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Vancouver Transportation Exposition CANADA
1986 - Transpo 86 -
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JULY 1981

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Foreign and Commonwealth Office

London SW1A 2AH

12 September 1986

CDP 12/9.

Dear Charles,

British Day at Expo '86

/ I enclose a despatch by Sir Derek Day reporting
/ on the Prime Minister's visit to Expo '86. I also
attach a copy of the report prepared jointly by
the Consul General in Vancouver and the Commissioner
General of the British Pavilion which is referred
to and was enclosed with the despatch.

Yours ever,

Colin Budd

(C R Budd)
Private Secretary

C D Powell Esq
No 10 Downing St



BRITISH DAY AT EXPO '86

S U M M A R Y

1. British Day celebrated on July 12, with the Prime Minister and Mr Thatcher as Guests of Honour. The Prime Minister's presence ensured the success of the occasion. A full and tiring day. (Paras 1-4.)
2. Primary objective to sell Britain and demonstrate our capabilities in fields of transport and communications. British Pavilion at EXPO and related activities concentrated on that theme. Store promotions in Vancouver and elsewhere in Canada. (Paras. 5-7.)
3. Many British cultural attractions: Royal Ballet to Cambridge Buskers. Much credit due to the British Council. (Paras 8-9.)
4. A political dividend. Britain put firmly on the map in Western Canada. (Para. 10.)
5. Financial concerns. Need to supplement official funds with contributions from local commercial organisations. A lesson for the future. (Para. 11.)
6. Despite some apprehensions, a great day for Britain, thanks to the Prime Minister. (Para. 12.)

INF 126/2



BRITISH HIGH COMMISSION
80 ELGIN STREET
OTTAWA K1P 5K7

25 August 1986

The Rt Honourable Sir Geoffrey Howe, QC MP
Foreign and Commonwealth Office
LONDON

Sir,

BRITISH DAY AT EXPO '86

1. I have the honour to enclose a detailed report, prepared jointly by the Commissioner General of the British Pavilion at EXPO '86, Mr Allan, and the Consul-General in Vancouver, Mr Stephenson, on the British Day at EXPO '86 and on the associated events of the British Week in Vancouver. Mr Allan will be reporting more fully on British participation in EXPO '86 on the conclusion of the Exhibition.

2. Each participating country in EXPO '86 was allocated a National Day, during which the focus of attention would be directed at that particular country. The National Day ceremonies inevitably became something of a political and commercial competition between the participating governments. Our objective was to ensure that our Day equalled, and preferably excelled, that of others.

3. The main interest in respect of our National Day was the identity of the Guest of Honour who would represent the United Kingdom. The EXPO authorities, the Government of British Columbia and the Federal Government all hoped that the Prime Minister would, herself, be able to attend. That this, eventually, proved possible, gave enormous pleasure and

/satisfaction



satisfaction to all concerned. Mrs Thatcher's presence, together with Mr Thatcher, ensured that the British Day would be one of the highlights of EXPO '86.

4. The timing of our National Day, July 12, was far from ideal in British parliamentary terms. (One lesson to be learned for Brisbane is that the date of our National Day should be geared to the convenience of our Guest of Honour rather than the other way round.) The fact that, nevertheless, the Prime Minister was prepared to travel to Vancouver for a 36 hour visit, undertake a punishing schedule (for which I apologise) running from early morning to after midnight, followed by a 6 am departure the following day, made a tremendous impact. Mrs Thatcher's reputation for stamina and endurance had preceded her. But even her staunchest admirers, and as her visit demonstrated, they are numerous in British Columbia, were astonished at the pace maintained throughout the day. There is no doubt that the publicity given to British Day, the interest it attracted and the lasting effect that it has produced, could not have been achieved without the Prime Minister's presence.

5. We had a number of objectives for the British Day and the associated events of the British Week. The first was straightforwardly commercial. We wanted to sell Britain. Indeed, the Prime Minister's first engagement in Vancouver was with a group of leading Canadian businessmen and bankers, some

/of



of whom had flown from Montreal, Toronto or Calgary specifically for this meeting. They were given a clear message of our desire and determination to increase trade and investment between the UK and Canada. From a number of remarks made subsequently to me, the message got home.

6. At EXPO itself, we sought to demonstrate what we had to offer in the field of transport and communications, the two themes of EXPO '86. Our Pavilion on the EXPO site, demonstrations, off-site, of the British Rail Railbus and a Leyland double-decker, passenger services by British Hovercraft and a stunning fly-past by Concorde, were all geared to this objective. These activities were supported by a series of store promotions throughout Vancouver promoting a wide range of British goods from Jaguar cars to non-alcoholic beer. Full details are given in the enclosed report. The focus of much of this activity was a large shopping mall in Vancouver which the Prime Minister visited as part of her programme. A number of the larger stores had mounted special displays of British goods and others, caught up by the atmosphere, joined in the chorus. Even the Italian Ice-Cream Parlour was bedecked with Union Jacks for Mrs Thatcher's visit.

7. We will never know, for certain, how much additional trade can be attributed to our commercial efforts at EXPO '86. We do know that some \$Canadian 5 million of additional

/supplies



supplies have been ordered from the UK to support the special promotions in Vancouver and elsewhere in Canada in 1986. I do know that one of the Provincial Ministers in British Columbia earmarked for himself the Jaguar Cabriolet on show in our Pavilion. The President of Royal Doulton Canada has told me that his sales, in Vancouver, were doing particularly well during the British Week. There is thus good reason to believe that we have had some success in meeting our commercial objective.

8. The British Day also provided an opportunity to demonstrate the significant contribution Britain continues to make to the arts, in all its forms. The EXPO World Festival attracted ~~companies~~ and individual artists from around the world. The British Week was timed to coincide with the appearance in Vancouver of the Royal Ballet, whose five performances were a sell-out. The Ballet also paid Vancouver the compliment of performing, on British Day, the World Premiere of a new ballet by David Bintley, in the presence of the Prime Minister and HRH The Princess Margaret, whose visit to Canada happened to coincide with the British Day. Though the most significant, the Royal Ballet was only one of numerous British attractions in Vancouver. The Band of the 1st Battalion of The Queen's Lancashire Regiment, the world champion Strathclyde Police Pipe Band, the Northcliffe School Swing Band, and the Fron Choir, gave performances

/throughout



throughout Vancouver, and combined to give stirring and colourful presentations at our National Day ceremony at the EXPO site. The Cambridge Buskers, Welfare State International and other entertainers, appeared on the various stages around the EXPO site. No one at EXPO that week could have been in any doubt that Britain still stands for excellence and originality in the arts.

9. Much of the credit for assembling such a lively and comprehensive representation of what Britain has to offer must go to the British Council. By persuasion, some cajoling and limited financial assistance, they helped to put together a programme of which we could be proud.

10. Our third objective was political. We wanted firstly to demonstrate that Britain still attaches importance to its relationship with Canada, and secondly to indicate that Canada would be unwise to turn its back on the UK and the rest of Europe in its quest for an Eldorado in the Pacific Rim. In this respect, we enjoyed certain built-in advantages. EXPO was, after all, being held in British Columbia. Sentiment towards the UK is probably stronger in Vancouver and the Provincial Capital, Victoria, than anywhere else in Canada. Furthermore, the British Columbia Government has much sympathy and admiration for the economic policies of Her Majesty's Government. The British Day and the Prime Minister's presence provided a timely opportunity,

/as



as Mrs Thatcher put it in her speech, to put Britain back upon the map of Vancouver and British Columbia.

11. One lesson that emerged clearly from the planning of the British Day is that the financial provision made by HMG for our participation in EXPO '86 was, in itself, inadequate to meet our requirements. The Commissioner General and the Consul-General were thus obliged to expend considerable effort and draw upon local goodwill to find the necessary finance for a number of events and activities. We had to prevail upon the Canadian branches of Barclays Bank, Grosvenor Estates and Jaguar to sponsor, in part, the Royal Ballet performances. British Airways, Royal Doulton and others provided funds so that we could make some necessary embellishments to our Pavilion. One of the Canadian supermarket chains helped to sponsor the performances of Welfare State International and subsidised much of our written publicity. We even had to go, cap in hand, to local representatives of British companies to meet some of the costs of the band of The Queen's Lancashire Regiment. Had this outside support not been forthcoming, the impact of our overall presence at EXPO and the success of the British Day would have been in doubt. This is something that must be taken into account when considering our financial contribution to similar events in the future.

12. Finally, I must confess to some apprehension before the event. So much depended upon circumstances beyond our

/control.



control. A bad day would have dampened everyone's spirits: in the event, the weather was fine. South Africa or Northern Ireland could have provoked demonstrations: nothing untoward happened. Rivalries between the EXPO, Provincial and Federal authorities could have led to crossed wires: these, though present, were not evident. Thanks to the untiring efforts of many people, British and Canadian, in the UK and Canada, and to the enthusiasm and energy of the Prime Minister and Mr Thatcher, July 12 was a great day for Britain.

13. I am copying this despatch (without enclosure) to the Secretary of State for Transport, the Director-General of the Central Office of Information, the UK Commissioner General for EXPO '86 and the Consul-General in Vancouver. I am also sending a copy (with Brisbane 1988 in mind) to the High Commissioner in Canberra.

I am Sir

Yours faithfully,

Derek Day

DEREK DAY

THE BRITISH DAY AT EXPO '86

- 1 Each nation participating at Expo '86 is allocated a National Day, and inevitably competition has grown between participants on the quality of their presentations. It is pleasing to note that the British Day was judged to have outclassed the opposition. Given the slenderness of our resources in money and manpower this is something of an achievement: but then the same must be said about the British Pavilion and the supporting programme of events which we have been able to put together in Vancouver. Looking back over the months of preparation it seems to me to be a considerable achievement on the part of the whole of the team involved in getting the act together.

It may also be worth noting that the British Day is traditionally held at exhibitions on the 6th June: this was the date on which we at first settled. As events transpired, it became clear that if we were to have some sort of cultural contribution to our day the Royal Ballet visit, which had been established for a number of months as taking place from 8 - 13 July, seemed to be an attractive alternative. We then switched to the 8th July: but the Prime Minister's diary commitments eventually narrowed down the choice to the 12th July. As it turned out from a number of points of view it was a wise choice, despite the other political significance of the 12th July. Of the advantages, not least was the fact that the day was fine - a factor which those not familiar with Vancouver might find surprising. Many national days have suffered from torrential rain and the fact that we escaped this was something to be thankful about.

- 2 The most important component of our British Day - by far - was the presence of the Prime Minister. All the anxious weeks of preparation and doubts were swept away by the warmth of her welcome in Vancouver and by the energy and enthusiasm which she herself put into the visit during a day that was crowded with events from 8 a.m until after midnight the following day.
3. The planning for the British Day was done by a team that stretched from Vancouver to London. The detailed work for the visit to the City was done at the Consulate General (where particular mention must be made of the excellent contribution of Nigel Adams) and at the British Pavilion, where Frank Watts played a first-rate co-ordinating role. Many other people made a contribution, as is witnessed by the large number of letters of thanks which have now been sent out. The co-ordination of the visit as a whole was implemented in Ottawa. A point on which it is worth commenting is the difficulty in communications: these were at times frustrating. The main reason seemed to be the slow process in decision making, which was perhaps inevitable given the sensitivity of many of the issues connected with the Prime Minister's visit. Nevertheless, the absence of secure or speedy communications into Vancouver was an irritant. Had the High Commission had access to a facsimile transmission machine it would have been a lot easier to settle programme details more quickly and with greater economy. It may be worth considering whether the installation of this type of equipment at posts could not prove to be of benefit.

The High Commission, Consulate General, and British Pavilion relationships were always harmonious and productive. It is difficult to do other than commend the whole team involved, but from my personal point of view as Commissioner-General I would commend Miss Mary Stephenson whose ability to deal with several matters simultaneously seemed remarkable. Mention should also be made of the visit made by Mr Dennis Dyer of COI London who strengthened our small team during his

10 day visit from the UK and of local volunteers such as Mrs Ann Roberts who gave generously of their time.

- 4 The British "Day" at Expo was a focal point for a British "Week", which will be the subject of a separate report by the Consul-General in so far as it was concerned with commercial activities. But the whole week hung together effectively and gave Britain a notable and timely boost: the BOTB and British Council contributions to the team effort were of great value. The latter included not only the Royal Ballet, but a number of on-site entertainments such as the Cambridge Buskers which added a distinctly British flavour to the Vancouver scene.

From the Opening ceremony of the British Week on the steps of the Art Gallery (Ap. 1) by the High Commissioner to the closing ceremonies of the Scottish Festival on 13 July there can be few people in Vancouver that were not aware the British were here. A full programme of the British week is attached at Appendix 2 on which it will be seen that the slender resources at our disposal were put to extensive use with the QLR bandsmen and Strathclyde pipes and drums being rushed back and forth between appointments - the Leyland bus demonstration being effectively pressed into service.

Mention must also be made of the large number of VIP visitors who chose to come to Vancouver at this period and who at times placed a very real strain on our resources. At any other time they would have been welcome visitors and if they had less than their fair share of assistance they accepted the situation with patience. The fact that we were able to divert the House of Commons Transport Committee away from the scene until Monday 14 July helped (although by then the team here was showing signs of exhaustion). But the visit, which although welcome, caused most difficulty was that of HRH Princess Margaret. The planning for this parallel visit largely fell on our Canadian friends, but inevitably there were points of overlap of which the most notable was the visit by HRH to the Royal Ballet performance on 12 July in her capacity as President of the Ballet. I attach at Appendix 3 a list of the daily visitors during the period of and surrounding the British Week.

- 5 The programme for the British Day (as eventually agreed) is attached, Appendix 4. The numerous additions were made more bearable by the installation in the Consulate General of a word processor, but even so the expenditure of prodigious amounts of overtime were necessary by the team. We were ably assisted by the Canadian Federal and Provincial Co-ordinators (David Dunlop and David Harris) and by the Expo team led by Commissioner General Patrick Reid and his Deputy responsible for Protocol Richard Noyes Roberts.
- 6 The component parts of the British Day
 - a) Before the Prime Minister's visit a thorough cleaning and repainting programme was carried out on the Pavilion under the control of the Pavilion Director John Marshall. Of equal importance was the installation of a number of imaginative features which had been eliminated due to budgetary problems in the early construction phase. These should never have been left out and it is pleasing to note that some of the duller areas of the Pavilion have now taken on a better significance for the visitors. Not least of these was the installation of caption material as a means of entertaining the queues which now are becoming a regular feature of the Pavilion. The Pavilion's 1.5

millionth visitor was received shortly before the Prime Minister's visit, the presentation of a Royal Doulton figure (Donated by the Company) to the lucky visitor being made by the High Commissioner and Lady Day.

During her visit the Prime Minister expressed appreciation of the quality of the Pavilion and in particular the fact that it was export related. She asked the names of Companies which had been particularly helpful - as well as those who had been unhelpful. A number of presentations were made to the Prime Minister of Pavilion staff and of representatives of British Industry (see Appendix 5). The arrival of the Prime Minister at 9.30 a.m before normal Expo operating hours however enabled us to tightly control the number of those in the building. This in turn enabled better control of the journalists and photographers who created little trouble despite their enthusiasm.

The Prime Minister signed the visitors book in the Concorde lounge where she was also able to see a photographic display featuring other events during British Week.

- b) Due to the generosity of Bellway Marine Ltd the Prime Minister was able to present a Sunbird Sailing Craft for the Disabled to Mayor Harcourt of Vancouver on behalf of the Rick Hansen Man in Motion Campaign. Chris Samis, a young disabled man, was also involved in the ceremony as a representative of Rick Hansen.
- c) The Prime Minister's visit to EC Pavilion was of a very short duration. She was able nonetheless to meet the European Commissioners General and to discuss the Euro-Tunnel exhibit with Mr Geuterbock of The Consortium.
- d) The Prime Minister then made a short visit to the Birmingham narrow boat en-route to the motor yacht 'Christabel' (generously provided by Mr Ralph Smith of the Royal Vancouver Yacht Club) which enabled her to have a view of Expo from False Creek. This route to the Plaza of Nations became a triumphant procession in which the yacht was escorted by four British built hovercraft (the AP 188, the Griffin Hake and 2 SRN6 Craft of the Canadian Coastguard service): but by far the most dominant feature of this period of the visit was the flypast of Concorde which made 5 low level passes with impeccable timing, providing a spectacle which brought the Expo crowd to its feet. Although finally arranged only at the 11th hour the time we expended on getting this flypast was thoroughly justified: Next to the Prime Minister's visit it is the most talked of event of the National Day Programme.
- e) I attach (appendix 5) a copy of the programme for the National Day ceremony at the Plaza of Nations. This was one of Premier Bennett's last visits, as Premier of B C, to Expo and he was given a good reception. But the loudest applause, and indeed the warmest reception throughout the whole day was reserved for Margaret Thatcher. Her speech (copy attached, Appendix 6) was entirely appropriate to the occasion. Before and after the flag raising ceremony a crowd estimated at 5,500 spectators was entertained by the Band of the Queen's Lancashire Regiment (Mr R Owen), the pipes and drums of the Strathclyde Police (Inspector Wilson) and the combined voices of the Vancouver and Fron male voice choirs. All of these performed splendidly (and the band

of the Queen's Lancashire Regiment are to be particularly congratulated on their willing hard work and skill during the week) but of the musical items the crowd most enthusiastically applauded for the young people of the Northfields Middlesex School band, who played a rousing jazz number.

Combined with Concorde, all of this was great stuff, and even if the Welsh choirs continued to bicker in the background the effect on the audience was all that we had hoped, as is shown by the large number of letters of congratulation that were received. The Prime Minister met representatives of the performing groups after the ceremony.

- f) During a visit to the B C Pavilion the Prime Minister was able to have a short meeting with Premier Bennett, following which a reception and lunch for 250 guests was hosted by Expo Commissioner General Reid. The guest list included a number of British visitors, as well as a cross section of the B C political and business scene. Both Mrs Thatcher and her husband were able to meet many of them during the reception. In fact, it is remarkable that from her early morning meeting with leaders of Canadian Industry until the end of the long day the Prime Minister was able to meet a wide variety of Canadians, many of whom expressed surprise at the seeming informality of the arrangements which says much for the excellence of the security planning.
- g) The Canadian Pavilion was the first port of call following lunch. Here, Mrs Thatcher clearly enjoyed her visit which was conducted by the Canadian Commissioner General, Mr Bruce Howe. This was the only point during the day when we were unable to stick reasonably close to the allocated time but the evident delight (as witnessed by press and TV cameras as well as by an audience of some hundreds) with which Mrs Thatcher piloted the Hystar lighter-than-air exhibit made the lapse acceptable.
- h) The Prime Minister then left by motorcade for the Oakridge Shopping Mall where (Appendix 7) she visited a number of shops displaying British goods. Here again the bands provided background music (see Mr Stephenson's appendices on this visit and on the early morning meeting with Canadian business men). On returning from Oakridge the Prime Minister stopped at the Via Rail Station where she inspected and drove the BR Railbus which had been removed for the day from its trial service on the New Westminster - Abbotsford railway line. A number of Canadian Railway personalities were presented by Sir Robert Reid, Chairman of British Rail. The Prime Minister also travelled on the Leyland double decker bus which, as previously mentioned, had been of great value in transporting performers during British Week.
- i) The Press Conference at the Media Centre was, regrettably, dominated by the South Africa issue and the Prime Minister expressed regret that there were few questions related to her Canadian visit.

