visit London immediately before the Economic Summit in Bonn in May 1985, at the Prime Minister's invitation.

3. The main thrust of the Canadian Government's policies, as so far stated, is to improve relations with the United States, strengthen relations with Europe (in particular the UK and France) and with the Pacific, and to promote measures of arms control and disarmament. After the rather negative years in the decline of the Trudeau era, there is a more positive sense of direction about the new Government. Mr Mulroney and his Progress Conservative Government have a decisive and nation-wide mandate (211 out of 282 seats in the House of Commons), a greater sense of self-confidence and national identity than the previous administration, and a clear disposition to work with their partners and Allies rather than take unilateral initiatives. Mr Mulroney is committed to strengthening Canada's defence forces and to playing a full part in NATO. It is in our interest to take advantage of this mood and to encourage consultations, particularly over issues such as nuclear disarmament which Mr Clark will be actively promoting.

4. Mr Clark has expressed his personal belief that UK/Canada relations are a significant element in Canada's overall foreign policy and should be developed on the basis of present day realities. This matches viewsexpressed by the Prime Minister and her instruction that ways be sought to strengthen Anglo/Canadian relations. Contacts are at present extensive, but there remains scope for additional areas of co-operation; it would suit our interests and please the Canadians if we were to emphasise the multilateral dimension (eg co-operation in the Namibia Contact Group, the UN, in the Caribbean) as well as our purely bilateral relationship (Brief No 14).

UK OBJECTIVES

5. Our objectives in the present visit are:

a) to demonstrate the value we attach to a close and continuing

relationship between UK and Canada, to be pursued through Governmental, Parliamentary, official and non-governmental contacts;

b) to encourage consultation on a range of international issues of common concern particularly East/West, Alliance and disarmament questions;

c) to ascertain Canadian thinking on foreign policy priorities and possible initiatives;

d) to inform Mr Clark of our major interests and to seek Canada's co-operation and assistance.

CANADIAN OBJECTIVES

6. Canadian objectives are likely to be:

a) to reassure us of their intention to maintain a close and constructive relationship with the UK and other Western allies;

b) to ascertain UK thinking on major foreign policy issues of mutual concern, notably East/West and Alliance questions;

c) to explain how the Canadian government's thinking is evolving on foreign policy questions;

d) to give some account of the changes in domestic policy envisaged by the new government.

AGENDA

7. There is no formal agenda for the talks or lunch but it has been envisaged in official discussions that Ministers might wish to start the meeting in the morning by focusing on Alliance issues, East/West relations and disarmament and then move on to look at bilateral matters and other international issues of mutual concern.

BRIEFING

8. The briefing provided covers subjects proposed by us and also reflects advice from the Canadian High Commission and from the British High Commission in Ottawa on subjects which Mr Clark may wish to raise.

(a) NATO (BRIEF NO 1), EAST/WEST RELATIONS (BRIEF NO 2), ARMS CONTROL AND DISARMAMENT, (BRIEF NO 3)

These questions fall logically together since East/West relations and arms control will be high on the agenda for the North Atlantic Council Ministerial Meeting. The discussion will provide an opportunity for the Secretary of State to set out his views on the main issues Ministers will need to cover; to encourage a more robust Canadian line on arms control issues; to urge close consultations within the Alliance and to guard against Soviet wedge-driving; to convince the Canadians of the need not to offer unilateral concessions (especially on INF deployments) now that US/Soviet negotiations are about to resume; and to welcome Canadian statement about their intention to strengthen Canadian presence in Europe.

Despite earlier indications that the Progressive Conservative government would significantly increase defence expenditure, on 8 November the Minister of Finance announced cuts in the defence budget as part of a general retrenchment. The Secretary of State could enquire about future Canadian intentions.

(b) CENTRAL AMERICA AND THE CARIBBEAN (BRIEF NO 4)

We should make the point that we value Canadian expertise on the Caribbean and wish to continue co-ordinating our joint effort, especially on regional security. We must continue to keep closely in touch on Central America. We support US objectives there but have told the Americans that we have reservations about some of their actions.

(c) ARAB/ISRAEL AND THE LEBANON (BRIEF NO 5)

Apart from their contribution to UNDOF, the Canadians do not have an active Middle East policy. But we should urge them to encourage the Americans to give new momentum to the peace process.

(d) IRAN/IRAQ (BRIEF NO 6)

The meeting will provide an opportunity to discuss ways of limiting the scope of the conflict in the Gulf, and also to exchange information on the progress, or otherwise, which has been made towards the re-opening of our respective Embassies in Tehran.

(e) NAMIBIA (BRIEF NO 7)

On Namibia Mr Clark may wish to review the progress of negotiations since Angolan acceptance of the concept of linkages; he may also raise the role of the Contact Group. The Canadians should be encouraged to continue participating in the Group.

(f) CYPRUS (BRIEF NO 8)

Canada is a major troop contributor to UNFICYP and Mr Clark may be interested to hear our views on progress in the 'proximity' talks. Canada has suspected that UNFICYP's presence in Cyprus simply prolongs the dispute and Mr Clark may seek our reassurance about the importance of the UN Force in creating the conditions necessary for a political settlement.

(g) ETHIOPIA (BRIEF NO 9)

Like us the Canadians want to maintain the momentum of international relief for Ethiopian drought victims. Mr Clark recently sent to the Secretary of State an account of his own visit to Addis Ababa, which included a meeting with Mengistu. He detected greater Ethiopian flexibility towards co-operating with the West, but we shall need to see concrete expression of this.

(h) THE COMMONWEALTH (BRIEF NO 10)

The Canadians are our closest partners in the Commonwealth. The Secretary of State might encourage UK/Canadian collaboration on the security of small states, and support for our initiatives on international terrorism, consular and environmental matters, and the format for Commonwealth Heads of Government meetings. Sir Geoffrey Howe might indicate support for enhanced Commonwealth consultations before UN meetings, and register support for all but the most radical proposals on 'Women and Development'; these are both Canadian proposals.

(i) TERRORISM (BRIEF NO 11)

Our views on counter terrorism are close to those of the Canadians. We should assure Mr Clark of the value we place on contacts with them and give him a short account of our current thinking.

(j) US EXTRATERRITORIALITY AND UNITARY TAXATION (Brief No 12)

Mr Clark may raise US unitary taxation and extraterritoriality on which UK and Canada have similar problems.

(k) LAKER AND US ANTI-TRUST (BRIEF NO 12A)

The Canadians have recently introduced revised "blocking legislation". They also face a possible request from the US Courts for access to IATA documents in Montreal. The Secretary of State might enquire how they handle such problems caused by the US anti-trust law.

(l) EC/CANADA ISSUES (BRIEF NO 13)

Mr Clark is expected to raise briefly the seals ban, newsprint imports and export refunds for (Irish) beef. More generally, we can reassure Mr Clark of our intention to stay in close touch on

Community issues on which we try to be helpful to Canada, and underline our determination to see post-Fontainebleau measures carried through, especially reform of the CAP.

(m) UK/CANADA RELATIONS (BRIEF NO 14)

This is the first opportunity re-affirm to the new Canadian Government at Ministerial level the value the UK places on its relations with Canada, and to explore ways of strengthening the relationship. The Secretary of State may wish to mention his hope of attending the Executive Committee Meeting of the Commonwealth Parliamentary Association in Saskatchewan on 1-2 October 1985.

(n) LAW OF THE SEA (BRIEF NO 15)

Mr Clark may express disappointment at the UK's decision not to sign the UN Law of the Sea Convention. Canada is a strong supporter of the Convention and has an interest in one of the mining consortia. The UK will not however stand in the way of Community signature.

(o) HONG KONG (BRIEF NO 16)

The Secretary of State may wish to bring Mr Clark up to date on recent developments. Mr Clark may mention the Department of External Affairs' wish for clarification at a later date of details of the draft agreement particularly the provisions on nationality, civil aviation and multilateral trading relations.

(p) AFGHANISTAN (BRIEF NO 17)

It would be useful to exchange views on plans to mark the fifth anniversary of the Soviet invasion. If Mr Clark raises the issue of Soviet prisoners of the Afghan resistance, we should welcome a continuing exchange of information on this.

CANADIAN FOREIGN POLICY FORMULATION

9. Mr Clark has commissioned a review of Canadian foreign policy in order to stimulate consideration of foreign policy issues within government and to promote more informed public discussion. He may wish to ask the Secretary of State how the UK goes about deciding and promulgating the overall lines of foreign policy. Brief Points to Make are included in the checklist.

North America Department
Foreign and Commonwealth Office

7 December 1984



VISIT OF CANADIAN SECRETARY OF STATE FOR EXTERNAL AFFAIRS:
10-12 DECEMBER 1984
EC/CANADA

Points to Make

General

1. - UK in close touch with Canada on Community issues - try to ensure EC policies take account of Canadian concerns.

Whither the Community?

1. - Fontainebleau budget deal ended long running conflict between UK and partners.
2. - Budget discipline second important result of Fontainebleau. Revenue to determine expenditure. Agriculture to decline from present 70% of budget.
3. - UK committed to reform of the CAP - a rigorous CAP price policy important to:
 - bring EC prices more into line with world levels
 - reduce/eliminate costly EC surpluses
 - Start made at March price fixing:
 - price cuts
 - milk quotas
 - guarantee thresholds
 - Must be sustained at next price fixing and beyond. All this should be good for Canada and other major agricultural exporters.
4. - Future development of Community being discussed by two ad hoc committees set up at Fontainebleau:
 - Dooge Committee on improving institutions
 - People's Europe
 - UK priority to complete common market (standards, frontier formalities, air fares)

Current Issues (If raised)

Fisheries

5. - No problems since agreement last year on revision of EC/Canada Fisheries Agreement - should now operate satisfactorily to expiry end 1987.

Seals

6. - Recognise political sensitivity of Community ban for Canadian fishing industry - have drawn Commission's attention to establishment of Royal Commission. Important for Canada to ensure Commission takes account of Royal Commission's findings.

- No UK Government support for proposed boycott of fish products - bad idea - wrong to penalise Canadian fishermen not involved in sealing e.g. in British Columbia.

Newsprint

7. - UK major user of Canadian newsprint - need for long term agreement to maintain traditional trading levels.


- GATT panel report adopted - now need early agreement on size of EC GATT bound quota. Must avoid uncertainty for EC newsprint industry and Canadian newsprint producers. (If raised) 700-750,000 tonnes a reasonable figure.

- If no agreement, Community will need to open interim quota for 1985 pending final settlement.

EC Beef Exports

8. - Understand your concern - agree Community must not solve internal problems at expense of its international trading partners. UK welcomed July reduction in refunds on exports to Canada.

- (If level of restitution is raised) this is essentially a matter for the Commission.



ESSENTIAL FACTS

Seals

1. Canadian Government have set up Royal Commission of Enquiry into all aspects of seals and sealing, with a remit to provide interim report by end 84 and final report by September 85, as current Community ban on imports of baby seal products expires. We have lobbied the Commission to take Royal Commission's findings into account when time comes to consider future of Community ban.
2. Response has been slight in the UK to the International Fund for Animal Welfare's call for a commercial boycott of Canadian fish products, following the introduction of the Community ban.

Newsprint

3. Canada referred to a GATT panel its dispute with Community over appropriate level of EC's GATT bound duty free quota for newsprint imports (for Canada and EFTA), following EFTA achievement of unrestricted duty free access from 1 January 1984 for paper and board under the free trade agreements. GATT panel found EC at fault for failing to open a 1984 quota at existing level - 1.5 million tonnes - but recommended further EC/Canada negotiations to agree a reduction in the GATT bound quota; Commission has had preliminary contacts with Canadians.
4. Pending agreement, EC will need to open an interim duty-free quota for 1985 to meet needs of Community newsprint users.

EC Beef Exports

5. Canadians remain concerned at increase in subsidised EC beef exports to Canada. Only Irish (and Danish) beef, which meets Canadian health requirements, is involved, not beef from UK and other Member States. Following EC consultations with Canada in July, UK supported Commission decision to reduce rate of refund by 14% for exports to Canada. Nevertheless, we understand



informally from Canadians that Canadian Cattlemen's Association is now seeking imposition of a countervailing duty to offset level of outstanding export refund.

European Community Department (External)

6 December 1984

VISIT OF CANADIAN SECRETARY OF STATE FOR EXTERNAL AFFAIRS : 10-12
DECEMBER 1984

BRIEF NO 14

UK/CANADA RELATIONS


POINTS TO MAKE

A GENERAL

1. UK's relationship with Canada important and valued. Many ties and contacts already exist. Officials are working on new ideas for strengthening links both within Government and outside it.
2. Many shared interests. Co-operation in multilateral activity important as well as bilateral links.
3. Glad to see so many Canadian Ministers visiting UK. Prime Minister looks forward to a visit by Mr Mulroney at the time of the Economic Summit in May next year. Possibilities are being examined for visits to Canada next year by British Ministers. Important to keep dialogue flowing. Hope you and I can meet regularly.
4. Other plans include proposed establishment of a regular series of meetings following the Colloquium on Anglo-Canadian relations at Dalhousie University in May.
5. Glad to have been able to sponsor recent successful Canadian Parliamentary Delegation to UK.
6. Suggest Mr Jamieson and Mr David Thomas might have periodic informal meetings in London, and Sir Derek Day meet similarly with a member of the DEA in Ottawa, in order to keep an eye on activities and encourage developments.

British Pensioners in Canada

7. We are keeping this question under review but can see no immediate prospect of the necessary finance being forthcoming to



enable our present policy to be changed.

British Overseas Citizens' Passports

8. Is there any possibility of the Order in Council being amended to allow British Overseas Citizens to enter Canada as bona fide visitors?

B BILATERAL TRADE ISSUES

Foreign Investment Review Agency (FIRA)/Investment Canada

9. Welcome Mr Kelleher's initiative on FIRA, with change of emphasis from screening to encouraging investment. Operation of agency has undoubtedly proved a disincentive to investment in Canada over the years.


Okanagan Helicopters

10. Regret rejection by Canadian Air Transport Committee (CTC) of United/Okanagan appeal. We think decision based on weak reasoning. CTC conclusion on unfair competition not borne out by facts. Okanagan competitor Sealand has grown significantly since United's investment. Reciprocity argument also weak. Canadian control of Britannia and Brymon in direct contradiction to CTC evidence and findings.

11. Intensive lobbying indicative of importance which we attach to final outcome. To force United to disinvest in Okanagan would send a negative message to others contemplating investment in Canada. Very much hope to see favourable Order in Council.

Sectoral Free Trade (if raised)

12. We in Europe naturally following US/Canada consultations on sectoral free trade with great interest. Note that specific reference to US/Canada free trade area dropped from final version of US Trade and Tariff Act but understand that working-level negotiations to resume shortly. How do you see situation developing?


CONFIDENTIAL

VISIT OF CANADIAN SECRETARY OF STATE FOR EXTERNAL AFFAIRS: 10-12
DECEMBER 1984

BRIEF NO14
UK/CANADA RELATIONS

ESSENTIAL FACTS

A GENERAL

1. Both Mr Clark and Mr Mulroney have stressed the importance they attach to Canada's relations with the UK, the latter describing it as one of the two pillars of Canada's foreign relations (the other being the United States). This parallels the Prime Minister's message of congratulations to Mr Mulroney which referred to the need to strengthen and enrich our long-standing links.

2. As regards action by governments, two key elements of this process are Ministerial contacts (for which the main opportunities are bilateral meetings in the margins of multilateral meetings, and Ministerial visits - see Annex A) and bilateral and multilateral consultations between officials (Annex B). Contacts between members of the two Parliaments have recently been increased by respective Government sponsorship of Parliamentary delegations in each direction to augment existing contacts through the Commonwealth Parliamentary Association (UK delegation to Canada March 1984; Canadian delegation to UK November).

3. Preparatory work is in hand to establish a regular series of meetings, which might be styled "the Dalhousie Colloquia", following the Colloquium at Dalhousie University in Canada in May 1984 on "Britain, Canada and the Atlantic Communities". The Colloquium would bring together academics, businessmen, officials and professional people to discuss a wide range of subjects of public

concern in both countries. Other ideas for expanding co-operation in non-governmental areas are being examined, such as measures to increase the two-way flow of cultural or sporting events; but most significant activities would require funds to be provided from somewhere.

4. The Secretary of State might wish to agree with Mr Clark that the Canadian High Commissioner and Mr David Thomas should meet periodically in London, and that Sir D Day and a suitable opposite number in the Department of External Affairs should meet similarly in Ottawa, to review progress on Anglo-Canadian relations and make recommendations. This would serve to concentrate the minds of those in both governments who are looking for ways to put more substance into the relationship.

British Pensioners in Canada

5. 41,000 British National Insurance pensioners in Canada do not get the benefit of increases awarded to UK residents. There has been much media interest in this subject in Canada this year and a campaign by the Canadian Government and Parliament is in progress to persuade the British Government to enter into an agreement to enable UK increases to be paid in Canada. On 4 December Mr Clark was asked in the Canadian House of Commons "whether he intends to give top priority" to the subject during his discussions in the UK and replied that "I do intend to raise it in my discussions in London and I will give it a high priority". There has also been some Parliamentary interest here. We have acknowledged that there is a problem.

6. The British Government tried in 1972 to negotiate a comprehensive reciprocal agreement with Canada which would have covered pension increases. The Canadian authorities were unable to negotiate at that time, and present financial restraints now prevent the UK from concluding an appropriate agreement. Discussions are taking place between officials on a draft comprehensive convention which could be implemented quickly should the financial situation improve.

7. In recent months the problem has been exacerbated by the

operators' strike at the Overseas Branch of the DHSS at Newcastle which has interrupted the payment of pensions overseas. Arrangements are being made to process payments in hardship cases.

Admission of British Overseas Citizens to Canada

8. Problems persist over the admission to Canada of holders of British Overseas Citizen passports because of a Canadian Order in Council which does not permit visas to be placed in the passports of individuals who have no guarantee of admission to the territory of the issuing authority. The problem seemed to have been resolved last year when the Canadians informed us that a 'Minister's permit' on a separate document would be issued to genuine BOC visitors (and Lord Trefgarne so informed the House of Lords): we were subsequently told (in August) that this device was not possible. Home Office officials are in contact with officials at the Department of External Affairs and have proposed a form of confidential guarantee to admit holders of BOC passports to Britain as the country of 'last resort' if they enter Canada as visitors but cannot then be returned to their country of normal residence. It would be helpful if the Secretary of State expressed the hope to Mr Clark that the problem might soon be resolved, so that Canadian visas may be endorsed in the passports of BOCs applying to enter Canada as bona fide visitors.

B BILATERAL TRADE ISSUES

Investment Canada and National Energy Policy

9. The Canadian Government has announced its wish to encourage foreign investment. To that end it is to introduce legislation to change the name of the Foreign Investment Review Agency (FIRA) to Investment Canada and to liberalise its procedures. Steps are similarly being taken to change certain aspects of the National Energy Programme which had been disadvantageous to foreign companies.

Bristow/Okanagan Helicopters

10. On 5 October this year, the Canadian Air Transport Committee (CTC) ruled that it was not in the public interest for Bristows to take out a 49% equity investment in Okanagan Helicopters. Two years ago the Foreign Investment Review Agency (FIRA) had approved the investment. The only realistic option now open to Bristows, following the CTC's rejection of their appeal, is to seek an Order in Council under the Canadian National Transportation Act setting aside the CTC decision. This will require the support of at least 6 Canadian Ministers. Mr Day, the British High Commissioner in Ottawa, and Mr Bristow himself have already lobbied a number of Ministers, including Mr Kelleher, Minister for International Trade, and Miss Carney, the Minister for Energy. So far as we know, neither Mr Day nor Mr Bristow have not yet spoken to Mr Clark on this issue.

Sectoral Free Trade

11. The High Commission in Ottawa have reported that Mr Clark is likely to raise this subject. Two thirds of Canada's export trade is with the US. Earlier this year Canada/US Working Groups were established to study possible areas where trade could be liberalised. Sectors under consideration include: steel; mass-transit equipment; informatics; and agricultural machines. Negotiations on the last sector which is already largely liberalised and should permit an easy first success are scheduled to resume shortly. Canadian Ministers have been at pains to emphasize that they are not turning away from Europe and the rest of the world but merely recognising geographical realities and Canada's lack of a large domestic market.

North America Department

Foreign and Commonwealth Office

7 December 1984

MINISTERIAL VISITS TO AND FROM CANADAINWARD1984

15-16 September

Canadian Minister for
National Defence

19 November

Canadian Minister for
International Trade

25-26 November

Canadian President of the
Treasury Board

10-12 December

Canadian Secretary of
State for External
Affairs

29 December-5 January

Canadian Minister of
State for
Multiculturalism1985

End April/early May

Visit by Canadian Prime
Minister agreed in
principle.

June or September

Possible visit by
Canadian Minister of
EnergyOUTWARD1984

November

Visit to Ottawa by Mr
Luce offered but not
convenient for Canadian
Minister1985

June

Visit to Canada by
Minister of State for
Energy

March

Visit to Canada by
Minister of State, Dept
of Trade and Industry
(Mr Lamont)

Other proposals are under consideration

ANGLO-CANADIAN CONTACTS AT OFFICIAL LEVELBilateral

1. Annual Politico/Military talks.
2. Annual talks between FCO and DEA Planners.
3. Biennial Anglo-Canadian Cultural Talks.
4. Anglo-Canadian Continuing Committee (trade and economic matters).
5. Military exchange programme.
6. Collaboration in science and technology.

Multilateral

7. Annual tripartite meetings, including USA, on the Caribbean and Central America.
8. Regular Namibia Contact Group Meetings.
9. Summit Seven Experts Meeting on International Terrorism.
10. Biennial Commonwealth Senior Officials Meeting.
11. Participation in allied intelligence co-operation.

THE RT HON CHARLES JOSEPH (Joe) CLARK, PC MP

CANADIAN SECRETARY OF STATE FOR EXTERNAL AFFAIRS

Born in High River, Alberta, in June 1939.

Educated at the University of Alberta and at Dalhousie University.

Formerly a journalist. From 1959 to 1970 Mr Clark was involved in Progressive Conservative Party activities in the province of Alberta.

First elected to the Federal House of Commons in 1972 as Progressive Conservative Member for Rocky Mountain. Party spokesman on Youth 1973/74; Environment, 1975/76. Became leader of the PC Party in 1976 when still relatively unknown and worked hard to unite the party which had been bitterly disunited since Mr Diefenbaker's days and whose divisions kept the party ineffective through Mr Stanfield's period as leader. He won the General Election in May 1979 but his government was brought down six months later because of an unpopular budget and he lost the subsequent General Election in February 1980. Resigned as Leader of the Opposition in January 1983 and as Leader of the PC Party in June 1983 when Mr Brian Mulroney was elected to succeed him.

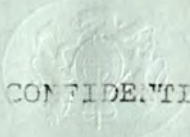
In December 1983, Mr Clark was appointed as the PC Party's special envoy for East/West relations and disarmament matters, to "shadow" Mr Trudeau's peace initiative. In this capacity he visited a number of countries and was included in Canada's delegation to the CDE in Stockholm in January 1984 where he saw both Sir Geoffrey Howe and Mr Shultz.

Mr Clark is on the progressive wing of the PC Party. The post at External Affairs is the one he wanted in the new Government. It is also important in helping Mr Mulroney to demonstrate that Western Canada has been given due weight in the Cabinet.

CONFIDENTIAL

Mr Clark is cautious and businesslike but lacks a commanding personality. He has a naturally solemn, rather wooden manner and, though he does not lack a sense of humour, it tends to emerge only when he is relaxed and thoroughly familiar with his company. Visited London in September 1976, July 1978 and March 1984.

His wife, who prefers to be known as Ms Maureen McTeer, is a lawyer. She is a party worker in her own right with a tough reputation. She has published a book about Canada's official residences. They have one child.


CONFIDENTIAL

DE MONTIGNY MARCHAND, QC

Deputy Minister, Foreign Policy [= Joint Permanent Secretary] Department of External Affairs since January 1982. Acts as Canadian "Sherpa".

Born in St-Jérôme, Quebec, 1936. Graduate of Montreal University and Montreal University Law School. Admitted to Quebec Bar 1960. Graduate studies at Boston University but continued to hold posts at University of Montreal; becoming Secretary-General of the University in 1967.

In 1969 he joined the Federal Public Service in the Department of Communications and rose to become Senior Assistant Deputy Minister (Policy). In 1975 he moved to the Privy Council Office as Deputy Secretary to the Cabinet (Operations). Appointed Associate Under-Secretary of State for External Affairs in March 1980 and Deputy Minister in January 1982.

Bright and reportedly ruthless.

Interests: wine and fishing.

Married. Three children.

CONFIDENTIAL

THE HON DONALD CAMPBELL JAMIESON, PC

High Commissioner of Canada to Great Britain since January 1983

Born 30 April 1921 and educated in Newfoundland.

Formerly a broadcaster. First elected to House of Commons as Liberal MP 1966. Minister of Defence Production 1968-69, when he moved to Transport. Minister of Regional Economic Expansion, after the 1972 Federal election, and Minister of Industry, Trade and Commerce in September 1975. September 1976 appointed Secretary of State for External Affairs. He served in this portfolio until his resignation from the House of Commons in May 1979.

In May 1979, he was chosen leader of the Liberal Party of Newfoundland and was subsequently elected a member of the legislature in June 1979. Served as leader of the Opposition until October 1980 and resigned from the legislature in December 1980.

A good speaker and compulsive talker, outgoing and friendly. A superannuated Liberal politician who was given London as a consolation prize.

The Secretary of State has met Mr Jamieson on several occasions; their last official meeting was over an informal lunch at Chevening on 3 June 1984. Mr Jamieson is expected to remain in London for the foreseeable future.

Married. Four children.



CONFIDENTIAL



10 DOWNING STREET

From the Private Secretary

6 December, 1984.

Canadian Prime Minister

Thank you for your letter of 4 December about Mr. Mulroney's suggestion that he visit the United Kingdom immediately before the Economic Summit in Bonn in May 1985.