- j) In the evening the Prime Minister attended a performance by The Royal Ballet, who performed their triple bill, including the world premiere of David Bintley's new work which was loudly applauded, as indeed was the whole performance. The night had a gala air and the attendance by HRH Princess Margaret added to the occasion. The ballet provided an opportunity for inviting a number of prominent Canadians, even if the seating plan for the performance required some masterly juggling of names. So indeed did the arrangements for the two (overlong) intervals, at which the Prime Minister and HRH Princess Margaret mingled with a number of invited guests. The strain on the Prime Minister and her party must by now have been great and an 8 hour time lag must have made for a most tiring evening after a particularly busy day which was not yet finished.
 - k) The post ballet reception which the Prime Minister and Mr Thatcher hosted for 400 guests was an excellent finish to the day. The Prime Minister insisted on meeting the Royal Ballet cast as well as shaking hands with most of those who attended.
- 7 There can be no doubt about the success of the British Day. The press, T V and Radio coverage was first rate. It was gratifying that the Prime Minister mentioned her pleasure at the short visit to Vancouver during a response to a question in the House of Commons two days later. Thanks must finally be expressed to the wide number of those on the British and Canadian side who by careful planning made the visit go smoothly and a memorable one not only for the Prime Minister (as she herself remarked) but indeed for the many thousands who gave her a tremendous welcome on her first visit to the province.

Suspect cc master*bc PC ✓**meeting record*

10 DOWNING STREET

From the Private Secretary

14 July 1986

*Dear Colin,***PRIME MINISTER'S MEETING WITH THE CANADIAN PRIME MINISTER:
SOUTH AFRICA**

I have recorded separately the Prime Minister's discussions with Mr. Mulroney of a number of bilateral and international issues. This letter reports their discussion on South Africa. I should be grateful if it could be given a very limited circulation (3).

Mr. Mulroney opened by saying that the United Kingdom's leadership in the Commonwealth was vital. That leadership would be imperilled, at least in the world of perceptions, by failure to reach agreement at the meeting of seven Commonwealth Heads of Government in London on further action against South Africa. There was no doubt that there would be very strong pressure at that meeting for further measures based on what had been agreed in Nassau. The old Commonwealth countries must be ready to respond. He did not wish to dramatise the situation. He agreed with the Prime Minister's comment that the Commonwealth had come through a lot of difficulties in the past. Nor was Canada's friendship with Britain in doubt. But he had to say that he was very concerned about the August meeting and the consequences of it for the Commonwealth. He wondered how the Prime Minister saw the prospects for the August meeting and for progress from the Foreign Secretary's mission to Southern Africa.

The Prime Minister said that one had to draw a distinction between leadership and followership. She hoped that Mr. Mulroney was not saying that leadership required Britain to fall in with the views of a number of other Commonwealth countries even though we believed they were fundamentally wrong. She had looked very carefully at every argument for and against general economic sanctions. She was convinced that they would not achieve their professed goal. There was no historical precedent for sanctions

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persuading a government to change its internal policies. Moreover it was inconsistent to pour aid into Africa to combat famine while simultaneously taking measures which would increase the likelihood of starvation of black people in South Africa. Responsible western governments also had to consider the risk that the South African government would, in retaliation, deny supplies of vital raw materials. We all shared the objective of getting rid of apartheid. But the best prospect of achieving this lay through negotiation. She feared that some African leaders actually wanted violence in South Africa, because their own experience had taught them that this was the quickest way to achieve power. One could not overlook the changes that had taken place in South Africa. The National Party convention in August would show to what extent further significant change could be expected. She did not believe that the South African Government would respond to threats or an ultimatum. Moreover moderate opinion, both black and white, in South Africa was opposed to sanctions. Of course she was alive to the importance of keeping the Commonwealth together, though it was legitimate to wonder what real value those who used their membership as a means of pressure on other governments really attached to the institution. She came back to her starting point: our policy could not be determined by majority opinion in the Commonwealth. The starting point had to be a clear analysis of what course was most likely to bring about the desired aim of dismantling apartheid.

Mr. Mulroney said that, in his view, the principal objective at the London meeting was how to give life to the Nassau Accord. He did not think that it was possible to leave London without sending some further signals to the South African Government. He was not talking about comprehensive sanctions but rather about looking at a list of possible measures against South Africa and seeing what could be done to send a stronger signal to the South African Government. He did not want to get into an argument about the morality of sanctions, though in his own view if you were seeking a noble end sanctions were a justified means. They had anyway been adopted by the West in other situations. As regards raw materials, Canada could supply many of those for which South Africa was currently the main source provided there was sufficient investment. He thought that change in South Africa could only be achieved by stepping up pressure from outside. Canadian and British views on this were clearly at variance.

The Prime Minister said that the difficulty with the course proposed by Mr. Mulroney was that it involved moving further down a slippery slope towards general economic sanctions. It was also based on a misreading of the psychology of the Afrikaners. And it took no account of the

strong likelihood of retaliation by South Africa against neighbouring black African countries, who would no doubt turn to the United Kingdom and Canada for help. She certainly did not want to see dissension at the Commonwealth meeting in August. Her goal would be convergence on a reasonable policy. In her view that meant seeking to bring about the end of apartheid by negotiation. The European Community's mission should be given a reasonable chance to achieve this.

Mr. Mulroney said that it was clear that Canada and the United Kingdom had a strong divergence of opinion on this. This was not a happy situation. Canada wanted to see something positive emerge from the London meeting. The Prime Minister commented that she did not regard sanctions as positive. Mr. Mulroney said that he hoped the two governments could keep in close touch in the period leading up to the Commonwealth meeting. He would be particularly interested in any information on the progress of the Foreign Secretary's mission.

It was agreed that the press should be told that there had been a preliminary discussion between the Prime Minister and Mr. Mulroney of the issues which would arise at the Commonwealth meeting in August. In the event, Mr. Mulroney's public comments clearly went well beyond this.

yes surely,
(Charles Powell)

(CHARLES POWELL)

Colin Budd, Esq.,
Foreign and Commonwealth Office.

Subject cc Master*meeting record**b.c. R.E*

10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

14 July 1986

Dear Sir,

**PRIME MINISTER'S MEETING WITH THE
CANADIAN PRIME MINISTER**

The Prime Minister met Mr. Mulroney in Montreal on 13 July on her way back from her visit to EXPO '86 in Vancouver. Mr. Mulroney was accompanied by the Canadian High Commissioner in London and a number of officials. Sir Derek Day was also present.

I am recording separately the discussion about South Africa.

Bilateral issues

Mr. Mulroney congratulated the Prime Minister upon the success of her visit to Vancouver which had made a remarkable impact. He noted rather wistfully that she had had a much better reception in Vancouver than he had. There appeared to be no real problems in bilateral relations. The Allied-Lyons bid had been dealt with satisfactorily from the United Kingdom's point of view. British exports to Canada were rising well.

The Prime Minister said that she was very grateful for her reception at Vancouver and for the excellent arrangements which had been made for her, including for her security. She thought that EXPO '86 was magnificent and a tremendous success for Canada.

Ireland

Mr. Mulroney said that the Canadian Government wanted to demonstrate its support for the Anglo-Irish Agreement. They were therefore proposing to contribute some \$10 million over 10 years to projects in Northern Ireland and in the Republic. The money would be found jointly by Government and the private sector. He proposed that the contribution should be announced following the meeting with the Prime Minister. The Prime Minister expressed gratitude for the Canadian Government's generous gesture which she took as a signal of traditional friendship. She agreed that the contribution should be announced when they met the press.

Economic issues

Mr. Mulroney said that his Government had taken a number of difficult decisions on the Canadian economy. These were showing results. More than 600,000 new jobs had been created in the preceding 18 months. Interest rates had been brought down some three and a half points. But regional disparities in economic prosperity were growing. There was a boom in Ontario, Manitoba and Quebec, but the collapse of agriculture and oil prices was causing grave difficulties in western Canada. There was strong pressure on the Government to step in to help. This would affect the Government's ability to meet its targets for reducing the public sector deficit. Hitherto the Government had been remarkably successful in keeping to these. It had also achieved zero growth in two successive years in the discretionary part of the social security budget although only at considerable political cost.

The Prime Minister complimented Mr. Mulroney on the success of the Canadian Government's economic policies. She referred to the difficulties for the United Kingdom economy caused by the fall in oil prices. She stressed the importance of prudent financial policies and of restraining public spending. There seemed to be an inevitable tendency for public spending to rise in democracies. This was a problem which ought to be discussed collectively at an Economic Summit.

Agriculture

Mr. Mulroney said that Canada was getting hammered on world agricultural markets. He was very disturbed by the implications of the United States Farm Bill. He wondered how the Prime Minister saw the follow up to the discussion of agricultural problems at the Economic Summit in Tokyo.

The Prime Minister said that the momentum of international discussion had to be kept up in the OECD and in the GATT. At the same time every effort must be made to pursue policies to keep supply and demand more nearly in balance, while taking account of the interests of countries which were traditional friends and suppliers.

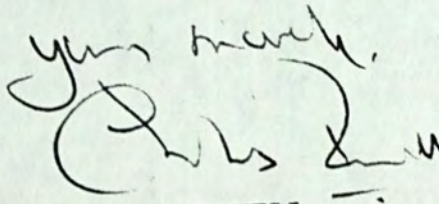
Middle East

Mr. Mulroney enquired about the Prime Minister's visit to Israel and the prospects for the progress on Arab/Israel matters. The Prime Minister said that there was no prospect of any new United States initiative until the Congressional elections were over. But it was important to maintain pressure upon the United States Administration to come forward with a new initiative as soon as possible thereafter. Work on this should already be in hand. Meanwhile there was scope for some modest advance on the West Bank. King Hussein needed continued encouragement and support.

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I am copying this letter to Rachel Lomax
(H.M. Treasury), Ivor Llewelyn (Ministry of Agriculture,
Fisheries and Food), Jim Daniell (Northern Ireland Office)
and Michael Stark (Cabinet Office).

Yours sincerely,

CHARLES POWELL

Colin Budd, Esq.,
Foreign and Commonwealth Office

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AND TO IMMEDIATE FCO

NO TEN - PRESS OFFICE AND NEWS ROOM .
FCO - GUIDANCE.

PRESS CONFERENCED GIVEN BY THE PRIME MINISTER, MRS. THATCHER,
IN VANCOUVER, ON SATURDAY, JULY 12, 1986.
=====

(NOTE: SOUND QUALITY OF QUESTIONS IS ABYSMAL: JAMES LEE)

PRIME MINISTER:

AS YOU KNOW, I AM OVER HERE FOR THE EXPO '86 AND BECAUSE OF THE VANCOUVER CENTENARY, AND I CAME OVER ON THE CONCORDE. IT IS THE FIRST TIME THAT I HAVE FLOWN IN CONCORDE. IT IS THE FIRST TIME THE CONCORDE HAS BEEN TO VANCOUVER AND YOU SAW IT FLYING PAST THIS MORNING JUST BEFORE WE OPENED THE BRITISH DAY.

I AM VERY IMPRESSED WITH EVERYTHING I HAVE SEEN AT EXPO '86. I THINK IT WAS A VERY BOLD IDEA AND VERY BOLDLY CARRIED OUT, AND I BELIEVE IT HAS EXCEEDED ALL EXPECTATIONS.

FIRST, I VISITED, AS YOU KNOW, THE BRITISH PAVILION. I AM IMMENSELY PLEASED WITH IT. AS WELL AS A TRADITIONAL PART, ITS WHOLE EMPHASIS IS ON THE FUTURE AND ON BRITAIN'S PART IN THE FUTURE AND ALL THE TECHNOLOGY TO WHICH BRITAIN CAN CONTRIBUTE IN THE FUTURE. I THOUGHT THEY HAD DONE THE DISPLAYS EXCELLENTLY AND THERE WAS A VERY GREAT DEAL FOR PEOPLE TO SAY: 'WELL, WE MUST IN FACT DEAL WITH BRITAIN IN THE FUTURE.'

THE CANADIAN PAVILION, OF COURSE, IS ABSOLUTELY OUTSTANDING, NOT ONLY BOTH IN WHAT IT SHOWS BUT IN ITS DISPLAY AND IT IS VERY EXCITING.

WE WENT, AS YOU KNOW, TO THE SHOPPING CENTRE WHERE THERE IS A PROMOTION FOR BRITISH GOODS.

I THINK I HAVE BEEN ABSOLUTELY OVERWHELMED WHEREVER WE HAVE BEEN BY THE TREMENDOUS RECEPTION WE HAVE HAD, BOTH AT THE OPENING OF BRITISH DAY THIS MORNING, WHICH I UNDERSTAND WAS THE BEST-ATTENDED NATIONAL DAY THAT THERE HAS BEEN - VERY PROUD OF OUR BAND AND OF OUR MARVELLOUS SCHOOL. THEY PLAYED A TERRIFIC MODERN THING, SO WE HAD BOTH THE TRADITIONAL AND THE MODERN, AND EVERYWHERE WE HAVE BEEN I THINK THE RECEPTION THAT PEOPLE HAVE GIVEN US HAS JUST BEEN TERRIFIC AND SHOWS VERY MUCH THAT NOT ONLY THE CANADIAN-BRITISH SPIRIT IS STILL THERE VERY DEEPLY, BUT ALSO THERE IS SOMETHING VERY SPECIAL ABOUT IT IN BRITISH COLUMBIA AND PARTICULARLY IN VANCOUVER.

NOW, THAT I THINK IS ALL I HAVE TO SAY TO OPEN WITH. MAY I EMPHASISE THAT I AM HERE BECAUSE OF VANCOUVER AND BECAUSE OF BRITAIN AND BECAUSE OF EXPO, AND I DO NOT KNOW WHETHER YOU WILL BELIEVE ME OR NOT BUT I HAVE NOT ACTUALLY THOUGHT OR DISCUSSED OTHER WIDER INTER-NATIONAL MATTERS WHICH MAY OR MAY NOT BE IN YOUR MINDS.

QUESTION:

(INAUDIBLE, BUT REGARDING BOYCOTT OF A NUMBER OF COUNTRIES OF THE COMMONWEALTH GAMES)

PRIME MINISTER:

I AM VERY SORRY THAT IN VANCOUVER, AT EXPO, WHEN I AM TRYING TO SELL BRITAIN, THAT THAT IS THE FIRST QUESTION I HAVE HAD. AS IT IS - AND IN A FREE COUNTRY I AM NOT ABLE TO FASHION THE QUESTIONS OR FORMULATE THEM - IT DOES NOT MATTER WHO PULLS OUT OF THE COMMONWEALTH GAMES, IT WILL NOT HELP TO END APARTHEID IN SOUTH AFRICA.

I AM ANXIOUS TO TRY TO HELP BRING THAT ABOUT BY NEGOTIATION. I WILL BE VERY SORRY IF OTHER PEOPLE REJECT NEGOTIATION AS THE WAY FORWARD.

YES, I AM SAID IF OTHER PEOPLE BOYCOTT THE GAMES. I THINK THE COMMONWEALTH IS REALLY AN OUTWARD AND VISIBLE SIGN OF THE STRENGTH OF THE COMMONWEALTH AND COMMONWEALTH COOPERATION, BUT THE MAIN THING IS THAT NO AMOUNT OF BOYCOTT WILL HELP TO END APARTHEID IN SOUTH AFRICA, AND THAT IS OUR OBJECTIVE.

QUESTION:

(INAUDIBLE)

PRIME MINISTER:

I EXPECT WE SHALL DISCUSS THIS MATTER WITH MR. MULRONEY. YOU REALLY WOULD NOT EXPECT ME TO SAY HOW I THINK THE CONVERSATION WILL GO BEFORE WE HAVE EVEN HAD IT. IF YOU DO EXPECT IT, I AM AFRAID I WILL HAVE TO DISAPPOINT YOU.

QUESTION (INAUDIBLE)

PRIME MINISTER:

I WOULD NOT ACCEPT YOUR PREMISE THAT I AM CONSTANTLY BUTTING WORLD OPINION ON THIS MATTER. I CAN ONLY ASK YOU, AS I HAVE DONE IN INTERVIEWS I HAVE DONE WITH CANADIAN TELEVISION AND BRITISH NEWSPAPERS, TO RECALL THE OBJECTIVE.

THE OBJECTIVE IS TO BRING TO AN END APARTHEID IN SOUTH AFRICA. THE METHOD IS TO DO SO BY NEGOTIATION. THERE MAY BE SOME WHO WOULD PREFER A METHOD OF FORCE OR VIOLENCE. THAT IS NOT MY WAY. THAT IS NOT BRITAIN'S WAY.

THE COMMONWEALTH SUGGESTED THAT THERE SHOULD BE A SUSPENSION OF VIOLENCE IN RETURN FOR DIALOGUE, SO THE COMMONWEALTH TOO AT NASSAU SAID: 'LOOK. WE BELIEVE DIALOGUE IS THE WAY AND WE BELIEVE IN RETURN FOR DIALOGUE YOU SHOULD HAVE SUSPENSION OF VIOLENCE.'

I THINK IT WOULD BE BEST IF WE KEEP BOTH THE OBJECTIVE IN MIND AND THE METHOD.

I WOULD NOT ACCEPT THAT GENERAL ECONOMIC SANCTIONS WOULD IN ANY WAY BRING ABOUT POLITICAL CHANGE IN SOUTH AFRICA, AND IF YOU ACCEPT THAT, THEN IMMEDIATELY YOU MUST REJECT GENERAL ECONOMIC SANCTIONS, BECAUSE IF IT DOES NOT BRING ABOUT THE CHANGE AND WILL NOT - AND HISTORICALLY NEVER HAS BROUGHT ABOUT INTERNAL CHANGE - WHAT IS THE POINT OF CONSIDERING GENERAL ECONOMIC SANCTIONS?

QUESTION (INAUDIBLE)

PRIME MINISTER:

YOU DO NOT NEED A MEDIATOR BETWEEN COMMONWEALTH LEADERS. WE ARE ALL COMMONWEALTH LEADERS AND WE DISCUSS TOGETHER. THERE IS NO NEED TO HAVE A MEDIATOR BETWEEN US. WE GET TOGETHER AND WE DISCUSS, AS WE DID AT NASSAU, SO NO NEED TO HAVE A MEDIATOR.

I HAVE WORKED WITH KENNETH KAUNDA FOR A LONG TIME. LUSAKA WAS MY FIRST COMMONWEALTH CONFERENCE AS PRIME MINISTER. KENNETH WAS IN THE CHAIR. HE CHAIRED IT QUITE BRILLIANTLY. IT WAS A VERY IMPORTANT CONFERENCE.

WHEN I ARRIVED AT LUSAKA THEY THOUGHT: WHAT IS THIS NEW BRITISH PRIME MINISTER COMING? SHE WILL BE 'ANTI' EVERYTHING THAT THEY STAND FOR AND YET, BY THE END OF THE CONFERENCE, THEY CHARGED MYSELF AND PETER CARRINGTON WITH THE DUTY OF BRINGING RHODESIA, AS SHE THEN WAS UNDER ILLEGAL UDI, TO LEGAL INDEPENDENCE. WE DISCHARGED THAT DUTY FULLY. MR. MUGABE IS NOW A MEMBER OF THE COMMONWEALTH. DO NOT FORGET THAT.

I HAVE BEEN THROUGH SOME OF THIS BEFORE.

QUESTION (INAUDIBLE)

PRIME MINISTER:

NO, I SAY IT TO SOUTH AFRICA. YOU ASKED ME ABOUT KENNETH KAUNDA AND I WAS REMINDING YOU THAT KENNETH KAUNDA WAS CHAIRMAN OF THE CONFERENCE WHICH IN FACT BY THE END OF IT CHARGED MYSELF AND PETER CARRINGTON WITH THE DUTY OF DOING THE NEGOTIATIONS WHICH LED TO BRINGING RHODESIA, NOW ZIMBABWE, TO FULL INDEPENDENCE, SO I HAVE WORKED WITH KENNETH KAUNDA AND HAVE EVERY RESPECT AND AFFECTION FOR HIM, AND ADMIRATION FOR THE WAY IN WHICH HE WORKS. WE MAY DISAGREE SOMETIMES, BUT HITHERTO WE HAVE BEEN ABLE TO WORK TOGETHER AND WE ARE BOTH DEVOTED MEMBERS OF THE COMMONWEALTH. AND THE COMMONWEALTH SHOULD BE STRONG ENOUGH TO ENDURE MANY SMALLER DIFFERENCES BETWEEN ITS MEMBERS. IT HAS, AFTER ALL, ENDURED FOR A VERY LONG TIME.