The Prime Minister agrees in principle to a short visit by Mr. Mulroney at that time. We must, however, leave the exact timing open until we know more precisely the arrangements for the Economic Summit itself.

I should be grateful if the Prime Minister's invitation could be conveyed to Mr. Mulroney.

Charles Powell

C.R. Budd, Esq.,
Foreign and Commonwealth Office.

CONFIDENTIAL

RESTRICTED

cejk



Foreign and Commonwealth Office

London SW1A 2AH

6 December 1984

Dear Charles,

CD
6/ki

Mr Clark's Call on the Prime Minister

Thank you for your letter of
5 December. Lady Young will attend.

Yours ever,

Colin Budd

(C R Budd)
Private Secretary

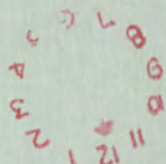
C D Powell Esq
10 Downing Street

RESTRICTED

Relations : CANADA P45.

Postage and Communication Department

125 - 1177 - 1111



- 6 DEC 1984



file
cc: P.C.
Reg

10 DOWNING STREET

From the Private Secretary

5 December, 1984

VISIT OF CANADIAN SECRETARY OF STATE FOR
EXTERNAL AFFAIRS

BE

Thank you for your letter of 3 December confirming Mr. Clark's call on the Prime Minister on 12 December. I think it would be appropriate for an FCO Minister to be present.

(C.D. Powell)

C. Budd, Esq.,
Foreign and Commonwealth Office

RESTRICTED

CST

CONFIDENTIAL



Foreign and Commonwealth Office

London SW1A 2AH

4 December, 1984

Dear Charles,

Canadian Prime Minister

In your letter of 3 October you authorised the High Commissioner in Ottawa to inform the Canadian Prime Minister that Mrs Thatcher was looking forward to an early meeting with him and would be happy to welcome him to London.

I attach a copy of Ottawa telno 675, in which Sir D Day reports that he called on Mr Mulroney on 30 November. You will see from paragraph 7 that Mr Mulroney asked that his warmest personal good wishes be conveyed to the Prime Minister. He added that he would welcome the opportunity for an early meeting with the Prime Minister, but felt that for the time being he should remain in Canada to deal with domestic matters. He suggested the possibility of a visit to the UK immediately before the Economic Summit which begins in Bonn on 2 May 1985. I should be grateful if you would let me know whether a visit at that time would in principle be convenient for the Prime Minister.

Prime Minister
Agree in principle
to a visit by Mr.
Mulroney on his way
to the Economic Summit?
CDP
S/xii

Yes
no

Yours ever,
Colin Budd

(C R Budd)
Private Secretary

C D Powell Esq
10 Downing Street

CONFIDENTIAL

GRS 470
CONFIDENTIAL
DD FCO 031600Z
FM OTTAWA 031300Z DEC 84
TO IMMEDIATE FCO
TELEGRAM NUMBER 675 OF 3 DECEMBER

CONFIDENTIAL

TOP COPY

1

Amc 027/15
O 4DEC1984

All previous
correspondence
on Mulroney's
visit is attached.
(registered on
Amc 020/2)

CALL ON THE PRIME MINISTER

1. I PAID MY FIRST CALL ON THE PRIME MINISTER, MR MULRONEY,
ON 30 NOVEMBER.

2. AFTER AN INITIAL EXCHANGE OF PLEASANTRIES, I REFERRED TO
MRS THATCHER'S MESSAGE TO MR MULRONEY IN WHICH SHE HAD STATED
HMG'S WISH TO DO EVERYTHING POSSIBLE TO STRENGTHEN AND ENRICH
THE LINKS BETWEEN CANADA AND THE UNITED KINGDOM. I ADDED THAT
SINCE MY ARRIVAL IN CANADA I HAD DETECTED AN ENORMOUS
RESERVOIR OF GOODWILL TOWARDS THE UNITED KINGDOM. I HAD ALSO
BEEN IMPRESSED BY THE EXTENSIVE LINKS THAT ALREADY EXISTED
BETWEEN OUR TWO COUNTRIES IN ALMOST EVERY FIELD OF ACTIVITY.
I SAID THAT I WOULD BE DOING EVERYTHING I COULD TO BUILD ON
THESE FOUNDATIONS.

Amc 011/4
28

3. MR MULRONEY SAID THAT HE REGARDED FRIENDSHIP WITH THE
UNITED STATES AND THE UNITED KINGDOM AS THE TWO PILLARS ON
WHICH CANADA'S RELATIONSHIPS MUST BE BUILT. OF COURSE CANADA
HAD MANY OTHER FRIENDS AROUND THE WORLD BUT THE UNITED STATES
AND THE UNITED KINGDOM STOOD APART. HE REFERRED IN THE NEXT
BREATH TO RELATIONS WITH FRANCE. HE SAID THAT HE WAS
TRYING TO IMPROVE THAT RELATIONSHIP WHICH HAD SUFFERED OVER
THE YEARS FROM NEGLECT AND FROM THE COMPLICATING FACTOR OF
QUEBEC. HE HAD NEVERTHELESS MADE IT CLEAR TO THE FRENCH
PRIME MINISTER DURING HIS RECENT VISIT THAT ONLY THE
GOVERNMENT OF CANADA COULD SPEAK FOR CANADA AS A WHOLE.

4. WHILST DENYING ANY WISH TO CRITICISE PREVIOUS
GOVERNMENTS, MR MULRONEY WENT ON TO ARGUE THAT THE TRUDEAU
YEARS HAD BEEN DISASTROUS FOR CANADA'S RELATIONS WITH MANY
OF ITS TRADITIONAL FRIENDS. TRUDEAU HAD ANTAGONISED THE
UNITED STATES AND TO SOME EXTENT THE UNITED KINGDOM AND
OTHERS. THE NEW CONSERVATIVE GOVERNMENT HOWEVER KNEW
WHO CANADA'S FRIENDS WERE AND INTENDED TO STICK WITH THEM.
HE ADDED THAT CANADA HAD NO DESIRE OR INTENTION OF BEING
OVERWHELMED BY THE UNITED STATES. HE DID NOT FEAR THE
UNITED STATES. CANADA WAS NOW SUFFICIENTLY MATURE TO CONDUCT
ITS RELATIONS WITH HER SOUTHERN NEIGHBOUR IN A WAY WHICH DID
NOT PREJUDICE HER INDEPENDENCE.

5. MR MULRONEY LAID PARTICULAR STRESS ON THE IMPORTANCE OF
THE MONARCHY. HE SAID THAT THERE HAD BEEN A SIGNIFICANT POPULAR
RESPONSE TO HIS REMARKS DURING THE QUEEN'S VISIT ABOUT THE
PLACE OF THE MONARCHY IN CANADA. HE SAW A CONNECTION BETWEEN
CANADIAN LOYALTY TO THE CROWN AND CANADA'S RELATIONSHIP

/WITH

CONFIDENTIAL

WITH THE UNITED KINGDOM. HE SAID THAT ONE OF THE PRINCIPAL REASONS WHY HIS PARTY HAD WON THE RECENT ELECTION WAS THAT CANADIANS WERE FED-UP WITH THE CONSTANT BICKERING THAT HAD GONE ON BETWEEN CANADA AND HER FRIENDS AND BY THE AMBIGUITY THAT EXISTED OVER THE MONARCHY. HE SAID THAT IT MIGHT SEEM STRANGE THAT HE, AN IRISH CATHOLIC, SHOULD BE A COMMITTED MONARCHIST, BUT THAT WAS A FACT.

Amc 020/2.
(47) - 6. I SPOKE TO MR MULRONEY AS AUTHORIZED IN PARAGRAPH 1 OF YOUR TELNO 251. MR MULRONEY SAID THAT HE WOULD WELCOME THE OPPORTUNITY FOR AN EARLY MEETING WITH THE PRIME MINISTER. HE FELT HOWEVER THAT FOR THE TIME BEING HE SHOULD STAY IN CANADA AND MIND THE SHOP. HE WOULD KEEP THE IDEA OF A VISIT TO LONDON VERY MUCH IN MIND. HE THOUGHT THAT IT MIGHT BE POSSIBLE TO FIT THIS IN IMMEDIATELY BEFORE THE BONN ECONOMIC SUMMIT ON 2 MAY AND SUGGESTED THAT I SHOULD ENQUIRE WHETHER THAT WOULD BE POSSIBLE. COULD YOU LET ME KNOW WHETHER A VISIT AT THAT TIME WOULD, IN PRINCIPLE, BE CONVENIENT? IF SO, I WOULD LIKE TO INFORM MR MULRONEY'S OFFICE.

7. MR MULRONEY FINALLY ASKED ME TO CONVEY HIS WARMEST PERSONAL GOOD WISHES TO THE PRIME MINISTER AND REPEATED HOW MUCH HE WAS LOOKING FORWARD TO THEIR NEXT MEETING.

8. ALTHOUGH NO MATTERS OF SUBSTANCE AROSE DURING THIS CONVERSATION, MR MULRONEY MADE IT CLEAR THAT HE ATTACHES CONSIDERABLE IMPORTANCE TO CANADA'S RELATIONSHIP WITH THE UNITED KINGDOM AND, CONTRARY TO THE INSTINCTS OF MR TRUDEAU, INTENDS TO ENSURE THAT THE RELATIONSHIP REMAINS CLOSE AND HARMONIOUS. I WAS ALSO LEFT WITH THE IMPRESSION THAT MR MULRONEY'S MAIN AND ALMOST EXCLUSIVE PREOCCUPATION AT PRESENT IS WITH DOMESTIC, AND PARTICULARLY ECONOMIC, ISSUES AND THAT HE HAS NOT YET APPLIED HIS MIND TO THE MAIN INTERNATIONAL PROBLEMS.

DAY

LIMITED
NAD
PROTOCOL.D
PLANNING STAFF
PS
PS/LADY YOUNG
PS/MR RENTON
PS/PUS
SIR W HARDING
MR DEREK THOMAS
MR DAVID THOMAS

-2-
CONFIDENTIAL

Canada: Relations A 5

RESTRICTED



ccfe
Foreign and Commonwealth Office

London SW1A 2AH

Mr Powell

3 December, 1984

Dear Charles,

Visit of Canadian Secretary of State for External Affairs

Thank you for your letter of 29 November. The Canadian High Commission have told us that Mr Clark will be happy to call on the Prime Minister at 0900 on 12 December.

It is proposed that the Canadian High Commissioner would accompany Mr Clark. Would you like anyone from the Foreign and Commonwealth Office to attend?

Yours ever,

Colin Budd

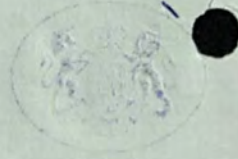
(C R Budd)
Private Secretary

C D Powell Esq
10 Downing Street

RESTRICTED

Canada Pt 5

Relative



Foreign and Commonwealth Office

London W1A 0AB

23 DEC 1984

1 2 3 4 5 6 7 8 9 10 11 12



c PC

10 DOWNING STREET

From the Private Secretary

29 November 1984

Visit of the Canadian Secretary of State for
External Affairs

BF ||

Thank you for your letter of 28 November conveying the Foreign Secretary's recommendation that the Prime Minister should receive Mr. Joe Clark briefly during his visit to Britain. The Prime Minister is willing to do so but her diary is very full. The only possible time is at 9.00 am on 12 December.

C.D. Powell

Colin Budd, Esq.,
Foreign and Commonwealth Office.

RESTRICTED

R



CANADA

cc/c
cc 710 ✓

PRIME MINISTER • PREMIER MINISTRE

PRIME MINISTER'S

Ottawa, K1A 0A2

PERSONAL MESSAGE

November 28, 1984

SERIAL No. T 201 A/84

cc MASTER
OPS

ms

Dear Mrs. Thatcher,

Thank you very much for your warm words of congratulations on the occasion of my becoming Prime Minister of Canada.

Drawing on a common history and shared experience, I believe that our two countries can do much together to meet the enormous challenges facing us. In the early days of my Government, I have sought to reinvigorate Canada's relations with the United States. My Ministers and I hope also to revitalize our relations with other close friends and allies, especially the United Kingdom. I therefore look forward, as you do, to opening a new chapter of cooperation between Canada and the United Kingdom.

I, too, hope that we shall have an early opportunity of meeting again.

Kindest personal regards,

Yours sincerely,

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

010 .
RESTRICTED



Foreign and Commonwealth Office

London SW1A 2AH

28 November 1984

Dear Charles,

Visit of Canadian Secretary of State for External Affairs

The new Canadian Secretary of State for External Affairs, Mr Joe Clark, will be visiting the United Kingdom from 10 to 12 December as the official guest of the Foreign Secretary. Mr Clark is to have talks with Sir Geoffrey on the morning of 11 December, followed by a working lunch at 1 Carlton Gardens. His programme will also include an address to the Canadian Club on the evening of 10 December, and a dinner hosted by the Canadian High Commissioner on the evening of 11 December.

Mr Clark's visit will be the first opportunity we shall have for substantive discussions with a member of the new Canadian Government on the full range of international issues. The Foreign Secretary believes it would be much appreciated if the Prime Minister could receive Mr Clark briefly during this visit. She will recall meeting Mr Clark at the Commonwealth Heads of Government Meeting in Lusaka in 1979, when he was Prime Minister.

One possibility would be for Mr Clark to attend Prime Minister's Questions in the House of Commons on 11 December, and then have a short meeting with Mrs Thatcher in her room in the House.

Yours ever,

Colin Budd

(C R Budd)
Private Secretary

C D Powell Esq
10 Downing Street

RESTRICTED



Prime Minister (4)

29/10

LEADER OF THE OPPOSITION - CHEF DE L'OPPOSITION

Ottawa, K1A 0A6
October 22, 1984

Dear Prime Minister

I very much appreciated your thoughtfulness in writing me.

I enjoyed our meeting together very much indeed.

May I repeat what I said in my wire to you, namely, how shocked we were about the bombing but how glad we were you escaped without injury.

We admire your performance immensely.

With kind regards.

Sincerely,

The Right Honourable
Margaret Thatcher, F.R.S., M.P.
Prime Minister of the
United Kingdom
10 Downing Street
London

RESTRICTED



10 DOWNING STREET

file NFJAFJ
cc: Sir P. Coadson
Caroline Ryder

From the Private Secretary

3 October 1984

New Canadian Prime Minister

Thank you for your letter of 1 October about the possibility of a meeting between the Prime Minister and Mr. Mulroney.

The Prime Minister would be content for Sir Derek Day to say to Mr. Mulroney that she is looking forward to an early meeting with him and would be happy to welcome him to London. A precise date would have to be discussed in the light of the respective plans of the Prime Minister and Mr. Mulroney.

While the Prime Minister is certainly ready to see Mr. Mulroney soon, you will wish to bear in mind that her diary for this autumn is already extremely full and there is no doubt that a date after Christmas would be easier for her.

Charles Powell

Len Appleyard Esq
Foreign and Commonwealth Office

RESTRICTED

085



Prime Minister
 Agree that Derek Day
 can tell Mr. Mulroney that you
 look forward to an
 early meeting (which
 will probably have to
 be here)?

Foreign and Commonwealth Office

London SW1A 2AH

1 October 1984

cc/pe ②

AFJAF-I

Dear Charles,

C.D.P. 2/12 Yes not

New Canadian Prime Minister

In her message of congratulation to the new Canadian Prime Minister (your letter of 5 September to me), the Prime Minister said that she hoped that there would be an opportunity of meeting soon, either in the UK or Canada.

The High Commissioner in Ottawa hopes to pay his first call on Mr Mulroney in the next few days, and may well be asked about this. Sir Derek Day would like to be able to make it clear to Mr Mulroney that the Prime Minister is looking forward to an early opportunity of meeting him, and that she would like to welcome him to London at a mutually convenient date in the fairly near future - though precise arrangements would be for discussion in due course. Would you have any objection to his taking this line?

My letter of 5 September set out some of the reasons why we thought it would be desirable to issue an early invitation to Mr Mulroney to visit the UK. The High Commissioner in Ottawa has since reported that Mr Mulroney is visiting Washington this week in response to a personal invitation from President Reagan, and that invitations from other European countries, particularly France, may well be in the pipeline. This makes it all the more desirable that our invitation is registered at an early stage. Equally, if we are to influence Mr Mulroney as he formulates his policies, a fairly early meeting would seem desirable.

So far as the possibility of the Prime Minister visiting Canada is concerned, I assume the High Commissioner would be right to take the line that she has no immediate plans to do so.

Yours ever,

Len Appleyard

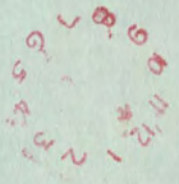
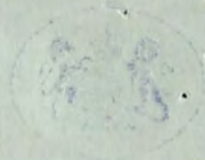
(L V Appleyard)
Private Secretary

C D Powell Esq
 10 Downing Street

Canada

Post Relations

London SW 1A 1AA



- 2 OCT 1984

[Faint, illegible handwritten text]

PERSONAL AND CONFIDENTIAL

*Spoken to
Sir A Acland CDD
20/9.*



Foreign and Commonwealth Office

London SW1A 2AH

Sir Antony Acland KCMG KVO
Permanent Under-Secretary of State

26 September 1984

C D Powell Esq
No 10

Dear Charles,

ANGLO-CANADIAN RELATIONS

1. Sir Antony Acland has asked me to let you have, privately, the attached copy of a personal telegram he has received from Sir Derek Day, the High Commissioner in Ottawa. Sir Antony would like to have a word with you about it when you have had a chance to read it. On the face of it, the ideas in the telegram seem to Sir Antony to be sensible.

Yours ever,

Michael Jay.

M H Jay
Private Secretary

PERSONAL AND CONFIDENTIAL

CONFIDENTIAL
 FM OTTAWA 241540Z SEPT 84
 TO IMMEDIATE FCO
 TELEGRAM NUMBER 524 OF 24 SEPTEMBER

Amc 020/2.
 RECEIVED
 25 SEP 1984
 TOP COPY
 OFFICER
 INDEX PA

(PERSONAL FOR PERMANENT UNDER SECRETARY)

ANGLO-CANADIAN RELATIONS

1. I WILL, IN DUE COURSE, LET YOU HAVE SOME GENERAL IMPRESSIONS OF MY FIRST FEW MONTHS HERE. I WILL DELAY THESE UNTIL I HAVE HAD A CHANCE TO VISIT SOME OF THE CONSULATES-GENERAL, WHICH I PLAN TO DO NEXT MONTH. THERE IS HOWEVER ONE ISSUE THAT IS CAUSING ME CONCERN AND ON WHICH I WOULD WELCOME YOUR HELP.

2. BEFORE I LEFT LONDON BOTH THE PRIME MINISTER AND THE SECRETARY OF STATE INDICATED THAT THEY WANTED TO GIVE MORE CONTENT AND SUBSTANCE TO ANGLO/CANADIAN RELATIONS. THE PRIME MINISTER'S MESSAGE TO MR MULRONEY (FCO TELNO 222) PICKED UP THIS THEME. IT LOOKED FORWARD TO A PRIME MINISTERIAL MEETING EITHER IN CANADA OR THE UK.

3. MULRONEY IS NOW IN THE CHAIR AND HE AND HIS COLLEAGUES WILL, OVER THE NEXT TWO OR THREE MONTHS, BE SETTING THE COURSE FOR THEIR GOVERNMENT FOR THE NEXT FOUR OR FIVE YEARS. THIS IS A CRITICAL TIME IF WE WANT TO INFLUENCE THE CANADIANS IN THE DIRECTIONS IN WHICH WE WOULD WISH TO SEE THEM GO.

4. I HAVE BEEN TRYING TO GET NO.10 TO GIVE ME AUTHORITY TO INVITE MULRONEY TO LONDON EVEN IF THE DATES ARE LEFT COMPLETELY OPEN. SO FAR I HAVE DRAWN A BLANK. NOEL MARSHALL CAN LET YOU SEE RELEVANT CORRESPONDENCE.

5. I AM ONLY TOO WELL AWARE OF THE DIFFICULTY OF PINNING NO.10 DOWN TO ANY FIRM COMMITMENT. THAT IS NOT WHAT I AM AFTER AT THIS STAGE. ALL I AM SEEKING IS AUTHORITY TO TELL MULRONEY, WHEN I SEE HIM, THAT THE PRIME MINISTER IS LOOKING FORWARD TO AN OPPORTUNITY TO MEET HIM, THAT SHE WOULD VERY MUCH LIKE TO WELCOME HIM TO LONDON AT A MUTUALLY CONVENIENT DATE AND HOPES IT CAN BE SOON, AND THAT PRECISE ARRANGEMENTS COULD BE SETTLED IN DUE COURSE.

6. LET ME REHEARSE BRIEFLY THE ARGUMENTS FOR SUCH A VISIT: WAD CAN FILL IN THE BACKGROUND.

(I) IF WE WANT TO GET MULRONEY TO ADOPT POLICIES THAT SUIT US, NOW IS THE TIME TO GET AT HIM BEFORE IDEAS BECOME SET AND POLICIES PUBLICLY ENUNCIATED.

(II) MULRONEY WAS PERSONALLY INVITED BY REAGAN TO WASHINGTON OVER THE TELEPHONE A DAY AFTER THE ELECTION. THE AMERICANS AND CANADIANS ARE MAKING MUCH OF THIS AS EVIDENCE OF A "NEW LOOK" IN US/CANADIAN RELATIONS. HE IS OFF THERE TOMORROW.

CONFIDENTIAL

/c/m

Amc 01/4
 (28)

CONFIDENTIAL

(III) THE FRENCH MAY WELL HAVE AN INVITATION IN THE PIPELINE. MULRONEY IS A QUEBECKER. WHAT WILL MULRONEY AND HIS ANGLOPHONE COLLEAGUES THINK IF THEY HEAR NOTHING FROM US ? THE FRENCH WILL GROW IF THEY BEAT US TO THE PUNCH.

(IV) IF WE MEAN WHAT WE SAY ABOUT WISHING TO CONSOLIDATE OUR RELATIONSHIP WITH CANADA (E.G. MRS THATCHER'S MESSAGE TO MULRONEY) WHAT BETTER WAY OF INITIATING THIS THAN A MEETING AT PRIME MINISTERIAL LEVEL ?

7. NO.10 MAY ASK "WHAT IS THERE TO DISCUSS?". WE ARE WORKING ON A LIST OF SUGGESTIONS FOR THICKENING UP BILATERAL CONTACTS. IN THE MEANTIME, THERE IS PLENTY TO TALK ABOUT. WE PRESUMABLY WANT TO ENCOURAGE CANADA TO BEHAVE AS A RELIABLE AND RESPONSIBLE ALLY AND TO PROVIDE AN OPEN MARKET FOR BRITISH EXPORTS. THE AGENDA FOR A PRIME MINISTERIAL MEETING COULD INCLUDE:

(I) DEFENCE

WHAT IS MULRONEY'S DEFENCE POLICY GOING TO BE? WILL HE BE ABLE TO DELIVER THE PROMISED INCREASE IN DEFENCE EXPENDITURE AND INCREASE THE SIZE OF THE FORCES ? WHAT ABOUT PURCHASES OF DEFENCE EQUIPMENT ? OPENINGS FOR THE UK ? POSSIBILITY OF JOINT UK/CANADIAN VENTURES (HELICOPTERS, AIR DEFENCE EQUIPMENT)?

(II) TRADE AND FINANCE.

WHAT ABOUT THE CANADIAN DEFICIT/INTEREST RATES ? WILL FIRA BE ABOLISHED? ENCOURAGE THE CANADIANS TO RESIST PROTECTIONIST PRESSURES.

(III) DISARMAMENT.

SEEK TO PERSUADE MULRONEY TO PURSUE LESS INDIVIDUALISTIC POLICIES THAN TRUDEAU. NEED TO DISCUSS IDEAS IN ADVANCE WITH ALLIES. WHAT DOES CLARK'S UNPUBLISHED REVIEW ON DISARMAMENT CONTAIN ? MAKE SURE MULRONEY UNDERSTANDS THE COMPLEXITIES OF DISARMAMENT AND CONSULTS ALLIES BEFORE MAKING POLITICAL COMMITMENTS.

(IV) EAST/WEST RELATIONS.

GIVE MULRONEY THE BENEFIT OF OUR EXPERIENCE. DETER HIM FROM THE TEMPTATION OF TRYING TO CARVE OUT SOME NEUTRAL POSITION BETWEEN EAST AND WEST (OR NORTH AND SOUTH). -2-

CONFIDENTIAL

18.

CONFIDENTIAL

8. THERE IS MORE I COULD ADD BUT WON'T AT THIS STAGE. WHAT I HOPE YOU MIGHT BE ABLE TO DO IS TO TAKE ADVANTAGE OF ANY OPPORTUNITY THAT YOU OR THE SECRETARY OF STATE MIGHT HAVE TO OBTAIN FROM NO. 10 AN AGREEMENT THAT A VISIT BY MULRONEY WOULD GENUINELY BE IN BRITISH INTERESTS AND THUS TO ALLOW ME TO ISSUE AN INVITATION. THIS IS THE FOUNDATION WE NEED IF WE ARE TO BUILD UP THE KIND OF RELATIONSHIP EVERYONE SEEMS TO WANT WITH CANADA AND ITS NEW GOVERNMENT.

DAY

LIMITED
HD/NAD
SIR W HARDING
MR DAVID THOMAS

-3-

CONFIDENTIAL

GPS 420
CONFIDENTIAL

CONFIDENTIAL

DESKBY 180900Z
FM OTTAWA 172200Z SEP 84
TO IMMEDIATE FCO
TELEGRAM NUMBER 507 OF 17 SEP 84
INFO SAVING WASHINGTON

MIPT: THE NEW CANADIAN CABINET

1. BY EXPANDING THE CABINET TO 40 - THE LARGEST EVER IN CANADA - MULRONEY HAS MADE ROOM FOR AMPLE REPRESENTATION FROM THE REGIONS (13 FROM THE WEST, 11 FROM ONTARIO, 11 FROM QUEBEC AND 5 FROM THE ATLANTIC PROVINCES). THIS GIVES THE GOVERNMENT A NATIONAL FLAVOUR. NONE OF THE PROVINCES IS WITHOUT A VOICE IN THE CABINET, WHICH SHOULD IMPROVE THE CLIMATE FOR THE NATIONAL DISCUSSIONS OF FEDERAL/PROVINCIAL CONFLICTS OF INTEREST.
2. SIMILARLY MULRONEY HAS MADE ROOM FOR A RECORD NUMBER OF WOMEN IN THE CABINET - 6.
3. EXTERNAL AFFAIRS.