QUESTION (INAUDIBLE)

PRIME MINISTER:

I AM SORRY. I CANNOT QUITE HEAR.

I AM NOT GOING TO SAY WHAT WOULD HAPPEN AT THE HEADS OF SEVEN GOVERNMENTS MEETING OF THE COMMONWEALTH BEFORE IT EVEN TAKES PLACE. I AM NOT GOING TO SAY I THINK MAY HAPPEN OR WHAT WE WILL CONSIDER. I HAVE NOTHING FURTHER TO ADD ON SOUTH AFRICA TO THAT WHICH I HAVE ALREADY SAID TO CANADIAN TELEVISION, CANADIAN PRESS AND IN THE INTERVIEWS I HAVE GIVEN.

I HAVE NOTHING FURTHER TO ADD SINCE I HAVE BEEN HERE. I HAVE, IN FACT, COME TO VANCOUVER FOR EXPO.

QUESTION (INAUDIBLE)

PRIME MINISTER:

I DO NOT BELIEVE THAT THE COMMONWEALTH COULD BE SO EASILY WRECKED. I BELIEVE THE COMMONWEALTH IS VERY MUCH STRONGER THAN YOU THINK.

AFTER ALL, THERE ARE MANY MANY COUNTRIES IN THE COMMONWEALTH WHICH HAVE ENDURED VERY DIFFICULT CIRCUMSTANCES. SOME DO NOT HAVE DEMOCRATIC GOVERNMENTS - INDEED, QUITE A NUMBER - QUITE A NUMBER HAVE STATES OF EMERGENCY AND SOME HAVE HAD CENSORSHIP. SOME HAVE BEEN THROUGH VERY DIFFICULT TIMES AND THERE HAS BEEN VIOLENCE IN SOME OF THEM. NO-ONE HAS SUGGESTED THAT THOSE MEMBERS OF THE COMMONWEALTH BE EXPELLED FOR THAT REASON. THEY HAVE ENDURED MANY DIFFICULT OCCASIONS AND WE SHALL ENDURE MANY MORE.

QUESTION (INAUDIBLE)

PRIME MINISTER:

AS YOU SAID, I SAID IN THE COURSE OF THE INTERVIEWS TO WHICH I HAVE REFERRED, THAT THERE ARE CERTAIN STRATEGIC MATERIALS WHICH ARE FOUND ONLY IN SOUTH AFRICA AND IN THE SOVIET UNION. FOR EXAMPLE, THE SOVIET UNION IS THE MAIN SOURCE OF PLATINUM OTHER THAN SOUTH AFRICA. PLATINUM IS FREQUENTLY USED AS A CATALYST AND, OF COURSE, USED FOR THOSE WHO WISH TO CONTINUE TO MAKE IMPROVEMENTS IN THE ENVIRONMENT, ESPECIALLY ON THE EXHAUSTS OF CARS. ALSO PLATINUM AND CHEMICAL CHROME AND SOME VANADIUM AND SOMETIMES A GOOD SUPPLY OF MANGANESE. SOME OF THE MATERIALS IN SOUTH AFRICA. THE ONLY ALTERNATIVE SOURCE OF THEM IS THE SOVIET UNION. SOME OF THOSE MATERIALS ARE EXTREMELY IMPORTANT FOR OUR DEFENCE INDUSTRIES.

I THINK PEOPLE SHOULD THINK TWICE BEFORE IN FACT THEY MAKE STATEMENTS ABOUT SANCTIONS ON SOUTH AFRICA WHICH MIGHT JEOPARDISE OUR CAPACITY TO HAVE ACCESS TO THOSE FUNDAMENTAL RAW MATERIALS.

QUESTION (INAUDIBLE)

PRIME MINISTER:

I THINK THAT WHEN YOU COME TO A WORLD FAIR OF THIS KIND, YOU HAVE A MUCH MORE VIVID IDEA OF WHAT A COUNTRY CAN DO, A COUNTRY AND ITS PEOPLE, AND I DO THINK IT WILL HAVE A LASTING INFLUENCE.

FIRST, THE CONCEPTION OF THE WORLD FAIR, THE WAY IN WHICH IT HAS BEEN CARRIED OUT, SOME OF THE CANADIAN PRODUCTS, AND THE SHEER DESIGN WORK ATTACHED TO THIS EXHIBITION, I THINK CAN ONLY HAVE IMPRESSED EVERYONE AND THE WAY IN WHICH NATIONAL LEADERS HAVE BEEN RECEIVED AND THE WHOLE THING HAS BEEN CARRIED OUT HAS BEEN A GREAT PLUS FOR CANADA. THAT, I THINK, WILL HAVE A LASTING EFFECT.

I ALSO THINK THAT A LOT OF TOURISTS THIS YEAR HAVE COME TO VANCOUVER AND I THINK THAT THEY MIGHT WELL RETURN BECAUSE THEY ARE SO IMPRESSED WITH IT AS A CITY AND THE FACILITIES THAT IT HAS TO OFFER.

QUESTION (INAUDIBLE)

PRIME MINISTER:

BRITISH RAIL. FREQUENTLY, DURING THE ELECTION WHEN I FLEW FROM GATWICK - AS YOU KNOW, WE WENT DOWN FROM VICTORIA TO GATWICK BY TRAIN.

I WOULD QUITE LIKE TO TRAVEL MORE BY TRAIN. IT DOES HAVE QUITE A NUMBER OF SECURITY PROBLEMS AND SO I HAVE NOT GONE LONG JOURNEYS BY TRAIN. LONG JOURNEYS I TEND TO BY SPEED, BY AIRCRAFT - SHORTER ONES DOOR-TO-DOOR BY CAR, SOMETIMES BY HELICOPTER.

QUESTION (INAUDIBLE)

PRIME MINISTER:

I WISH BRITISH RAIL WELL. I HAVE THE GREATEST ADMIRATION FOR THE CHAIRMAN OF BRITISH RAIL. I HAVE GREAT ADMIRATION FOR THE WAY IN WHICH THEY ARE TACKLING THEIR PROBLEMS. I HAVE SEEN SOME EXCELLENT WORK FROM BRITISH RAIL ENGINEERING IN THE BRITISH EXPO PAVILION, AND I AM VERY PRO-BRITISH RAIL, AND IT HELPED ME WIN AN ELECTION.

QUESTION (INAUDIBLE)

PRIME MINISTER:

I THINK RATHER LESS THAN AN HOUR ON THE SCHEDULE. I WOULD OBVIOUSLY LIKE IT TO LAST LONGER, BUT I THINK, IF YOU LOOK AT THE WAY IN WHICH THE SCHEDULES ARE, THAT IS ABOUT THE TIME.

QUESTION (INAUDIBLE)

PRIME MINISTER:

NO. WE HAVE HAD A NUMBER OF INITIATIVES RECENTLY, INCLUDING ONE ON LEGISLATION, WHICH ENABLES US TO CONFISCATE THE PROCEEDS OF DRUG DEALING AS WELL AS TO HAVE VERY HEAVY SENTENCES ON DRUG DEALERS.

I AM NOT QUITE SURE WHAT THE POSITION IS IN CANADA. CERTAINLY, IN BRITAIN, ALTHOUGH YOU CAN GIVE PRETTY HEFTY SENTENCES - NOT THE DEATH PENALTY OBVIOUSLY- WE DO NOT HAVE THE DEATH PENALTY - YOU WERE NOT IN FACT ABLE TO GET AT THE WEALTH SOME OF THEM HAD ACCUMULATED BY VARIOUS DEVICES OUT OF THEIR NEFARIOUS TRADE. WE CAN NOW FOLLOW THAT WEALTH AND CONFISCATE IT, AND WE HOPE THAT THAT WILL BE AN EXTRA DETERRENT.

WE HAVE AN INCREASED NUMBER OF CUSTOMS OFFICERS DEALING WITH IT AND WE ALSO HAVE CUSTOMS OFFICERS AND PEOPLE IN OTHER COUNTRIES THROUGH WHICH DRUGS ARE SHIPPED TO BRITAIN, AND WE ARE COOPERATING WITH THOSE COUNTRIES TO TRY TO GET AS MUCH INFORMATION AS WE CAN ABOUT CARGOES ON THE MOVE. WE TRY TO STOP THEM BEFORE THEY GET TO BRITAIN.

WE ALSO HAVE A PROGRAMME BOTH OF DRUG REHABILITATION AND FOR YOUNG PEOPLE IN SCHOOLS TO TRY TO PREVENT THEM FROM HAVING ANYTHING TO DO WITH DRUGS. IT IS NOT QUITE THE SAME AS THE UNITED STATES ONE WHICH, AS YOU KNOW, IS 'JUST SAY NO', THOUGH WE DO HAVE A NUMBER OF LEAFLETS AND A GOOD DEAL OF ADVICE BOTH FOR SCHOOLCHILDREN AND FOR PARENTS ON HOW NEVER TO GET INVOLVED IN THIS TERRIBLE TRADE, AND TO GIVE THEM SOME IDEA OF WHAT MAY HAPPEN IF THEY DO, AND THEREFORE USE THAT AS A DETERRENT. WE WE ARE REALLY TRYING TO TACKLE IT AND TRY TO DISSUADE PEOPLE FROM EVER PURCHASING IT.

SECONDLY, ABOVE ALL, TO TRY TO CATCH THE PEDLARS, AND GIVE HEFTY SENTENCES AND GO AFTER THEIR MONEY.

AND THIRD, WE ARE VERY VERY VIGILANT ON ALL PORTS OF ENTRY AND AIRPORTS OF ENTRY.

AND FOURTH, TO TRY TO COOPERATE WITH THE COUNTRIES ON THE INTERNATIONAL NETWORK TO SEE THAT WE HAVE MORE AND MORE INFORMATION ABOUT MOVEMENTS OF DRUGS SO THAT WE COULD STOP THE MOVEMENT, AND WE HAVE BEEN FAIRLY SUCCESSFUL IN GETTING PRETTY BIG HAULS THROUGH LONDON AND THROUGH THE PORTS.

QUESTION: (INAUDIBLE)

PRIME MINISTER:

WE TRY TO COUNTERACT IT IN EVERY WAY WE CAN AND WE ARE WORKING CONTINUALLY MORE WITH OTHER COUNTRIES, BECAUSE YOU NEED AS MUCH INFORMATION AS YOU POSSIBLY CAN GET.

I CANNOT SAY ANYTHING ABOUT PARTICULAR PEOPLE, BECAUSE THERE MAY BE CASES PENDING.

QUESTION (INAUDIBLE)

ISN'T IT INTERESTING? YOU ARE FAR MORE INTERESTED IN ME BEING FORCED TO CHANGE MY MIND THAN YOU ARE IN SOLVING THE PROBLEM.

LET ME REMIND YOU WHAT THE PROBLEM IS.

THE PROBLEM IS HOW TO BRING APARTHEID TO AN END IN SOUTH AFRICA.

GENERAL ECONOMIC SANCTIONS HAVE NEVER BEEN KNOWN TO BRING ABOUT INTERNAL CHANGE, SO THEREFORE, IF YOU ARE INTERESTED IN SOLVING THE PROBLEM AS DISTINCT FROM SOME OF THE OTHER ASPECTS OF THE MATTER, YOU KNOW THAT IN THE END THE PROBLEM WILL ONLY BE SOLVED BY NEGOTIATION AND BY DIALOGUE BETWEEN THE SOUTH AFRICAN GOVERNMENT AND BLACK SOUTH AFRICANS.

THE QUESTION WHICH I HAVE TO ASK OTHER PEOPLE IS: 'ARE YOU INTERESTED IN SOLVING THAT PROBLEM BY NEGOTIATION, AS I AM, OR ARE YOU INTERESTED ONLY IN TRYING TO SOLVE IT BY FORCE, BY STARVING PEOPLE, BY ADDING POVERTY AND UNEMPLOYMENT TO THEIR OTHER PROBLEMS, OR BY TURNING TO VIOLENCE, WHEN MOST OF US THINK THAT WE WANT A SUSPENSION OF VIOLENCE.'

JUST LET US KEEP OUR EYE ON THE MAIN TARGET. THE MAIN TARGET IS TO BRING APARTHEID TO AN END. THE ONLY TWO WAYS ARE NEGOTIATION OR FORCE. WE REJECT FORCE AND WISH TO GO THE WAY OF NEGOTIATION. I BELIEVE THAT THAT IS STILL POSSIBLE AND WE WILL CONTINUE TO PERSIST AND DO EVERYTHING WE CAN TO SOLVE IT.

YOU SEEM VERY EASILY JUST TO DISREGARD THE TERRIBLE EFFECTS THAT GENERAL ECONOMIC SANCTIONS WOULD HAVE. I DO NOT FIND IT EASY TO SIT AROUND SAYING WHO SHALL LOSE THEIR JOBS AND WHOSE CHILDREN SHALL STARVE. I RECOIL FROM IT.

QUESTION (INAUDIBLE)

PRIME MINISTER:

I DO NOT EVEN UNDERSTAND YOUR QUESTION. AFTER ALL, SIR GEOFFREY HOWE WENT TO SOUTH AFRICA REPRESENTING THE 12 COUNTRIES OF THE EUROPEAN ECONOMIC COMMUNITY - 12, NOT ONE. GEOFFREY HOWE IS NOT OUT THERE AS THE BRITISH AND COMMONWEALTH FOREIGN SECRETARY. SIR GEOFFREY HOWE IS OUT THERE AS THE PRESENT PRESIDENT OF THE FOREIGN SECRETARIES OF THE COMMUNITY COUNTRIES, THE 12.

WHAT ARE YOU SAYING, THAT THE 12 ARE ISOLATED?

YOU WILL NOTE WHAT CERTAIN OTHER PEOPLE, BLACK SOUTH AFRICANS, HAVE SAID ABOUT SANCTIONS- ABOUT WHAT THE HEAD OF ANOTHER COUNTRY ALSO IN BLACK SOUTH AFRICA HAS SAID ABOUT SANCTIONS. THAT DOES NOT MAKE ME ISOLATED.

QUESTION (INAUDIBLE)

PRIME MINISTER:

I THINK PERHAPS YOU HAD BETTER ASK THOSE WHO ESPOUSE THE CAUSE OF GENERAL ECONOMIC SANCTIONS.

I ASK YOU, AS I DID IN THOSE INTERVIEWS THAT I DID, TO LITERALLY WORK IT THROUGH PRECISELY WHAT WOULD BE LIKELY TO HAPPEN TO WHOM, PRECISELY WHAT THE RETALIATION WOULD BE, PRECISELY WHAT WOULD BE THE EFFECT ON COUNTRIES WHO DEPEND UPON THE ECONOMY OF SOUTH AFRICA, PRECISELY WHAT IS THE SENSE OF ASKING COUNTRIES LIKE CANADA AND BRITAIN TO HELP THE STARVING COUNTRIES MORE AND MORE AND THEN AT THE SAME TIME TO ASK US TO PURSUE A POLICY WHICH WILL MEAN THAT MORE PEOPLE WILL STARVE.

I AM NOT ASKING PEOPLE TO PURSUE THAT POLICY. I AM TRYING AT ONE AND THE SAME TIME TO GIVE AID TO STOP STARVATION IN ETHIOPIA, WHICH IS AFTER ALL A COMMUNIST COUNTRY, AND TRYING AT THE SAME TIME NOT TO PURSUE POLICIES WHICH WILL CAUSE MORE STARVATION, HUNGER AND POVERTY IN SOUTH AFRICA. SO AT LEAST MY POLICIES ARE CONSISTENT.

SO IF YOU ASK ABOUT GENERAL ECONOMIC SANCTIONS, I THINK YOU SHOULD ASK OTHER PEOPLE WHY THEY PERSIST IN THEM AND ASK IF THERE HAS BEEN ANY CASE IN HISTORY WHEN GENERAL ECONOMIC SANCTIONS HAVE BROUGHT ABOUT INTERNAL CHANGE, BECAUSE IT IS INTERNAL CHANGE IN SOUTH AFRICA THAT YOU WANT, AND IF THAT METHOD WILL NOT BRING IT ABOUT, WHY DOES ONE NOT CONCENTRATE ON MEASURES THAT WILL BE MUCH MORE LIKELY TO BRING IT ABOUT?

(ENDS)

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10 DOWNING STREET

From the Principal Private Secretary

12 July 1986

Subject cc master

MEETING WITH CANADIAN BUSINESSMEN

The Prime Minister held a 45-minute meeting with a group of Canadian businessmen in the Hotel Vancouver during her visit today to Expo 86. The names of the businessmen are set out in the annex to this letter.

The Prime Minister described the development of British economic policy over the last 7 years, emphasising the Government's strategy for reducing the Government's role in the economy, maintaining a sound financial framework and promoting enterprise. She referred to the origins of the unemployment problem and talked about the prospects for oil prices, noting that within 15-20 years' time the Western economy's dependence on Middle East oil could well have returned. On the world economy, she said that the slow down in world growth earlier this year had surprised everybody and she was not as certain as some that there would be a strong economic recovery next year. She emphasised the importance of reducing the US budget deficit, saying that she was especially concerned with the growing percentage of US Government expenditure accounted for by debt service. She stressed that a new GATT round was essential if protectionism was to be beaten back.

The businessmen then asked the following questions: Mr. Robert Alexander of Microtel asked for the Prime Minister's views on the free trade agreement between US and Canada. The Prime Minister said she thought that some Canadian industries would profit and others would lose. Mr. Alexander commented that Mr. Mulroney shared her caution in that he was now emphasising "freer" rather than "free" trade. The Prime Minister noted that some sectors of US trade were quite highly protected such as shipping, airlines and steel. Mr. Ray Addington of Kelly Douglas commented that both British and Canadian businessmen had much to gain by investing in each other's country. He cited the case of his own company which had sold a chain of drug stores to Boots. Boots were now successfully developing the stores. If his company had retained them, that might not have happened. On the other side, Mr. Vinod Sood of Finning Tractor and Equipment had bought a Bowmaker company in the UK which was now doing well. He hoped the British Government would focus British businessmen on the advantages of this sort of operation. The Prime Minister agreed. Businessmen needed to think nowadays on a global scale.

/Mr. David Culver

Mr. David Culver of Alcan enquired about the British tax treatment of redundancy payments. The Prime Minister said that a large sum, she thought the first 25,000 pounds sterling was tax free. This was important if industry restructuring was to be encouraged. Mr. Culver regretted that the Canadian Government did not follow this example. An opportunity was thereby lost to create capitalists.

Mr. Vinod Sood enquired about the reasons for high wage increases in the UK. The Prime Minister explained that the increases in public sector wages had been kept below the private sector's for many years. But this could no longer be sustained. Unfortunately, management had granted itself large pay increases and thus was not in a position to call for low wage rises from its workers.

Mr. Neville Gibson of Grosvenor Estates applauded the Government's decision to remove exchange controls. This had allowed pension fund capital to move into the US and Canadian markets, so securing long term income for Britain. In further discussion, the Prime Minister drew attention to the plan to reduce the top rate of tax in the US to 27 per cent. This raised the prospect of a brain and enterprise drain into the US.

Mr. Allan Taylor of the Royal Bank of Canada expressed the hope that the Government would continue with its deregulation of financial markets. Mr. Claude Taylor of Air Canada hoped that British Airways would be privatised. The Prime Minister assured him that that was the Government's intention once certain legal difficulties and the Bermuda Agreement had been sorted out.

I am sending a copy of this letter to Catherine Bradley (Department of Trade and Industry) and to the High Commissioner.

(N. L. WICKS)

Colin Budd, Esq.,
Foreign and Commonwealth Office.