JOE CLARK, HAS GOT THE POST HE SOUGHT, THE ONE PROBABLY BEST SUITED TO HIS POSITION AS EX-PRIME MINISTER, BUT NOT ONE FOR WHICH HE IS ESPECIALLY WELL QUALIFIED IN TERMS OF EXPERIENCE. HIS EARLY DAYS AS LEADER OF THE PARTY ARE ASSOCIATED WITH AN UNSUCCESSFUL WORLD TOUR AND THE HASTY DECISION (SUBSEQUENTLY REVOKED) TO MOVE THE CANADIAN EMBASSY IN ISRAEL TO JERUSALEM. HE DID A LOT OF HOMEWORK WHILE TRACKING THE TRUDEAU INITIATIVE LAST YEAR, AND MAY NOW BE BETTER BRIEFED ON A NUMBER OF MAJOR ISSUES. HE DOES NOT APPEAR TO HAVE BEEN PARTICULARLY KEEN, AS LEADER OF THE PARTY, ON THE ANGLO-CANADIAN LINK: BUT THIS MAY HAVE BEEN A RESULT OF HIS DETERMINATION TO AVOID LETTING THE PARTY APPEAR MERELY THE PARTY OF ANGLOPHONES.
4. HE IS LIKELY TO WISH TO APPEAR RELIABLE, SERIOUS AND STATEMANLIKE: BUT WILL ALSO NEED TO SHOW THAT HE IS NOT A CYPHER, OR A YES-MAN FOR THE AMERICANS OR THE ALLIANCE. IT WILL BE WORTH FEEDING THOUGHTS IN TO HIM AT AN EARLY STAGE, SO THAT THEY CAN BECOME, AND EMERGE AS, HIS OWN.
5. NEITHER OF HIS DEPUTIES - JAMES KELLEHER (MINISTER FOR INTERNATIONAL TRADE) AND MONIQUE VEZINA (MINISTER FOR EXTERNAL AFFAIRS) APPEARS TO HAVE MUCH EXPERIENCE RELEVANT TO THEIR PORTFOLIOS. THEY ARE BOTH NEW M.P. 'S

CONFIDENTIAL

16. DEFENCE

CONFIDENTIAL

6. DEFENCE

ROBERT COATES, A BARRISTER, HAS BEEN A MEMBER OF PARLIAMENT SINCE 1957. HE IS A PAST NATIONAL PRESIDENT OF THE PROGRESSIVE ASSOCIATION (A LESS IMPORTANT POSITION THAN PARTY CHAIRMAN IN BRITAIN). HE HAS NOT SHOWN A LOT OF INTEREST IN DEFENCE MATTERS IN THE PAST, (THOUGH HE IS A MEMBER OF THE NATO PARLIAMENTARY ASSOCIATION AS WELL AS THE CPA). HE PROBABLY OWES HIS NEW POST (WHICH HAS SURPRISED OFFICIALS) TO HIS LOYALTY TO MULRONEY AND TO REPRESENTING A CONSTITUENCY (IN NOVA SCOTIA) WHERE DEFENCE MATTERS, ESPECIALLY NAVAL, ARE IMPORTANT. HE IS SAID TO BE SHREWD, AND UNLIKELY TO MAKE POLITICAL BLUNDERS. HIS ABILITY TO MASTER THE POLICY ISSUES IS LESS CERTAIN.

7. FINANCE.

MICHAEL WILSON WAS THE STRONG FAVOURITE. HE HAS A BACKGROUND IN BUSINESS AND HIS APPOINTMENT WILL BE VERY WELCOME IN FINANCIAL AND COMMERCIAL CIRCLES. LIKELY TO BE CAUTIOUS IN HIS INITIAL APPROACH TO CANADA'S FINANCIAL PROBLEMS.

8. ENERGY.

PAT CARNEY, A FORMER ECONOMIC JOURNALIST, WAS AN AFFECTIVE OPPOSITION SPOKESMAN ON ENERGY. IT IS A TOUGH ROW TO HOE, BUT ON PAST FORM SHE COULD WELL PROVE AN EFFECTIVE MINISTER.

9. FURTHER COMMENTS AND BIOGRAPHIES FOLLOW BY BAG.

FCO PASS SAVING TO WASHINGTON

DAY (REPEATED AS REQUESTED)

FCO/WHITEHALL (PALACE)
NAD

2
CONFIDENTIAL

Subject

cf for you
to keep you



JCA

cc Master
OPS

10 DOWNING STREET

THE PRIME MINISTER

14 September 1984

PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. 1160/84

My dear Mr. Turner

As you stand down from the office of Prime Minister of Canada, I should like to thank you for your contribution to the good relations between Britain and Canada. I recall with particular pleasure the visit which you and your wife paid to Chequers in July and send you both my very best wishes for the future.

Kind regards.

Yours sincerely

Margaret Thatcher

The Rt. Hon. John Napier Turner, P.C., Q.C., M.P.

BM

E. R.

JCAAGS
cfo

September 1984

As you stand down from the office of Prime Minister of Canada, I should like to thank you for your contribution to the good relations between Britain and Canada. I recall with particular pleasure the visit which you and your wife paid to Chequers in July and send you both my very best wishes for the future.

The Rt. Hon. John Napier Turner, P.C., Q.C., M.P.



Foreign and Commonwealth Office

London SW1A 2AH

13 September 1984

*Dear Charles,*Message to the Outgoing Canadian Prime Minister

In addition to the congratulatory message which the Prime Minister has already sent to Mr Mulroney, she may want to consider sending one to the outgoing Canadian Prime Minister. Mr Turner is due to stand down when Mr Mulroney and his cabinet are sworn in on 17 September.

In the wake of the Progressive Conservative Party's landslide victory, there must be some question about Mr Turner's long term position as leader of the Liberals. Nevertheless he has declared his intention of staying on to rebuild the party. His personal achievement in winning a seat in Vancouver against the overall trend suggests that he will remain as Leader of the Opposition and be an important figure in Canadian politics for some time yet.

However, in view of the relatively short period he has been in office, any message from the Prime Minister could be brief. I attach a possible text which, if approved, we could ask our High Commissioner in Ottawa to deliver.

*Yours ever,
Colin Budd*

(C R Budd)
Private Secretary

C D Powell Esq
10 Downing Street

Message

DRAFT: ~~xxxx/xxxx/xxxx/xxxx/xxxx~~

TYPE: Draft/Final 1+

FROM The Prime Minister

Reference

DEPARTMENT:

TEL. NO:

SECURITY CLASSIFICATION

TO: The Rt Hon John Napier Turner
PC QC MP

Your Reference

- Top Secret
- Secret
- Confidential
- Restricted
- Unclassified

Copies to:

PRIVACY MARKING

SUBJECT:

.....In Confidence

CAVEAT.....

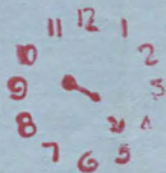
As you stand down from the office of ~~the~~ Prime Minister of Canada, ~~I should like to send you my very best wishes for the future. [I recall with pleasure our meeting at Chequers in July.]~~ *express my thanks to you for the cooperation I should like to thank you for your contribution to the good relations between Britain and Canada. I recall with particular pleasure the visit which you & your wife paid to Chequers in July & send you both my very best wishes for the future.*

*At. Lyne
for PM's
signature
CD-*

Enclosures—flag(s).....

CD

19 SEP 1984



SUBJECT.

TOP COPY

UNCLASSIFIED

674 - 2

UNCLASSIFIED

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

PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T.155784

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.

HOWE
DISTRIBUTION
LIMITED
PS
PS/LADY YOUNG
PS/PUS
MR DAVID THOMAS
NAD



10 DOWNING STREET

From the Private Secretary

5 September 1984

Canadian General Election,
4 September

bxll
Thank you for your letter of 5 September about the results of the Canadian General Election. The Prime Minister has approved the text of a message to Mr. Mulroney, which I enclose. I should be grateful if it could be telegraphed to Ottawa for delivery as soon as possible.

(C.D. POWELL)

Colin Budd, Esq.,
Foreign and Commonwealth Office

CST

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 co-operation 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 US. I hope that we shall have an opportunity of meeting soon either in the United Kingdom or Canada.

The Hon. Brian Mulroney, P.C., M.P.

AD

CCPC



Foreign and Commonwealth Office

London SW1A 2AH

5 September, 1984

Dear Charles,

Canadian General Election, 4 September

The Progressive Conservative Party led by Mr Brian Mulroney won 211 out of 282 seats in the Canadian General Election yesterday. This overwhelming victory, greater even than that of John Diefenbaker in 1958, brings to an end 21 years of almost unbroken Liberal government. The provisional figures are as follows:

Progressive Conservative Party	211
Liberal Party	40
New Democratic Party	30

It is expected that Mr Mulroney and his Cabinet will be sworn in in about fourteen days' time.

It would be appropriate for the Prime Minister to send a message of congratulation. I enclose a draft which, if approved, we might telegraph to Ottawa for immediate delivery. The signed text could then follow in slowertime.

You will see that the draft includes an invitation to Mr Mulroney to pay an early visit to the United Kingdom. As outlined in my letter of 21 August, we have for some time been examining practical ways of building up the bilateral relationship with the Canadians, and that process is continuing. The Secretary of State believes, however, as does the British High Commissioner in Ottawa, that given Mr Mulroney's relative inexperience, an invitation to the new Prime Minister to visit Britain would be well worth considering, as perhaps the best means of getting our relationship with the new Canadian Administration off to a good start. As in the case of Mrs Thatcher's highly successful visit to Canada last year it would signal at the highest level our wish to continue to strengthen our cooperation with the Canadians.

If such a visit could take place at a fairly early point in the new Canadian Administration this would make the greatest impression and would also enable us to put across our views on international political and economic issues while the policies of the new government were still at a formative stage. It would of course be open to Mr Mulroney, should he feel the need first to put his own house in order, to postpone his visit until

/the



the second half of 1985. We could however then still reap the benefit of having made an important gesture to the Canadians by issuing an invitation in principle straight away.

Yours ever,

Colin Budd

(C R Budd)
Private Secretary

C D Powell Esq
10 Downing Street

DRAFT: minute/letter/teleletter/despatch/note

TYPE: Draft/Final 1+

FROM Prime Minister

Reference

DEPARTMENT:

TEL. NO:

SECURITY CLASSIFICATION

TO: The Hon Brian Mulroney PC MP

Your Reference

- Top Secret
- Secret
- Confidential
- Restricted
- Unclassified

Copies to:

PRIVACY MARKING

SUBJECT:

.....In Confidence

CAVEAT.....

I am delighted to send you my warmest congratulations on your ^{magnificent} ~~overwhelming~~ victory in yesterday's General Election.

^{remember} I recall with pleasure our meeting in Ottawa last autumn ^{with great pleasure} and look forward to working with you. I have a new chapter of cooperation and look forward to working with you. I have very much in mind how important it is for both our nations that we should do everything we can to strengthen and enrich the longstanding links between Britain ^{us} and Canada. We have much to offer each other. I very much ^{and with our mutual friend the US} hope that there may be an early opportunity for me to welcome you to the United Kingdom ~~in an official visit.~~

behind at United Kingdom and Canada. It is

I hope that we shall have an opportunity of meeting soon either in the UK or Canada.

Enclosures—flag(s).....



cc. Protocol Dept.
Fco. EL
CC MASTER OPS
PRIME MINISTER'S
PERSONAL MESSAGE

10 DOWNING STREET SERIAL No

THE PRIME MINISTER

16 July 1984 T125/84.

My dear Prime Minister,

This letter will be presented to you by Sir Derek Malcolm Day, KCMG, who has been appointed by Her Majesty's Government in the United Kingdom to be their High Commissioner in Canada.

I am confident that Sir Derek Day 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 Sir Derek Day 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 sincerely
John Napier Turner

The Right Honourable John Napier Turner, P.C., Q.C.

b



10 DOWNING STREET

From the Private Secretary

3 July, 1984.

In your letter of 3 July you sought the Prime Minister's approval of a letter for Sir Derek Day to take with him on his appointment as High Commissioner in Canada.

I enclose the signed letter as asked. You will note that it is dated 16 July.

Charles Powell

Roger Bone, Esq.,
Foreign and Commonwealth Office.



Foreign and Commonwealth Office

London SW1A 2AH

3 July 1984

Joe Acker

It is the practice for British High Commissioners, on first taking up their appointment, to bear a letter of introduction from the Prime Minister to the Prime Minister of the country to which they are posted.

I enclose the draft of a letter for Sir Derek Day to take with him on his appointment as High Commissioner in Canada. It follows the normal lines. If you agree with its terms, would you arrange for it to be signed by the Prime Minister and returned personally addressed to me (and not marked "for onward transmission").

Sir Derek Day is expected to leave for Canada on 22 July. The letter should bear a date shortly before the new High Commissioner's departure from the United Kingdom: 16 July would be suitable.

Joe Acker
R B Bone

(R B Bone)
Private Secretary

C D Powell Esq
10 Downing Street

LETTER OF INTRODUCTION

DRAFT: ~~minute/letter/teleletter/despatch/note~~

TYPE: Draft/Final 1+

FROM:
PRIME MINISTER
DEPARTMENT:

TEL. NO:

Reference

SECURITY CLASSIFICATION

TO:

Your Reference

- Top Secret
- Secret
- Confidential
- Restricted
- Unclassified

The Right Honourable John Napier Turner
PC QC

blind Copies to:
Miss P Jones,
Protocol Dept

PRIVACY MARKING

SUBJECT:

.....In Confidence

Dear Prime Minister

CAVEAT.....

This letter will be presented to you by Sir Derek Malcolm Day, KCMG, who has been appointed by Her Majesty's Government in the United Kingdom to be their High Commissioner in Canada.

I am confident that Sir Derek Day 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.

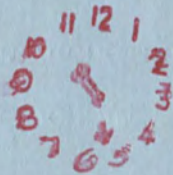
In this confidence I commend Sir Derek Day to you and, on behalf of the United Kingdom Government, ask you to afford him all possible help in the fulfilment of his important mission.

[Ending handwritten]

Enclosures—flag(s).....

The Right Honourable John Napier Turner PC QC

3 JUL 1984



CONFIDENTIAL



JP

10 DOWNING STREET

From the Private Secretary

3 July 1984

MESSAGE FROM THE PRIME MINISTER TO MR. TRUDEAU

Thank you for your letter of 2 July, enclosing a draft letter for the Prime Minister to Mr. Trudeau.

BF | The Prime Minister has approved a slightly amended version and you will by now have received the signed original. I should be grateful if you could telegraph the text to our High Commission in Ottawa for delivery.

I agree that no further message is required for Mr. Turner.

(C.D. POWELL)

R.B. Bone, Esq.,
Foreign and Commonwealth Office.

Subject



cc: Fco

085

10 DOWNING STREET

cc Master
ops

THE PRIME MINISTER

**PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T119/84**

3 July 1984

My dear Pierre,

I should like to take this opportunity to send you my best wishes as you leave office as Prime Minister. Through your support for the Commonwealth, your participation in the Economic Summits and your energetic role in seeking solutions to many international problems, you have made a major contribution to world affairs. I have very much valued the opportunity to work with you, not least on the patriation of the Canadian Constitution. I also recall with particular pleasure my visit to Canada last year.

I send you my best wishes for the future. — and here

we shall see you visit frequently

Yours

James Callaghan

The Rt. Hon. Pierre Elliott Trudeau, P.C., Q.C., M.P.

085

①
CFC



Foreign and Commonwealth Office

London SW1A 2AH

2 July, 1984

John Chester

Yes
no

Prime Minister

Agree to message?

[Robin's advice is not to mention CH since you agree it]

recommended it]

CDP

2/7

Message from the Prime Minister to Mr Trudeau

Now that Mr Trudeau has formally left office as Prime Minister of Canada the Prime Minister might wish to consider sending him a formal message of farewell, in addition to the separate exercise already in hand of putting his name forward for a Companionship of Honour. Sir Geoffrey Howe has sent a similar message to Mr MacEachen.

I attach the draft of a possible letter from the Prime Minister. If approved, we could telegraph the text to our High Commission in Ottawa for early delivery to Mr Trudeau and forward the signed original through the bag. Although we would not suggest that the message be given any publicity, it has been drafted in a form which would allow Mr Trudeau to release it to the press if he so wished.

As you know, the Prime Minister has already sent a message of congratulations to Mr Turner (telegram number 159 of 22 June to Ottawa) and we do not think any further action is necessary to mark the assumption of his duties as Prime Minister.

Text at flap

[Handwritten signature]

(R B Bone)
Private Secretary

C D Powell Esq
10 Downing Street



10 DOWNING STREET

THE PRIME MINISTER

DRAFT

I should like to take this opportunity to send you my best wishes as you leave office as Prime Minister. Through your support for the Commonwealth, your participation in the Economic Summits and your energetic role in seeking solutions to many international problems, you have made a major contribution to world affairs. I have very much valued the opportunity to work with you, not least on the patriation of the Canadian Constitution. I also recall with particular pleasure my visit to Canada last year.

I send you ~~my warmest congratulations on your appointment as a Companion of Honour, as well as~~ my best wishes for the future.

P.C.?

The Rt. Hon. Pierre Elliott Trudeau, ~~C.H.~~, Q.C., M.P.

DRAFT: minute/letter/teleletter/despatch/note

TYPE: Draft/Final 1+

FROM Prime Minister

Reference

DEPARTMENT:

TEL. NO:

SECURITY CLASSIFICATION

TO: The Rt Hon Pierre Elliot Trudeau PC QC ^{Your Reference}

- Top Secret
- Secret
- Confidential
- Restricted
- Unclassified

Copies to:

PRIVACY MARKING

SUBJECT:

.....In Confidence

I should like to take this opportunity to send you my best wishes as you leave office as Prime Minister of Canada. Through your support for the Commonwealth ^{(in solving) solutions to many} and your energetic role ⁱⁿ international affairs ^{problems} you have made a ^{major} contribution to ^{world affairs.} generally you have left your mark not only on your own country but widely in the world.

your participation in the Arctic Summit

May I say too how much I have ^{very much enjoyed opportunity to work} valued working with you, not least on the patriation of the Canadian Constitution. I also recall with particular pleasure my visit to Canada last year.

(my warmest congratulations on your appointment as Companion of Honour, as well as my)
I send you my best wishes for the future.

Enclosures—flag(s).....



10 DOWNING STREET

~~Robin~~ Charles
Thanks. I have
told him that there is no
action for him.

Boyer Bone Robin
2.7.

wanted to be sure
that you had been
Ottawa (C). no. 305
about Trudman. Please
let him know
if there is any further
action for him. Otherwise
he will assume it is
for you. CD?

DEPARTMENT/SERIES <i>PREM 19</i> PIECE/ITEM <i>1423</i> (one piece/item number)	Date and sign
Extract/Item details: <i>Message from PM to Mr Turner (undated, but between 20/6/84 and 2/7/84)</i>	
CLOSED FOR YEARS UNDER FOI EXEMPTION	
RETAINED UNDER SECTION 3(4) OF THE PUBLIC RECORDS ACT 1958	
TEMPORARILY RETAINED	<i>6 May 2014 W Dayland</i>
MISSING AT TRANSFER	
MISSING	
NUMBER NOT USED	



10 DOWNING STREET

Prime Minister
seems a bit odd
to congratulate him
on election as party
leader rather than
waiting until he
becomes PM.

But succession is
automatic: and others are
congratulating now.

Agree message?

Yours

C D D
20/6



Foreign and Commonwealth Office

London SW1A 2AH

19 June 1984

ack ①

John Acker,

New Leader of Canadian Liberal Party

I enclose a draft message of greeting which the Prime Minister may wish to send to Mr John Turner, who was elected on 16 June to succeed Mr Trudeau as the new leader of the Canadian Liberal Party.

The two men are meeting this afternoon. In accordance with what Mr Trudeau told the Prime Minister on 8 June, they are expected to agree on a period of about a fortnight before Mr Trudeau stands down and Mr Turner is sworn in as Prime Minister. The handover would then take place about the time Parliament goes into recess on 29 June.

A farewell message to Mr Trudeau will be submitted nearer the time.

(R B Bone)
Private Secretary

C D Powell Esq
10 Downing Street

DSR 11 (Revised)

DRAFT: minute/letter/teleletter/despach/note

TYPE: Draft/Final 1+

FROM

Reference

The Prime Minister

DEPARTMENT:

TEL. NO:

SECURITY CLASSIFICATION

TO:

Your Reference

Top Secret

The Hon John Napier Turner PC QC

Secret

Copies to:

Confidential

Restricted

Unclassified

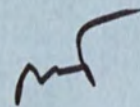
PRIVACY MARKING

SUBJECT:

.....In Confidence

CAVEAT.....

I offer you my warmest congratulations on your election to the leadership of the Liberal Party, and my best wishes as you prepare to take up your duties.



Enclosures—flag(s).....

FILE

da

cc/PC



10 DOWNING STREET

From the Private Secretary

31 May 1984

Governor-General of Canada

Thank you for your letter of 30 May.

The Prime Minister has asked me to say that it is with the greatest regret that she must decline the High Commissioner's invitation to dinner on 12 or 13 June to meet Madame Sauve. She recalls her earlier meetings with Madame Sauve with great pleasure. But these dates fall towards the end of the European Election campaign and the Prime Minister is very heavily committed to that and other events at that time.

I am also afraid that at this stage - and for the same reasons - we are unable to find a time when the Prime Minister could offer a talk. But we will look at this possibility again as soon as the Economic Summit is over.

Could you kindly convey the above to the Canadian High Commissioner today?

A. J. COLES

Peter Ricketts, Esq.,
Foreign and Commonwealth Office.

sf
no need to
chase
EST n/c

cc PC

COVERING CONFIDENTIAL

016



Prime Minister.

You do not have a dinner Foreign and Commonwealth Office on 12 or 13 June. But, with the elections, it may be best not to tell us this evening.

London SW1A 2AH
30 May, 1984

Dear John, You could offer Madame Sauve a drink at 1500 (after kissing) on 14 June. Do you want to?

A.F.C. 21/5
Governor-General of Canada

don't think I can add to existing of elements nor into contemporary time at this stage. Please leave it. never to time not

The Canadian High Commission have asked us whether it would be possible for the Prime Minister to attend a dinner at the High Commissioner's residence on 12 or 13 June in honour of the new Governor-General of Canada, Madame Jeanne Sauve, who will be in London for an audience of The Queen. We understand the invitation was made at the specific request of Madame Sauve, who you will recall was Speaker of the Canadian House of Commons at the time of the Prime Minister's visit to Canada last September.

The Canadians would obviously be delighted if the Prime Minister was able to accept such an invitation. But we realise that this is an exceptionally busy period for the Prime Minister. If it was not possible for her to accept an invitation, it would be useful to know whether Mrs Thatcher would wish to offer Madame Sauve a brief call at some point during her visit to London from 11-14 June.

A personality note on Madame Sauve is attached.

Yours ever,

(P F Ricketts)
Private Secretary

Peter Ricketts

A J Coles Esq
10 Downing Street

COVERING CONFIDENTIAL

SAUVÉ, The Hon Jeanne PC

Governor-General of Canada since May 1984

Born in Saskatchewan in 1922

Educated at Universities of Ottawa and Paris. National President of the Young Catholic Students Group, 1942, and a founder of the Fédération des Mouvements des Jeunesse du Québec 1947. Special Assistant to the Director of the UNESCO Youth Programme in Paris, 1951; freelance journalist on the CBC and for the Montreal Star. Was a member of the board of directors of CKAC Radio Station, Montreal and of Bushnell Communications Limited of Ottawa. President of the Canadian Institute of Public Affairs 1964; a former Secretary-General of the Federation of Authors and Artists of Canada. Elected to the House of Commons in 1972 she was immediately made Minister of State for Science and Technology. She subsequently became Minister for the Environment (August 1974) and Minister of Communications (1976). She was Speaker of the House of Commons from the Liberal Government's return to power in February 1980 until her appointment as Governor-General. Madame Sauvé is the first woman to hold either post.

Married to Maurice Sauvé, former Liberal MP and Minister of Forestry and Rural Development. 1 son. Both she and her husband know Britain well.

She has charm and presence but remains very much a partisan Liberal.



Foreign and Commonwealth Office

London SW1A 2AH

12 April 1984

cc PE
N.B. P.N.

Dear John

A.S.C. 13/4

Governor-General of Canada

h-a.

I enclose a letter addressed to the Prime Minister from Madame Jeanne Sauvé who is to be the new Governor-General of Canada.

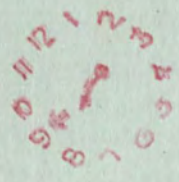
Although the letter is dated 13 January it was not delivered to our High Commission in Ottawa until 21 March. No explanation was given by Mme Sauvé's office for the delay, but it may have been because she was very ill for some weeks after the New Year. Madame Sauvé is now much better, but it has not yet been decided when she will take up her appointment.