RESTRICTEDPRIME MINISTER'S VISIT TO EXPO 86: MEETING WITH CANADIAN BUSINESS

Jim Pattison - Chairman of Expo 86
 Bill Harris - Barclays Bank (Canada)
 David Culver - Alcan
 Ray Addington - Kelly Douglas
 Robert Alexander - Microtel
 Tony Kirkby - BP (Canada)
 Donald Cormie - Principal Group
 Allan Taylor - Royal Bank of Canada
 Bruce Pepper - Chariman, Vancouver Board of Trade
 Bill Hopper - Petro Canada
 Claude Taylor - Air Canada
 Frank Robertson - Woodward
 Peter Saunders - Versatile Corporation
 Neville Gibson - Grosvenor Estates
 David Radler - Argus Corporation
 Vinod Sood - Finning Tractor and Equipment
 Dr Michael Walker - The Fraser Institute
 James Matkin - Business Council of British Columbia

G. Hall

 GH:mc
 11 JULY 86
RESTRICTED

Subject cc master



10 DOWNING STREET

From the Principal Private Secretary

12 July 1986

PRIME MINISTER'S BILATERAL WITH PREMIER BENNETT

The Prime Minister had a half an hour's discussion today, 12 July, with Mr. Bennett, the Premier of British Columbia, during her visit to the Expo. Dr. Norman Spector, Deputy Minister to the Premier, and the High Commissioner were also present.

Premier Bennett remarked upon Canada's difficult trading relations with the United States. The recent episode involving Canada's timber exports showed the disadvantages of the US Presidential system where the Administration had little control over Congress, especially in an election year. Unfortunately, once protectionist legislation was on the Statute Book, it was always difficult to have it repealed. He hoped that the protectionist forces in Canada would not force too much retaliation. He was strongly in favour of free trade because that was the only way of creating viable export industries, which were essential if Canada was to stop living beyond her means. It was also important to tackle problems of Japanese trade.

The Prime Minister emphasised the importance of the success of the coming GATT negotiations. She was sure that President Reagan was as great a believer in free trade as Premier Bennett and herself. It was important to avoid trade disputes disturbing our wider political relationships with the United States since our freedom depended on them. She agreed strongly that Japanese protectionism needed to be attacked. She had often raised the issue at Economic Summits but with little result, partly because other Summit leaders were too ready to let the Japanese off because of the importance they attached to keeping Japan within the comity of democratic nations. An especial problem was the thicket of Japanese bureaucracy which created non-tariff barriers

Turning to domestic economic matters, Premier Bennett said that British Columbia had reduced the number of its employees in the public service by 25 per cent between 1982 and 1984. They had had to act at the beginning of the recession because of their dependence on resources. The Prime Minister then described the Government's success in controlling Civil Service numbers. She assured

Premier Bennett that the Government still had an aggressive privatisation policy. This was important, not only in improving the efficiency of industries but in spreading ownership. Premier Bennett noted that the British Columbian scheme for giving shares in British Columbian resource companies to the people had not been a success. Shareholdings were so dispersed that there was no effective discipline on the management. Share prices in the corporation had fallen considerably.

I am sending a copy of this letter to Catherine Bradley (Department of Trade and Industry) and to the High Commissioner.

N. L. WICKS

Colin Budd, Esq.,
Foreign and Commonwealth Office.

Copied to South Africa: Relations: PE11

MINUTE:

TO: ✓ PRIVATE SECRETARY

MEASURES AGAINST SOUTH AFRICA

The Canadians have noted suggestions that they have not done much more than the U.K. in imposing measures against South Africa. They have drawn up the attached chart to demonstrate their contention that they have gone further than us.

Sir Derek Day

11 July 1986

UNCLASSIFIED

2/3

ANTI-APARTHEID MEASURES ADOPTED BY BRITAIN AND CANADA

	<u>U.K.</u>	<u>CANADA</u>
Embargo on Arms Imports	X	X
Embargo on Arms Exports	X	X
Ban on government loans to Government of South Africa	X	X
Ban on Krugerrand sales/imports	X	X
Code of Conduct on Employment Practices	X	X
Aid to Black Education	X	X
Oil Embargo	X	X
Ban on Sporting and Cultural Contacts	X	Broader Application
Limitation on Scientific, Technical and Cultural Contacts	X	Broader Application
Restrictions on Exports of Sensitive Equipment	X	Broader Application
End to Military Cooperation	X	X
Withdrawal of accreditation/Recall of military attachés	X	X
End of all nuclear collaboration	X	X
Termination of Export Financing (export credits and guarantees)	--	X
Termination of Export Insurance	--	X
Termination of Investment Insurance	--	X
Abrogation of Trade Agreements	--	X
Abrogation of Double Taxation Treaty	--	X
Withdrawal of Trade Commissioners	--	X
Closure of Consulates in South Africa	--	X
Withdrawal of Accreditation of South African Attachés	--	X

UNCLASSIFIED

UNCLASSIFIED

3/3

	<u>U.K.</u>	<u>CANADA</u>
Ban on Bank Loans to Government of South Africa and its Agencies	--	X
Air Embargo	--	X
Termination of Toll-Processing of Namibian Uranium	--	X
Termination of government procurement of South African products	--	X
Ban on the promotion of tourism	--	X

Telephone E.J. Bergbusch at (613) 990-6572 or (613) 733-5779.

UNQUOTE

UNCLASSIFIED

PRIME MINISTER

INTERVIEW WITH CANADIAN MEDIA

The note by Mr. Horne attached sets out details of your interviews on Monday with the Canadian media, and lists some of the question.

Most of the questions will be on subjects which you know well: South Africa, terrorism, Northern Ireland, and privatization.

But you might also glance at the attached papers dealing with:

- the Canadian scene
- British participation in EXPO 86
- your programme in Vancouver (which will also now be the site of the 1987 CHOGM)
- UK/Canada Trade
- the effects of the Canada/US trade dispute for Canada/UK trade
- possible Canadian contribution to the International Fund for Ireland.

There might be questions on any of these.

CDP.

CDP

4 July, 1986.

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1. MR POWELL
2. PRIME MINISTER

INTERVIEWS WITH CANADIAN MEDIA

You have agreed to a series of interviews on Monday afternoon prior to your Vancouver trip next weekend. The interviewers have been selected to guarantee coverage immediately before and during your time in Canada.

The written interviews from 14.30 to 15.00 will be conducted by Mr John Fraser of "The Globe and Mail" and Mr Richard Gwyn of the "Toronto Star". Mr Ingham will be present for this joint session. They plan to concentrate on South Africa and sanctions and go on from there to the Commonwealth ending, if they have time with arms control. The Globe and Mail is read Canada-wide and Mr Gwyn's Toronto Star column on Sundays is an important feature of a national Sunday magazine supplement.

Fifteen minutes is given over to the COI Radio Service. Miss Catherine Paviot will concentrate more on the Expo; why Britain is there? What we hope to achieve? Our innovative skills versus our lack of marketing ability. But she would also like to ask about Anglo-Canadian relations and the change for the better since the "ill feeling" brought about by the Constitutional wrangle two years ago.

Finally, the television interviews. They are with the French Language Service of the Canadian Broadcasting Corporation for their "Le Point" programme, and CTV, the Canadian commercial network for their "Canada AM" breakfast time programme. Fifteen minutes have been allocated to each interview. Mr Simon Durivage, who will conduct his interview in English, plans to ask you about:

1. Anglo-Canadian relations and should anything be done to improve them?
2. Your view on the evolution of the problems of South Africa; the Commonwealth and any difference of view between yourself and Mr Mulroney.
3. Terrorism; the murder of British hostages in Beirut and your support for the United States.
4. Privatisation, denationalisation. What advice would you give to Mr Mulroney and Mr Bourassa? (The latter is the Liberal Premier of Quebec who is keen on reconciliation constitutionally between Quebec and the rest of Canada.) Both are interested in your achievements in this sector.

The "Canada AM" interview by Miss Linda McLellan, will cover similar ground but she also hopes to ask you about domestic matters such as unemployment, Northern Ireland and law and order. If time permits, she would like to ask about the effects on Britain of Mr Mulroney's proposals on Canada/US trade. This interview will be transmitted on the Friday morning of your arrival in Vancouver and is a scene setter.

The general message which the FCO see as common to all the interviews is: notwithstanding our ties with the Community and Canada's with the United States, Britain and Canada are terribly important to each other. Not just economically - our exports have grown by 40% in the last year - but also culturally and politically.

I suggest that the written and COI interviews take place in the Study and the television interviews in the White Room. This will enable you to have a slight breather and be made up before the TV session.

Content?

Michael Horne

MICHAEL HORNE

4 July 1986

E. R.

PRIME MINISTER'S VISIT TO CANADA

11-13 JULY 1986

VANCOUVER

EXPO '86

cepc
AR

Foreign and Commonwealth Office

London SW1A 2AH

4 July 1986

*Dear Charles,*Prime Minister's Visit to Canada, 11-13 July 1986

The Prime Minister is visiting Canada from 11-13 July.

The objectives of the visit are:

- (a) to attend the British Week of EXPO 86 in Vancouver: thereby to assist British exporters and to draw attention to British achievements in the field of transport and communications, the theme of the EXPO;
- (b) to have a bilateral in Montreal with Mr Mulroney, concentrating on South Africa but also covering bilateral trade issues and the Canadian contribution to the International Fund for Ireland.

// I enclose two sets of briefs: one for Vancouver and one for the Mulroney bilateral. These include programmes, personality notes and annexes giving background and defensive points.

HRH Princess Margaret will also be in Vancouver and will attend the Royal Ballet performance on 12 July. Lord Gray (Scottish Office) will be in Vancouver from 9 to 16 July, to visit EXPO and attend the Scottish Festival.

You may like to bear in mind that the next CHOGM will be in Vancouver in 1987.

/ I attach Ottawa telegram number 411, setting the scene
/ for the visit together with Ottawa telegrams numbers 398 and
/ 407 on the recent major Cabinet reshuffle. The Prime Minister may also wish to note that UK exports to Canada in 1985 were 43% higher than in 1984 (16% non-oil), when the balance of visible trade moved into our favour for the first time since 1972.

/We



CONFIDENTIAL COVERING SECRET

We understand that the Canadian press have picked up a remark by the Prime Minister on 19 June in the Commons, implying that Canada is not a major Western industrialised country (Hansard attached). In fact Canada ranks 7th in the world in GNP terms and manufacturing accounts for 18% of her GNP, only slightly less than the USA. / *

Yours ever,

Colin Budd

(C R Budd)
Private Secretary

C D Powell Esq
PS/10 Downing Street

* This point was also alluded to by the Canadian Foreign Minister - in sorrow more than anger - when he had dinner with the Foreign Secretary in London on 20 June.

CONFIDENTIAL COVERING SECRET

negotiations between the Government and the black people of South Africa. That is still our objective. The right hon. Gentleman speaks as though this Government had done nothing. I do not think that he will find another industrialised Western country that has done more—an embargo on exports of arms, refusal to co-operate in the military sphere, recall of military attachés discouraging scientific events, except where those contribute to the ending of apartheid, cessation of oil exports to South Africa, prohibition of all new collaboration in the nuclear sector, cessation of exports of sensitive equipment to police, banning all new Government loans, a commitment to take unilateral action on the banning of imports of Krugerrands — action that was taken — end of Government funding for trade missions and banning the import of all gold coins from South Africa. Would the right hon. Gentleman like to name a Western industrialised country that has done more?

Mr. Kinnock: Mr. Speaker — [HON. MEMBERS: "Answer."] I will answer. There is no other country in the world that has a greater and closer relationship or a greater and closer responsibility than this country. A few months ago, the Prime Minister was describing all that as a "teeny little bit." Will the right hon. Lady now do the effective thing and ban new investment in South Africa?

The Prime Minister: Tell me a Western industrialised country that has done more. The right hon. Gentleman cannot.

Dr. Hampson: Does my right hon. Friend recall that, when she was Secretary of State for Education and Science, in her White Paper "Education: A Framework for Expansion" she urged the need for more part-time students? Is that not now very much the essence of our industrial future, in that we need more people to update their qualifications and retrain? Is there any need to wait for a loans scheme to give those people an incentive because currently they pay both their maintenance costs and their fees?

The Prime Minister: Retraining, and therefore perhaps returning to university or to other advanced education colleges for further training, will be an important part of our future. Frequently, training takes place through industry itself or through industry sponsoring the requisite courses. I think that that is one of the best ways.

Q2. **Mr. Haynes** asked the Prime Minister if she will list her official engagements for Thursday 19 June.

The Prime Minister: I refer the hon. Gentleman to the reply that I gave some moments ago.

Mr. Haynes: Do the Prime Minister and her Government represent the people of this nation? [HON. MEMBERS: "No."] I should like the right hon. Lady to answer, bearing in mind that a recent opinion poll found that more than 50 per cent. of the people wanted her to take action against South Africa by way of sanctions. If the answer is no to sanctions, is it because of the financial interests of Conservative Back Benchers in their investments in South Africa. We want to know about that.

The Prime Minister: Yes, the Government do represent the people of this country. If we do not dash into full economic sanctions, as the Opposition would wish, it is because we agree with the reason that the Labour

Government gave in the United Nations when they voted against full mandatory economic sanctions. At that time they said:

"because we do not agree that the far-reaching economic measures which the resolution calls for would produce the changes in South Africa which we would all like to see."—[*Official Report*, 16 January 1978; Vol. 942, c. 9.] We would endorse that sentiment.

Mr. Spencer: Will my right hon. Friend confirm that the inner city initiative in Highfields in my constituency, which is much welcomed by the people who live there, will press ahead notwithstanding the childish hostility of Leicester city council?

The Prime Minister: We believe that the inner cities initiative was widely welcomed. I assure my hon. Friend that we shall press ahead with it in the city he represents.

Dr. Owen: Since Canada, Holland and the Scandinavian countries have all done more than this country against South Africa and since, if the Prime Minister is not careful, the United States Senate will pass a modified Bill following the lead of the House of Representatives and the Prime Minister will again, as last summer, have to follow in the wake of President Reagan, would it not be better for her to adopt a more conciliatory approach and put forward constructive proposals which she could support and which other countries ought to be forced to support as well?

The Prime Minister: I deliberately said major "Western industrialised countries". No other has done more. I remind the right hon. Gentleman that he too is against trade sanctions and has made his position clear in the articles he has written.

Mr. Robert B. Jones: Is my right hon. Friend aware that a typical headmaster and board of governors in my constituency would have discretion over a mere £4,000 out of their total budget? Will she have talks with our right hon. Friend the Secretary of State for Education and Science to see whether a system can be instituted that would more fairly reflect the number of pupils in the school and give responsibility locally to the headmaster and the board of governors?

The Prime Minister: My hon. Friend is correct. That is a possible reform of education expenditure. My right hon. Friend is prepared to consider any reform that will make the money spent on education more effective and produce better results for the pupils.

Q3. **Mr. Ron Brown** asked the Prime Minister if she will list her official engagements for Thursday 18 June.

The Prime Minister: I refer the hon. Gentleman to the reply that I gave some moments ago.

Mr. Brown: Will the Prime Minister take particular note of the early-day motion tabled by my hon. Friend the Member for East Lothian (Mr. Home Robertson) because he expresses fears about the operation of the Torness power station, remembering that Lothian and the Borders fire board has also criticised safety measures at that station? Will she join the Edinburgh *Evening News* and the people of east Scotland in opposing the commissioning of that station—or have the lessons of Chernobyl been forgotten in this country?

The Prime Minister: As the hon. Gentleman is perfectly well aware, the commissioning of the station will

E. R.

PRIME MINISTER

Lord Peyton rang. When you go to the ballet tomorrow night there will be in your party a Mr David Culver, Chairman and Chief Executive of Alcan Aluminium Limited. He has invested £150m. in Great Britain and now has profits of over £50m. per year. Lord Peyton is a Director of his company and you have met Mr Culver with Lord Peyton.

Caroline Ryder

11 July 1986



PRIME MINISTER'S VISIT TO EXPO 86 AND VANCOUVER: 11-13 JULY 1986

BRIEFING PACKAGE FOR VANCOUVER

1. The main objective is formally to open the British Day at EXPO 86. A speaking note is attached; so are detailed briefs on EXPO, the UK participation, and the Vancouver programme. In particular the Prime Minister may wish to note:

- UK first to accept Canadian invitation to participate.
- our budget smaller (£1.5m) than many, but our pavilion widely praised and expected to provide good value. Over 1 million visitors in first two months.
- 90 British companies involved, as well as artistic and cultural events.
- EXPO likely to be a financial success; 20 million visitors expected.

2. The Prime Minister is to have a short informal meeting with Premier Bennett of British Columbia, in the British Columbia pavilion. There are no bilateral points to raise, nor have we any indication that the Premier (who is shortly to retire) will raise any. A background brief on British Columbia is attached. The Premier is, however, likely to extract as much domestic political advantage as possible from his meeting with the Prime Minister.

3. The Prime Minister will meet UK and Canadian businessmen at lunch and at the post-Ballet reception. A background brief on UK/Canada trade is attached. (Bilateral trade problems are covered in the briefing for the Mulroney bilateral.)

4. Personality notes attached on:

- (a) Premier Bennett
- (b) The Lieutenant-Governor (who may sit with Mrs Thatcher at the Ballet)
- (c) The Mayor of Vancouver (to whom Mrs Thatcher will present a sailing boat for use by the city's handicapped)
- (d) The British Columbia Minister for Intergovernmental Relations (ie the province's "foreign minister")

VISIT OF PRIME MINISTER TO VANCOUVER
JULY 11 - 13, 1986

JULY 11

- 1 17.17 Arrive Vancouver Airport
- 2 High Commissioner, Sir Derek Day and Federal Director EXPO 86 National Day Visits, Mr David Dunlop enter aircraft to greet P.M.
- 3 P.M. and Mr Thatcher disembark
- 4 Introductions to:
Federal Government Representative:
Miss Pat Carney MP, Minister for International Trade
Provincial Govt Representative:
Mrs Grace McCarthy, Provincial Secretary
Lady Day, Wife of High Commissioner
British Consul-General and Mrs Stanley Stephenson
- 5 P.M. and Mr Thatcher proceed to Car
- 6 17.30 Depart from Airport to Hotel Vancouver accompanied by Federal and Provincial Representatives
- 7 17.50 Arrive Hotel Vancouver
Greeted by Mr Michael Lambert, Regional Vice President, CN Hotels
Introduced to:
UK Commissioner General for EXPO 86, Mr Ted Allan and Mrs Allan
The Federal & Provincial Representatives will take their leave
- 8 Remainder of evening free

JULY 12

- 07.15 Hair appointment
- 9 08.20 Meeting with Canadian Businessmen (full list to be provided) in the Island Room, Hotel Vancouver. Introductory remarks by the P.M. (5-10 minutes) followed by discussion.
- 10 09.00 Meeting ends
- 11 09.15 P.M. and Mr Thatcher proceed to Hotel lobby
- 12 Introduced by Director EXPO 86 National Day Visits, Mr David Dunlop to Mr Richard Noyes Roberts (Deputy Director General, Protocol EXPO 86) Mrs Anne Roberts
- 13 09.20 Depart Hotel for EXPO site, escorted by Mr Noyes Roberts

- 14 09.30 Arrive UK Pavilion
Greeted by:
UK Commissioner General and Mrs Allan
- 15 View Optica Aircraft
Introduced to:
Mr Alan Haikney
Chairman, Optica Industries
- 16 At entrance to Pavilion, introduced to:
Mr John Marshall (UK Pavilion Director)
Mr Frank Watts (Consulate-General EXPO
Liaison Officer)
Mr Dennis Dyer (Central Office of Information)
- 17 09.34 Enter UK Pavilion. During visit to Pavilion
introductions to:
Mr Malcolm Hobbs
(President, Marks & Spencer Canada)
Mr John Craig
(Chairman, Rolls Royce Canada)
Mr John Mackie
(Chairman, Jaguar Canada)
Sir Robert Reid
(Chairman, British Rail)
Mr David McMillan
(Manager, British Airways Canada)
Mr Ken Faulkner
[description needed]
- 18 09.54 Visit Pavilion Gift Shop. Introduced to:
Mr R Voaden (Shop Manager)
- Proceed to Pavilion Restaurant/Pub
(The Captain George Vancouver Room)
- Introduced to:
Mr G Barnett
(Director, Elephant & Castle Chain of
Restaurants)
- 19 09.58 Proceed to Pavilion Lounge sign visitors book
(approx)
- 20 10.04 Depart UK Pavilion
- 21 10.08 Present Sunbird Sailboat for the Disabled to
the Mayor of the City of Vancouver,
Mr Mike Harcourt
- 22 10.19 Arrive at European Communities Pavilion.
Introduced to: _____
Mr Christian Gentil and Iliana Bertelli
Deputy Commissioners, EC Pavilion
Mr & Mrs Galopin
Commissioner General for France
Mr & Mrs Marks
Commissioner General for W Germany
Mr & Mrs Fonteyne
Commissioner General for Belgium

/Mr & Mrs
Turchi

- 10.19
(contd) Introductions:
 Mr & Mrs Turchi
 Commissioner General for Italy
 Sra Cogan and Sr Pastor
 Deputy Commissioners for Spain
- Pass through EC Pavilion, viewing Channel Link Exhibit en route
- 23 10.25 Arrive at Dock. Board Motor vessel "Christabel"
- 24 10.30 Depart for Plaza of Nations
- 25 10.40 Arrive Plaza of Nations Dock
- 26 10.45 P.M. and Mr Thatcher disembark accompanied by the High Commissioner and UK Commissioner General
 Greeted by:
 Premier Bennett of British Columbia
 Mr Patrick Reid
 (Commissioner General to EXPO 86) & Mrs Reid
 Party escorted to the Plaza of Nations.
 Greeted by:
 Federal Government Representative, Miss Pat Carney MP
 Provincial Government Representative,
 Mrs Grace McCarthy
- 27 10.55 National Anthems:
 GOD SAVE THE QUEEN
 (Fron Cysyllte Male Voice Chaoi)
 O CANADA
 (Vancouver Welsh Choir)
- 28 11.00 Guests of Honour take their places on the stage
 Premier Bennett
 Commissioner General, Mr Patrick Reid
 Federal Government Representative,
 Miss Pat Carney MP
 Provincial Government Representative,
 Mrs Grace McCarthy
 The Prime Minister
 British High Commissioner
 UK Commissioner General
 EXPO Board Member, Mr Stanley Kwok
- 29 11.03 Mr Patrick Reid introduces speakers as follows:-
 (a) Premier Bennett
 (b) Federal Govt Representative, Miss Pat Carney MP
 (c) Prime Minister
- 30 11.18 Guests of Honour return to their seats in the Plaza of Nations
- 31 11.20 Musical Presentation by British Military Band and British Choirs
- 32 11.25 P.M.'s party escorted by Premier Bennett, Mr Reid to the British Columbia Pavilion

- 33 11.30 Arrive B.C. Pavilion. Greeted by B.C. Commissioner General, Mr Rust.
Brief tour of B.C. Pavilion
- 34 11.40 P.M.'s meeting with Premier of B.C, Mr Bill Bennett in B.C. Pavilion

Exchange of Gifts
- 35 12.00 Depart B.C. Pavilion for the Canadian Club (at the EXPO site), accompanied by Premier Bennett and Mr Reid.
Retire to the Commissioner General's Suite.
- 36 12.15 Join invited luncheon guests in the Canadian Club (to include Federal and Provincial representatives, Commissioners General of Commonwealth & EC Countries, businessmen and other dignitaries)
- 37 12.40 Presentation of gift to the P.M. by the Commissioners General
- 38 12.45 Luncheon with small number of invited guests in the Terrace Room (buffet lunch for other guests)
- 39 13.40 P.M.'s party departs for Canada Place, accompanied by Mr Patrick Reid.

En route the UK Commissioner General will introduce the Queen's Lancashire Regiment Bandmaster and Leader
- 40 13.45 Arrive Canada Place escorted to Canadian Pavilion. Introduced to:
Mr Bruce Howe
(Commissioner General of Canadian Pavilion)

Visit to Canadian Pavilion where the Prime Minister will be presented with a small gift (no need for reciprocation)
- 41 14.15 P.M.'s party departs for Oakridge Shopping Mall
- 42 14.35 Arrive main entrance Oakridge Mall.
Greeted by Mr Stephenson, Consul-General and Mr Bob Depree, Mall Manager.
Proceed to Woodward's Department Store, ground floor of store which is presenting a selection of British goods.
- 43 14.42 Walk past Woodward's book store
Brief introduction to *
- 44 14.47 Visit Birks Jewellers. Greeted by *
- 45 14.55 Visit Edward Chapman & Sons Ltd, display of British clothing. Greeted by *
- 46 15.00 Walk past Edward Chapman Ladies Shop Ltd, display of British Ladies clothing. Brief introduction to *

/47 15.05

[* names to be provided in Vancouver]

- 47 15.05 Visit Woodward's Food Store, major promotion of British foods. Introduced to *
- 48 15.15 Visit Marks & Spencer. Introduced to *
- 49 15.21 Walk past Marc Singer Ltd. Display of British Giftware. Brief introduction to*
- 50 15.23 Walk past Abercrombie & Fitch Ltd. Display of British Clothing. Greeted by *
- 51 15.28 Depart Oakridge Mall for C.N. station
- 52 15.35 Arrive at siding on North side of C.N. Via Rail Station. Railbus is parked on siding. Greeted by Mr Allen and Sir Robert Reid who introduce:
 Mr P Norman, Chairman, BREL
 Mr J M LeClair, Chairman CN Rail
 Mr L Hanigan, Chairman VIA Rail
 Mr I B Scott, Chairman CP Rail
 Mr J N Hyland, Chairman BC Rail
 Mr Steuart Hodgson, Chairman BC Transit
- Sir Robert Reid and P.M. inspect exterior of Railbus. P.M. & Party board Railbus. P.M. drives Railbus fifty yards down track then reverses to original location. (Photos)
- Sales talk (on Railbus) with accompanying Canadians.
- 53 15.55 P.M. leaves Railbus and boards Leyland Bus. Short ride to station building.
- 54 15.58 P.M. leaves Leyland Bus. Greeted at rear entrance of station by
 Mr Bill Hokan, Station Manager
 Mr J R O'Rourke, C.N Commissioner General
 P.M. walks past exterior display of CN Pavilion takes leave of station party and proceeds to car.
- 55 16.05 Depart for Media Centre
- 56 16.10 Arrive Media Centre. Robson Square for Press Conference.
- 57 16.42 Depart Media Centre
- 58 16.52 Arrive Hotel Vancouver
- 59 17.30 Hair Appointment
- 60 19.40 Depart Hotel for Queen Elizabeth Theatre (Long dress, black tie)
- 61 19.45 Arrive Queen Elizabeth Theatre. Greeted by:
 General Manager, Queen Elizabeth Theatre.
 Escorted to Reception Area. Joined by H.R.H. Princess Margaret and her party. Proceed to seats in Dress Circle.

20.00 NATIONAL ANTHEMS

Performance by Royal Ballet

- First Intermission.
Proceed to Reception Area
Introductions to a few local personalities

Return to Theatre

- Second Intermission.
Proceed to Reception Area
Further introductions

Return to Theatre

23.00 P.M.'s party leaves Theatre

23.05 Arrive Hotel Vancouver
Proceed to British Room for Reception hosted by
the P.M & Mr Thatcher (no receiving line)

23.45 P.M. & Mr. Thatcher retire

JULY 13

06.30 P.M. and party depart for Vancouver airport

06.45 Federal and Provincial Representatives will be
at the airport to bid farewell to the P.M.

06.52 Doors close

07.00 Aircraft departs (meal on aircraft)

13.40 Aircraft arrives at Mirable Airport, Montreal

13.42 Doors open

13.48 Mr Mulroney, Prime Minister of Canada greets
P.M at foot of the aircraft steps. No other
formalities

13.53 Motorcade leaves for the airport hotel
(Chateau de l'Aeroport)

13.57 Motorcade arrives at airport Hotel

14.00 Photo opportunity in the Concorde room

14.05 Bilateral begins in the Concorde room

15.05 Bilateral ends

15.10 P.M and Mr Mulroney address media in the media room on the first floor of the hotel (no questions)

15.17 P.M and Mr Mulroney leave media room, withdraw to ground floor of the hotel

15.22 Motorcade departs for aircraft

15.26 Motorcade arrives at aircraft. Mr Mulroney bids farewell to P.M.

15.32 Aircraft doors close

15.40 Aircraft departs

00.40 Aircraft arrives London, Heathrow

THE OPENING CEREMONY OF BRITISH DAY

This will be the occasion for the raising of the Union and Canadian flags, short speeches and a musical presentation. It will take place outdoors in the Plaza of Nations which is the official ceremonial area of Expo 86. On arrival the Prime Minister will be met by the Expo Commissioner General, Patrick Reid. The National Anthem will be sung by the Fron Choir as the Union flag is raised, followed by 'O Canada' for the raising of the Canadian flag. The platform party will then take their places to hear short speeches by the Expo Commissioner General, Premier Bennett of British Columbia, and a Federal Minister. The speeches will last 3-4 minutes each. The Prime Minister will be invited to reply at similar length. A short musical presentation will follow at the end of which the party will depart for the British Columbia Pavilion.

The opening ceremony will take place in front of 500 invited guests plus members of the public. There will be extensive radio, TV and print media coverage of the event. The musical presentation will be by The Queen's Lancashire Regiment and the Strathclyde Police Pipe Band.



Transport & Communications

PRIME MINISTER'S VISIT TO CANADA 11-13 JULY

EXPO 86 : BRITISH PARTICIPATION

1. Expo 86 is a Specialised Exhibition under the rules of the International Expositions Bureau, on the theme "World in Motion, World in Touch: Transportation and Communications". The event celebrates the centenary of the City of Vancouver. It was opened on 2 May by TRH The Prince and Princess of Wales and will close on 13 October. The Expo has attracted 54 participating countries, and 20 million visitors are expected, mainly from North America and the Pacific Rim countries. It covers 173 acres on a waterfront site.

British Participation

2. The UK was the first country to accept the Canadian government's invitation to participate (in 1981). The British pavilion has been financed by the FCO from overseas information funds (£1.5 million), and was organised by the COI, with advice and assistance from the Department of Transport. It occupies a prime 1500 square metre site on False Creek, in a European Community group of pavilions (the Commission, France, the FRG, Italy, Belgium and Spain). Our pavilion is reported to have received over 1 million visitors in the first two months of the Expo.

3. Some 90 British companies have contributed to British participation, mainly by providing exhibits for our pavilion but also by sponsorship of cultural events. Leading exhibits at the British pavilion include the hundred thousandth Rolls Royce car, a full scale model of the Optica aircraft, and "the plane you can keep in your garage" the ARV Super II. Also on display will be the Thrust II World Land Speed Record car. Displays by British Rail include an example of a British Rail High Speed Train cab. British Airways are running an audio visual display in the pavilion and their Concorde flight will not only be a "first" for Vancouver, but the plane will also be participating later at one of Expo's specialised periods at the Abbotsford Air Show. Space technology will be represented by BAe's HOTOL satellite launch system. In the field of transport for the handicapped, an Elswick Envoy car designed for chairbound drivers and a Bellway Marine Sunbird Dinghy specifically designed for the disabled will be on display. In addition to this a Griffon hovercraft and a British Railbus will be contributing to passenger services in Vancouver during the Expo. The pavilion also features a computerised database run by an Apricot computer which enables visitors to obtain information about exhibits.

4. The British National Day on 12 July forms part of the British Week, from 8 to 13 July. Events will include performances by the Royal Ballet, the bands of the Queen's Lancashire Regiment and the Strathclyde Police, the Cambridge Buskers, a Welsh male voice choir, a school jazz band, and street entertainers of the Covent Garden type. Some of these groups are supported by the British Council and/or commercial sponsors. A Scottish Festival will be held on 12 and 13 July. Other events before the British Week included a visit



by 3 Royal Navy ships from 21-26 May, and performances of "Animal Farm" by the National Theatre at the end of June.

Our Objectives

5. Under International Expositions Bureau rules, Expos are intended to be "educational" rather than commercial, and selling from national pavillions is not permitted (except for certain souvenir items). We intend however to extract maximum commercial advantage from our participation, in publicising British achievements in transportation and communicaitons for the benefit of British exporters (orders for Optica aircraft have been placed by a Canadian firm during the Expo). Associated with our participation, six retailers will be holding British promotions in Vancouver during the British week, and altogether about 800 stores across Canada will be promoting British goods during the Expo, some of them with BOTB support.

6. The Expo has also provided opportunities for cultural promotion. The UK is we believe the only country other than Canada to provide two major performing groups, the National Theatre and the Royal Ballet, and other British cultural events (many with British Council support) will continue until October.

7. Other countries will of course have similar objectives and the Expo is in effect an international competition.

Additional Point: Value for Money

8. British participation in the Expo is not controversial, but the Prime Minister should be aware that our £1.5 million budget for the British Pavilion is small by the standards of our leading competitor countries. We expect however to obtain much better value for money than other countries in terms of direct or indirect commercial returns.



PRIME MINISTER'S VISIT TO CANADA

STORE PROMOTIONS

Introduction

1 During her short visit to the Oakridge Shopping Mall, the Prime Minister will be visiting or passing several stores holding special promotions of British goods. Of these, only Woodward's (foodstuffs) and Henry Birks & Sons Ltd (jewellery and giftware) will be taking part in promotions assisted under the British Overseas Trade Board's Store Promotion Scheme. The Marks and Spencer "official" promotion is not due to start until October, but the store might well have taken the opportunity provided by the British Week to jump the gun in Vancouver. Abercrombie and Fitch (Canada) is a subsidiary of Woodward's, but is not taking part in the official promotion. Many stores in British Columbia and Canada as a whole are promoting British goods during the period of Expo '86 independently of any BOTB assistance. Fairs and Promotions Branch has no precise knowledge of the number of retail outlets involved in "unofficial" promotions (a figure of 386 retail outlets has been suggested) nor of the range of goods involved to be promoted. Terms for official promotions have been agreed with six store chains, involving 271 retail outlets.

BOTB: Store Promotion Scheme (SPS)

2 The SPS is designed to encourage additional buying and promotion of British goods by an overseas store. A promotion may qualify for BOTB financial assistance where there is the intention, on the part of the store, to increase substantially its purchasing of British merchandise, not only for the promotion itself, but also in the longer term. The amount of assistance provided depends on the store's additional buying for the promotion or on the amount spent on promoting the event. There is a ceiling of £100,000 per promotion.

Woodwards Store Promotion 7-20 July

3 Woodward's - one of the leading companies in British Columbia (BC) will be staging a major promotion of British foodstuffs in their 25 stores throughout the BC to coincide with British Week. It is the leading department store chain in Western Canada with total sales in 1984 amounting to \$1.078 billion. A highly successful British promotion held in 1984 resulted in additional buying of British merchandise including food and non food items exceeding \$3 million. For this year's event it is anticipated that there will be additional purchases to the value of \$1,026,000 (£530,507) and promotional expenditure of \$200,300 (£103,568). The BOTB (FPB) has offered £31,100 towards the company's promotional expenditure. We understand that the Prime Minister will be meeting the company's Chairman, Mr C N Woodward, and/or the President, Mr F A Robertson.



4 The company's London buying house have informed us that the products of most leading British food manufacturers will feature in the promotion, for example, Allied Lyons, Baxters, Cadbury Schweppes, Cross and Blackwell, Keillers, Liptons, Pearce Duff, Rank Hovis McDougall and Twinings.

Henry Birks and Sons: 7-19 July

£ This company is considered to be Canada's principal retailer of quality jewellery, silverwear, chinaware and giftware. All 15 stores in British Columbia are expected to participate in this event. All of these outlets are managed and controlled from the Vancouver office.

6 The store's buying of British merchandise for 1984 (at cost) was estimated at \$1 million (no detailed figures are available). The additional buying for this year's promotion is estimated at \$500,000 (£290,192) and the company's anticipated promotional expenditure at \$50,000 (£29,019). The BOTB (FPB) has agreed to contribute £8705 towards the store's promotional expenditure on the British promotion.

7 The company does not have a buying office in the UK and we have no information on principal British suppliers for the promotion.

Fairs and Promotions Branch
British Overseas Trade Board

July 1986



RESTRICTED

RESTRICTED
 FM OTTAWA
 TO DESKBY 080830Z FCO
 TELNO 431
 OF 080130Z JULY 86
 AND TO DESKBY 080830Z DTII, DEPT OF TRANSPORT

FOR COOKE, DTII, OT2, RHODES, OT3 AND GABRIEL, FPB AND MORGAN, DEPT OF TRANSPORT.

YOUR TELNO 283: PRIME MINISTERS VISIT TO EXPO: BRITISH PAVILION
AND STORE PROMOTIONS

THE BRITISH BUSINESSMEN WHOM THE PRIME MINISTER IS LIKELY TO MEET
AT THE BRITISH PAVILION ARE:

1) ALAN HAINKNEY, CHAIRMAN/OPTICA. THIS HAS BEEN A MAJOR SUCCESS STORY. 4 OPTICA AIRCRAFT, EACH WORTH POUNDS 140,000, HAVE ALREADY BEEN SOLD TO PAYNE AVIATION INDUSTRIES OF TORONTO. THERE IS AN OPTION ON A FURTHER 16.

2) MALCOLM HOBBS, PRESIDENT OF MARKS AND SPENCER (CANADA). M AND S (CANADA) IS ABOUT TO BECOME 100 PER CENT BRITISH OWNED (HAVING BEEN JUST UNDER 50 PER CENT PREVIOUSLY). THEY HAVE 74 STORES THROUGHOUT CANADA, 7 IN VANCOUVER. THEIR SALES VOLUME IN 1985 WAS POUNDS 135 MILLION. THIRTY PER CENT OF THEIR SUPPLIES COME FROM THE UK. M AND S IS SLOWLY BECOMING MORE PROFITABLE IN CANADA. M AND S HAVE DONATED THE OFFICIAL UNIFORMS FOR THE STAFF AT THE BRITISH PAVILION.

3) MR J CRAIG, CHAIRMAN AND CEO, ROLLS ROYCE (CANADA). ROLLS ROYCE (CANADA) LTD IS A MAJOR SUBSIDIARY OF ROLLS ROYCE UK. OVER 50 PER CENT OF THEIR BUSINESS IS ON THE REPAIR AND OVERHAUL OF AERO ENGINES AND INDUSTRIAL GAS TURBINES. TOTAL ANNUAL TURNOVER IS IN EXCESS OF 200 MILLION CANADIAN DOLLARS. HISTORICALLY, ROLLS ROYCE HAVE SUPPLIED OVER 75 PER CENT OF THE UNITS OVER 10,000 HP TO POWER THE CANADIAN OIL AND GAS PIPELINES. THEY ARE OPENING A NEW TEST BED FACILITY WITH FEDERAL GOVERNMENT FINANCIAL ASSISTANCE.

4) MESSRS MACKIE AND WEBB, PRESIDENT AND BC MANAGER RESPECTIVELY OF JAGUAR (CANADA). THEIR SALES IN CANADA SO FAR THIS YEAR AT 945 ARE 58 PER CENT UP.

5) SIR ROBERT REID, CHAIRMAN/BRITISH RAIL. THERE ARE TWO BRITISH RAIL INTERESTS AT EXPO. (1) ALSO THE BRITISH RAIL TRAVELLING PEOPLE ARE PROMOTING TRAVELLING BY RAIL TO CANADIAN TOURISTS WITHIN THE UK. (2) RAILBUS BUILT BY BREL. THERE IS A RAILBUS RUNNING ON THE 60 KMS BETWEEN NEW WESTMINSTER AND ABBOTSFORD FOR THE DURATION OF EXPO WITH FARE PAYING PASSENGERS FOR THE DEMONSTRATION. BREL HOPE VIA RAIL MIGHT BUY RAILBUS FOR WIDESPREAD USE ON THE SHORTER ROUTES IN CANADA. BREL ARE IN CONTACT WITH PROSPECTIVE CANADIAN PARTNERS.