For a
Ray Bone

(R B Bone)
Private Secretary

A J Coles Esq
10 Downing Street

12 Apr 1984



UNITED STATES AIR MAIL
POSTAGE WILL BE PAID BY ADDRESSEE

GPS290
RESTRICTED

RESTRICTED

FM OTTAWA 292235Z FEB 84
TO PRIORITY FCO
TELEGRAM NUMBER 143 OF 29 FEBRUARY
INFO PRIORITY TO MOSCOW, UKDEL NATO, PARIS
INFO SAVING TO WASHINGTON

PRIME MINISTER TRUDEAU

1. MR TRUDEAU TODAY ANNOUNCED HIS DECISION TO RESIGN FROM THE LEADERSHIP OF THE LIBERAL PARTY. THIS IS NOT UNEXPECTED - FOR BACKGROUND SEE MY ANNUAL REVIEW FOR 1983, MY TELNO 52 AND BAKER'S AND MY LETTERS OF 16 FEBRUARY. HE HAS ASKED THAT A LEADERSHIP CONVENTION BE CALLED TO CHOOSE HIS SUCCESSOR, AND WILL CONTINUE TO SERVE AS LEADER, AND AS PRIME MINISTER, UNTIL THEN.
2. THE LIBERAL PARTY'S NATIONAL EXECUTIVE WILL MEET THIS FRIDAY AND SATURDAY TO DECIDE THE DATE AND LOCATION FOR THE CONVENTION. THE PARTY'S PRESIDENT, IONA CAMPAGNOLO, HAS SAID THAT SHE WILL BE AIMING FOR A CONVENTION AT THE END OF JUNE. IT THEREFORE APPEARS LIKELY THAT TRUDEAU WILL STILL BE PRIME MINISTER AT THE TIME OF THE ECONOMIC SUMMIT IN LONDON AND THE D-DAY CELEBRATIONS.
3. TODAY'S ANNOUNCEMENT MAKES A GENERAL ELECTION LIKELY IN NOVEMBER (THE GOVERNMENT WILL NOT WANT TO START THE CAMPAIGN UNTIL THE POPE HAS LEFT).
4. MR TRUDEAU HAS CHARACTERISTICALLY CHOSEN AN UNUSUAL LEAP YEAR DATE FOR HIS ANNOUNCEMENT. HE IS ALLEGED TO HAVE REACHED HIS DECISION WHILE WALKING ABOUT IN A BLIZZARD LAST NIGHT, BUT IT SHOWS SIGNS OF CALCULATION. HE APPEARS FOR EXAMPLE TO HAVE BEEN CAREFUL TO PICK A DAY WHEN THE LEADING CONTENDER FOR THE SUCCESSION, MR TURNER, IS OUT OF THE COUNTRY, SO THAT THE MEDIA CANNOT EASILY RUSH TO MR TURNER FOR HIS COMMENTS.
5. FCO PLEASE ADVANCE TO 10 DOWNING STREET AND CABINET OFFICE.

MORAN

FCO/WHITEHALL D

NAD

(ADVANCED AS REQUESTED)

RESTRICTED

Caroline -

Please see AIC note
of 22.12 (+AIC to
FO 21/12)
about R. Mulroney.

What is the
latest position
on him)

Susan
16.2.84

Ugor
cancelled
CR.
16/2.

CONFIDENTIAL

CONFIDENTIAL

FM OTTAWA 241940Z JAN 84

TO PRIORITY FCO

TELEGRAM NUMBER 52 OF 24 JANUARY

INFO SAYING TO UKDEL NATO, OTHER NATO POSTS; UKMIS NEW YORK AND
CANADIAN CONSULAR POSTS**THE CANADIAN POLITICAL SCENE**

1. 1984 IS LIKELY TO BE AN ELECTION YEAR: THE GOVT. MUST GO TO THE COUNTRY BEFORE THE SPRING OF 1985. THERE IS INTENSE SPECULATION ABOUT THE TIMING, ABOUT WHO WILL LEAD THE LIBERAL PARTY AND ABOUT WHO WILL WIN.
2. CANADIANS ARE TIRED OF MR TRUDEAU. ALTHOUGH THEY RECOGNISE THAT LIBERAL ECONOMIC POLICIES HAVE LATTERLY BEEN REASONABLY EFFECTIVE AND GIVE MR TRUDEAU CREDIT FOR TRYING TO REDUCE EAST/WEST TENSION, THEY WANT A CHANGE AND IF HE HANGS ON AND TAKES THE PARTY INTO AN ELECTION HE WILL ALMOST CERTAINLY BE HEAVILY DEFEATED. THIS WOULD BE AN IGNOMINIOUS END TO HIS CAREER, SO IT IS THOUGHT HE WILL RETIRE SOON. THE LIBERAL CAUCUS ARE BECOMING INCREASINGLY RESTIVE. BUT HE WILL FIRST WANT TO COMPLETE HIS PEACE INITIATIVE BY SEEING ANDROPOV IN MOSCOW. MADDENINGLY FOR HIM, ANDROPOV HAS MERELY SUGGESTED A MEETING IN THE "NOT TOO DISTANT FUTURE" AND HAS DISCOURAGED ONE WITH ANYONE ELSE, SO THE TIMING IS STILL IN DOUBT. I THINK MR TRUDEAU IS HIMSELF LARGELY INDIFFERENT TO THE FATE OF THE LIBERAL PARTY, AND TAKES THE LINE OF "APRES MOI LE DELUGE". BUT HE WANTS TO ROUND OFF HIS CAREER TIDILY.
3. TIME IS RUNNING OUT. AN ELECTION CANNOT WELL BE HELD WHEN THE QUEEN IS HERE (14-27 JULY) OR DURING THE POPE'S VISIT (9-19 SEPT-EMBER) OR IN AUGUST WHEN THE PEOPLE ARE AWAY. AN ELECTION CAMPAIGN HERE LASTS FOR 51 DAYS. MR MULRONEY TOLD ME LAST WEEK THAT, IF THE LIBERALS LEAVE IT TILL THE LAST MOMENT THEY MAY BE WIPED OUT. HE SAID TO ME THAT AGAINST ALL THE ODDS TRUDEAU MIGHT HANG ON AND FIGHT AN ELECTION IN JUNE. THAT MAY HOWEVER BE WISFUL THINKING.
4. IF TRUDEAU DOES DECIDE TO GO, A LEADERSHIP CONVENTION WOULD TAKE AT LEAST THREE MONTHS TO ORGANISE. THE ONLY LIBERAL WHO NOW, IN MY VIEW, STANDS ANY CHANCE OF WINNING AN ELECTION IS JOHN TURNER, A FORMER MINISTER OF FINANCE WHO FELL OUT WITH TRUDEAU AND HAS SINCE BEEN WORKING AS A CORPORATION LAWYER IN TORONTO. IF THERE IS A CONVENTION I BELIEVE HE WILL RUN AND WIN THE PARTY LEADERSHIP, THOUGH OTHER LIBERALS ARE DISPLAYING LEADERSHIP AMBITIONS. TURNER MIGHT THEREAFTER DECIDE TO GO STRAIGHT INTO AN ELECTION, CAPITALISING ON THE PUBLIC EXPOSURE DURING THE CAMPAIGN AND THE CONVENTION, OR TRY TO GIVE A NEW IMAGE TO THE LIBERAL PARTY BY BRINGING IN A DRAMATIC NEW BUDGET AND MAKING NEW APPOINTMENTS. HE WOULD HAVE AN OUTSIDE CHANCE OF WINNING. IF MULRONEY WON BUT THEN (AS IS CONCEIVABLE) DID VERY BADLY AS PRIME MINISTER, TURNER WOULD BE WELL PLACED TO REVIVE LIBERAL FORTUNES.

CONFIDENTIAL

CONFIDENTIAL

5. A CHANGE WOULD BE GOOD FOR THE COUNTRY. I BELIEVE MYSELF THAT MR TRUDEAU HAS , DESPITE HIS ACHIEVEMENT IN GETTING THE UPPER HAND OF QUEBEC SEPARATISM, STAYED TOO LONG FOR CANADA'S GOOD, AND THAT HE HAS BEEN BAD IN MANY WAYS FOR HER STANDING IN THE ALLIANCE. A CHANGE IS OVERDUE. MULRONEY WOULD INCREASE CONSERVATIVE SUPPORT IN QUEBEC AND TURNER LIBERAL SUPPORT IN THE WEST, WHICH WOULD HELP TO MAKE BOTH PARTIES MORE NATIONAL (AT PRESENT THE LIBERALS DEPEND OVERWHELMINGLY ON QUEBEC AND THE CONSERVATIVES ON THE WEST). BOTH MEN SEEM WELL-DISPOSED TO US.

6. PLEASE PASS COPIES TO COLES, NO.10 DOWNING STREET, SIR ROBERT ARMSTRONG, SIR PHILIP MOORE AND SIR ANTHONY RAWLINSON DTI.

FCO PLEASE PASS SAYING TO ALL EXCEPT CANADIAN CONSULAR POSTS.

MORAN

REPEATED AS REQUESTED

STANDARD
NAD
MR J THOMAS

COPIES TO
MR COLES NO 10 DOWNING ST
SIR ROBERT ARMSTRONG
SIR PHILIP MOORE BUCKINGHAM
PALACE
SIR ANTHONY RAWLINSON DTI



CHAMBRE DES COMMUNES
HOUSE OF COMMONS
CANADA

O T T A W A

January 13, 1984

LE PRÉSIDENT
THE SPEAKER

Dear Mrs Thatcher,

It was with great pleasure that I received your warm message of congratulations, and I thank you most sincerely for those kind words and good wishes.

In accepting the honour conferred upon me, I welcome the opportunity to promote the ideals of unity and fraternity among all Canadians, while at the same time making every effort to sustain and encourage the very warm and complimentary relationship we in Canada share with Britain.

With kindest regards,

Yours sincerely,

Jeanne Sauvé

The Right Honourable Mrs. Margaret Thatcher, F.R.S., M.P.
Prime Minister
House of Commons
Westminster
LONDON (England)
SW1

cc FCO

MJ



10 DOWNING STREET

THE PRIME MINISTER

30 December 1983

My dear Madame Sauvé

I was absolutely delighted to hear of your appointment as Governor-General of Canada. I know that you will enjoy in this important task the outstanding success which has marked all your previous posts, and I am sure that you will love the work.

With warm good wishes,

Yours sincerely
Raymond Stelter

The Honourable Jeanne Sauvé, P.C., M.P.

HU



10 DOWNING STREET

Prime Minister

Mrs JEANNE SAUVÉ

I wonder whether you spotted
the attached in Saturday's
← Times.

Would you like to write
to Mrs Sauvé?

Dms
28/12



A woman governor for Canada

From John Best
Ottawa

Mrs Jeanne Sauvé, petite and vivacious Speaker of the House of Commons, has been named Canada's new Governor-General. She is the first woman to hold the post. The appointment, was made yesterday by the Queen on the advice of Mr Pierre Trudeau, the Canadian Prime Minister, and announced by Buckingham Palace.

Mrs Sauvé, who is 61, succeeds Mr Edward Schreyer, former Premier of Manitoba, who had held the post for the normal five-year period.

Mrs Sauvé has been Speaker since 1980, and is generally credited with doing a workman-like job of presiding over a frequently fractitious House.

A former journalist, she has been a Liberal MP since 1972.

She is married to Mr Maurice Suvé, also a former Liberal Cabinet Minister, and they have one son, Jean-Francois, also a journalist.

top copy on Canada,
Aug '79, Call on the PM by
the Premier of Ontario, Saskatchewan,
and Alberta. → cc Canada
Palshas



Bf

10 DOWNING STREET

From the Private Secretary

22 December 1983

Canadian Visitors

As you know, the Prime Minister has agreed to have talks with Mr. Lougheed on 15 February and Mr. Davies on 29 February.

But I do not think you know that the Prime Minister has agreed, following a request through Party channels, to see Mr. Mulroney on Friday 17 February. Mrs Thatcher has indicated that she would like to give him a small working lunch.

Before we finally confirm these arrangements I should be grateful for your advice on whether there is likely to be any embarrassment if the Prime Minister singles out Mr. Mulroney for special treatment in the form of a lunch. We certainly cannot end up with three meals, since the Prime Minister's diary simply would not permit that. I should be grateful for your views by 4 January.

AK

R.B. Bone, Esq.,
Foreign and Commonwealth Office.

6



10 DOWNING STREET

Caroline

If the Prime Minister wanted to,
could she give Mr. Muloney
lunch on 17 February.

A. J. C. ²⁴/₁₂.

AJC: For action.
Or can we
do for you?
CR



10 DOWNING STREET

PRIME MINISTER

Copy 15
Jan 29

As you know, you have agreed
to see Mr. Mulroney, Leader of
the Canadian Progressive
Conservative Party for talks
at 12 noon on Friday, 17 February.

John Coles wonders whether you
would like to give him lunch?

Yes - a small
working lunch
no CR.

21 December, 1983

Now see F./C.O. letter.

A.S.C. 3/11.

27582 CABOFF G
LEA OF OPP OTT

sw

MR. ROBIN BUTLER,
PRIME MINISTER'S OFFICE,
10 DOWNING STREET,
LONDON, ENGLAND

Noted -
CR. 19/12.

By

THIS TELEX CONFIRMS THE MEETING TIME OF 12 NOON ON FEBRUARY 17,
1984, FOR MR. BRIAN MULRONEY, LEADER OF THE OPPOSITION,
WITH MRS. THATCHER.

CHARLES MCMILLAN
SPECIAL ASSISTANT
OFFICE OF THE LEADER OF THE OPPOSITION
OTTAWA, CANADA

17/2/84

15th November 1983

I write further to my letter of 11th November, concerning the request from Mr Mulroney to see the Prime Minister when he visits London early next year.

The Prime Minister would be glad to see Mr Mulroney, and I would like to offer 12.00 noon on 17th February.

Perhaps you could let me know as soon as possible whether this time would be convenient?

Telephoned to accept.

MICHAEL ALISON

The Lord Fanshawe of Richmond KCMG

Cantine

Please.

D
14/-

John Coles

Mr. Barclay.

The Prime Minister will want to see him. Can you find time - up to 1 hour?

A-J-C - " "

Mr Brian Mulroney, leader of the Canadian Progressive Conservative Party, will be paying his first visit to London as leader on 17th February 1984. A request ^{has come} from him, via Lord Fanshawe, to meet the Prime Minister that morning. Any objections?

MA

Mr. Alison

1200 - 1300
on 17 Feb.

I will leave
it to you
to fix?

MICHAEL ALISON

11.11.83

or do you wish
to do it via P.O.

CP
15/11

B/f

11th November 1983

Thank you for your letter of 8th November with requests from Dr Pires and Mr Brian Mulroney, to meet the Prime Minister when they are visiting Britain.

I am afraid that when Dr Pires is in London, the Prime Minister will be in Delhi for the Commonwealth Heads of Government Meeting, and so a meeting between them will not be possible.

I will come back to you as soon as possible about Mr Mulroney's request for a meeting.

MICHAEL ALISON

The Lord Fanshawe of Richmond KCMG

CONSERVATIVE & UNIONIST CENTRAL OFFICE,
32 SMITH SQUARE,
WESTMINSTER, SW1P 3HH,

From

THE VICE CHAIRMAN OF THE PARTY
The Lord Fanshawe of Richmond, K.C.M.G.

Telephone: 01-222 9000

The Rt. Hon. Michael Alison,
No. 10 Downing Street,
London SW1

8 November 1983

Dear Michael,

We have received requests from two party leaders - who are close friends of ours, to meet the Prime Minister.

iso -
The first is from Dr. Francisco Lucas Pires, the leader of the CDS Party of Portugal (and currently leader of the opposition). The attached copy of a telex provides the background. Chancellor Kohl, and the Dutch and Belgian Prime Ministers have agreed to meet him. He would be very grateful if our Prime Minister could spare a few minutes to see him on the 24th, 25th or 28th November next.

*Yes but
check*
The second is from Mr Brian Mulroney, leader of the Canadian Progressive Conservative Party, who will be paying his first visit to London as leader on 17th February next. He would be grateful for a meeting that morning.

Since I shall be abroad for the next few days, perhaps you could let Scott Hamilton know whether these meetings would be possible.

I am copying this to Geoffrey Howe's office.

Yuan
Tom

8814563CONPAR G
15844 CDS DOP P

LISBON, 3, 11. 1983

ATT: INTERNATIONAL OFFICE
=====

1. THE CDS HAS ALWAYS MAINTAINED THAT PORTUGAL'S ACCESSION TO THE E.E.C. IS A QUESTION OF FIRST PRIORITY IN THE CONTEXT OF PORTUGUESE FOREIGN POLICY.
2. THE EUROPEAN CHRISTIAN DEMOCRATIC AND CONSERVATIVE PARTIES HAVE ALWAYS INDICATED THAT PORTUGAL'S ACCESSION TO THE EEC IS ESSENTIAL IF AN EUROPEAN POLITICAL DESIGN IS TO TAKE SHAPE.
3. NEGOTIATIONS BETWEEN PORTUGAL AND THE EEC ARE MEETING NOWADAYS WITH DOUBTS AND OBSTACLES ORIGINATING ESPECIALLY FROM SOME GOVERNMENTS HAVING A SOCIALIST PARTY BASIS.
4. THE CDS BELIEVES THAT PORTUGAL'S DESTINY IS CLOSELY LINKED WITH THE QUESTION OF EEC'S ENLARGEMENT. THE CDS CONSIDERS THEREFORE THAT OUR ACCESSION TO THE EEC IS INDEED A NATIONAL QUESTION CALLING FOR WIDE COOPERATION BETWEEN THE VARIOUS POLITICAL, SOCIAL AND ECONOMIC INSTITUTIONS.
5. FOLLOWING A SUGGESTION MADE BY OUR PARTY, THE PORTUGUESE PRIME MINISTER, MARIO SOARES MET YESTERDAY WITH THE CDS LEADER, FRANCISCO LUCAS PIRES, AND PROPOSED THAT COMMON ACTIONS SHOULD BE UNDERTAKEN BY ALL WITH A VIEW TO SPEEDING UP THE PROCEEDINGS OF PORTUGAL'S ACCESSION TO THE EEC AND OVERTAKING PRESENT OBSTACLES, HAVING IN MIND THE NEXT SUMMIT MEETING IN ATHENS (THE COMMUNIQUE'S ISSUED BY THE PRIME MINISTER'S OFFICE AND THE CDS LEADER ARE TRANSCRIBED BELOW).
6. THE CD DEEMS IT EXTREMELY IMPORTANT THAT PORTUGUESE DEMOCRATIC PARTIES SHOULD EMBARK ON SUCH COOPERATIVE EFFORTS, WHICH MAY IN THE FUTURE ENCOMPASS OTHER QUESTIONS OF COMMON INTEREST IN THE INTERNATIONAL FIELD. AND IT IS ALSO SIGNIFICANT THAT PORTUGUESE PUBLIC OPINION SHOULD FULLY REALIZE THE WEIGHT OF THE CHRISTIAN DEMOCRATIC AND CONSERVATIVE IDEALS THROUGHOUT EUROPE. THE SUCCESS OF THE ACTION THUS TAKEN BY OUR PARTY WILL BE VERY IMPORTANT BOTH FOR PORTUGAL AND THE CDS.
7. DR. LUCAS PIRES WILL BE IN ROME FOR THE UEDC/PPE MEETING OF THE 9TH. TO 11TH. NOVEMBER, WHEN THE WHOLE QUESTION WILL NO DOUBT BE DISCUSSED.

IM WE ARE READY TO HAVE A MEMBER OF OUR INTERNATIONAL RELATIONS COMMITTEE TRAVEL TO YOUR COUNTRY AND VISIT YOUR PARTY IN ORDER AND VISIT YOUR PARTY IN ORDER TO FULLY EXPLAIN THE IMPORTANCE WE LEND TO THIS INITIATIVE, AS WELL AS THE DEMARCHES NOW BEING MADE CONCERNING A VISIT TO YOUR COUNTRY BY THE CDS LEADER AT THE HEAD OF A DELEGATION OFFICIALLY RECOGNIZED BY THE PORTUGUESE GOVERNMENT AND SPONSORED BY THE MINISTER OF FOREIGN AFFAIRS, TO MEET AT THE HIGHEST LEVEL WITH BOTH YOUR GOVERNMENT AND PARTY.

CDS INTERNATIONAL RELATIONS COMMITTEE
TEXT OF THE ISSUED BY THE PRIME MINISTER'S OFFICE

THE PRIME MINISTER MET TODAY AT HIS OFFICE WITH THE PRESIDENT OF THE CDS POLITICAL COMMITTEE, DR. LUCAS PIRES, TO WHOM HE PROPOSED, FOLLOWING AN OFFER MADE BY THE CDS DURING THE DEBATE THAT TOOK PLACE IN THE PARLIAMENTARY COMMISSION FOR EUROPEAN INTEGRATION, THAT COMMON ACTIONS SHOULD BE UNDERTAKEN WITH A VIEW TO SPEEDING UP THE PROCEEDINGS OF PORTUGAL'S ACCESSION TO THE EEC AND OVERTAKING EXISTING OBSTACLES, HAVING IN MIND THE NEXT SUMMIT MEETING IN ATHENS.

THE PROPOSAL MADE BY THE PRIME MINISTER WAS ACCEPTED IN PRINCIPLE, IN THE FRAME OF A GLOBAL AGREEMENT ABOUT THE WHOLE QUESTION OF EUROPEAN INTEGRATION, AND ON THE UNDERSTANDING THAT THIS IS INDEED A NATIONAL QUESTION CALLING FOR WIDE INSTITUTIONAL COOPERATION.

IT WAS AGREED THAT FURTHER MEETINGS SHOULD TAKE PLACE WITH A VIEW TO PREPARING A SET OF INTERNATIONAL INITIATIVES THAT ARE NECESSARY AND PRESSEING. IT WAS ALSO AGREED THAT IT WILL BE APPROPRIATE TO HAVE SOCIAL FORCES, AS REPRESENTED BY THEIR RESPECTIVE ORGANIZATIONS, TAKE AN INTEREST IN THE INTERNATIONAL DEMARCHES TO BE MADE.

TEXT OF THE COMMUNIQUE ISSUED BY THE OFFICE OF THE PRESIDENT OF THE CDS POLITICAL COMMITTEE.

THE PRESIDENT OF THE CDS POLITICAL COMMITTEE MET TODAY WITH THE PRIME MINISTER. FOOLOWING AN OFFER MADE BY THE CDS DURING THE DEBATE THAT TOOK PLACE IN THE PARLIAMENTARY COMMISSION FOR EUROPEAN INTEGRATION, THE PRIME MINISTER PROPOSED THAT COMMON ACTIONS SHOULD BE UNDERTAKEN WITH A VIEW TO SPEEDING UP THE PROCEEDINGS OF PORTUGAL'S ACCESSION TO THE EEC AND OVERTAKING EXISTING OBSTACLES, HAVING IN MIND THE NEXT SUMIT MEETING IN ATHENS.

THE PROPOSAL WAS ACCEPTED IN THE FRAME OF A GLOBAL AGREEMENT ABOUT THE WHOLE QUESTION OF EUROPEAN INTEGRATION, AND ON THE UNDERSTANDING THAT THIS IS INDEED A NATIONAL QUESTION CALLING FOR WIDE INSTITUTIONAL COOPERATION.

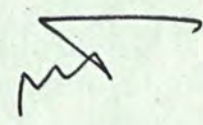
IT WAS AGREED BY THE PRIME MINISTER AND THE PRESIDENT OF THE CDS POLITICAL COMMITTEE THAT FURTHER MEETINGS SHOULD TAKE PLACE WITH A VIEW TO PREPARING A SET OF INTERNATIONAL INITIATIVES THAT ARE NECESSARY AND PRESSING. IT WAS ALSO AGREED THAT IT WILL BE APPROPRIATE TO HAVE SOCIAL FORCES, AS REPRESENTED BY THEIR RESPECTIVE ORGANIZATIONS, TAKE AN INTEREST IN THE INTERNATIONAL DEMARCHES TO BE MADE.

THE DISCUSSION OF THIS QUESTION WILL COMMENCE DURING THE WEEKLY MEETING OF THE CDS STEERING COMMITTEE.

8814563CONPAR G
15844 CDS DOP PV

GPS 450
CONFIDENTIAL
DESKBY 130930Z
FM OTTAWA 121255Z JUN 83
TO IMMEDIATE FCO
TELEGRAM NUMBER 205 OF 12 JUNE 1983
INFO PRIORITY WASHINGTON

CONFIDENTIAL



LEADERSHIP OF PROGRESSIVE CONSERVATIVE PARTY

1. SUMMARY. BRIAN MULRONEY, A BILINGUAL QUEBEC LAWYER AND BUSINESSMAN WITH NO PARLIAMENTARY EXPERIENCE HAS BEEN ELECTED LEADER OF THE PROGRESSIVE CONSERVATIVE (PC) PARTY.

DETAIL

2. THE PC LEADERSHIP CONVENTION MET IN OTTAWA FROM 8-12 JUNE. THE LEADERSHIP HAD BEEN VACANT SINCE JOE CLARK RESIGNED AFTER 33% OF THE DELEGATES TO THE NATIONAL CONVENTION IN WINNIPEG IN JANUARY CALLED FOR A LEADERSHIP REVIEW. TWO LEADING CONSERVATIVES, THE PREMIERS OF ONTARIO (DAVIS) AND ALBERTA (LOUGHEED) EFFECTIVELY BLOCKED EACH OTHER AND NEITHER ENTERED THE RACE.

3. VOTING TOOK PLACE ON 11 JUNE. CLARK LED ON THE FIRST THREE BALLOTS, BUT MULRONEY'S VOTE INCREASED STEADILY AS THE OTHERS, NOTABLY JOHN CROSBIE (FORMER FINANCE MINISTER) DROPPED OUT, AND MULRONEY ENDED WITH 1584 VOTES TO CLARK'S 1325 ON THE FOURTH AND FINAL BALLOT.

4. THE NEED TO WIN SEATS IN THE LIBERAL'S STRONGHOLD IN QUEBEC PLAYED AN IMPORTANT ROLE IN DELEGATES' DECISIONS, AND SEVERLY HANDICAPPED THE EXPERIENCED BUT UNILINGUAL CROSBIE. CLARK HAS WORKED HARD TO LEARN FRENCH AND TO STRENGTHEN THE PARTY IN QUEBEC, AND HE INSPIRES LOYALTY IN HIS OWN SUPPORTERS : BUT HE HAS FAILED TO UNITE THE PARTY SINCE HIS MINORITY GOVERNMENT WAS DEFEATED IN 1979 AND LOST THE SUBSEQUENT ELECTION, AND MANY FEARED HE MIGHT LOSE AGAIN. MULRONEY IS NOT ONLY BILINGUAL BUT ALSO THE FIRST QUEBECKER CHOSEN TO LEAD THE PARTY. HE COMES FROM IRISH STOCK.