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6) MR COLIN MARSHALL, CEO OF BRITISH AIRWAYS. CANADIAN TOURIST FIGURES TO THE UK DID DROP, THOUGH NOT AS MUCH AS IN THE US, BUT THEY ARE NOW PICKING UP AGAIN.

7) MR VOADEN MANAGER OF GIFTSHOP IN BRITISH PAVILION WHICH IS SELLING ALL BRITISH GOODS AND DOING WELL.

8) MR GEOFFREY BARNETT, CHAIRMAN OF ELEPHANT AND CASTLE CHAIN OF RESTAURANTS WHO HAS THE CONCESSION FOR BRITISH PUB IN THE PAVILION. THE PUB IS SELLING BRITISH BEERS, LIQUORS AND FOODS AND IS DOING BRISK TRADE.

9) POSSIBLY MANAGING DIRECTOR OF HOVERCRAFT. THE AP 188 HAS BEEN SOLD TO HOVERWEST FOR FERRY SERVICES BETWEEN VICTORIA AND VANCOUVER. THIS FOLLOWS A SALE EARLIER THIS YEAR TO THE CANADIAN COAST GUARD FOR USE ON THE ST LAWRENCE. THERE ARE SOME PROSPECTS FOR LOCAL MANUFACTURE IN BRITISH COLUMBIA.

SHOPPING MALL:

2. IN THE ONE HOUR TOUR OF THE OAKRIDGE SHOPPING MALL, THE PRIME MINISTER WILL MEET:

1) WOODWARD DEPARTMENT STORE: MR JOHN WOODWARD, EXECUTIVE VICE PRESIDENT, MR C WOODWARD, VICE PRESIDENT (STORES), MR JOHN BISHOP, STORE MANAGER. WOODWARD ARE HAVING A MAJOR FOOD PROMOTION THROUGHOUT THEIR CHAIN OF STORES IN BRITISH COLUMBIA. FOR DETAILS SEE MIPT.

2) WOODWARDS BOOK STORE: MR TOFT, STORE MANAGER. THERE WILL BE A DISPLAY OF BRITISH BOOKS AS PART OF THE BRITISH BOOK MONTH IN BRITISH COLUMBIA. IT MIGHT BE APPROPRIATE TO ASK ABOUT THE EFFECT OF THE NEW TARIFFS ON BOOKS.

3) BIRKS JEWELLERS: MR G DRUMMOND, BIRKS PRESIDENT, MR THOMAS M BIRKS, VICE PRESIDENT, AND MR MICHAEL DOULTON OF ROYAL DOULTON. BIRKS IS AN UP-MARKET GIFTWARE SHOP AND CURRENTLY HOLDING A SPECIAL PROMOTION BY THE ROYAL DOULTON COMPANY THROUGHOUT THEIR STORES IN BRITISH COLUMBIA.

4) EDWARD CHAPMAN AND SONS: MR HUGH CHAPMAN, PRESIDENT, MISS LIZ CHAPMAN, MANAGER OF LADIES WEAR DIVISION. THIS IS A QUALITY MENS AND LADIES WEAR COMPANY WITH 5 STORES IN VANCOUVER, 90 PER CENT OF WHOSE MERCHANDISE IS IMPORTED FROM BRITAIN.

5) EDWARD CHAPMAN LADIES SHOP LIMITED (NO LONGER IN CONNECTION WITH

4) ABOVE: MR JOHN RAY, VICE PRESIDENT. THIS COMPANY, WITH 4 STORES IN VANCOUVER, IS INTERESTED IN EXPANDING THE NUMBER OF ITS BRITISH SUPPLIERS.

6) WOODWARDS FOOD STORE: MR KEN FIRTH, PROMOTION MANAGER, MR BOB MORROW, FOOD FLOOR MANAGER, MR BRIAN MARKS, ADVERTISING MANAGER.

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(17)

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7) MARKS AND SPENCER: MR MALCOLM HOBBS, PRESIDENT, MR ANTHONY BODDINGTON, WESTERN CANADA REGIONAL MANAGER, MR O'DONNELL, STORE MANAGER. ONE PROBLEM M AND S HAVE HAD IS IN IMPORTING SO MUCH BRITISH CHEESES AS THEY WOULD LIKE. THERE IS A QUOTA FOR EC CHEESE IMPORTS, UNCHANGED SINCE 1978.

8) MARK SINGER LIMITED: MR MARK SINGER, PRESIDENT, MRS HEIDI SINGER, VICE PRESIDENT. SINGER OPERATES 4 GIFT SHOPS IN VANCOUVER AND ARE REGULAR IMPORTERS OF BRITISH GOODS.

9) ABERCROMBIE AND FITCH: MR VAN UNEN, GENERAL MANAGER, MRS WENDY REHFELT, OPERATIONS MANAGING DIRECTOR, MR RICHARD SIMON, LOCAL MANAGER. THIS IS A CANADIAN SUBSIDIARY OF A LARGE US COMPANY AND SPECIALISING IN UP-MARKET MERCHANDISE, CLOTHING AND SPORTS EQUIPMENT, 25 PER CENT OF WHOSE STOCK THROUGHOUT THEIR STORES IN THE US AND CANADA IS IMPORTED FROM THE UK.

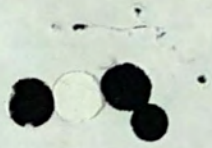
DAY

MINIMAL
MAD

COPIES TO:

MR. COOKE OT2 }
MR. RHODES OT3 } DTI
MR. GABRIEL FPB }

MR. MORGAN D/TP.



AM TOURS Canada Jan 86





D Roddaway Esq
Private Secretary to
The Baroness Young
Foreign and Commonwealth Office
Downing Street
LONDON
SW1

cepc
AR

2 MARSHAM STREET
LONDON SW1P 3EB
01-212 3434

My ref:
Your ref:

9 July 1986

Dear David,

LONDON DOCKLANDS DEVELOPMENT CORPORATION - PROPOSALS FOR A LONDON EXPO IN 1991

I believe that your Department is preparing the briefing for the Prime Minister's visit to the Vancouver EXPO from 11 to 13 July.

I would be grateful if you could inform the Prime Minister in your briefing that the London Docklands Development Corporation are developing proposals for an EXPO in London's Royal Docks in 1991. The scheme is at a very early stage and my Department has not yet received all of the information it needs. A feasibility study has, however, been produced by LDDC's consultants, a copy of which I enclose together with a background note summarising its conclusions and this Department's initial reaction. The study provides only a rough indication of costs and income which will need to be worked up in greater detail before we can consult other Departments and take a view.

I am sending an advance copy of this letter and the background note to Mark Addison at No.10.

Yours sincerely
Brian Leonard.

B H LEONARD
Private Secretary

BUT other
departments oppose
this.
CDF

BACKGROUND NOTE

EXPO IN LONDON DOCKLANDS

1. LDDC's consultants have prepared a feasibility study of the case for a six month international EXPO on a 150 acre site at the centre of the 720 acres of derelict land in the Royal Docks. The consultants propose that it should be an official International Bureau of Exhibitions (BIE) category 2 event where the hosts provide the pavilions which are then rented to exhibitors. The choice of theme is left to the Government but the consultants have suggested 'Water'.

2. An EXPO would require substantial Government expenditure on infrastructure and operating costs over the next five years which the study assumes would be channelled through LDDC. Private sector contributions would only start to flow once work on the site was well advanced. The study indicates that it would cost the public sector an estimated £117m, including financial charges. With an estimated 12m visitors the consultants predict that revenue would be £123m, leaving an eventual £6m profit. In addition the development is estimated to generate £488m of private sector expenditure, of which at least £75m would come from overseas, and 20,900 man years of employment directly and a further 8,400 man years indirectly. The report is, however, a feasibility study, not a full economic appraisal, and it stresses that these figures are purely indicative. Much more work, and discussion with other Departments, notably on public sector costs and on the key question whether the Government wanted an EXPO in 1991 would be required, if the idea were to be taken forward.





Foreign and Commonwealth Office

London SW1A 2AH

11 July 1986

Dear Mark

Prime Minister's Visit to Vancouver

Brian Leonard sent you a copy of his letter of 9 July to David Reddaway suggesting that the Prime Minister should be briefed about a proposal by the London Docklands Development Corporation (LDDC) to hold an Expo in the Royal Docks in 1991.

The LDDC proposal will need careful consideration by the DOE, and interdepartmental discussion, before any decisions can be made. The Prime Minister should however be aware that the FCO would oppose it, primarily on the grounds that a project for a British Expo in 1991 would negate our efforts within the International Expositions Bureau (known as BIE) to prevent further proliferation of such events. The DOE are aware of our views. ! ~~~~~

As explained in the brief for the Prime Minister's visit to Canada "Background Annex on Expo 86" (paragraph 4), the BIE agreed in 1985 to a British proposal for a "voluntary moratorium" on new Expo projects until 1994, to allow time for new rules about the frequency of such events to be agreed and ratified. An exception was made for 1992, when an Expo is scheduled to be held jointly in Seville and Chicago (on the 500th anniversary of Columbus' arrival in the New World). In these circumstances it would be embarrassing for the British delegation to apply for BIE approval for an Expo in the UK in 1991. Such an application would probably destroy the moratorium, and re-open the floodgates to bids for projects from other countries.

The FCO would have no objection to a Docklands Expo project after the moratorium, in any year from 1995 onwards, but it would have to comply with whatever new rules may be agreed by the BIE in the meantime, and might well have to compete for approval with proposals from other countries.

/The



The Prime Minister may be asked about the Docklands project during her visit to Vancouver, because we know that representatives of the LDDC have visited Expo 86. If so, she might take the line that it requires more detailed study and evaluation before HMG can reach any conclusions.

Yours ever

(R N Culshaw)

(R N Culshaw)
Private Secretary

Mark Addison Esq
PS/10 Downing Street



PRIME MINISTER'S VISIT TO CANADA 11-13 JULY

Background Annex on Expo 86

1. The essential facts about Expo 86 in Vancouver, and British participation, are included in the first brief. This annex covers the broader background to the Expo, and more detail about British activities associated with the event. Attachments are:

- (a) a list of exhibits in the British pavilion,
- (b) a list of British companies which have given their support, by providing exhibits or otherwise,
- (c) a copy of the leaflet which is available to the public in the pavilion,
- (d) a summary of British participation in the "specialised periods",
- (e) a summary of British cultural events during the Expo.

The Bureau International des Expositions (BIE)

2. The Paris-based International Expositions Bureau, usually known as the BIE from its initials in French, is the controlling body for international exhibitions of an "essentially non-commercial" nature. It is not concerned with trade fairs, but with events having an educational purpose. It recognises two types of exposition, the Universal category (the true World Fair), and the Specialised category, into which Expo 86 falls. In practice, the differences between the two categories are that a Universal exposition has a broad theme, and participating countries build their own pavilions, whereas a Specialised event has a narrowly-defined theme, and pavilions are constructed by the organisers to be rented by participants.

3. Specialised-category events should in theory be on a small scale, but the present BIE rules, enshrined in a Protocol of 1972, do not specifically restrict their size, and in recent years both the scale and frequency of such events have increased. Specialised events have been held in Knoxville, Tennessee in 1982 (on an Energy theme), New Orleans in 1984 (Water), Tsukuba, Japan in 1985 (Science and Technology for Man at Home), and the series continues with Vancouver in 1986 (Transport and Communications) and Brisbane in 1988 (Leisure in the Age of Technology). The UK has participated or will participate on a national basis in all of these, except the New Orleans event in 1984, where most EC member countries were represented by the European Commission, and only France and Italy had national pavilions (this Expo is generally considered to have been a disaster). The only other major forthcoming event is a Universal category exposition to be held jointly in Seville and Chicago in 1992 in celebration of the 500th anniversary of Columbus' arrival in the New World (Chicago held an

/exposition



exposition on the 400th anniversary, but seems likely to drop out of the 1992 event). No decision about UK participation in 1992, which would be very expensive, has been taken.

4. In an effort to restrict the size and frequency of such events, the UK in 1985 proposed a "voluntary moratorium" on new projects of this type until 1994 (excepting 1992), to allow time for new rules to be agreed and ratified internationally. This was accepted by the BIE, and a revision of the rules is now under serious debate.

British Participation

5. Until 1975, British participation in Expos was financed by special allocations of Treasury funds. From 1975 however the cost was borne on the COI budget for overseas exhibitions. With the introduction of the repayment system for COI services in 1984, the funds concerned were transferred to the FCO as part of the Overseas Information financial provision. The FCO is now therefore solely responsible for funding British participation in Expos. The DTI do not contribute, preferring to reserve their exhibition funds for trade shows. However, the DTI have devoted most of their store promotion budget for North America this year to events in Canada associated with Expo 86, and have launched a campaign to encourage exports to Canada, based on our Expo participation.

6. In recent years it has become the practice at Expos for the pavilions of participating EC countries to be grouped together, with the European Commission pavilion which provides certain common facilities such as a VIP lounge. This is the case at Expo 86, where the group surrounds a European Plaza. In addition to the UK, France, the FRG, Italy, Belgium and Spain have national exhibits.

7. The two officials primarily responsible in Vancouver for British representation at the Expo and associated activities are our Consul-General, Mr S Stephenson, and the UK Commissioner-General for the Expo, Mr E R I Allan OBE of the COI, who was appointed by the FCO. Mr Allan is specifically responsible for the British pavilion, and British participation in activities directly related to the Expo. He is a Vice-President of the BIE, and was elected Chairman of the College of Commissioners General for Expo 86. In this capacity he acts as spokesman on appropriate occasions for all the participating countries.

Canadian Pavilion

8. The Canadian Pavilion (Canada Place) is located on Vancouver harbour, at the opposite side of the city from the rest of the Expo.

Expo Commissioner-General

9. The Commissioner-General for the Expo as a whole, appointed by

/the



the Canadian government, is Mr Patrick Reid. He was born in Northern Ireland, served in the British Army, and also served as a Minister in the Canadian High Commission in London. He is a past-President of the BIE, and has played a major role in ensuring that the Expo is a success, while taking due account of BIE regulations for such events.

LIST OF EXHIBITS WITHIN THE BRITISH PAVILION AT EXPO '86 AS AT 24 JANUARY 1986

LOCAL MOVERS:

TGA electric tricycle
 Scintilla electric bicycle
 Evans)
 Dawes)
 Alex Moulton) bicycles
 TI Raleigh)
 Dawes tandem
 Maclaren baby buggy
 Relko rocking horse

Elswick Envoy car for chairbound drivers
 Batricar's Beta powered scooter
 Vessa's Trekka powered chair
 Joncare Electro trolley for disabled children
 Henderson-Linwell tail lift and Vessa powered wheelchair

Rolls-Royce C 100,000 car
 Jaguar XJS Cabriolet car
 Reliant car
 Lotus Esprit car
 Lionweld wheelclamp
 Hesketh Vampire motorbike

Marks & Spencer window display
 Post Office philatelic display
 London Docklands exhibit including Light Railways and STOLport
 Road Safety campaign display

Thorn Lighting street furniture
 Forest City Signs road signs
 Marshalls Mono paving slabs
 Alcan High Duty guard rails
 Charcon Products' tactile paving slabs for the disabled

NATIONAL MOVERS:

British Rail A/V presentations
 BR High Speed Train cab
 BR radio signalling display
 BR APTIS and PORTIS ticketing machines by Thorn EMI
 BR "Electra" 225 model train
 BR "International" coach model
 BR ancillary equipment:

Westinghouse Signals level-crossing half barrier lighting
 BSC rails
 Sleepers from Dow-Mac and Costain Concrete
 Pandrol rail clips
 Doric Productions' "Edinburgh" station sign
 Compton Webb uniforms
 Bailey Concepts COBRA monitor housings
 Digivision TV monitors

Tyne & Wear Transport metro display
~~Carbodies' CR6 new London taxi~~
 BAA Terminal 4 display
 London Underground display
 London Buses new bus model

Motor Panels' Hemitech lorry cab
Freightliners container with A/V
Lansing fork lift truck
Sealink ferry model
Hoverspeed ferry model
Dover Harbour Board A/V

Naval Air Command helicopter rescue equipment
RNLI display
Watercraft enclosed lifeboat model
Watercraft R5 rigid inflatable
RFD 6-man liferaft
Beaufort lifejacket
Emtrad LOCAT LDT 25 and 31 distress beacons

Stirling Shipping "Stirling Merlin" supply ship model
Houlder Offshore "Uncle John" diving support vessel model
Westland EH101 helicopter model
Westland 30 helicopter model
Westland hovercraft, SRN1 model
Westland hovercraft, AP188 model
Airship Industries' Skyship 600 model
Optica aircraft model

Graphics:

Pipeline Industries Guild maps

INTERNATIONAL MOVERS:

British Airways A/V presentation

Rolls-Royce fan assembly unit
Lloyd's of London

Concorde aircraft model
BAe 146 aircraft model
British Caledonian A320 airbus model
Shorts 330, 360, Sherpa, Skyvan aircraft models
P & O "M.V. Sea Princess" model

FUN MOVERS:

Solar Wings hang glider
Solar Wings microlite
"Shrimp" landyacht by EB Owen
Zip Kart Superkart
Zip Kart junior kart

Jaguar 21 yacht
Bellway Marine Sunbird dinghy for the disabled
Dell Quay Dory 15 skiboat
Avon SR4 rigid inflatable
Chippendale water skis
Air Cushion hovercraft

Brookes & Gatehouse yacht navigation equipment
Navico VHF radio telephone
Navico Wheelpilot 4000 autopilot
Nautech autopilot
A.R.V. Super II aircraft mock-up

FRONTIER MOVERS:

I.O.S. "GLORIA" sonar scan mosaics of seabed
Model of "GLORIA" on ship's stern
Submarine Products' Subskimmer diving inflatable

BAe's HOTOL satellite launch system model
BAe Olympus satellite model
STC telecommunications display

Thrust world-speed record-holding car
Model of Ogle Project 2000 car
RCA models of concept cars and A/V

G.E.C. Maglev exhibit
TRRL safety motorbike
Model of BP's SWOPS system



The 1986 World Exposition
Vancouver BC, Canada

British Participation

Central Office of Information
Hercules Road
London SE1 7DU, England
Telephone 01-928 2345
Telex 915444 COILDN G

EXPO '86 (2 MAY - 13 OCTOBER 1986)

FIRMS AND ORGANISATIONS INVOLVED WITH THE BRITISH PARTICIPATION AT EXPO 86

Information on firms and organisations supplying exhibits, products and services are provided in good faith, but no guarantee is given that any item will form part of the UK participation at EXPO '86.