5. MULRONEY HAS NEVER STOOD FOR ELECTORAL OFFICE, EXCEPT FOR AN UNSUCCESSFUL BID FOR THE LEADERSHIP IN 1976, AND IS THUS DEVOID OF PARLIAMENTARY EXPERIENCE. HE FIRST CAME TO PROMINENCE IN 1974 AS A LAWYER ON A ROYAL COMMISSION ENQUIRING INTO VIOLENCE IN THE QUEBEC CONSTRUCTION INDUSTRY. SINCE 1977 HE HAS BEEN PRESIDENT OF THE IRON ORE COMPANY OF CANADA.

6. IN CHOOSING MULRONEY THE PARTY ARE GAMBLING. THEY HAVE DISCARDED AN ESTABLISHED AND EFFECTIVE PARLIAMENTARIAN WHO HAS LOST FOR SOMEONE WITH WHAT THEY HOPE WILL BE A VOTE-CATCHING IMAGE. MULRONEY HAS THE ABILITY TO GENERATE POPULAR ENTHUSIASM, BUT HIS INEXPERIENCE WILL BE RUTHLESSLY EXPLOITED BY THE LIBERALS. HE GIVES THE IMPRESSION OF A MACHINE POLITICIAN WITH MORE MOTIVATION THAN PRINCIPLE. THERS IS

CONFIDENTIAL

SOMETHING

CONFIDENTIAL

SOMETHING OF TAMMANY HALL AND PROSPECTIVE PATRONAGE ABOUT THE WAY HIS OPERATION HAS LOOKED, AND HE WILL ALSO HAVE TO LIVE DOWN A REPUTATION FOR SLICKNESS. THE PACKAGE HAS BEEN CAREFULLY PREPARED, BUT ONLY TIME AND FURTHER EXPERIENCE WILL SHOW WHETHER IT CONTAINS RECOGNISABLE PRIME MINISTERIAL MATERIAL.

7. THE CAMPAIGN HAS GENERATED FURTHER BITTERNESS IN THE PARTY, AND MULRONEY'S TASK OF UNITING IT WILL NOT BE EASY. BUT HE WILL BE HELPED BY THE SUPPORT CLARK HAS ALREADY OFFERED, AND BY THE RECOGNITION THAT UNITY IS A PRECONDITION FOR VICTORY. THE PARTY HAS BEEN RIDING HIGH IN THE POLLS, AND IT IS HUNGRY FOR POWER.

MORAN

FCO/WH
NAD

2
CONFIDENTIAL

RESTRICTED

RESTRICTED
SAVING TELEGRAM

SAVING TELEGRAM

[Cull]
REF: ECO 090/1

FM Ottawa

To FCO telno Saving 17 of 20 December 1982.

Copied for information to Washington.

CANADIAN ECONOMY

1. Federal and provincial Finance Ministers met at Meech Lake, Quebec on 16 December to discuss the state of the Canadian economy. There was no formal statement at the end of the meeting, but there appears to have been general agreement on the need to combat unemployment through capital investment by both levels of government. The eleven governments will prepare a list of specific projects over the next two to three weeks.
2. The meeting was notable for its cordial atmosphere and the confluence of views of those present. This is in stark contrast to the First Ministers Conference of February 1982 (my telno 73 to the FCO). The conclusions of the Meech Lake meeting were anticipated by Minister of Finance, Mr Lalonde, who said in the House of Commons on 13 December that his government planned to do everything it could to bring down the level of unemployment and that provincial and federal governments must use all their resources to stimulate the Canadian economy over the next year.
3. In their comments to the press, the Finance Ministers made no mention of the need to continue the fight against inflation, and only the Alberta Finance Minister referred to the value of low interest rates. All other Ministers appeared convinced that the way out of recession lay with countercyclical spending by government, and were prepared to accept the increases in already large deficits that would result.
4. The outcome of the Meech Lake meeting reflects the governments' growing anxiety at five consecutive quarters of declining GNP and steadily rising unemployment. No figures for capital spending were mentioned and it may be that the sense of common purpose will evaporate when each government considers the effect of stimulatory policies on its own finances. On the personal level, the apparent success of the meeting was another feather in the cap of Mr Lalonde, who is quickly establishing a reputation as a strong and purposeful Finance Minister.
5. FCO please pass copies to HM Treasury, Department of Trade and Bank of England.

FINANCIAL
NAD

RESTRICTED

THIS TELEGRAM
WAS NOT
ADVANCED
[PASSED] AS REQUESTED

5

13 December 1982

Canada : Training Charges

Thank you for your letter of 10 December,
the contents of which have been noted by the
Prime Minister.

ASC

Richard Mottram, Esq.,
Ministry of Defence.

RM

CONFIDENTIAL

Prime Minister

(2)

To note

A.P.C. 10/n.



MINISTRY OF DEFENCE
MAIN BUILDING WHITEHALL LONDON SW1

Telephone 01-~~930 7022~~ 218 2111/3

MO 14/6

10th December 1982

New John,

CANADA: TRAINING CHARGES

In my letter of 22nd November I undertook to let you know the outcome of talks an MOD Team was due to have with Canadian officials on the question of training charges.

The Team was received cordially in Ottawa and useful discussions took place. The Canadians tabled proposals aimed at reducing the number of cash transactions for training services between the two countries; in effect they want the UK to offset the bills we pay for Canadian training areas by charges incurred by the Canadians training in UK and BAOR. Provided truly reciprocal offsets can be agreed the benefit will be mutual and, as you know, the Canadian Department of National Defence is particularly keen to deal in this way because their training funds are starved of cash since a large proportion of their Defence Budget is devoted to capital investment.

The MOD team brought the proposals away for further consideration and it was agreed that discussions will resume in London in February 1983. At first sight there is every reason to believe that mutually satisfactory offset packages can be constructed.

The Canadians appeared quite satisfied with the outcome of the meetings. They are planning also to have discussions with the US and with the Federal Republic of Germany.

I am copying this letter to Roger Bone (FCO) and John Kerr (Treasury).

Yours ever,

Richard Mottram

(R C MOTTRAM)

A J Coles Esq

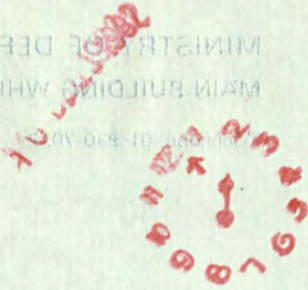
CONFIDENTIAL

Canada

Relations

MINISTER OF DEFENCE

MAIN BUILDING WHITEHALL LONDON SW1



BY BAG
FROM OTTAWA
RESTRICTED

RESTRICTED
SAVING TELEGRAM

TO FOREIGN AND COMMONWEALTH OFFICE

FOR INFO PARIS)
FOR INFO MONTREAL) REPEAT SAVING FOR INFO TO THESE POSTS

TELNO. 16 SAVING

8 DECEMBER 1982

CANADA: THE CONSTITUTION: DISMISSAL OF QUEBEC'S CLAIM TO A VETO

In a judgement dated 6 December the Supreme Court has unanimously rejected the Quebec Government's claim that it possessed, by convention, a veto on constitutional changes that affect the legislative competence of the Quebec legislature or the status or role of the provincial legislature or government within the federation. The Court thus dismisses the Quebec Government's appeal against an earlier adverse judgement, also unanimous, by the Quebec Court of Appeal on 7 April.

2. The Court finds that the Quebec Government has failed to demonstrate the existence of such a convention, since it has not shown that it is accepted or recognised by the 'actors' - i.e. the Federal Government and the other provinces. Copy of the judgement follows by bag to NAD.

3. The Premier of Quebec, Mr René Lévesque, has described the judgement as 'the end of all illusions' and has claimed that French Quebecers are now nothing more than an internal colony under the sway of another people: Quebec would never have entered Canada if it had not believed that the new nation was being built on the idea of duality. This defeat in the courts may help the Parti Québécois by lending credence to their claim to be the only bastion against the swallowing of Quebec, and, more narrowly, by justifying Lévesque's attacks on the deficiencies, from Quebec's point of view, of the new Constitution. But no one outside Quebec really thought that Quebec did have a veto. What the judgement has done is to make it brutally clear that Quebec is simply a province like the other nine and that there is no solid basis for the claim that French Canada is in some way co-equal with English Canada, a claim with which Mr Trudeau, for one, clearly has some sympathy.

MORAN

[COPIES SENT TO NO 10 DOWNING STREET]

CANADIAN CONSTITUTION LIMITED

NAD

CCD

P & CD

PCCU

PARLIAMENTARY UNIT

NEWS D

INFORMATION D

PS

PS/MR ONSHOW

PS/MR HURD

PS/MR RIFKIND

PS/PUS

MR GIFFARD

MR URE

LOED N G LENNOX

CABINET OFFICE

COPIES TO:

SIR I SINCLAIR

MR FREELAND

DR PARRY

} LEGAL ADVS.

PS/CHANCELLOR OF THE DUCHY OF LANCASTER

PS/LORD CHANCELLOR HOUSE OF LORDS

PS/LORD PRESIDENT

MR H STEEL, LAW OFFICERS' DEPT

PS/HOME SECRETARY

MR BAILEY, H.M. TREASURY SOLICITORS

RESTRICTED



B/F. JQ

10 DOWNING STREET

From the Private Secretary

24 November 1982

CANADA: TRAINING CHARGES

The Prime Minister has seen your letter of 22 November and has noted that you will be providing further advice when the outcome of last week's talks between a Ministry of Defence team and Canadian officials is known.

I am copying this letter to Roger Bone (FCO) and John Kerr (HM Treasury).

A. J. COLES¹

Richard Mottram, Esq.,
Ministry of Defence.

SM



Prime Minister

MINISTRY OF DEFENCE

MAIN BUILDING WHITEHALL LONDON SW1

Telephone 01-~~9387022~~ 218 2111/3

MO 14/6

22nd November 1982

The MOD are holding talks with the Canadians to try to sort out the difficulties. But it is clearly not the case that we charge the Canadians for training while they do not charge us.

A.J.C. 23/11

ml

Dear John,

CANADA: TRAINING CHARGES

You wrote to Roger Bone on 1st November about charges for the use of military training facilities in Britain and Canada. As the Defence Secretary is responsible for our policy on training charges, I am replying to your letter.

The facts are:

a. Canada enjoys the special concessionary rates on ground training charges applied to NATO and other countries with which the UK has reciprocal training arrangements. Tuition charges are calculated on the basis of extra costs incurred - not the full costs - taking into account the planned student throughput for the course in question. Capital and administrative costs are excluded from this calculation. Charges for naval training are calculated on various bases, but the price of the Submarine Commanding Officers' Qualifying Course - which has been a particular cause of Canadian complaint - recovers, at most, a proportionate share of the cost of fuel consumed. Ammunition is the one commodity for which full costs are recovered for all courses - it, of course, has to be replaced. The details of Canadian attendance on UK courses in the last three years are set out at Annex A.

b. As to Canadian training charges, access by UK forces to Canadian facilities is not free of charge. Details of the agreement on charges are set out at Annex B. The Canadians include elements (such as administration costs) never included in MOD's own extra cost calculations.

By the Canadians' own reckoning, they received Canadian \$12.8M payment from MOD for these facilities in 1981/82, whilst themselves paying MOD Canadian \$5.3M for UK training courses.

A J Coles Esq



Because of Canadian concern over charges, a MOD Team was in Ottawa last week to explore with Canadian officials the possibility of reciprocal arrangements for offsetting costs (some agreements have already been reached over the last year). I will let you know the outcome of these talks.

On the issue of training charges generally, the Defence Secretary has commissioned a study on how best to reconcile defence policy, sales and financial considerations which will be considered by the Defence Council in the New Year.

I am copying this letter to Roger Bone (FCO) and John Kerr (Treasury).

Yours etc,

Richard Mottram

(R C MOTTRAM)

CANADIAN TRAINING IN UK

1. Students trained in UK

	1979		1980		1981	
	Students	Student/ weeks	Students	Student/ weeks	Students	Student/ weeks
NAVY	116	1152	172	1324	174	1248
ARMY	93	1748	79	1454	83	1309
AIR FORCE	21	148	25	190	24	184
TOTAL:	<u>230</u>	<u>3048</u>	<u>276</u>	<u>2968</u>	<u>281</u>	<u>2741</u>

2. Courses with Canadian participation 1982/3

NAVY	22
ARMY	29
AIR FORCE	5
TOTAL:	<u>56</u>

SUFFIELD AND WAINWRIGHT

The financial terms of the agreement covering the training of British Forces in Canada are:

"The UK shall reimburse Canada all costs incurred by Canada in respect of the British training programme including the cost of personnel, materiel, equipment, supplies, services (including civilian labour) and facilities provided from Canadian military or other Government sources or commercial sources, as well as any related administrative or other charges which are added to the cost of these items. Except where otherwise stipulated ... the costs to be recovered ... with respect to land and buildings ... shall be those arising out of the maintenance or construction of buildings".

The Agreement also provides for payment in advance which the Canadians have been resisting in Germany.

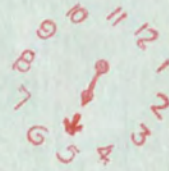
The UK is charged the pay, allowances and support costs of all Canadian staff attributed to the British presence (eg 50 military posts at British Army Training Unit Suffield (BATUS)), maintenance costs of buildings including a proportionate share of shared buildings, maintenance of roads, etc, on the training areas and miscellaneous support costs, including an element for Department of National Defense (DND) support costs. This is not a full cost charge; it excludes interest on capital or rent for land or buildings. But it does seem to be more inclusive than our NATO extra cost training charge (or our Messing and Accommodation (M&A) price) by including a DND overhead.

The Agreement is to last until August 1991 subject to a year's notice of termination by either side in writing.

Canada, UK/Canadian Relations, P+S



22 NOV 1982



010

UK Canadian Relations
RHS.



Mr. Jamieson's
appointment has
been announced
today.

FERB

3.11.

① Mr. Butler

② Miss Dinata

④

Ref. A09970

MR COLES

A.S.C. 3/11

I received a call from Michael Pitfield, the Secretary of the Canadian Cabinet, yesterday. Apart from telling me of his own resignation, for "personal reasons", he said that Mr Trudeau was anxious to convey a message to the Prime Minister that the Canadian High Commission had appointed the Hon Donald Jamieson PC to be Canadian High Commissioner in London in succession to Mrs Jean Casselman Wadds, who is being recalled for new duties at home.

2. Mr Jamieson is the Liberal Member of Parliament for St John's, Newfoundland. He was successively Minister of Supply and Services, Transport, Industry, Trade and Commerce and External Affairs in Mr Trudeau's Government between 1968 and 1979.

3. He will take up his new duties as High Commissioner early in January.

CONQUEROR

Approved by
ROBERT ARMSTRONG
and signed in his absence

3 November 1982

CONFIDENTIAL

File

Sub

Canada.

sc. Master set.



SUBJECT.

10 DOWNING STREET

From the Private Secretary

1 November 1982

BT

CALL BY LORD MORAN

Lord Moran called on the Prime Minister this morning. One point for action arises.

There was discussion of our policy of charging full costs to Canada for military training and the consequent Canadian proposal to charge Britain for the facilities we use in Canada.

The Prime Minister asked after the meeting for a full brief on this problem. She is disposed to regard this as another case of rigidity in our policy on training costs leading to unfortunate consequences for our interests. I should be grateful if, in providing a further brief for the Prime Minister, you and the other Departments concerned could make clear what possibilities there may be for waiving the obligation upon the Canadians to pay full costs for this training.

I am copying this letter to Richard Mottram (Ministry of Defence) and John Kerr (HM Treasury).

A. J. COLES

R.B. Bone, Esq.,
Foreign and Commonwealth Office.

CONFIDENTIAL

CONFIDENTIAL



Foreign and Commonwealth Office

London SW1A 2AH

29 October 1982

See John

Call by Lord Moran

Thank you for your letter of 18 October about Lord Moran's call on the Prime Minister on Monday morning.

// I enclose a biographical note, and a very short note on Canadian economic and political developments.

The High Commissioner will no doubt wish to discuss ways in which Britain could pay more attention to Canada. He is likely to say that he would welcome an early visit by the Prime Minister. As you will recall, the Prime Minister is holding over the possibility of visiting Canada next year en route to the economic summit, but no decision has yet been taken.

Of current bilateral problems under discussion, the most important is our current policy of charging full costs to Canada for military training. As a result the Canadians are now proposing to charge Britain for the facilities we use in Canada, including the irreplaceable training area on the prairies of Alberta, which hitherto have been heavily subsidised by the Canadian Government. Preliminary examination suggests that this could lead to an additional cost to HMG of upwards of \$9 million annually. Talks with the Canadians on this are continuing. Lord Moran will doubtless wish to brief the Prime Minister on the present state of play.

/Lord Moran

CONFIDENTIAL

CONFIDENTIAL



Lord Moran may also refer to the bad reception given in Canada to the increase in fees for overseas students which has resulted in a significant reduction in the number of Canadians studying in Britain.

Yours

R B Bone

(R B Bone)
Private Secretary

A J Coles Esq
10 Downing Street

CONFIDENTIAL

THE LORD MORAN KCMG

British High Commissioner at Ottawa
since June 1981

Born 22 September 1924, son of the first Baron Moran, the Physician, who died in 1977. Educated at Eton and King's College, Cambridge. Joined the Navy in 1943.

Joined the Foreign Service in 1945. Has served in Ankara, Tel Aviv, Rio de Janeiro, Washington, Pretoria. Was Head of West Africa and General Department in London throughout most of the Nigerian civil war. HM Ambassador at Budapest 1973 to 1976; HM Ambassador at Lisbon 1976 to 1981.

Lord Moran was made a CMG in 1970 and a KCMG in the 1981 New Year Honours.

In 1948 he married Shirley Rowntree Harris, daughter of the late Mr G J Harris, Chairman of Rowntrees, who is interested in horses and farming. The Morans have a small farm in Wales. One daughter (1950) now married; two sons (1952 and 1956). Lord Moran has written a book, a life of Sir Henry Campbell-Bannerman, published in 1973.



CANADA: POLITICAL AND ECONOMIC

ESSENTIAL FACTS

1. The Canadian economy is currently suffering a deep recession (unemployment 11.8%, interest rates 16%) and the Liberal government is in the doldrums. The annual meeting of provincial premiers in August was critical of the federal government's economic and foreign investment policies. The June budget introduced measures to restrain inflation including pay restraint (6% this year and 5% in 1983), was welcomed by business (but not by the unions) but has not restored confidence in the government. Mr Trudeau cancelled a planned late September visit to ASEAN countries and Japan. He announced in September a number of Cabinet changes, including the move of Mr MacEachen (Finance) to External Affairs. Mr MacEachen has served before as Secretary of State for External Affairs though not with distinction. He retains his position as Deputy Prime Minister. The shuffle moved the right-wing business orientated Ed Lumley in to be responsible for FIRA (Foreign Investment Review Agency), which has been welcomed by investors. Efforts are being made to streamline and speed-up procedures.

2. On 19, 20 and 21 October Mr Trudeau gave three 15 minute addresses to the nation on television in which he called upon Canadians to face up to the forthcoming winter of worsening economic difficulties. He made no concrete suggestions for remedies, but measures are to be announced in the speech

/from...



from the Throne. The problem is that he has lost credibility in the country, but shows no sign yet of standing down. He is thought likely to stay until somewhat nearer the next election (spring 1985 at the latest). The Progressive Conservative leader, Joe Clark, also seems determined to stay, notwithstanding some disaffection in his party. The PCs are gaining ground a little at the Liberals' expense in the opinion polls.

3. The Liberal Government seems to be making some effort towards mending fences with the provinces after the confrontation which has characterised their term of office so far. Quebec has passed legislation qualifying the application of the Charter of Rights to that province but continues to participate in meetings with other provinces. The Quebec Supreme Court recently overruled Quebec legislation which restricted the right of anglophone education in the province on the grounds that it conflicted with the Charter of Rights.

NORTH AMERICA DEPARTMENT
29 October 1982

18 October 1982

I heard the other day (from Barbara Hayes) that Lord Moran would like to call on the Prime Minister while he is in the United Kingdom. I understand that both Sir Antony Acland and Sir Robert Armstrong think this would be valuable.

The Prime Minister will see Lord Moran for fifteen minutes at 1030 a.m. on Monday, 1 November. I should be grateful if you could arrange for a short brief to reach me by the previous Friday.

John Holmes, Esq.,
Foreign and Commonwealth Office.

PRIME MINISTER

Our High Commissioner in Ottawa, Lord Moran, has asked whether he can call on you briefly. I do not think he has any particular business to discuss. I am told that he feels that he will be in a stronger position to deal with the Canadian Government if he says that he has seen you.

Sir Antony Acland and Sir Robert Armstrong think it would be useful if you could give him 15 minutes.

I know that Michael Alexander used to resist this particular applicant. The problem is that if he sees you, there is no reason why quite a wide range of our Ambassadors and High Commissioners should not also take up your time. I think it would be better to stick to the rule that you only see our representatives from our major posts (Washington, New York, Moscow, Paris and Bonn), unless there is a pressing reason for others to see you. I can easily explain to Lord Moran that you are heavily committed between now and 5 November when he returns to Canada.

I know you are always disposed to see people but that results in a very crowded diary. It is easier to draw a firm line.

What would you like me to do?

*As we haven't accepted
the many visit-requests to
Canada - I will
see him for 15 mins
on 13*

A.J.C.

Caroline

*Would you please arrange
with Barbara Hayes in Sir*

MS
① N. Gates A. Acland's office?

② CF.

A.J.C. 18/10

15 October 1982

*offered
Monday 17 Nov
at 10.30*

Briefly? C.F.

GRS 1330
CONFIDENTIAL

DESKBY 040600Z

FM OTTAWA 022347Z OCT 82

TO IMMEDIATE FCO

TELEGRAM NUMBER 485 OF 02 OCTOBER

INFO TO UKDEL NATO WASHINGTON

CONFIDENTIAL

Prime Minister

See highlighted passage

overleaf.

A. J. C. 4.
10

M

SECRETARY OF STATE'S VISIT TO CANADA: MEETING WITH CANADIAN
FOREIGN MINISTER

1. MR PYM HAD TALKS ON 1 OCTOBER WITH MR MACEACHEN, BOTH ON THE LATTER'S AIRCRAFT DURING THE FLIGHT FROM NEW YORK AND FROM 1620 TO 1740 AT THE DEA. DISCUSSION ON THE AIRCRAFT CENTRED LARGELY ON EAST/WEST RELATIONS AND AT THE DEA ON BILATERAL RELATIONS.

EAST/WEST RELATIONS

2. THE MINISTERS DISCUSSED THE PROSPECTS FOR THE INFORMAL WEEKEND AT LA SAPINIÈRE. MR PYM SAID THAT DISCUSSION WOULD PROBABLY FOCUS ON EAST/WEST RELATIONS, DISARMAMENT AND CSCE, BUT NOT MUCH ON THE PIPELINE AS SUCH: IT WOULD BE BETTER TO THINK IN MORE GENERAL TERMS ABOUT GROUND RULES FOR EAST/WEST TRADE TO WHICH ALL COULD ADHERE. HE WOULD BE RAISING THE QUESTION OF WHETHER THE WEST WAS DOING ENOUGH FOR DEFENCE, AND WHETHER WE SHOULD BE GETTING BETTER VALUE FOR MONEY. AT MR SHULTZ'S FIRST NATO MEETING, THE EUROPEANS WOULD BE SEEKING TO PUT ACROSS THEIR PERCEPTIONS OF EAST/WEST RELATIONS. MR MACEACHEN SAID THAT HE WOULD WANT TO EMPHASISE THE CONNECTION BETWEEN THE DEFENCE AND ECONOMIC ASPECTS OF SECURITY, IN THE SENSE THAT ECONOMIC HEALTH WAS A PRE-CONDITION OF STRONG DEFENCE.

3. ON EAST/WEST RELATIONS, MR PYM SAID THAT IT WAS NOT HELPFUL THAT PRESIDENT REAGAN HAD TIED HIS PIPELINE ACTION TO THE SITUATION IN POLAND, WHICH WAS CLEARLY NO BETTER. OTHERS IN THE US TALKED ABOUT PUTTING PRESSURE ON THE USSR ECONOMY. WE NEEDED FIRST TO REACH A COMMON ASSESSMENT OF THE STATE OF THAT ECONOMY, THEN TO DECIDE WHETHER A POLICY OF BEARING DOWN ON IT WAS A SENSIBLE ONE: AND, FINALLY, TO DISCUSS HOW TO DO IT. HIS PERSONAL VIEW WAS THAT WHILE THE RUSSIANS HAD TREMENDOUS DOMESTIC PROBLEMS, THEY WERE NOWHERE NEAR COLLAPSE, AND ECONOMIC ACTION WOULD HAVE LITTLE EFFECT ON THEM. ALL OF THIS NEEDED DISCUSSION IN THE ALLIANCE. MEANWHILE THE AMERICANS SHOULD NOT TRY TO LAY DOWN THE LAW AS THEY HAD OVER THE PIPELINE, AND THE WEST SHOULD NOT DO ANYTHING TO MAKE LIFE MORE DIFFICULT FOR THE POLES. MR MACEACHEN SAID THAT IF THE WEST WAS NOT TRYING TO BRING THE SOVIET ECONOMY TO ITS KNEES, IT HAD TO ASK HOW IT COULD PURSUE SOME KIND OF UNDERSTANDING WITH THE SOVIET UNION. STAGNATION AND ABSENCE OF DIALOGUE WERE UNHEALTHY, AND BOUND TO PRODUCE A REACTION IN THE SOVIET UNION. IN POLAND, THE WEST HAD LAID DOWN CONDITIONS FOR A RETURN TO NORMAL ECONOMIC RELATIONS WHICH HAD NOT BEEN FULFILLED. HOW DID BRITAIN FEEL ABOUT DELINKING GOVERNMENTAL CREDITS FROM THESE CONDITIONS? THE BANKS WERE ALREADY RESCHEDULING THEIR CREDITS. MR PYM SAID THAT HE WAS NOT SURE THAT THE CONDITIONS HAD BEEN WISE IN THE FIRST PLACE. BOTH MINISTERS AGREED THAT THE PRESENT SITUATION, WHICH AMOUNTED TO 100% DE FACTO RESCHEDULING. WAS UNSATISFACTORY.

CONFIDENTIAL

/ 4.

CONFIDENTIAL

4. MR PYM ARGUED THAT STRONGER CONVENTIONAL FORCES WERE THE MOST EFFECTIVE WAY OF RAISING THE NUCLEAR THRESHOLD. MR MACEACHEN EMPHASISED THE DIFFICULTIES IN MAINTAINING THE LEVEL OF THE CANADIAN DEFENCE EFFORT, IN THE FACE OF ECONOMIC PRESSURE AND PUBLIC SENTIMENTS IN FAVOUR OF DOING LESS. MR PYM COUNTERED THIS ROBUSTLY, AND STRESSED HOW IMPORTANT IT WAS FOR WESTERN GOVERNMENTS TO EXPLAIN THE NEED FOR INF MODERNISATION TO THEIR PEOPLE. MR MACEACHEN SAID THAT THE QUESTION OF NATO MEMBERSHIP WAS NO LONGER THE FOCUS OF DEBATE IN CANADA, WHICH NOW TENDED TO CONCENTRATE ON CANADA'S ROLE AND ON RESOURCES.

5. MR PYM SAID THAT THE ENTIRELY JUSTIFIABLE WESTERN REACTION TO EVENTS IN AFGHANISTAN AND POLAND DID NOT DESTROY THE CASE FOR MAINTAINING A DIALOGUE WITH THE SOVIET UNION, WHICH HE FOR ONE WAS ANXIOUS TO MAINTAIN. THE CSCE WAS RELEVANT HERE, AND THE WEST SHOULD APPROACH THE RESUMPTION OF THE MADRID TALKS FIRMLY BUT IN THE HOPE OF REACHING AGREEMENT. SHULTZ HAD APPEARED RECEPTIVE TO THIS LINE OF ARGUMENT, THOUGH HE HAD ARGUED THE NEED FOR A HARD HEADED APPROACH - WITH WHICH WE ENTIRELY AGREED. CSCE WAS IMPORTANT IN RELATION TO EUROPEAN SUPPORT FOR THE DEPLOYMENT OF CRUISE MISSILES, AND IMPROVING THE EAST/WEST ATMOSPHERE.

BILATERAL DISCUSSIONS

6. RESUMING THEIR DISCUSSION AT THE DEA, MR MACEACHEN ARGUED AND MR PYM AGREED THAT THE UK/CANADIAN RELATIONSHIP WAS BOTH CLOSE AND IN DANGER OF BEING ALLOWED TO DRIFT: THERE SHOULD BE AN INCREASE IN CONTACTS AT ALL LEVELS, OFFICIAL AS WELL AS MINISTERIAL. THEY AGREED THAT THEY SHOULD NOT SET UP ANY RIGID SCHEDULE OF MEETINGS, BUT THAT THEY SHOULD TRY TO STAY IN TOUCH BOTH BY MEETING MORE OFTEN IN THE MARGINS OF MULTILATERAL EVENTS AND BY RATHER MORE FREQUENT VISITS. OTHER MINISTERS WOULD ALSO HAVE A PART TO PLAY. MR MACEACHEN SAID THAT INCREASED CONTACT WAS MADE MORE NECESSARY BY THE CHANGES IN OUR RELATIONSHIP. THE OLD COMMONWEALTH WAS GONE, THE UK HAD MOVED CLOSER TO EUROPE, AND CANADA - INVOLUNTARILY - TO THE US. CANADA WOULD NOT WELCOME THE DEVELOPMENT, FOR EXAMPLE, OF A CLOSER RELATIONSHIP BETWEEN THE US AND THE COMMUNITY, AND COULD NOT AFFORD TO LOOSE TOUCH WITH WHAT WAS GOING ON. OUR DECISION ON STUDENT FEES HAD SEVERELY LIMITED ACADEMIC INTERCHANGE (MR PYM EXPLAINED THE POSITION NOW REACHED OVER THE OVERSEAS STUDENTS' TRUST). CANADA VALUED CULTURAL LINKS WITH BRITAIN AND THEY WONDERED WHETHER THEY NEEDED MORE CONSCIOUS CULTIVATION. THE UK/CANADA COLLOQUIUM AT LEEDS HAD BEEN A SUCCESS, THOUGH THE CANADIANS HAD BEEN DISAPPOINTED BY THE LEVEL OF UK PARTICIPATION: IT WAS NOW PLANNED TO HOLD A FURTHER SUCH COLLOQUIUM IN DALHOUSIE, NOVA SCOTIA, IN AUTUMN 1983. MR PYM WELCOMED THIS. MR MACEACHEN SAID THAT THE CANADIANS WOULD BE GIVING FINANCIAL SUPPORT TO THE COLLOQUIUM, AND HOPED THAT WE MIGHT CONSIDER DOING SO AS WELL. MR PYM UNDERTOOK TO EXAMINE THIS.

7. MR MACEACHEN RAISED THE ISSUE OF INDUSTRIAL AND SCIENTIFIC CO-OPERATION. HE WAS NOT PROPOSING A NEW CO-ORDINATING STRUCTURE, BUT THOUGHT THAT WE SHOULD CONSIDER WHETHER MORE GOVERNMENTAL OVERSIGHT WAS NEEDED. IT WOULD BE HELPFUL TO NOMINATE CONTACT POINTS ON EACH SIDE.

8. ON THE EC/CANADA FISHERIES AGREEMENT, THE CANADIANS EXPRESSED DISAPPOINTMENT AT THEIR ACCESS TO THE UK MARKET. MR PYM POINTED TO THE EXTREME SENSITIVITY OF FISHERIES ISSUES IN DOMESTIC AND COMMUNITY TERMS, BUT UNDERTOOK TO LOOK AT THE CANADIAN CASE.

9. MR MACEACHEN ASKED HOW WE ASSESSED THE PROSPECTS FOR AIRBUS. MR PYM SAID THAT THIS WAS INITIALLY A QUESTION FOR THE INDUSTRIALISTS

M. DE MONTIGNY MARCHAND SAID THAT ONE SCHOOL OF THOUGHT MAINTAINED THAT THE PROJECT COULD NOT STAND UP PURELY ON ITS COMMERCIAL MERITS, BUT THAT GOVERNMENTAL SUPPORT WAS JUSTIFIED BY THE SIDE BENEFITS (TECHNOLOGY, KNOW HOW, ETC.).

10. MR MACEACHEN RAISED THE QUESTION OF MOD TRAINING CHARGES, AT THE REQUEST OF THE CANADIAN DEFENCE MINISTER. CANADA WAS FEELING THE PAIN FROM MOD'S SWITCH TO FULL COSTS, AND MIGHT HAVE TO SHARE THE PAIN WITH US. OUR TRAINING ARRANGEMENTS WITH CANADA WERE ON A RECIPROCAL BASIS: THE BRITISH SIDE HAD CHANGED THE BASIS OF THEIR CHARGING AND THE CANADIANS HAD NOT DONE SO AS YET. THEY MIGHT HAVE TO CONSIDER WHETHER THIS SITUATION COULD CONTINUE.

OTHER ISSUES

11. MR PYM DESCRIBED THE STATE OF AFFAIRS IN RELATION TO BRITAIN AND ARGENTINA, AND THE IMPOSSIBILITY OF NEGOTIATING WITH THE ARGENTINES NOW. CANADA WAS LIKELY TO COME UNDER PRESSURE TO ENDORSE THE UN RESOLUTION CALLING FOR NEGOTIATIONS, WE HOPED THAT THEY WOULD AT WORST ABSTAIN. MR MACEACHEN PRESUMED THAT AT SOME STAGE BRITAIN WOULD WANT TO NEGOTIATE, OR AT LEAST TO RESOLVE THE FALKLANDS ISSUE IN A WAY WHICH PRODUCED STABILITY IN THE AREA. MR PYM SAID THAT IT WAS TOO EARLY TO SAY WHETHER NEGOTIATIONS WOULD EVER BE POSSIBLE: THE FIRST NEED WAS TO END HOSTILITIES AND TO ESTABLISH NORMAL RELATIONS WITH ARGENTINA AND NORMAL CONDITIONS IN THE ISLANDS. MR MACEACHEN SAID THAT HE QUITE ACCEPTED THAT NEGOTIATIONS WERE NOT A PRACTICABLE PROPOSITION NOW. HE WOULD LOOK AT THE LANGUAGE OF ANY UN RESOLUTION, BUT WE KNEW WHERE THE CANADIANS HAD BEEN ALL THROUGH THIS PERIOD.

12. THERE WAS A BRIEF DISCUSSION OF THE MIDDLE EAST, INCLUDING THE IRANIAN INITIATIVE AND THE FEZ SUMMIT, WHICH REVEALED NO SIGNIFICANT DIFFERENCES OF VIEW.

13. MR PYM SAID THAT HE WAS MAKING A POINT OF EMPHASISING THE IMPORTANCE OF THE COMMONWEALTH. MR MACEACHEN AGREED. HE SPOKE WARMLY OF THE COMMONWEALTH FINANCE MINISTERS' MEETING.

3
CONFIDENTIAL

/14.

CONFIDENTIAL

14. MR PYM SAID THAT HE ATTACHED GREAT IMPORTANCE TO THE GATT MINISTERIAL MEETING, WHICH MUST PUT ITS FULL WEIGHT BEHIND THE STRUGGLE AGAINST PROTECTIONISM. MR MACEACHEN WONDERED HOW FAR THE MEETING WOULD BE ABLE TO GO. THE AMERICANS WERE PUTTING FORWARD AMBITIOUS IDEAS ON SAFEGUARDS, TECHNOLOGY, SERVICES AND THE SETTLEMENT OF DISPUTE. M. THORN, ON THE OTHER HAND, WAS URGING A MORE MODEST APPROACH. THE MEETING WOULD HAVE TO BE CAREFULLY PREPARED WITH A CLEAR VIEW OF WHAT COULD BE ACCOMPLISHED.

MORAN

FCO WHITEHALL
NA D

4
CONFIDENTIAL



FILE SW

Canada.

10 DOWNING STREET

From the Private Secretary

21 June, 1982

The Prime Minister was grateful for your Secretary of State's minute of 16 June on his visit to Canada, which she read with interest over the weekend.

A. J. COLE^c

John Rhodes, Esq.,
Department of Trade

SW

070

CONFIDENTIAL

Prime Minister

You may care to glance at this over the weekend.

A.S.C. 17/6



PRIME MINISTER

VISIT TO CANADA: 27 MAY-6 JUNE

1 I visited Canada during the Recess, paying official visits to British Columbia, Alberta, and Ontario, and having discussions with Ministers in the Federal Government in Ottawa on a range of bilateral and multilateral trade issues. In addition I met representatives of the business community in all the centres I visited.

2 This was the first major visit to Canada by a Trade Minister for some years, and now that the Constitutional difficulties have been solved, I think it was particularly helpful in re-affirming the United Kingdom's friendly relations with Canada. The primary purpose of my visit was, however, economic. Our exports to Canada have declined steadily in the last ten years, and we now have a substantial deficit on our visible trade: although there is a substantial surplus on invisibles. There are, of course, good reasons for the position on visible trade. But the important thing is not simply to provide explanations but to identify ways of improving the situation. At the same time I wanted to let Canadians know at first hand how our economic policies were working out.

3 Our discussions centred primarily on how we might increase our exports to Canada. Everyone I met expressed a desire to increase the level of bilateral trade, although there were clear differences of outlook between the Western Provinces and the East. The Provincial Governments in all three Provinces visited were keen to encourage inward investment, as well as the importation of expertise, technology and advanced equipment. On the other hand, the Federal Government take a more guarded view of foreign investment, being much more concerned both to advance Canadian ownership of industry and to divert orders to Canadian suppliers.

CONFIDENTIAL



4 The activities of the Foreign Investment Review Agency are an emotive issue in Canada and a subject of conflict between Ottawa and the Provinces. Although aimed largely at United States companies, the legislation has adversely affected many British firms wanting to expand or diversify their operations in Canada. However, in my discussions with Federal Ministers, I secured assurances that procedures were being thoroughly reviewed and that we could expect clearer guidelines and faster decision-making in future. In addition, the Federal Government offered direct consultation with us about how to ease the path for potential British investors. All the Provincial Governments - British Columbia, Alberta and Ottawa - were also very willing to offer assistance.

5 The other major issue of discussion both at Provincial and Federal level was the National Energy Programme. During my visit, the Federal Energy Minister - Mr Lalonde - announced modifications to this policy designed to help revive the depressed oil and gas industries, particularly in Alberta, where a number of major projects have been shelved. although Lalonde's package received a cautious welcome, there is still a gulf between the aspirations of the Federal Government, particularly over its Canadianisation policy, and those of the Provincial Governments which remain anxious that artificial restrictions on the oil and gas industries should be as limited as possible in scope. I doubt whether their latest easement will go far to restore confidence.

6 Nevertheless, it is in the energy sector that we must look for the main opportunities for companies to increase their exports. The very large projects for the extraction of oil from the tar-sands have been postponed - possibly indefinitely, although views are divided - and petrochemical developments are also slowing down, but there will be smaller-scale oil resource projects and the prospects in the mining, transportation and processing of coal are still encouraging.



7 There is general agreement among our representatives in Canada that we need to be selective in the efforts we make to encourage British business to export to and invest in Canada. Other high technology areas besides energy will undoubtedly repay closer attention, but our firms will have to put in more time and effort than they have tended to in the past if they are to make the most of the opportunities. My Department is now engaged in assessing the prospects in particular sectors and deciding how the British Overseas Trade Board machinery can best be used to give support to those firms who are willing to explore the market further.

8 Canada is a fruitful field for our invisible exports. Although, again, Federal regulations pose problems to investors in both banking and insurance, my discussions encouraged me to believe that the Committee on Invisible Exports is right to maintain a good programme of promotions in this part of the world, and I took every opportunity of drawing attention to their work.

9 In Ottawa, I discussed a range of multilateral trade issues with Federal Ministers. On the surface, there was a wide measure of agreement on the need to maintain the open trading system, though the weakness of much of Canada's manufacturing sector has led to significant derogations in the past and more could be in store. As in Europe, the Japanese are the prime target. My arrival in Vancouver coincided with the start of a programme of deliberate slowing-down of cars from Japan by means of special inspections by Customs officials. This may in due course have to be replaced by more formal controls under the GATT 'safeguard' clause, but I was given firm assurances that the even-handed approach required by GATT would not result in United Kingdom vehicle exports being affected. As with investment and energy, so on the issue of protection, the Western Provinces are at odds with Ottawa and the Eastern Provinces.



10 However, everyone I met in Canada, whether in business or Governmental circles, was united on the one issue of the harm which the high interest rates in the United States are doing to the Canadian economy. With the prospect of negative growth in 1982, and with wage settlements generally ahead of an uncomfortably high inflation rate, it is not surprising that there is talk of devaluation as a means of forcing down domestic interest rates. On the other hand, there was genuine pleasure at the picture I was able to paint of the improvements in our own economic performance. This was not well understood in Canada, and I took every opportunity to reinforce the message that inflation was falling and productivity dramatically improving in the United Kingdom. Finally, I should record the overwhelming and widespread support I encountered for our action over the Falkland Islands: and I took every opportunity of expressing our appreciation of the support Canada had given.

11 Canada is not an easy market to summarise: there are enormous differences between the relatively industrialised East, and the resource-rich West. However, I am sure that we should be encouraging United Kingdom companies to take a long-term approach to the Canadian market. I was often reminded that there is still a great deal of goodwill towards the United Kingdom, but Canadians are clearly disappointed that United Kingdom companies have not to date displayed a more aggressive presence. Although the Canadian economy overall is depressed at the moment, Canada's endowment of natural resources has no parallel. It is important for our companies to establish a presence now, so that they are in a position to take advantage of the inevitable eventual development of these resources.

12 I had a long talk with Peter Lougheed, the Premier of Alberta. He occupies a position of some importance in Canada, not only because of the extreme wealth of the Province over which he has presided for so long, but because he is widely regarded as a possible future Prime Minister. Indeed it was only his reluctance



to leave his native Province which led to his aide, Joe Clark, being adopted as the leader of the Conservative Party and briefly Prime Minister of Canada in 1979/80. There had been some suggestion of coolness towards this country but I found that this was not really so at all. At the High Commissioner's suggestion, I suggested to Mr Loughheed that when he next came to London we should arrange some official discussions and offer him some hospitality. He very willingly accepted.

13 The High Commissioner gave us invaluable assistance throughout. So, indeed, did the Consular staff in all the centres we visited. Their relations with the local business community are very good and they give every assistance to British firms seeking to penetrate the Canadian market. But neither we, nor the High Commissioner, are entirely satisfied that we are tapping the full potential of Canada or that the work is organised in the way best directed to this end: this is receiving active attention.

14 I am copying this to Geoffrey Howe, Francis Pym, Patrick Jenkin, Nigel Lawson, and to Sir Robert Armstrong.

Department of Trade
1 Victoria Street
London, SW1H 0ET

Arthur Cockfield
LORD COCKFIELD

16 June 1982



Canada

File AH
cc FW

10 DOWNING STREET

From the Principal Private Secretary

5 May 1982

Dear Michael,

PROCLAMATION OF THE CANADIAN CONSTITUTION

Thank you for your letter of 22 April 1982.

I have shown the Prime Minister this short account of the Lord Chancellor's visit to Ottawa for the proclamation of the new Canadian Constitution, and she has taken note of it.

I am sending a copy of this letter to Brian Fall (Foreign and Commonwealth Office).

Yours sincerely,

Anne Blenkinsop.

Michael Collon Esq.,
Lord Chancellor's Office.

FROM THE PRIVATE SECRETARY

2



HOUSE OF LORDS,
SW1A 0PW

22nd April, 1982

Clive Whitmore Esq.,
Principal Private Secretary to
The Right Honourable
The Prime Minister,
10 Downing Street.

Prime Minister.

To see.

hw

23w

Ref: 85/362/01

Dear Clive,

Proclamation of the Canadian Constitution

Not quite right!

As you know, Her Majesty The Queen went to Ottawa last week to proclaim the new Canadian Constitution on Saturday 17th April. The Prime Minister was to have gone to represent HMG, but because of the Falklands crisis the Lord Chancellor went in her place, and I accompanied him.

The Lord Chancellor had talks with Mr. Trudeau and with Mr. MacGuigan, the Minister of External Affairs, and you will by now have seen telegrams from Lord Moran, the High Commissioner, giving accounts of these talks. I have nothing to add to those accounts, except perhaps to say how agreeably surprised I was at the warmth of the reception accorded us by Mr. MacGuigan, and at the very whole-hearted support he gave HMG over the Falklands crisis.

The Canadians were plainly disappointed that the Prime Minister was unable to come, though they fully understood the reason. I think the Lord Chancellor was an excellent choice as substitute. He has been to Canada many times before, and is well known to Canadians both personally and by reputation. They were extremely hospitable, and the entertainment they laid on was very well done, particularly when one considers that the Canada Act received the Royal Assent only on 29th March. The officials of the High Commission and of the Department of External Affairs between them made our visit extremely enjoyable, and Lord and Lady Moran, with whom we stayed, were kindness itself. I think the many talks which the Lord Chancellor had with many Canadians, from the Prime Minister downwards, did something to cement the friendship between our two countries.

I am sending copies of this letter to Brian Fall (FCO) and to Miss Sarginson in the British High Commission at Ottawa.

Yours ever,

Richard
M.H. Collon



22 APR 11

1902
1901
1900
1899
1898
1897
1896
1895
1894
1893
1892
1891
1890

Canada

13 April, 1982

CANADIAN CONSTITUTION: BRITISH REPRESENTATION
AT THE PATRIATION CEREMONIES

As Michael Collon already knows, the Prime Minister gladly accepts the recommendation that the Lord Chancellor should represent her on this occasion.

I am copying this letter to Michael Collon (Lord Chancellor's Office).

A. U. COLES

F Richards, Esq
Foreign and Commonwealth Office

RS



10 DOWNING STREET

John

John

I have told La Chaneller's
Office that PM has
approved this proposal.

- I mentioned to Clive ^{MAD} yesterday that Michael Collon had called to say that the Lord Chanc. was content in principle to represent PM at Canadian Const ceremony but was now seeking formal clearance.

- Clive was, I believe, unable to raise this

with the Prime Minister
and Michael Collins
is now pressing for
an answer.

Petis
13/4



Yes Mr Prime Minister,
Content for the Lord Chancellor to
represent you at the ceremonies?

Foreign and Commonwealth Office

London SW1A 2AH

St. Collins
(Duty clerk)
8/4/82

8 April 1982

Dear John,

Canadian Constitution: British representation at the Patriation
Cereemonies on 16/17 April

The Prime Minister was unable to accept Mr Trudeau's invitation to attend the forthcoming celebrations in Ottawa when the Queen proclaims the new Canadian Constitution (on 16 and 17 April). As you know, the Queen will be in Canada for the celebrations from 15-18 April.

The Canadians have indicated to us that they would welcome a high level representative of the Prime Minister at the celebrations. The Lord Chancellor would seem to be a particularly appropriate representative on this occasion: and I understand that he would in principle be willing and able to attend on behalf of the Prime Minister.

We accordingly recommend that the Lord Chancellor should be asked to be the Prime Minister's representative on this occasion.

I understand that Mr Michael Foot, Mr David Steel and Mr James Callaghan have all accepted invitations to the ceremonies in Ottawa.

This letter represents the views of Mr Onslow; given the shortage of time, it has not proved possible to show the papers to the Secretary of State. He will, however, see them on 9 April, and if he has any comments we shall forward them to you. Should the Prime Minister reach a decision over the weekend, Michael Collon in the Lord Chancellor's office would welcome a telephone call (on Esher (78)65197). I am sending him a copy of this letter.

Yours ever,
(F N Richards)
Private Secretary
John Collins

A J Coles Esq
10 Downing St

DEPARTMENT/SERIES <i>PREM 19</i> PIECE/ITEM <i>1423</i> (one piece/item number)	Date and sign
Extract/Item details: <i>Minute from Armstrong to Whitmore dated 7 April 1982</i>	
CLOSED FOR YEARS UNDER FOI EXEMPTION	
RETAINED UNDER SECTION 3(4) OF THE PUBLIC RECORDS ACT 1958	
TEMPORARILY RETAINED	<i>6 May 2014 [Signature]</i>
MISSING AT TRANSFER	
MISSING	
NUMBER NOT USED	

card

RESTRICTED

GPS 90

MS

RESTRICTED
FM OTTAWA 311905Z MARCH 1982
TO PRIORITY FCO
TELEGRAM NUMBER 160 OF 31 MARCH

MY TELNO 158: CANADIAN CONSTITUTIONAL CELEBRATIONS

1. I HAVE NOW LEARNT THAT APART FROM THE PRIME MINISTER, THE CANADIANS HAVE INVITED MR FOOT, MR STEEL AND MR CALLAGHAN. APPARENTLY THE INVITATIONS WERE EXTENDED AT THE END OF LAST WEEK. THE DEA SAY THAT INFORMAL SOUNDINGS AT NO 10 HAVE INDICATED THAT MRS THATCHER MAY BE COMING.

No

2. THE EXTREMELY SHORT NOTICE IS, I AM SURE, DUE TO THE FACT THAT MR TRUDEAU IS HANDLING ALL THE ARRANGEMENTS HIMSELF.

MORAN

COPIES SENT TO
No. 10 DOWNING STREET

THIS TELEGRAM
WAS NOT
ADVANCED

CANADIAN CONSTITUTION LIMITED

NAD
CCD
P & CD
PCCU
PARLIAMENTARY UNIT
NEWS D
INFORMATION D
PS
PS/LPS
PS/MR LUCE
PS/MR HURD
PS/LORD TREFGARNE
PS/PUS
SIR E YOUDE
MR DAY
MR URE
LORD N G LENNOX
CABINET OFFICE

COPIES TO:

SIR I SINCLAIR }
MR FREELAND } LEGAL ADVS.
MR CARDNER }

PS/CHANCELLOR OF THE DUCHY OF
LANCASTER
MR BAILEY HM TREASURY SOLICITORS'
PS/LORD CHANCELLOR HOUSE OF LORDS
PS/LORD PRESIDENT
MR H STEEL, LAW OFFICERS' DEPT
PS/HOME SECRETARY

[COPIES SENT TO NO 10 DOWNING ST]

DEPARTMENT/SERIES <i>PREM 19</i> PIECE/ITEM <i>1423</i> (one piece/item number)	Date and sign
Extract/Item details: <i>Visit to Canada by Queen and Duke of Edinburgh: List of Party</i>	
CLOSED FOR YEARS UNDER FOI EXEMPTION	
RETAINED UNDER SECTION 3(4) OF THE PUBLIC RECORDS ACT 1958	
TEMPORARILY RETAINED	<i>6 May 2014 W Dayland</i>
MISSING AT TRANSFER	
MISSING	
NUMBER NOT USED	

PRIME MINISTER

Joe B
c. Mr. Whitmore
Mr. Walters

Possible Visit to the United States & Canada

Since my earlier minute (attached), Mr. Trudeau has formally invited you (Flag A) to visit Ottawa on 16 and 17 April. You had some discussion of the matter with Clive today and were inclined not to visit Washington in order to discuss US economic policies with President Reagan and therefore not to attend the patriation ceremonies in Canada. You may like to take the opportunity of the Chancellor's call tomorrow to have a word about this. It would be helpful if thereafter you could let us know what your decision is on a possible visit to the United States and Canada next month.

If you decide against this, there remains the question of a visit to the United States in December (see attached minute). Could we indicate to the American Enterprise Institute that in principle you are attracted by the idea of speaking to them on 9 December but will confirm one way or another in July?