January 1986 (2)

Mr R Gilbert
Air Cushion Equipment (1976) Ltd
15-35 Randolph Street
Shirley
Southampton
SO1 3HD

Mr N A W Greenwood
UK Sales Manager
Airship Industries (UK) Ltd
84/86 Baker Street
London
W1M 1DL

Mr J Benjamin
Alex Moulton Ltd
Bradford-on-Avon
Wilts
BA15 1AH

Mr K Watson
Publicity Manager
Avon Inflatables Ltd
Dafen
Llanelli
Dyfed
SA14 8NA

Miss L Harper
Bailey Concepts Ltd
Melbourn Science Park
Moat Lane
Melbourn
Royston
Herts

G A Upson
Director US Operations
Upson Batricar Ltd
Roman Road
Mountnessing
Brentwood
Essex
CM15 0UH

Miss Jacqui Martyn-Box
British Aerospace Aircraft Group
Richmond Road
Kingston-upon-Thames
Surrey
KT2 5QS

Mr R Challens
Marketing Manager
The Americas
British Airways
Speedbird House (S286)
PO Box 10 - Heathrow Airport
Hounslow
Middlesex
TW6 2JA

Mr J Taylor
BR EXPO 86 Co-ordinator
British Railways Board
222 Marylebone Road
London
NW1 6JJ

Mr J Cormack
Public Affairs Manager
British Railways Board
Research & Development Division
Railway Technical Centre
London Road
Derby
DE2 8UP

Mr N R Harvey
Public Relations Assistant
British Rail Engineering Ltd
St Peter's House
Gower Street
Derby
DE1 1AH

Mr C Kirkman
Sales Director
Brookes & Gatehouse
Bath Road
Lymington
Hants
SO4 9YP

Mr J Stanton
Brummagem Boats Ltd
Sherbourne Street Wharf
Sherbourne Street
Birmingham
B16 8DE

Mr B Widdowson
 Managing Director
 Carbodies Ltd
 Holyhead Road
 Coventry
 CV5 8JJ

Mr R Willers
 Publicity Manager
 Charcon Products(ECC) Ltd
 Holland Ward
 Derby
 DE6 3ET

Mr J Chippendale
 Chippendale Skis Ltd
 Rookery Lane
 Thurmaston
 Leicester

Mr R Blount
 Compton Webb Group
 PO Box 53
 Friary House
 47 Uttoxeter New Road
 Derby
 DE3 3NL

Mr D Scott
 Costain Concrete Company
 Duncan House
 Dolphin Square
 London
 SW1Y 3PR

Mr B Forrester
 Sales & Marketing Director
 Dawes Cycles Ltd
 Wharf Road
 Tyseley
 Birmingham
 B11 2EA

Mr M J Taylor
 Director & General Manager
 Dell Quay Marine Ltd
 Clovelly Road
 Southbourne
 Nr Emsworth
 Hants
 PO10 8PE

Mr A Baker
 Doric Production Ltd
 8 Kellner Road
 Woolwich Industrial Estate
 London
 SE28 OAX

Mr A Darrock
 Managing Director
 Dow-Mac Ltd
 Neaf Lane
 Tallington
 Stamford
 Lincs.
 PE9 4RL

Mr A A Fyall
 Director, Public Relations & Tourism
 City of Edinburgh
 9 Cockburn Street
 Edinburgh
 EH1 1BR

Mr R G Millar
 Elswick Special Vehicles Ltd
 The Mill
 Kings Coughton
 Alcester
 Warwickshire
 B49 5QG

Mr D Marshall
 Emtrad Ltd
 William Wright Dock
 Hull
 HU3 4PG

Mr G Smith
 F W Evans Cycles
 77-79 The Cut
 London
 SE1

Mr J L Tweed
 General Manager
 Forest City Signs
 Park Road
 Timperley
 Altrincham
 Cheshire
 WA14 5QX

Mr N Church
 Freightliners Ltd
 167-169 Westbourne Terrace
 Paddington
 London
 W2 6JY

Mr M Scott
Publicity Manager
GEC Transportation Projects Ltd
PO Box 134
Manchester
M60 1AH

E W H Gifford
Director
Griffon Hovercraft Ltd
Carlton House
Ringwood Road
Woodlands
Southampton
SO4 2HT

Mr M Girling
Henderson Moblie
Romford
Essex
RL8 8UL

Mr M Broom
Heslydon Ltd
Easton Neston
Nr Towcester
Northants

Mr C Richardson
Sales Director
DIGIVISION Ltd
Parker Drive
Leicester
LE4 0JP

Mr J Houlder
Houlder Offshore Ltd
53 Leadenhall Street
London
EC3

Mr Haley
Sales Planning & Administration Manager
Hoverspeed Ltd
Maybrook House
Queens Gardens
Dover
Kent
CT17 9UQ

Mr M Somers, Head, GLORIA Project
Institute of Oceanographic Sciences
Brook Road
Wormley
Nr Godalming
Surrey
GU8 5UB

Mr S Goodwin
Jaguar Yachts
Unit 3
Mulberry Road
Canvey Island
Essex

Mr T J Prout
Chairman (Managing)
Joncare
Radley Road Industrial Estate
Abingdon on Thames
Oxon

Mr K Faulkner
Senior Development Officer
Borough Council of Kings Lynn &
West Norfolk

King's Court
Chapel Street
King's Lynn
Norfolk
PE30 1EX

Mr T Gwinnett
Public Relations Executive
Lansing Ltd
Kingclare Road
Basingstoke
Hants
RG21 2XJ

Mr D Bowles
Lionweld Ltd
Marsh Road
Middlesborough
Cleveland
TS1 5JS

Mr P Hadley
Sales Director
London Docklands Development Corporation
Dockmaster's House
West India Dock Road
London
E14 8JJ

Mr D McLauchlan
Lotus Cars Ltd
Norwich
Norfolk
NR14 8EZ

Miss M Maguire
Andrews Maclaren Ltd
Long Buckley
Northampton
NN6 7PF

Office of the Flag Officer
Naval Air Command
FONAC Headquarters
Yeovilton
Yeovil
Somerset
BA22 8HL

Mr N W O'Keefe
Sales Director
Motor Panels (Coventry) Ltd
Holbrook Lane
Coventry

Mr T Karen
Managing Director
Ogle Design Ltd
Birds Hill
Letchworth
Hertfordshire
SG6 1JA

Mr G Laverack
Public Relations Manager
Marshalls Mono Ltd
Southowran
Halifax
HX3 9EY

Mr J Byles
Group Commercial Manager
Pandrol Ltd
1 Vincent Square
London
SW1 2PN

Mr B Owen
EB Owen & Son Forgemill Products Ltd
Forgemill
Templeton
Narberth
Pembrokeshire

Mr C Moody
Marketing Manager
RFD Ltd
Catteshall Lane
Godalming
Surrey
GU7 1HL

Mr C Burton
Export Director
Reliant Motor plc
Tamworth
Staffordshire
B77 1HN

Mrs J Langton
Relko Rocking Horses
Gilbraltar Lane
Cookham Dean
Berks

Mr D B Ward
Exhibitions Engineering Manager
Rolls Royce Ltd
PO Box 31
Derby
DE2 8BJ

Mr John H Craig
Chairman & Chief Executive
Rolls Royce Motors International
Rolls Royce Motor Cars Ltd
Suite 165
10551 Shellbridge Way
Richmond, B.C.
CANADA
V6X 2W9

Mr N Chapman
 Head of Automotive Design
 Royal College of Art
 Kensington Gore
 London
 SW7

Capt. Hugh Oswell
 Submarine Products Ltd
 Bridge End
 Hexham
 Northumberland
 NE46 4JP

Mr P Wormley
 Director
 Scintilla Technology Ltd
 Unit 24
 City Industrial Park
 Southern Road
 Southampton SO1 OHA

Mr D Stone
 TGA Tricycle Co.
 Stanstead
 Sudbury
 Suffolk
 CO10 9AT

Mr J Humphries
 Advertising Officer
 Sealink UK Ltd
 163 Eversholt Street
 London
 SW1 1BG

Mr I Allan
 Thorn EMI Lighting
 Jules Thorn House
 146 Great Cambridge Road
 Enfield
 Middx.

Mr D S Jones
 Manager, PR Services
 Short Bros. plc
 PO Box 241
 Airport Road
 Belfast
 BT3 9D2

Mr R Noble
 Thrust Cars Ltd
 Blackbushe Airport
 Camberley
 Surrey

Mr R Hogarth
 Marketing Director
 Solar Wings Ltd
 Katherine House Yard
 Kennet Place
 Marlborough
 Wilts
 SN8 1NG

Mr E R Thomas
 Commercial Manager
 T I Raleigh(International) Ltd
 Triumph Road
 Nottingham
 NG7 2DD

Mr G Childs
 Corporate Exhibition Manager
 STC plc
 STC House
 190 Strand
 London
 WC2R 1DU

Mr L Scantlebury
 Information Services
 Transport & Road Research Laboratory
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Mr G McCrickerd
Product Manager
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Chairman & Managing Director
ARV Aviation
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Surrey GU17 9LQ

Mr P Lamkin
Sales Manager
Beaufort Air-Sea Equipment Ltd
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Birkenhead
Merseyside

Mr K Hope
Bellway Marine Ltd
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Consett
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Mr B Betts
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Mr R Berry
Senior Public Relations Officer
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Mr N Cook
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BSC Track Products
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Mr F Kelly
International Director
British Tourist Authority
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Mr J Turgoose
Director, Finance & Marketing
Dover Harbour Board
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Mr D Salter
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55 Broadway
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Mr N Garrie
Press & PRO (Rail)
London Underground Ltd
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London SW1H 0BD

Mr J Poppleton
Executive, Marketing Services
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Mr C Foster
Sales Manager
Norprint International Ltd
Travel Products Division
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Optica Industries Ltd
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Ms Georgette Purches
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Mr A J Pinnington
Sales Manager ARCS
Thorn EMI Electronics Ltd
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BRITISH PARTICIPATION IN SPECIALISED PERIODS

Throughout the six months that the Expo will be open, there is a wide range of seminars, conferences and events associated with fourteen specialised periods covering such topics as "Search and Research", "Urban Transit" to "Aviation". The Department of Transport has worked to maximise British participation in the events associated with the Specialised Periods. British scientists were prominent in discussions at the World Conference on Transport Research which took place at the commencement of Expo '86. Sir Peter Lazarus, former Permanent Secretary at the Department of Transport gave a keynote speech at Symposium III which brought together transport specialists from around the world. Industry participation is particularly strong in the periods associated with rail transport and British firms and organisations will be present at many of the other conferences and special events being organised.



SUMMARY OF BRITISH CULTURAL EVENTS AT EXPO '86

(those starred are receiving British Council Support;
"(street)" indicates street-type entertainers)

April

- 21-27 Vancouver International Children's
Theatre Festival: Leeds Theatre in
Education*
- 29 April-30 May Michael Mulkerrin (Street)*
- 29 April-28 May John Lee (Street)*

May

- 2 Opening Concert - Stafford Dean*
- 10 & 12 Vancouver Symphony Orchestra under
Rudolf Barshai with Janet Baker
- 21-25 Steuart Bedford* to conduct Kitchener
Waterloo Symphony Orchestra in
performance of The Lighthouse by
Peter Maxwell Davies
- 23 May-28 June International Film Festival* (with
Salute to Britain series)

June

- 1 June-25 July Welfare State International - False Creek
a Visual Symphony*
- 12-to end of year George Vancouver Exhibition*
- 2-8)
22-28) English Guitar Quartet*
- 8-22 Beaux Gestes International Mime Festival*
- 25 June-5 July National Theatre with Animal Farm*
- June to October International Exhibition of Children's
Art* Emily Carr College
- 8 to end July Petruska (Mime festival and Street)*
- 17 June-13 October Chris & Alex (Street)*
- 14 June-24 July Nickelodeon (Street)*
- 23 June-? July Ra Ra Zoo (Mime festival and Street)*



July

4-6 Welsh Singing Festival - Trebor Edwards*
12-13 Scottish Festival - Two judges*
8-13 - Cambridge Buskers
8-13 Royal Ballet*
18-27 World Drum Festival - Drumline of the
QLR* (Queen's Lancashire Regiment)
8-10 Froncysyllte Male Voice Choir*
11-13 Northfields School Swing Stand Band
20 July-3 August Eggy Ley's Hotshots
20 July-20 August John McKenna (Street)*
21 July-31 August Leo Ward (Street)*
22-25 Conference on Arts Politics & Business*
John Pick, Luke Rittner, Sir Roy Shaw
25 New Horizons (a Scottish gospel group)
31 July-10 August Theatre Machine*

August

5-7 Teesside Apollo Male Voice Choir
17 National Youth Chorus of Great Britain
30-31 Llanelli Male Choir

September

21 Shropshire School Brass Band
21-29 Salami Bros (Street)*
27 Dave Brown (Street)*

October

4-13 Andre Vincent (Street)
6-7 Guildhall String Ensemble

VISIT OF PRIME MINISTER TO VANCOUVER
JULY 11 - 13, 1986

JULY 11

- 1 17.17 Arrive Vancouver Airport
- 2 High Commissioner, Sir Derek Day and Federal Director EXPO 86 National Day Visits, Mr David Dunlop enter aircraft to greet P.M.
- 3 P.M. and Mr Thatcher disembark
- 4 Introductions to:
Federal Government Representative:
Miss Pat Carney MP, Minister for International Trade
Provincial Govt Representative:
Mrs Grace McCarthy, Provincial Secretary
Lady Day, Wife of High Commissioner
British Consul-General and Mrs Stanley Stephenson
- 5 P.M. and Mr Thatcher proceed to Car
- 6 17.30 Depart from Airport to Hotel Vancouver accompanied by Federal and Provincial Representatives
- 7 17.50 Arrive Hotel Vancouver
Greeted by Mr Michael Lambert, Regional Vice President, CN Hotels
Introduced to:
UK Commissioner General for EXPO 86, Mr Ted Allan and Mrs Allan
The Federal & Provincial Representatives will take their leave
- 8 Remainder of evening free

JULY 12

- 07.15 Hair appointment
- 9 08.20 Meeting with Canadian Businessmen (full list to be provided) in the Island Room, Hotel Vancouver. Introductory remarks by the P.M. (5-10 minutes) followed by discussion.
- 10 09.00 Meeting ends
- 11 09.15 P.M. and Mr Thatcher proceed to Hotel lobby
- 12 Introduced by Director EXPO 86 National Day Visits, Mr David Dunlop to Mr Richard Noyes Roberts (Deputy Director General, Protocol EXPO 86) Mrs Anne Roberts
- 13 09.20 Depart Hotel for EXPO site, escorted by Mr Noyes Roberts

- 14 09.30 Arrive UK Pavilion
Greeted by:
UK Commissioner General and Mrs Allan
- 15 View Optica Aircraft
Introduced to:
Mr Alan Haikney
Chairman, Optica Industries
- 16 At entrance to Pavilion, introduced to:
Mr John Marshall (UK Pavilion Director)
Mr Frank Watts (Consulate-General EXPO
Liaison Officer)
Mr Dennis Dyèr (Central Office of Information)
- 17 09.34 Enter UK Pavilion. During visit to Pavilion
introductions to:
Mr Malcolm Hobbs
(President, Marks & Spencer Canada)
Mr John Craig
(Chairman, Rolls Royce Canada)
Mr John Mackie
(Chairman, Jaguar Canada)
Sir Robert Reid
(Chairman, British Rail)
Mr David McMillan
(Manager, British Airways Canada)
Mr Ken Faulkner
[description needed]
- 18 09.54 Visit Pavilion Gift Shop. Introduced to:
Mr R Voaden (Shop Manager)
- Proceed to Pavilion Restaurant/Pub
(The Captain George Vancouver Room)
- Introduced to:
Mr G Barnett
(Director, Elephant & Castle Chain of
Restaurants)
- 19 09.58 Proceed to Pavilion Lounge sign visitors book
(approx)
- 20 10.04 Depart UK Pavilion
- 21 10.08 Present Sunbird Sailboat for the Disabled to
the Mayor of the City of Vancouver,
Mr Mike Harcourt
- 22 10.19 Arrive at European Communities Pavilion.
Introduced to:
Mr Christian Gentil and Iliana Bertelli
Deputy Commissioners, EC Pavilion
Mr & Mrs Galopin
Commissioner General for France
Mr & Mrs Marks
Commissioner General for W Germany
Mr & Mrs Fonteyne
Commissioner General for Belgium

/Mr & Mrs
Turchi

- 10.19
(contd) Introductions:
 Mr & Mrs Turchi
 Commissioner General for Italy
 Sra Cogan and Sr Pastor
 Deputy Commissioners for Spain
 Pass through EC Pavilion, viewing Channel Link
 Exhibit en route
- 23 10.25 Arrive at Dock. Board Motor vessel "Christabel"
- 24 10.30 Depart for Plaza of Nations
- 25 10.40 Arrive Plaza of Nations Dock
- 26 10.45 P.M. and Mr Thatcher disembark accompanied by
 the High Commissioner and UK Commissioner General
 Greeted by:
 Premier Bennett of British Columbia
 Mr Patrick Reid
 (Commissioner General to EXPO 86) & Mrs Reid
 Party escorted to the Plaza of Nations.
 Greeted by:
 Federal Government Representative, Miss Pat Carney MP
 Provincial Government Representative,
 Mrs Grace McCarthy
- 27 10.55 National Anthems:
 GOD SAVE THE QUEEN
 (Fron Cysyllte Male Voice Chaoi)
 O CANADA
 (Vancouver Welsh Choir)
- 28 11.00 Guests of Honour take their places on the stage
 Premier Bennett
 Commissioner General, Mr Patrick Reid
 Federal Government Representative,
 Miss Pat Carney MP
 Provincial Government Representative,
 Mrs Grace McCarthy
 The Prime Minister
 British High Commissioner
 UK Commissioner General
 EXPO Board Member, Mr Stanley Kwok
- 29 11.03 Mr Patrick Reid introduces speakers as follows:-
 (a) Premier Bennett
 (b) Federal Govt Representative, Miss Pat Carney MP
 (c) Prime Minister
- 30 11.18 Guests of Honour return to their seats in the
 Plaza of Nations
- 31 11.20 Musical Presentation by British Military Band
 and British Choirs
- 32 11.25 P.M.'s party escorted by Premier Bennett, Mr Reid
 to the British Columbia Pavilion

- 33 11.30 Arrive B.C. Pavilion. Greeted by B.C. Commissioner General, Mr Rust.
Brief tour of B.C. Pavilion
- 34 11.40 P.M's meeting with Premier of B.C, Mr Bill Bennett in B.C. Pavilion

Exchange of Gifts
- 35 12.00 Depart B.C. Pavilion for the Canadian Club (at the EXPO site), accompanied by Premier Bennett and Mr Reid.
Retire to the Commissioner General's Suite.
- 36 12.15 Join invited luncheon guests in the Canadian Club (to include Federal and Provincial representatives, Commissioners General of Commonwealth & EC Countries, businessmen and other dignitaries)
- 37 12.40 Presentation of gift to the P.M. by the Commissioners General
- 38 12.45 Luncheon with small number of invited guests in the Terrace Room (buffet lunch for other guests)
- 39 13.40 P.M's party departs for Canada Place, accompanied by Mr Patrick Reid.

En route the UK Commissioner General will introduce the Queen's Lancashire Regiment Bandmaster and Leader
- 40 13.45 Arrive Canada Place escorted to Canadian Pavilion. Introduced to:
Mr Bruce Howe
(Commissioner General of Canadian Pavilion)

Visit to Canadian Pavilion where the Prime Minister will be presented with a small gift (no need for reciprocation)
- 41 14.15 P.M's party departs for Oakridge Shopping Mall
- 42 14.35 Arrive main entrance Oakridge Mall.
Greeted by Mr Stephenson, Consul-General and Mr Bob Depree, Mall Manager.
Proceed to Woodward's Department Store, ground floor of store which is presenting a selection of British goods.
- 43 14.42 Walk past Woodward's book store
Brief introduction to *
- 44 14.47 Visit Birks Jewellers. Greeted by *
- 45 14.55 Visit Edward Chapman & Sons Ltd, display of British clothing. Greeted by *
- 46 15.00 Walk past Edward Chapman Ladies Shop Ltd, display of British Ladies clothing. Brief introduction to *

/47 15.05

[* names to be provided in Vancouver]

- 47 15.05 Visit Woodward's Food Store, major promotion of British foods, Introduced to *
- 48 15.15 Visit Marks & Spencer. Introduced to *
- 49 15.21 Walk past Marc Singer Ltd. Display of British Giftware. Brief introduction to*
- 50 15.23 Walk past Abercrombie & Fitch Ltd. Display of British Clothing. Greeted by *
- 51 15.28 Depart Oakridge Mall for C.N. station
- 52 15.35 Arrive at siding on North side of C.N. Via Rail Station. Railbus is parked on siding. Greeted by Mr Allen and Sir Robert Reid who introduce:
 Mr P Norman, Chairman, BREL
 Mr J M LeClair, Chairman CN Rail
 Mr L Hanigan, Chairman VIA Rail
 Mr I B Scott, Chairman CP Rail
 Mr J N Hyland, Chairman BC Rail
 Mr Steuart Hodgson, Chairman BC Transit
- Sir Robert Reid and P.M. inspect exterior of Railbus. P.M. & Party board Railbus. P.M. drives Railbus fifty yards down track then reverses to original location. (Photos)
- Sales talk (on Railbus) with accompanying Canadians.
- 53 15.55 P.M. leaves Railbus and boards Leyland Bus. Short ride to station building.
- 54 15.58 P.M. leaves Leyland Bus. Greeted at rear entrance of station by
 Mr Bill Hokan, Station Manager
 Mr J R O'Rourke, C.N Commissioner General
 P.M. walks past exterior display of CN Pavilion takes leave of station party and proceeds to car.
- 55 16.05 Depart for Media Centre
- 56 16.10 Arrive Media Centre. Robson Square for Press Conference.
- 57 16.42 Depart Media Centre
- 58 16.52 Arrive Hotel Vancouver
- 59 17.30 Hair Appointment
- 60 19.40 Depart Hotel for Queen Elizabeth Theatre (Long dress, black tie)
- 61 19.45 Arrive Queen Elizabeth Theatre. Greeted by:
 General Manager, Queen Elizabeth Theatre.
 Escorted to Reception Area. Joined by H.R.H. Princess Margaret and her party. Proceed to seats in Dress Circle.