A. J. COLES

30 March 1982

V. THOMAS
SUBJECT

Canadian High Commission



Haut Commissariat du Canada

PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T52B/82

March 26, 1982

cc Subject:

① PM Tows Abroad:
PM's visit to USA
to give Boyer Lecture
Dec. 82

→ ② UK/Canada Relations
Pt. 5

My dear Margaret,

Your resolve in seeking an expeditious resolution of the Canadian constitutional question in the Parliament at Westminster has been very much appreciated over the past months and I have been deeply touched by the constancy of your support.

The debate at Westminster will soon be behind us and plans are now underway for ceremonies in Ottawa on April 16 and 17 to mark the proclamation of the Constitution Act, 1982 by Her Majesty The Queen. I would be honoured if you could join us in Ottawa at that time and mark thus the beginning of a new era in the relations between our two countries.

Yours sincerely,

Pierre Elliott Trudeau.

The Right Honourable Margaret Thatcher, M.P.,
10 Downing Street,
London.

DEPARTMENT/SERIES <i>PREM 19</i> PIECE/ITEM <i>1423</i> (one piece/item number)	Date and sign
Extract/Item details: <i>Minute from Coles to PM dated 26 March 1982</i>	
CLOSED FOR YEARS UNDER FOI EXEMPTION	
RETAINED UNDER SECTION 3(4) OF THE PUBLIC RECORDS ACT 1958	
TEMPORARILY RETAINED	<i>6 May 2014 W Dayland</i>
MISSING AT TRANSFER	
MISSING	
NUMBER NOT USED	

cc. PM. tons abroad
PM's visit to USA
to give Boyes lecture

2 PPS

Ref. A07930

MR. COLES

I have sent you a separate minute about the warmth of Mr. Trudeau's invitation to the Prime Minister to attend the patriation ceremonies in Ottawa from 15th to 18th April.

2. When he conveyed this message, Mr. Pitfield went on to say that, if it were not possible for the Prime Minister to come, a substitute - say, the Lord President - would be welcomed in her place. But of course Mr. Trudeau would above all like to have the Prime Minister.

RA

ROBERT ARMSTRONG

25th March, 1982

cc PM tours abroad
PM's visit to USA
to give Boyer lecture

Ref. A07929

MR. COLES

Mr. Pitfield, Secretary of the Cabinet in Ottawa, rang up this afternoon.

2. He said that the Prime Minister would shortly be receiving, via the Canadian High Commissioner, Mr. Trudeau's invitation to her to attend as much as she could of the ceremonies to mark the patriation of the Canadian Constitution in Ottawa between 15th and 18th April. •

3. Mr. Pitfield said that he was ringing on his Prime Minister's instructions to emphasise that this invitation was not a formality. Mr. Trudeau understood all the difficulty for the Prime Minister of being out of the United Kingdom at that time. But he felt that the fact that the patriation of the Constitution had come to this successful conclusion was largely due, on this side of the Atlantic, to the Prime Minister's clarity and strength of purpose. He would very much like her to be there to celebrate the conclusion of the process, and the invitation was a sincere, warm and personal one, which he would be delighted if she were able to accept. He understood that the Prime Minister might feel that this was primarily a Canadian occasion with The Queen there as Queen of Canada; but he thought that it was perhaps uniquely an occasion when it would be appropriate for both her British and her Canadian Prime Ministers to be there together.

ReA

ROBERT ARMSTRONG

25th March, 1982

SUBJECT

ed Mark
97

Canada mFJ



PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T 57/82

10 DOWNING STREET

THE PRIME MINISTER

23 March 1982

My dear Pierre,

Thank you so much for your charming note of 11 March and the photograph which you enclosed. With regard to your last sentence, I offer the view that this exchange has been, as usual, to our mutual benefit.

It is a marvellous photograph.

Yours
sincerely

Raymond

The Right Honourable Pierre E. Trudeau, P.C., M.P.

JP

MFJ

21 March 1982

Thank you for your letter of 19 March enclosing a letter and a photograph from Prime Minister Trudeau for the Prime Minister. I have placed these before Mrs. Thatcher.

JC

Mr W.F. Steuart Beattie

76

HAUT-COMMISSARIAT DU CANADA,
MACDONALD HOUSE,
1 GROSVENOR SQUARE,
LONDON, W1X 0AB.



CANADIAN HIGH COMMISSION,
MACDONALD HOUSE,
1 GROSVENOR SQUARE,
LONDON, W1X 0AB.

Telephone: 01-629 9492 Ext. 379

March 19, 1982

Dear Mr. Whitmore,

Enclosed is a letter and a photograph
from Prime Minister Trudeau for Prime Minister
Thatcher.

I should be grateful if you would
present them to Mrs. Thatcher.

Yours sincerely,

A handwritten signature in blue ink that reads "Stuart Beattie".

Steuart Beattie
Minister-Counsellor

Mr. C.A. Whitmore
Principal Private Secretary
to the Prime Minister
No. 10 Downing Street
LONDON, SW1

PRIME MINISTER

PARLIAMENTARY BUSINESS

The Opposition have opted for a debate on law and order for the Supply Day. It will be a whole day, with Messrs Hattersley and Archer speaking for them. This could lead to some Cabinet discussion.

On Lords' business, I understand that the Chancellor of the Duchy wants to raise the position on the Canada Bill. I attach the letter we had last weekend. There has been some progress, and Lady Young will bring colleagues up to date.

You may want to arrange for colleagues to be informed about the state of play on President Reagan's visit to Parliament, following your pre-Cabinet meeting tomorrow. You could do this yourself, or invite the Lord President to do so.

It may just be worth mentioning that the Speaker will tell the House tomorrow of the forthcoming retirement of the Serjeant at Arms.

I have also just learned that Naman Fowler is concerned about an opposition amendment to the Social Security & Housing Benefits Bill, seeking to reinstate the 1980 5% cut back in unemployment benefit. He will be sending you a minute late tonight, and Cabinet discussion may be necessary.

MA

17 March 1982



FROM THE PRIVATE SECRETARY TO THE LEADER OF THE HOUSE
AND THE CHIEF WHIP

John Coles
10 Downing Street

Canada
Prime Minister

To be aware. We may discover
on Monday that the Canadian Government
see no problem.

A. J. C. 11/3

M.A. M. 15/3

12 March 1982

Dear John,

CANADA BILL: PROCEEDINGS IN THE LORDS

You asked for a note on the proceedings in the Lords on the Canada Bill.

Second Reading is next Thursday, 18 March with Committee on 23 March and Third Reading on 25 March. There is no question of the Bill being held up or amended but Lord Stewart of Fulham for the official opposition tabled yesterday evening the following motion which will be taken (probably formally) immediately after the Second Reading of the Bill.

Lord Stewart of Fulham to move that this House, aware of the anxieties which have been expressed about the Canada Bill now before the House by representatives of the Aboriginal Peoples of Canada, is confident that the Government of Canada, in consultation with representatives of the Aboriginal Peoples, will use the provisions of the Bill to promote their welfare.

The question has arisen of how the Government should handle the motion on Thursday. It is so innocuous in its terms that any attempt by the Government to defeat it might be misinterpreted. On the other hand it is patronising in tone and, if agreed to by the Lords without a division, could well cause offence in Canada. This is the view of the Chancellor of the Duchy. The Chief Whip (Lords) believes that it will receive some support in the House and that strong pressure on peers by the Government could well be misunderstood. There may well be some defections by Conservatives and the combined opposition benches may vote for the motion in the belief that it will do no harm.

The Foreign Secretary and the Chancellor of the Duchy discussed the matter today. They agreed that Lord Stewart should be asked to withdraw his motion or not to move it on the day. In addition a telegram has gone tonight to our High Commissioner in Ottawa to seek his urgent views by Monday morning.

Subject to any developments on Monday, the Foreign Secretary and the Chancellor of the Duchy would like to discuss the handling of the motion with the Prime Minister, the Lord President and the Chief Whip (Lords) on Tuesday or Wednesday of next week prior to the Second Reading on Thursday. The Chancellor would be very happy to discuss

the matter on the telephone. I should add that there will be a strong Whip in the Lords on Thursday.

I am copying this note to Brian Fall (Foreign Secretary's Office) and David Heyhoe (Lord President's Office).

Yours sincerely
Michael Pownall

M G POWNALL

28th June 1982



SUBJECT

de Marle

SP



PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T 41c/82

PRIME MINISTER • PREMIER MINISTRE
OTTAWA, K1A 0A2

March 11, 1982

My dear Margaret,

I was delighted to receive the thoughtful gift of your photograph. It will evoke pleasant memories of our many interesting meetings and conversations. With a certain sense of trepidation, I am sending you in return a photograph of myself. My misgivings flow from the distinct probability that your advisers will tell you, with justice, that Canada gained far more from this exchange than did the United Kingdom.

With warm regards,

Oliver

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

BI

Prime Minister 2

MM 1/3



PRIVY COUNCIL OFFICE
WHITEHALL LONDON SW1A 2AT

1 March 1982

My dear Premier,

[Handwritten initials]

[Handwritten initials]

Thank you for your letter of 15 February about the Canada Bill.

As you will know, the Bill received its Second Reading in the House of Commons on 17 February. In his speech opening the debate, the Lord Privy Seal reflected the reasons why the Government have decided that it is right for us to go ahead with the Bill notwithstanding the position of Quebec. While we naturally regret that the present proposals do not enjoy the unanimous support of the Provinces, we have given weight to the decision of the Supreme Court of Canada of 28 September 1981. We believe that the agreement of nine out of the ten Provinces constitutes a substantial measure of support for the proposals and we therefore feel we would not be justified in declining to act upon the request by the Federal Government and Parliament.

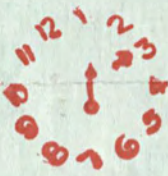
Similarly, our view is that it would not be proper for the United Kingdom Parliament to amend the Canada Bill, because to do so would introduce an element which had not been requested by the Parliament of Canada and would thus be inconsistent with the convention recited in the third preambular paragraph of the Statute of Westminster which we believe is the correct principle in considering how to interpret the role of the United Kingdom Parliament in the amendment of the British North America Acts.

I regret therefore that I have to say that I am unable to do as you ask in your letter.

Yours sincerely
Francis Pym
FRANCIS PYM

The Hon René Lévesque
Premier of Quebec

1 MAR 1982





Canada JQ
cc WSO

10 DOWNING STREET

From the Private Secretary

1 March 1982

I am writing to thank you for your letter of 12 February addressed to the Prime Minister setting out the views of the Government of the Province of Quebec on the Canada Bill now before Parliament.

A. J. COLES

Mr. G. Loiselle

DEPARTMENT/SERIES <i>PREM 19</i> PIECE/ITEM <i>1423</i> (one piece/item number)	Date and sign
Extract/Item details: <i>Minute from Whitmore to PM dated 26 February 1982</i>	
CLOSED FOR YEARS UNDER FOI EXEMPTION	
RETAINED UNDER SECTION 3(4) OF THE PUBLIC RECORDS ACT 1958	
TEMPORARILY RETAINED	<i>6 May 2014 A Dayland</i>
MISSING AT TRANSFER	
MISSING	
NUMBER NOT USED	



Foreign and Commonwealth Office

London SW1A 2AH

26 February 1982

Dear John,

CANADA BILL: LETTER FROM QUEBEC AGENT--GENERAL

Thank you for your letter of 15 February enclosing a letter which the Prime Minister has received from the Agent-General of Quebec. The letter is in fact a circular, copies of which have been sent to all Members of both Houses of Parliament, enclosing a memorandum setting out the Quebec case against the Canada Bill.

The Premier of Quebec has also written direct to the Leaders of the House of Lords and the House of Commons requesting them not to proceed with the Canada Bill. The FCO is proposing that the Lord President and the Chancellor of the Duchy of Lancaster should reply to Mr Levesque in identical terms briefly re-stating why the government is going ahead now with the Canada Bill.

In the case of Mr Loiselle, however, our advice is that it would be inappropriate for the Prime Minister to write to him herself. Canadian Agents-General in London do not have direct access to HMG. Although this does not preclude them dealing with Government departments on day-to-day matters, Mr Loiselle will be well aware that he should approach HMG through the Canadian High Commission on matters of substance. We believe it would be adequate for a brief acknowledgement to Mr Loiselle's letter to be sent by you and I enclose a draft in that sense.

Yours,

Alan

A K C Wood
PS/Lord Privy Seal

A J Coles Esq
Private Secretary
10 Downing Street

DSR (Revised)

DRAFT: minute/letter/teleletter/despatch/note

TYPE: Draft/Final 1+

FROM:

Reference

Private Secretary /Ms 10

DEPARTMENT:

TEL. NO:

SECURITY CLASSIFICATION

TO:

Your Reference

- Top Secret
- Secret
- Confidential
- Restricted
- Unclassified

Mr G Loiselle
 Agent-General for Quebec
 12 Upper Grosvenor Street
 London
 W1X 9PA

Copies to:

PRIVACY MARKING

SUBJECT:

.....In Confidence

CAVEAT.....

I am writing to thank you for your letter of 12 February addressed to the Prime Minister setting out the views of the Government of the Province of Quebec on the Canada Bill now before Parliament.

Type pl.

ALL 1/3

26 FEB 1982



07

26 FEB 1982





RIDEAU HALL
OTTAWA
K1A 0A1

A.S.C. $\frac{8}{3}$

f.a.

GOVERNMENT HOUSE
RÉSIDENCE DU GOUVERNEUR GÉNÉRAL

February 26, 1982

Dear Mr Coles,

I would like you to know that I am most grateful for all the help that you have kindly given to me during my stay in London. The week that I have spent with you and your colleagues has proven most interesting and I do appreciate all the efforts that have gone into preparing a very informative programme for me.

Jacques Noiseux
Jacques Noiseux.

John Coles, Esq.,
Private Secretary,
10 Downing Street,
London, England.



Canada

Foreign and Commonwealth Office

London SW1A 2AH

26 February 1982

Dear David,

A.S.C. 26/2
h.a.

Thank you for your letter of 16 February covering a copy of the letter which the Lord President had received from the Premier of Quebec. Mr Levesque also wrote in identical terms to the Leader of the House of Lords.

We believe that in the circumstances it would be right for both Ministers to send a reply briefly restating the reasons why HMG was going ahead with the Canada Bill. We think it would be preferable if both these letters could be in identical terms and I enclose a draft for that purpose.

Lord Trefgarne's Office is writing in similar terms to Lady Young's Office.

I am copying this letter to John Coles (No 10), Jim Nursaw (Attorney General's Office), Murdo Maclean (Chief Whip's Office) and David Wright (Cabinet Office).

Yours,
A.K.C.

A K C Wood
PS/Lord Privy Seal

D C R Heyhoe Esq
PS/Lord President of the Council
68 Whitehall
LONDON SW1

DRAFT: ~~memo~~/letter/teleletter/despatch/note

TYPE: Draft/Final 1+

FROM:

Reference

Lord President of the Council/and
The Chancellor of the Duchy of Lancaster

DEPARTMENT:

TEL. NO:

SECURITY CLASSIFICATION

TO:

Your Reference

Top Secret

Secret

Confidential

Restricted

Unclassified

M. Levesque

Copies to:

PRIVACY MARKING

SUBJECT:

.....In Confidence

CAVEAT.....

Thank you for your letter of 15 February about the Canada Bill.

As you will know, the Bill received its Second Reading in the House of Commons on 17 February. In his speech opening the debate, the Lord Privy Seal reflected the reasons why the Government have decided that it is right for us to go ahead with the Bill notwithstanding the position of Quebec. While we naturally regret that the present proposals do not enjoy the unanimous support of the Provinces, we have given weight to the decision of the Supreme Court of Canada of 28 September 1981. We believe that the agreement of nine out of the ten Provinces constitutes a substantial measure of support for the proposals and we therefore feel we would not be justified in declining to act upon the request by the Federal Government and Parliament.

Enclosures—flag(s).....

Similarly, our view is that it would not be proper for the United Kingdom Parliament to amend the Canada /Bill,


Bill, because to do so would introduce an element which had not been requested by the Parliament of Canada and would thus be inconsistent with the convention recited in the third preambular paragraph of the Statute of Westminster which we believe is the correct principle in considering how to interpret the role of the United Kingdom Parliament in the amendment of the British North America Acts.

I regret therefore that I have to say that I am unable to do as you ask in your letter.



26 FEB 1982





Privy Council Office,
Whitehall,
London, SW1A 2AT

With the Compliments

of the

Private Secretary

to the

Lord President of the Council

A.S.C. ¹⁷/₂

h-a.



PRIVY COUNCIL OFFICE
WHITEHALL, LONDON SW1A 2AT

11 February 1982

Dear Adam,

.. I attach a copy of a letter which the Lord President has received from the Prime Minister of Quebec. I think that it would probably be right for Mr Pym to reply to this himself, but I would be grateful if you could let me have a proposed draft reply. I imagine that you will wish this to be in similar terms to the letter which the Prime Minister has already sent to M. Levesque.

I am sending a copy of this letter and its attachment to John Coles (Prime Minister's office), Jim Nursaw (Attorney General's office), Murdo Maclean (Chief Whip's office) and David Wright (Sir Robert Armstrong's office).

Yours ever,
David

D C R HEYHOE
Private Secretary

Adam K C Wood Esq
Assistant Private Secretary
to the Lord Privy Seal
Foreign and Commonwealth Office
Downing Street

FEB 1982



4





Gouvernement du Québec
Délégation générale
de Londres

Le délégué général

February 16th 1982

I have pleasure in enclosing for your information a copy of the English version of a letter from the Prime Minister of Quebec, Mr. René Lévesque, to the Rt Hon Francis Pym, Lord President of the Council and Leader of the House of Commons. Letters were also sent to Lady Young, Lord Peart and the Rt Hon John Silkin.

Gilles Loiselle
Agent-General for Quebec

LC/2

I think we have
seen the envelope
before. P.L. deal.

M 12. / 2

h.a.

M 12. / 2

Gouvernement
du Québec

Le Premier ministre

February 15th 1982.

The Right Honourable Francis Pym
Lord President of the Council and
Leader of the House of Commons
House of Commons
London, SW1A 0AA
GREAT BRITAIN

Dear Mr. Pym,

The Government of Québec respectfully requests that the Members of the United Kingdom House of Commons take cognizance of our formal opposition to the adoption of the Canada Bill now before Parliament.

As indicated in my recent letter to the Right Honourable Prime Minister, both Québec's National Assembly, by resolution, and our Government, by order-in-council, expressed Québec's opposition to the Canadian federal resolution prior to its final adoption by the Parliament of Canada. This failure to respect Québec's traditional veto right with regard to fundamental constitutional changes is now before Canada's highest courts for adjudication.

It is our view that it would be highly improper for the United Kingdom Parliament to act in the matter until the conclusion of the legal proceedings now in progress. Such action would be contrary to constitutional tradition.

We submit that there exists no urgency which would warrant precipitate action on the part of the United Kingdom Parliament. However, should the Honourable Members wish to proceed with the enactment at this time, we respectfully suggest the incorporation of an amendment in the Canada Bill which would ensure that this law would come into effect only insofar as it is compatible with Canadian constitutional conventions.

.../2

May I request that this letter be tabled in the House at the time of the second reading of the Canada Bill.

On behalf of the Government of Québec, allow me to extend to you my kindest regards.

Yours sincerely,

René Lévesque



canada
file SW

10 DOWNING STREET

From the Private Secretary

15 February, 1982

Canada Bill

I enclose a copy of a letter which the Prime Minister has received from the Agent-General of Quebec, together with an accompanying memorandum.

I should be grateful for a draft reply for the Prime Minister's signature. It would be helpful if this could reach me by 19 February.

I am sending a copy of this letter and enclosure to the Private Secretaries to the Lord President and the Attorney General.

A. J. COLES

John Holmes, Esq.,
Foreign and Commonwealth Office

CS



Gouvernement du Québec
Délégation générale
de Londres

R13/2.

Le délégué général

12 February 1982

The Rt Hon Mrs Margaret Thatcher MP
Prime Minister
10 Downing Street
London SW1

Dear Mrs Thatcher,

In the conversations I have had over the past few months with members of both Houses of Parliament, many have expressed the view that British involvement in Canadian constitutional affairs in 1982 is an absurdity and should be brought to an expeditious end. I have always agreed with them.

However, the great difficulty my Government has with the Canada Bill is that it is so far-reaching. Some of it, such as the proposal to 'patriate' the Canadian Constitution, is straightforward and totally acceptable. But the Canada Bill is much more than that.

Enactment of this measure by Westminster will bring about profound and unconstitutional changes in the Canadian Constitution. Moreover, Westminster is being asked by the Canadian Federal Government to enact a measure which is unprecedented in that it does not have the consent of the people of Quebec and yet directly affects their interests. Throughout the 115 years of Canada's history, the unique position of the Quebec people has been protected by both Canadian and British interests by acceptance of Quebec's right of veto.

A major incongruity in the Canada Bill is that it accepts this right of veto for the future, but denies it for the present. For this reason, my Government has asked the Courts to confirm the validity of Quebec's right of veto in the current instance. The Supreme Court of Canada has never ruled on this issue and in its recent judgment on the constitutional issue the Court deliberately avoided making any decision as to the quality of provincial consent as distinct from the quantity of consent.

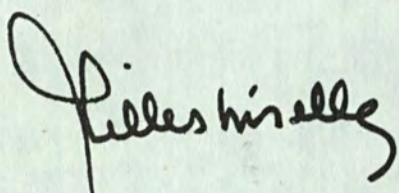
/cont...

In these circumstances, the only proper course of action for Westminster is to wait for the Canadian courts' decisions before enacting any measure.

Quebec is far more than just another Canadian Province. The Canadian coat of arms clearly shows that Quebec is half of Canada. The consent of Quebec is essential for any lasting resolution of the constitutional question, and without it the Canada Bill cannot have constitutional legitimacy.

If you have any questions concerning the attached memorandum, I will be happy to answer them or discuss them with you personally.

Yours sincerely,

A handwritten signature in cursive script, reading "Gilles Loiselle". The signature is written in dark ink and is positioned below the typed name.

Gilles Loiselle
Agent-General for Quebec

CANADA





Gouvernement du Québec
Délégation générale
Londres

HOUSE OF COMMONS

HOUSE OF LORDS

THE ROLE OF THE UNITED KINGDOM
PARLIAMENT IN RELATION TO
THE BRITISH NORTH AMERICA ACT

Second Memorandum
by
The Government of Quebec

February 1982

INDEX

<u>Section</u>		<u>Page</u>	<u>Paragraphs</u>
	INTRODUCTION	1	1 - 2
I.	"An Intended Suppression of Provincial Legislative Power"	1	3 - 5
II.	An Unprecedented Request	2	6 - 8
III.	The Canada Bill: A Constitutional Discontinuity	3	9 - 11
VI.	Quebec's Uniqueness in the Canadian Federation	3	12 - 14
V.	The Amending Formulae	5	15 - 20
VI.	Minority Language Educational Rights	8	21 - 23
VII.	Mobility Rights	9	24 - 25
VIII.	Events Leading to Judicial Challenge Before the Canadian Courts	9	26 - 28
IX.	Westminster's Role in the Matter	10	29 - 40
X.	Conclusion	14	41

INTRODUCTION

1. On December 9th 1981, the Canadian Federal Government officially transmitted a 60 clause Resolution to the British authorities asking Westminster to substantially amend the Canadian Constitution before "patriating" it to Canada. Later in December, that Resolution was incorporated in a schedule to the Canada Bill and read for the first time.
2. This memorandum demonstrates how the Canadian Resolution is still unconstitutional in the conventional sense; why the Government of Quebec has had no choice but to refuse to consent to the Resolution; and what Westminster's position should be towards such a request. It will be the conclusion of this memorandum that Westminster should refuse to enact the Canada Bill until Quebec has consented to it or, at the very least, until the Canadian courts have had the opportunity of giving their judgments on Quebec's constitutional right of veto.

I. "An Intended Suppression of Provincial Legislative Power"

3. Part I of Schedule "B" of the Canada Bill seeks to entrench a Bill of Rights which if validly enacted would substantially cut across the exclusive legislative powers attributed to the provincial Legislatures under the British North America Act 1867. Furthermore, Part V aims to establish a procedure for amending the Constitution of Canada.
4. On September 28th 1981, the Supreme Court of Canada described the Canadian Federal Government's Resolution as an "intended suppression of provincial legislative power". (J1, p.14). The Court unanimously concluded that Federal-provincial relationships and provincial powers, rights and privileges would be affected by the enactment by Westminster of the Canadian Resolution.

5. The November 5th agreement between the Canadian Federal Government and nine other provincial governments has changed nothing in this respect. In spite of this agreement, the Resolution itself remains the mere expression of an intention. It is only the enactment of this Resolution by Westminster that could give effect to the intended suppression of Quebec's legislative powers without its consent.

II. An Unprecedented Request

6. In the same judgment, the Supreme Court stressed the unprecedented nature of the Resolution:

"... no amendment changing provincial legislative powers has been made since Confederation **when agreement of a province whose legislative powers would have been changed was withheld.**

There are no exceptions."

(J3, p.24; emphasis added)

7. The Supreme Court pointed out that no amendment which would have affected a province has even been proceeded with when the agreement of that province was lacking:

"Finally, in 1971, proposed amendments which included an amending formula were agreed upon by the federal government and eight of the ten provincial governments. Quebec disagreed and Saskatchewan which had a new government did not take a position because it was believed the disagreement of Quebec rendered the question academic. The proposed amendments were not proceeded with": (J3, p.25).

8. In being asked to vote on this Resolution, Westminster is for the first time requested to legislate to suppress the powers of a province, where that province has not only withheld its consent, but is also challenging the constitutionality of that Resolution before the Canadian courts.

III. The Canada Bill: a Constitutional Discontinuity

9. Given the federal nature of Canada, it has never been possible for the Federal government to directly affect the exclusive legislative powers of the provinces as defined by Sections 92 and 93 of the British North America Act 1867. The Judicial Committee of the Privy Council and, subsequently, the Supreme Court of Canada have consistently preserved the exclusiveness of provincial legislative sovereignty.
10. For the future, this exclusiveness would still be preserved under the provisions of the proposed amending formula in the Canada Bill. Moreover, the unanimous consent of the Federal and all the provincial governments would be required for any modification of this amending formula.
11. Consequently Quebec's exclusive legislative sovereignty has been preserved in the past and will be in the future in a similar manner. If validly enacted, the present Canada Bill would create a legal discontinuity which would allow Quebec's legislative powers to be suppressed through the mere device of the intervention of Westminster. This situation cannot be proper in any constitutional sense.

IV. Quebec's Uniqueness in the Canadian Federation

12. Canada was founded as the union of two peoples: one of British origin and the other of French origin. Quebec remains unique within this federation as the homeland of the people of French origin. Today 85% of all French Canadians live in Quebec.

13. The Bill strikes at the very heart of this alliance of the French and English speaking peoples that gave substance to the Canadian Federation of 1867. That explains the government of Quebec's fundamental disagreement with the process followed in Canada and, indeed, with the continued failure to recognise the French speaking population as an equal partner in the Canadian Federation.

14. The unique status of Quebec was recognised by Westminster as early as 1774 by the Quebec Act which re-established Quebec's unique position in civil law, language and religion. At Westminster in 1867, during the debates which led to the adoption of the British North America Act, the Earl of Carnarvon, in introducing the Bill to the House of Lords, explained that:

"Lower Canada, too, is jealous, as she is deservedly proud, of her ancestral customs and traditions; she is wedded to her peculiar institutions, and will enter this Union only upon the distinct understanding that she retains them. The 42nd Article of the Treaty of Capitulation in 1760, when Canada was ceded by the Marquis de Vaudreuil to General Amburst, runs thus:

'Les François et Canadiens continueront d'être gouvernés suivant la Coutume de Paris et les loix et usages établis pour ce pays.'

The Coutume de Paris is still the accepted basis of their Civil Code, and their national institutions have been alike respected by their fellow-subjects and cherished by themselves. **And it is with these feelings and on these terms that Lower Canada now consents to enter this Confederation."**

(Hansard, House of Lords February 19, 1867 p.568; emphasis added)

In fact, in 1867, the provinces of Canada chose a federal system precisely in order to accommodate these cultural differences. This fact was recognised in the British House of Commons by Mr Adderley who, in explaining his government's bill, said:

"The adoption of the principle of federation, as compared with what might be preferable if practicable, a solid legislative union, is simply the consequence of the absolute necessity of the adjustment of inveterate local interests, and the ultimatum of mutual compromise between the Provinces."

(Hansard, House of Commons February 28, 1867 p.1169)

It would be inappropriate if more than a hundred years later, the Parliament of the United Kingdom were to ignore a reality it has consistently preserved in the past.

V. The Amending Formulae

15. Two types of constitutional amendments are foreseen by the amending formulae contained in the Canada Bill. Firstly, under section 41, some types of constitutional changes would require the unanimous consent of the Federal Houses of Parliament and of all the various provincial legislative assemblies.

Secondly, all other types of constitutional amendments could only be made, under Section 38 (1) of the proposed formula, providing at least two thirds of the provinces representing at least 50% of the population of Canada have consented. In those cases where an amendment is adopted, a dissenting province has the right to "opt out" from any constitutional change affecting this province's exclusive legislative powers. In such cases, financial compensation must be granted to the provinces which "opt out" in education or other cultural matters. The nature of these proposed provisions for the future amendment of the Constitution of Canada is fundamentally changed from previous proposals, since Quebec's traditional right of veto would be eliminated without granting a right to financial compensation in all cases where the right to opt out is exercised.

16. Quebec's right of veto has deep roots in the history of Constitutional amendments in Canada. The question of the "patriation" of the British North America Acts and the elaboration of an acceptable amending formula began immediately after the Balfour Declaration of 1926. On the five occasions, between 1927 and 1964 inclusively, where these issues were raised, the unanimous concurrence of all the provinces was consistently considered as prerequisite to any constitutional change involving the legislative powers of a province. Thus, the landmark "Fulton-Favreau" formula of 1964, read:

"2. No law made under the authority of this Part affecting any provision of this Act or section 51A of the British North America Act, 1867, or affecting any provision of the Constitution of Canada relating to:

- (a) the powers of the legislature of a province to make laws,
- (b) the rights or privileges granted or secured by the Constitution of Canada to the legislature of the government of a province,
- (c) the assets or property of a province, or
- (d) the use of the English or French language, shall come into force unless it is concurred in by the legislatures of all the provinces."

In the 1965 White Paper published by the then Minister of Justice, Mr Favreau, the convention was clearly explained:

"Changes in these basic conditions - such as in the powers allocated to provincial legislatures - could alter their status in relation to Parliament, thus changing the conditions on which the provinces entered Confederation.

Accordingly, the constitutional conferences agreed that the matters set forth in this clause should be changed **only with the consent of Parliament and all the legislatures.**"

(pp. 35-36; emphasis added)

It is only in 1971, in what is commonly known as the "Victoria amending formula" that the principle of unanimity was abandoned for a more flexible approach:

"Amendments to key areas of the Constitution, including the distribution of powers and matters excepted from the exclusive powers of Parliament, could be made with the consent of at least two Atlantic provinces, of Quebec, of Ontario and of two Western provinces."

(Canadian Government White Paper, 1978 "The Canadian Constitution Amendment")

This more flexible approach nevertheless preserved Quebec's traditional and essential right of veto. Since 1971 and up to November 5th 1981, (including the present Resolution's original version), this right of veto was consistently recognised and always included.

17. Quebec's right of veto has been more than just confirmed by the various proposed amending formulae since 1931. It has also been effectively exercised against previous proposed constitutional changes. In 1971, for instance, while all the other provinces consented to the "Victoria formula", Quebec could not; as indicated in a document prepared by the Canadian Federal Minister of Justice in 1981, the Victoria proposals were simply dropped since in the absence of Quebec's consent, nothing could be done.

18. Indeed, the very existence of Quebec's right of veto is further confirmed by Section 41 of the Canada Bill which would require for amendments to the amending formula itself or other important matters, the unanimous consent of both Federal Houses of Parliament and the legislative assemblies of each province.

19. As a gesture of good will, and in order to break the deadlock in constitutional negotiations, the Prime Minister of Quebec, Mr René Lévesque, and seven other provincial premiers on April 16th 1981 accepted the principle that Quebec could abandon its traditional right of veto provided that opting out was accompanied by **full fiscal compensation in all cases**. Since November 5th 1981, the Prime Minister, the Rt Hon P E Trudeau, has refused to incorporate these conditions in his package, despite the unanimous pressures of all the opposition parties in Ottawa. The Government of Quebec had therefore no alternative but to resort to its traditional right of veto.

20. The essence of the argument against the proposed amending formula is that it does not offer full financial compensation in all cases of opting out. Without financial compensation, Quebecers would find themselves either doubly taxed to finance both a federal programme in the other provinces and a comparable programme in Quebec, or forced to surrender vital jurisdictions to Ottawa to escape such an onerous double taxation.

VI. Minority Language Educational Rights

21. Section 23 of the Bill seeks to regulate the question of minority language educational rights in Canada. Since the very first days of the Canadian Federation, the question of minority linguistic rights in education has been under the exclusive jurisdiction of the provincial authorities (BNA Act 1867, Section 93). Section 23, if validly enacted, would therefore cut across this exclusive jurisdiction.

22. The question of minority language educational rights is undoubtedly one of the most sensitive issues Quebec society has had to tackle in the last fifteen years. Since the end of the sixties, three different governments have felt the necessity to deal with this burning question. At least three sets of statutes have been enacted. The most recent set of statutory provisions was enacted in 1976 by the present government. It has since consistently received the overwhelming support of the Quebec people.

23. The Government of Quebec is not prepared to hand over to any other legislative body its power to legislate in an area so central to the structure of Quebec society. Such an exclusive provincial jurisdiction in education was an essential pre-condition to Quebec joining the Federation.

VII. Mobility Rights

24. The Charter of Rights and Freedoms contains a new and ill-defined kind of rights, the "mobility rights", which could very seriously limit Quebec's ability to legislate to protect the traditions and interests of its own residents. By restricting the legislator's use of the criterion of "province of residence" in framing his laws, the "mobility rights" hit Quebec particularly hard.
25. As a province with different legal, religious and historical traditions from the rest of Canada and with its own particular social, political and economic context, Quebec quite legitimately discriminates in its legislation to preserve and enhance its integrity as a culturally different society operating within the context of the dominant Anglophone culture of the continent.

VIII. Events Leading to Judicial Challenge Before the Canadian Courts

26. Although an accord was reached between the Federal Government and nine Provincial Governments on November 5th 1981, for the above reasons the Government of Quebec had no choice but to refuse its consent. The National Assembly of Quebec in a Resolution adopted on December 1st 1981 and previously the Government of Quebec by an Order in Council adopted on November 25th 1981 have formally registered their opposition to the proposed Resolution. At the time, the Prime Minister of Quebec, Mr René Lévesque, informed his Federal counterpart that Quebec was exercising its right of veto.

27. As soon as Quebec's exercise of its right of veto was dismissed by the Federal Government, its National Assembly unanimously voted an Act by which a reference to the Canadian courts was allowed in order to determine the constitutionality of a Resolution adopted in the absence of Quebec's consent and despite the formal exercise of its right of veto.
28. The Government of Canada thought fit to ignore this judicial challenge initiated by the Government of Quebec and, in a move equivalent to a denial of due course of justice, sent its Resolution to London.

IX. Westminster's Role in the Matter

29. For more than a year now, the Parliament of the United Kingdom has been intimately involved in the present Canadian constitutional issue. Indeed the position of an ex-colonial Parliament having to legislate for an independent country is not easy. From the end of 1980, when the possibility of a joint Canadian request became real, Westminster has lived up to its reputation of fairness and equity towards the Canadian peoples. The Foreign Affairs Committee of the House of Commons produced three valuable Reports which have undoubtedly influenced the course of events both in Canada and in Britain. Since the November 5th 1980 accord and Quebec's isolation, the question of what Westminster should do has once more to be discussed.
30. A situation where the particular provisions of the constitution of one sovereign nation can only be amended by the legislature of another sovereign nation has been described as "anomalous" by the United Kingdom Government, and "anachronistic" by the Canadian government. However anomalous or anachronistic the situation may be, it must be accepted as it is. Section 7 of the Statute of Westminster 1931 still leaves with Westminster the ultimate responsibility for the amendment of Canada's constitution.

31. As pointed out by the three Foreign Affairs Committee Reports, the Supreme Court of Canada judgment and the British government's White Paper, constitutional conventions in general, and the Statute of Westminster in particular define the role of the UK Parliament with regard to the amendment of the British North America Acts. As expressed in the preamble of the Statute of Westminster 1931, it is a firm constitutional convention in Britain that the United Kingdom Parliament will not legislate for Canada except "with the consent of that Dominion".
32. In its three Reports, the Foreign Affairs Committee concluded that the request must convey the clearly expressed wishes of Canada as a whole, bearing in mind the federal character of the Canadian constitutional system. In the First Report, one reads:

"Where a requested amendment or patriation would directly affect the federal structure of Canada, and the opposition of Provincial governments and legislatures is officially represented to the UK Government or Parliament, the UK Parliament is bound to exercise its best judgment in deciding whether the request, in all the circumstances, conveys the clearly expressed wishes of Canada as a federally structured whole."

(First Report (par. 14(9))

33. The Third Report concluded recently that, in the light of the November 5th accord, the consent of nine provinces to the actual proposals appeared:

"... to amount to a determination by the political actors in Canada that the concurrence of nine Provinces is constitutionally sufficient, albeit the dissenting Province of Quebec".

(par. 6, in fine)

The test used in order to reach this conclusion relies on the judgment of the Supreme Court of Canada which, on September 28th 1981, decided that "at least a substantial measure of provincial consent is required". (J3, p.36)

34. The question of what constitutes a substantial measure of agreement was carefully left unanswered by the Supreme Court of Canada. In the instance, the Court ruled that the consent of two provinces was clearly not sufficient:

"The situation is one where Ontario and New Brunswick agree with the proposed amendments whereas the eight other provinces oppose it. By no conceivable standard could this situation be thought to pass muster. **It clearly does not disclose a sufficient measure of provincial agreement. Nothing more should be said about this**".

(J3, p.36, emphasis added)

35. In deliberately refusing to **quantify** the measure of provincial consent needed, the Court necessarily left open the question of the **qualification** of that level. Indeed, the Court considered that its role is to determine that a sufficient level of consent is necessary and then "to decide further whether the situation before the Court meets with this requirement". (J3, p.36) In other words, the Court was not asked to rule specifically on the question of whether Quebec's consent was constitutionally required in all cases, and has not done so. As previously indicated (par. 28) the government of Quebec is presently before the Canadian courts in order to see whether the actual situation meets with the very requirement defined by the Supreme Court.
36. It must be stressed that a mere numerical majority of provinces in favour of the Resolution - no matter how large this majority may be - cannot satisfy the test for 'substantial consent' suggested by the Supreme Court when the representative government of one of the two founding peoples of Canada has withheld its consent. Since this consent of one of the two founding peoples of Canada is lacking, it can therefore only be concluded that the Canadian Bill now before Westminster does not meet the constitutional requirement of the "consent of the Dominion" as expressed in the preamble of the Statute of Westminster, 1931. It can surely not be the role of Westminster to enact a measure which is in violation of Canadian and Commonwealth constitutional law. (see par. 32)

37. Even if the test of the "determination by the political actors" adopted by the Foreign Affairs Committee (and inspired from a Supreme Court of Canada dictum) was considered, it could obviously not be retained since the political actors are presently litigating this issue before the Canadian courts. It is therefore erroneous and premature for the Foreign Affairs Committee to conclude that in the instance the level of consent is sufficient for Westminster to act.
38. For Westminster, the litigation now before the Canadian courts certainly has as much constitutional relevance as the former litigation had. Considering the stand taken by the Foreign Affairs Committee in its first two reports towards the relevance of the judgments of the Canadian courts, it should, in all logic, have similarly concluded in its Third Report:

"But we do consider that it would be **constitutionally questionable as well as politically undesirable** for the processes leading to UK legislation to be hastened so as to pre-empt the decision of Canadian courts."

(1st Report par. 123; emphasis added)

"Any judgment of the Supreme Court of Canada, to the extent that it deals with the matters we had canvassed, is **bound to weigh heavily** with your Committee and with the House."

(2nd Report par. 36; emphasis added)

39. The British Government came to the same conclusions in a White Paper published in December 1981 and repeatedly stressed the importance of the Supreme Court of Canada judgment, in order to guide the British Government and Parliament:

"The Government believe that **they should be guided by the majority decisions** (of the Supreme Court) both as to the existence and scope of constitutional convention."

(par. 7 in fine; emphasis added)

"Nevertheless, the **judgment of the Supreme Court** has clarified what is required within Canada, and this **can be taken as a useful guide** to our approach."

(par. 10)

40. It must be concluded from the statements of both the British Government and the Foreign Affairs Committee, that the United Kingdom Parliament's role can only be determined in the light of the forthcoming Canadian courts' judgments on the reference submitted by the Government of Quebec. Of course, it must be pointed out that the Federal Government of Canada has considered the issue of such importance as to challenge before the Quebec Court of Appeal, the Government of Quebec's reference. In pre-empting the decisions of the Canadian courts, Westminster could put itself in the embarrassing position of enacting an unconstitutional measure, since the constitutional requirement of the "request and consent of the Dominion" of Canada established by the Statute of Westminster 1931 is lacking.

X. Conclusion

41. The Government of Quebec therefore respectfully submits: (a) that the United Kingdom Parliament should refuse to enact the Canada Bill now under consideration until the Government of Quebec has consented to it or, (b) alternatively, that the United Kingdom Parliament should delay its consideration of the Canada Bill as long as the Canadian courts have not had the opportunity of giving their opinion on the constitutionality of the Canadian request.

* * * * *

FEBRUARY 1982

THE CANADIAN CONSTITUTION

It is hoped that the following will be useful for the Second Reading of the Canada Bill on Wednesday, 17th February 1982.

Contents

	<u>Page</u>
1) Introduction	1
2) Historical Background	1
3) The Constitution	2
4) The Amending Formula	2
5) The Charter of Rights	2
6) Amendments to the Bill	2
7) Quebec	3
8) Aboriginal Peoples' Rights	3
9) The Importance of good relations between Britain and Canada	3
10) Conclusion	4

Conservative Party International Office,
Conservative Research Department,,
32 Smith Square,
London SW1

RS/CJM
12th February, 1982

The Canadian Constitution

1) Introduction

The Canadian Constitution is contained in the British North America Acts 1867-1964 (BNAA). In certain important respects (e.g. regarding the balance of federal and provincial powers) it can be amended only by Act of the United Kingdom Parliament. This applies to 'patriation' of the Constitution to Canada.

All parties are agreed that the situation whereby Britain holds vestigial constitutional power is both anomalous and anachronistic. However, since the Statute of Westminster was enacted in 1931, the convention has become firmly established that the United Kingdom Government may amend the Canadian Constitution if and only if a request is received from the Canadian Government. Such a request has now been received, and the proposed Canada Bill embodies, in Schedules A and B, legislation to patriate the Constitution which was debated in the Canadian Parliament and passed by an overwhelming majority in both Houses in December 1981.

2) Historical Background

- 1867-1964 Passage in the British Parliament of legislation collectively known as British North America Acts.
- 1926 Balfour Declaration recognised independence of the Dominions.
- 1931 Statute of Westminster gave legal expression to the Balfour Declaration. By recognising Canada's independence the Statute preserved the status quo, i.e. no new powers were given to Britain. However Britain was left with a residual power to sanction amendments to the Canadian Constitution since no amending formula existed within the Canadian Constitution (the BNAAs were not included in the ambit of the statute).
- 1980 February The search for an amending formula for the Constitution continued through various attempts over 50 years. The final impetus was given following the Liberal Party election victory in 1980, when Prime Minister Trudeau declared his principal aim of patriating the Constitution.
- October The Canadian Parliament first considered the constitutional proposals. These contained:-
- a) procedures for patriation;
 - b) amending procedures;
 - c) a charter of rights and freedoms;
 - d) a provision regarding equalisation and regional disparities.
- Six provincial premiers (later eight) objected to the proposals, as did the Opposition Conservative Party.
- 1981 The premiers engaged in three provincial court appeals, and subsequently took a consolidated appeal to the Supreme Court.

.../September

- September The Supreme Court found that on technical grounds the Federal Government could go ahead with their package, but that to do so would violate the constitutional convention that provincial agreement was required since the proposals did affect federal/provincial relationships and the powers, rights and privileges enjoyed by the Provinces.
- January Meanwhile the Foreign Affairs Select Committee of the British House of Commons (the Kershaw Committee) published its first report, suggesting that in the event of a request for patriation of the Constitution being received from the Canadian Government, it would not be proper for the UK Parliament to pass the Canadian measures unless they enjoyed a greater degree of support than they did at that time.
- November After further talks an agreement was signed between the Federal Government and nine of the ten provincial premiers, with Quebec maintaining its objections.
- December The Canadian Parliament passed a resolution calling on the British Parliament to patriate the Constitution.

3) The Constitution

All parties are agreed that the Constitution should be patriated, i.e. that the British Government should terminate its residual responsibilities in connection with the BNAA.

4) The Amending Formula

Patriation of the Constitution without provision for amending it would however render it unworkable, and an amending formula is therefore an essential addition. This is incorporated as Part V of the Constitution Act (Schedule B of the Canada Act).

5) The Charter of Rights

The Canadian Government attaches importance to the Charter of Rights which forms Part I together with Parts II, III and IV of the Canada Bill. Nine of the ten provinces consider that their interests are safeguarded in it, and it was approved in the Canadian Parliament in December.

6) Amendments to the Bill

It is a matter of legal debate whether the Statute of Westminster restricted Britain from making amendments to the BNAA without a prior request from Canada. But in any case that convention has always been adhered to. The BNAA have been amended on Canadian request fourteen times, and the British Parliament has made technical amendments to proposed Canadian amendments. There is no precedent for the British Parliament questioning Canadian requests for amendment.

The Speaker has however said that the Bill is capable of amendment and that amendments can be tabled.

.../Quebec

Quebec

Quebec objections to the proposed bill relate to its claim to have a veto over constitutional changes with which it does not agree; to fiscal compensation for opting out of constitutional amendments; to the provision relating to minority language educational rights; and to mobility rights.

The Quebec Government will test the question of the veto before the Quebec Court of Appeal in March. The Canadian Government and the other nine provinces together with the Liberal Party in Quebec consider that the other objections have been met in the revised provisions of the bill now before Parliament. The British Government takes the view that these are internal Canadian matters which should not hold up debate on the bill in the British Parliament, particularly as the Quebec legal challenge does not allege responsibility on the part of the British Government or Parliament.

8) Aboriginal Peoples' Rights

The aboriginal peoples are made up of Indians, Inuits and Métis, whose interests vary widely. The objections to the provisions concerning aboriginal peoples' rights (clauses 35 and 37) come mainly from the Treaty or Status Indians (315,000 people out of an estimated 1.3 million native population), and cover various points. The Alberta Indians tested their case before Lord Denning and Lord Justices Kerr and May sitting in the Court of Appeal in December 1981. The Court ruled two to one that responsibilities for Indian rights were Canadian obligations at the latest with (Kerr and May) the BNA of 1867 or (Denning) the Statute of Westminster 1931. The Court concluded unanimously that any remedies in relation to these obligations which were now Canada's must be sought in the Canadian Courts. Lord Denning also found that Indian rights were in fact safeguarded in the Canada Bill.

Notwithstanding this judgement, the Alberta Indians have announced their intention of appealing to the House of Lords. The Indians of British Columbia, Manitoba and Ontario are meanwhile seeking a Court ruling that their consent was needed to any request for patriation of the Constitution.

The Government's view on this question is that any treaty or other responsibilities so far as they still subsisted became the responsibility of Canada at the latest with the Statute of Westminster, and are now owed to the Indians by the Crown in right of Canada and not of the United Kingdom.

9) The Importance of good relations between Britain and Canada

The Balfour Declaration of 1926 established the Dominions and the United Kingdom as "autonomous communities... equal in status, in no way subordinate one to another in any aspect of their domestic or internal affairs, though united by a common allegiance to the Crown, and freely associated as members of the British Commonwealth of Nations.

In view of this equality of status any tampering by Britain with a Canadian request would undoubtedly do lasting harm to relations between the two countries. As well as ties of kinship, friendship and common language, Canada and Britain share membership of the Commonwealth, NATO,

OECD, and many other international organisations. Canada is one of Britain's "top twenty" export markets. Repercussions resulting from a rift between the two countries over this issue would have effects on relations with other countries and would weaken the Western Alliance. And it is likely that the Canadian Government would persist in reintroducing the proposal. The result could be a souring of relations between the two countries for many years to come.

10) Conclusion

The Kershaw Committee in its third Report on the BNAA said:

"The Federal/Provincial agreement of 5th November 1981 made in the wake of the Supreme Court judgement and accepted by nine of the ten Provinces appears to us to amount to a determination by the political actors in Canada that the concurrence of the nine Provinces is constitutionally sufficient, albeit the dissenting Province be Quebec.

In this situation what we said in our first Report seems applicable. "The UK Parliament is bound to exercise its best judgement in deciding whether the request in all the circumstances conveys the clearly expressed wishes of Canada as a federally structured whole." (January 1982, paragraphs 6/7)

The Leader of the Opposition, Mr. Foot, has told the Parliamentary Labour Party that the Bill should be supported.

The Leader of the House of Commons, Mr. Pym, said on 11th February 1982:

"Having considered the whole matter, the Government have come to the conclusion that it is right and appropriate to proceed."

(Hansard, 11th February 1982, Col. 1118)

115 FEB 1982

11 12 1
2
3
4
5
6
7
8
9
10

Canada

RESTRICTED

mt

GRS 100

RESTRICTED
FM OTTAWA 112207Z FEB 82
TO PRIORITY FCO
TELEGRAM NUMBER 77 OF 11 FEBRUARY

YOUR TELNO 56: CANADA BILL, SECOND READING

1. MANY THANKS. I TOLD M CHRETIEN AND MR TRUDEAU'S PRIVATE SECRETARY THIS MORNING. BOTH SAID THIS WAS VERY GOOD NEWS. M CHRETIEN PROPOSES TO GO TO LONDON FOR THE SECOND READING AND SAYS HE WILL TRAVEL ON TUESDAY, 16 FEBRUARY. I THINK IT WOULD BE APPROPRIATE FOR HIM TO BE SHOWN SOME ATTENTION BY MINISTERS. YOU WILL BE AWARE THAT, ALTHOUGH HE DOES NOT PROPOSE TO TAKE A TEAM OF PROVINCIAL REPRESENTATIVES WITH HIM, SOME OF THEM WILL BE COMING INDEPENDENTLY TO LONDON AND SEEKING TO GET TICKETS FOR THE SECOND READING THROUGH THEIR AGENTS-GENERAL.

MORAN

THIS TELEGRAM
WAS NOT
ADVANCED

CANADIAN CONSTITUTION LIMITED
NAD
CCD
P & CD
PCCU
PARLIAMENTARY UNIT
NEWS D
INFORMATION D
PS
PS/IPS
PS/MR LUCE
PS/MR HURD
PS/LORD TREFARNÉ
PS/PUS
SIR E YOUDE
MR DAY
MR URE
LORD N G LENNOX
CABINET OFFICE

COPIES TO:
SIR I SINCLAIR }
MR FREELAND } LEGAL ADVS.
DR PARRY }

PS/CHANCELLOR OF THE DUCHY OF LANCASTER
PS/LORD CHANCELLOR HOUSE OF LORDS
PS/LORD PRESIDENT
MR BAILEY TREASURY SOLICITORS
MR H STEEL, LAW OFFICERS' DEPT
PS/HOME SECRETARY
[COPIES SENT TO NO 10 DOWNING ST]

RESTRICTED

PART 4 ends:-

9 . 2 . 82

PART 5 begins:-

11 . 2 . 82