20.00 NATIONAL ANTHEMS
Performance by Royal Ballet
- First Intermission.
Proceed to Reception Area
Introductions to a few local personalities
Return to Theatre
- Second Intermission.
Proceed to Reception Area
Further introductions
Return to Theatre
23.00 P.M.'s party leaves Theatre
23.05 Arrive Hotel Vancouver
Proceed to British Room for Reception hosted by
the P.M & Mr Thatcher (no receiving line)
23.45 P.M. & Mr. Thatcher retire

JULY 13

06.30 P.M. and party depart for Vancouver airport
06.45 Federal and Provincial Representatives will be
at the airport to bid farewell to the P.M.
06.52 Doors close
07.00 Aircraft departs (meal on aircraft)
13.40 Aircraft arrives at Mirable Airport, Montreal
13.42 Doors open
13.48 Mr Mulroney, Prime Minister of Canada greets
P.M at foot of the aircraft steps. No other
formalities
13.53 Motorcade leaves for the airport hotel
(Chateau de l'Aeroport)
13.57 Motorcade arrives at airport Hotel
14.00 Photo opportunity in the Concorde room
14.05 Bilateral begins in the Concorde room
15.05 Bilateral ends

15.10 P.M and Mr Mulroney address media in the media room on the first floor of the hotel (no questions)

15.17 P.M and Mr Mulroney leave media room, withdraw to ground floor of the hotel

15.22 Motorcade departs for aircraft

15.26 Motorcade arrives at aircraft. Mr Mulroney bids farewell to P.M.

15.32 Aircraft doors close

15.40 Aircraft departs

00.40 Aircraft arrives London, Heathrow



BRITISH COLUMBIA

General

1. British Columbia is third in area and population of the 10 Canadian provinces. Victoria is the provincial capital. Vancouver is the business and industrial centre. It is the first port in terms of tonnage handled in Canada and the third largest city.

Economy

2. The British Columbian economy rests on forest products, mining, fishing and natural gas, though there is a rising income from tourism and the high tech industry is of growing importance. The dependency on resources makes the economy particularly vulnerable. Nevertheless, 1985 was its best year since the recession in 1981 with real growth of 3%. 4% is forecast for 1986 because of Expo '86, although this may be tempered by the weakness in energy prices. Business confidence is growing. Unemployment remains high at 14.2% (national average 9.6%).

3. The Bank of British Columbia is to close a third of its branches and curb its foreign operations (including closing its London office), after a serious run on its deposits following the collapse of two small Alberta banks last September.

Political

4. The present British Columbia Government - re-elected in May 1983 - is formed by the right of centre Social Credit Party headed by Premier Bill Bennett. It has held power in the province since 1953 except for the period 1972-1975. It favours a free enterprise policy and is committed to restraint in the public sector, reduction of the public service, privatising of public sector activities, and encouragement of the private sector. It has introduced a number of controversial measures to reduce public expenditure and withdraw government from what it sees as peripheral or unnecessary activities.



5. Premier Bennett has recently announced that he will resign as leader of the Social Credit Party of British Columbia and return to private business. A Leadership Convention has been called for 30 July. The announcement came as a surprise so soon after the opening of EXPO 86 but the polls indicate the Socreds are trailing the NDP in popularity and he may wish to avoid his father's fate of leading the party to defeat. There are 12 candidates in the race for the leadership, including Grace McCarthy, Provincial Secretary.

6. Relations between British Columbia and the federal government are much improved under Mr Mulroney. The Leader of the Federal Opposition, Mr Turner, represents a Vancouver riding.

British Columbia-UK relations

7. Ethnically and culturally British Columbia has many ties with Britain. About half the population is of British descent. Other sizeable ethnic groups include the largest Chinese community in North America after that of San Francisco.

8. Over the last few years our exports to British Columbia have been rising and British Columbian exports to UK falling. Last year UK exports to British Columbia (by province of clearance) were \$128m, up from \$95m in 1984 and \$76m in 1983. British Columbian exports to UK were \$403m last year compared to \$475m in 1984. Most of these exports were raw materials.

9. There are no major UK/British Columbia trade policy problems. Two years ago a Granada TV piece alleging that timber frames were unsafe led to a temporary drop in timber sales to the UK.

10. Grosvenor International, BSC Alloys and Balfour Guthrie have their Canadian headquarters in British Columbia and a large number of other British companies have manufacturing subsidiaries there.

11. The following British Ministers will be visiting Expo:
Lord Gray (Scottish Office) 9-16 July; Mr Peter Bottomley (Transport) 21-23 July; Mr Michael Spicer (Transport) end September; Mr David Mitchell (Transport) end September. The Select Committee



on Transport will also be visiting Vancouver 16-18 July. The last British Minister to visit Vancouver was Lady Young in 1985, and before that Lord Cockfield in 1982.

British Columbia-US relations

12. 75% of British Columbia's trade is with the US. The province's lumber industry will be severely affected by the US Government's decision to impose a 35% tariff on red cedar shakes and shingles (exports of which to the US are C\$250m annually). Talks are taking place to work out an orderly marketing arrangement. The US are also investigating whether exports of Canadian softwood lumber is subsidised by virtue of low stumpage fees. If a high tariff is put on these exports, this would have a devastating effect on the British Columbian economy.

13. It is expected the province will benefit from large numbers of US tourists visiting Expo instead of Europe this year.

BENNETT, THE HON BILL PC

Premier of British Columbia since December 1975.

Born in Kelowna, BC, April 1932.

Son of W A C Bennett, who was Social Credit Premier of British Columbia for 20 years.

Educated at Kelowna High School.

Is a wealthy partner in a large family hardware business.

First elected to the Legislative Assembly September 1973, when he won his father's safe seat in Okanagan South. Elected Leader of the BC Social Credit Party in November 1973 and led his party to victory with a substantial majority during the General Election campaign in December 1975. Despite seeming to have become isolated and ineffectual he won an increased majority in the General Election of May 1983.

Unlike his father, he has worked successfully to improve relations with the Federal Government. Believes strongly in a united Canada but advocates stronger powers for the Provinces. Has some sympathy for Quebec's point of view but rejects the idea of independence or a break-up of the Federal system. Achieved prominence as Chairman of the Provincial group during the closing scenes of the constitutional drama.

Within the Province his main aim is to strengthen its economy and encourage private enterprise. To this end he has followed a controversial policy of privatisation and down sizing of government which brought him into sharp conflict with the labour unions and special interest groups. Would like control of BC's resources to remain with the Province. Well to the right.

An erratic person and something of a loner but can be very pleasant. He is a keen tennis player and something of a fitness fanatic. A successful lightweight.

Announced on 22 May 1986 that he intended to resign as leader of the Social Credit Party (and, in consequence, as Premier) and return to the private sector as soon as a new leader had been selected (on 30 July 1986). Will remain a member of the Legislative Assembly until the next election.

Married (Audrey). Four sons.

CONFIDENTIAL

ROGERS, THE HON ROBERT GORDON

Lieutenant-Governor of British Columbia.

Born in Montreal, August 1919.

Graduated from the Royal Military College in Kingston and the University of Toronto (Civil Engineering).

Served in the Canadian Armoured Corps in Canada and Europe during World War II and took part in the D-Day invasion of France.

A leading executive in the forest industry in British Columbia since 1960, was Chairman of the Board and Chief Executive Officer of Crown Zellerbach Canada Limited from 1975 to 1982. From June 1982 was Chairman of the Board of the Canada Harbour Place Corporation. Is a member of the board of a number of senior Canadian corporations and active also in key business organisations related to the forest industry and the Pacific Basin, including the Export Trade Development Corporation. Is a past Vice-Chairman of the Pacific Basin Economic Council, Pearson College of the Pacific and United World Colleges and past Chairman of the Canadian Council of Christians and Jews. Is the national Vice-President of the Boy Scouts of Canada.

A long-time member of the Liberal Party, but declared on his appointment that "from now on I am not political".

Married (Elizabeth Jane). Three children.

CONFIDENTIAL

- CONFIDENTIAL

GARDOM, THE HONOURABLE GARDE (BASIL), QC

Minister of Intergovernmental Relations of British Columbia.

Born July 1924, Banff, Alberta.

Holds both a BA and Law Degree from the University of British Columbia.

Called to the British Columbia Bar in 1949.

Before entering politics he practised law in Vancouver in partnership with Jack Volrich, a former Mayor of Vancouver.

First elected to the British Columbia Legislature as a Liberal in 1966 and re-elected in 1969 and 1972. Joined the Social Credit Party in 1975 and was re-elected in the election of that year. Appointed Attorney-General, a portfolio he held until November 1979, when he was moved to his present position.

Married with five children.

CONFIDENTIAL

CONFIDENTIAL

HARCOURT, MICHAEL FRANKLIN

Mayor of Vancouver since December 1980.

Born 6 January 1943 in Edmonton.

BA from the University of British Columbia 1965, LLB 1968, and was admitted to the British Columbia Bar in 1969. Partner in the law firm of Lew Fraser from 1971 to 1979 and Regional Director of the Greater Vancouver Regional District 1975-76.

Served as an Alderman on Vancouver City Council for seven years before being elected Mayor in 1980. By virtue of his position he is also Chairman of the Vancouver Police Board.

Left of centre politically, Harcourt is a member of the New Democratic Party (NDP) and would have been a strong contender for the leadership of the provincial NDP at the May 1984 leadership convention had he chosen to stand. Originally opposed to Expo 86, he is now one of its most enthusiastic supporters and it is probable that he chose not to run for leadership of the NDP so that he would be Mayor during Expo. He easily defeated his Social Credit opponent (a former Provincial Government minister) in the November 1984 municipal elections.

He has now announced that he will not seek a fourth term as Mayor but will contest the Vancouver Centre riding for the NDP at the next provincial election.

Married (his wife is a school teacher) with one child. His hobbies are travel, golf, tennis, cross country skiing and jogging.

CONFIDENTIAL

MR J CRAIG, CHAIRMAN AND CEO, ROLLS ROYCE (CANADA). ROLLS ROYCE (CANADA) LTD IS A MAJOR SUBSIDIARY OF ROLLS ROYCE UK. OVER 50 PER CENT OF THEIR BUSINESS IS ON THE REPAIR AND OVERHAUL OF AERO ENGINES AND INDUSTRIAL GAS TURBINES. TOTAL ANNUAL TURNOVER IS IN EXCESS OF 200 MILLION CANADIAN DOLLARS. HISTORICALLY, ROLLS ROYCE HAVE SUPPLIED OVER 75 PER CENT OF THE UNITS OVER 10,000 HP TO POWER THE CANADIAN OIL AND GAS PIPELINES. THEY ARE OPENING A NEW TEST BED FACILITY WITH FEDERAL GOVERNMENT FINANCIAL ASSISTANCE.

ALAN HAINKNEY, CHAIRMAN/OPTICA. THIS HAS BEEN A MAJOR SUCCESS
STORY. 4 OPTICA AIRCRAFT, EACH WORTH POUNDS 140,000, HAVE ALREADY
BEEN SOLD TO PAYNE AVIATION INDUSTRIES OF TORONTO: THERE IS AN OPTION
ON A FURTHER 16.

MESSRS MACKIE AND WEBB, PRESIDENT AND BC MANAGER RESPECTIVELY
OF JAGUAR (CANADA). THEIR SALES IN CANADA SO FAR THIS YEAR AT
945 ARE 58 PER CENT UP.

MALCOLM HOBBS, PRESIDENT OF MARKS AND SPENCER (CANADA). M AND S (CANADA) IS ABOUT TO BECOME 100 PER CENT BRITISH OWNED (HAVING BEEN JUST UNDER 50 PER CENT PREVIOUSLY). THEY HAVE 74 STORES THROUGHOUT CANADA, 7 IN VANCOUVER. THEIR SALES VOLUME IN 1985 WAS POUNDS 135 MILLION. THIRTY PER CENT OF THEIR SUPPLIES COME FROM THE UK. M AND S IS SLOWLY BECOMING MORE PROFITABLE IN CANADA. M AND S HAVE DONATED THE OFFICIAL UNIFORMS FOR THE STAFF AT THE BRITISH PAVILION.

SIR ROBERT REID, CHAIRMAN/BRITISH RAIL. THERE ARE TWO
BRITISH RAIL INTERESTS AT EXPO. (1) ALSO THE BRITISH RAIL TRAVELLING
PEOPLE ARE PROMOTING TRAVELLING BY RAIL TO CANADIAN TOURISTS
WITHIN THE UK. (2) RAILBUS BUILT BY BREL. THERE IS A RAILBUS
RUNNING ON THE 60 KMS BETWEEN NEW WESTMINSTER AND ABBOTSFORD FOR THE
DURATION OF EXPO WITH FARE PAYING PASSENGERS FOR THE DEMONSTRATION.
BREL HOPE VIA RAIL MIGHT BUY RAILBUS FOR WIDESPREAD USE ON THE
SHORTER ROUTES IN CANADA. BREL ARE IN CONTACT WITH PROSPECTIVE
CANADIAN PARTNERS.

MR VOADEN MANAGER OF GIFTSHOP IN BRITISH PAVILION WHICH IS SELLING
ALL BRITISH GOODS AND DOING WELL.

MR GEOFFREY BARNETT, CHAIRMAN OF ELEPHANT AND CASTLE CHAIN OF
RESTAURANTS WHO HAS THE CONCESSION FOR BRITISH PUB IN THE PAVILION.
THE PUB IS SELLING BRITISH BEERS, LIQUORS AND FOODS AND IS DOING
BRISK TRADE.

RESTRICTED

MR COLIN MARSHALL, CEO OF BRITISH AIRWAYS. CANADIAN TOURIST
FIGURES TO THE UK DID DROP, THOUGH NOT AS MUCH AS IN THE US,
BUT THEY ARE NOW PICKING UP AGAIN.

RESTRICTED

POSSIBLY MANAGING DIRECTOR OF HOVERCRAFT. THE AP 188 HAS
BEEN SOLD TO HOVERWEST FOR FERRY SERVICES BETWEEN VICTORIA
AND VANCOUVER. THIS FOLLOWS A SALE EARLIER THIS YEAR TO THE
CANADIAN COAST GUARD FOR USE ON THE ST LAWRENCE. THERE ARE SOME
PROSPECTS FOR LOCAL MANUFACTURE IN BRITISH COLUMBIA.

BIRKS JEWELLERS: MR G DRUMMOND, BIRKS PRESIDENT, MR THOMAS M
BIRKS, VICE PRESIDENT, AND MR MICHAEL DOULTON OF ROYAL DOULTON.
BIRKS IS AN UP-MARKET GIFTWARE SHOP AND CURRENTLY HOLDING A SPECIAL
PROMOTION BY THE ROYAL DOULTON COMPANY THROUGHOUT THEIR
STORES IN BRITISH COLUMBIA.

WOODWARDS BOOK STORE: MR. TOFT, STORE MANAGER. THERE WILL BE
A DISPLAY OF BRITISH BOOKS AS PART OF THE BRITISH BOOK MONTH IN
BRITISH COLUMBIA. IT MIGHT BE APPROPRIATE TO ASK ABOUT THE EFFECT
OF THE NEW TARIFFS ON BOOKS.

WOODWARD DEPARTMENT STORE: MR JOHN WOODWARD, EXECUTIVE VICE
PRESIDENT, MR C WOODWARD, VICE PRESIDENT (STORES), MR JOHN
BISHOP, STORE MANAGER. WOODWARD ARE HAVING A MAJOR FOOD
PROMOTION THROUGHOUT THEIR CHAIN OF STORES IN BRITISH
COLUMBIA. FOR DETAILS SEE MPT.

MARKS AND SPENCER:MR MALCOLM HOBBS, PRESIDENT, MR ANTHONY
BODDINGTON, WESTERN CANADA REGIONAL MANAGER, MR O'DONNELL, STORE
MANAGER. ONE PROBLEM M AND S HAVE HAD IS IN IMPORTING SO MUCH
BRITISH CHEESES AS THEY WOULD LIKE. THERE IS A QUOTA FOR EC
CHEESE IMPORTS, UNCHANGED SINCE 1978.

EDWARD CHAPMAN AND SONS: MR HUGH CHAPMAN, PRESIDENT, MISS LIZ
CHAPMAN, MANAGER OF LADIES WEAR DIVISION. THIS IS A QUALITY
MENS AND LADIES WEAR COMPANY WITH 5 STORES IN VANCOUVER, 90 PER
CENT OF WHOSE MERCHANDISE IS IMPORTED FROM BRITAIN.

EDWARD CHAPMAN LADIES SHOP LIMITED (NO LONGER IN CONNECTION WITH
ABOVE: MR JOHN RAY, VICE PRESIDENT. THIS COMPANY, WITH 4
STORES IN VANCOUVER, IS INTERESTED IN EXPANDING THE NUMBER OF ITS
BRITISH SUPPLIERS.

WOODWARDS FOOD STORE: MR KEN FIRTH, PROMOTION MANAGER, MR BOB MORROW, FOOD FLOOR MANAGER, MR BRIAN MARKS, ADVERTISING MANAGER.

MARK SINGER LIMITED: MR MARK SINGER, PRESIDENT, MRS HEIDI
SINGER, VICE PRESIDENT. SINGER OPERATES 4 GIFT SHOPS IN VANCOUVER
AND ARE REGULAR IMPORTERS OF BRITISH GOODS.

ABERCROMBIE AND FITCH: MR VAN UNEN, GENERAL MANAGER, MRS
WENDY REIFEL, OPERATIONS MANAGING DIRECTOR, MR RICHARD SIMON,
LOCAL MANAGER. THIS IS A CANADIAN SUBSIDIARY OF A LARGE US COMPANY
AND SPECIALISING IN UP-MARKET MERCHANDISE, CLOTHING AND SPORTS
EQUIPMENT, 25 PER CENT OF WHOSE STOCK THROUGHOUT THEIR STORES IN
THE US AND CANADA IS IMPORTED FROM THE UK.

ALAN HAINKNEY, CHAIRMAN/OPTICA. THIS HAS BEEN A MAJOR SUCCESS STORY. 4 OPTICA AIRCRAFT, EACH WORTH POUNDS 140,000, HAVE ALREADY BEEN SOLD TO PAYNE AVIATION INDUSTRIES OF TORONTO. THERE IS AN OPTION ON A FURTHER 16.

MALCOLM HOBBS, PRESIDENT OF MARKS AND SPENCER(CANADA). M AND S (CANADA) IS ABOUT TO BECOME 100 PER CENT BRITISH OWNED (HAVING BEEN JUST UNDER 50 PER CENT PREVIOUSLY). THEY HAVE 74 STORES THROUGHOUT CANADA, 7 IN VANCOUVER. THEIR SALES VOLUME IN 1985 WAS POUNDS 135 MILLION. THIRTY PER CENT OF THEIR SUPPLIES COME FROM THE UK. M AND S IS SLOWLY BECOMING MORE PROFITABLE IN CANADA. M AND S HAVE DONATED THE OFFICIAL UNIFORMS FOR THE STAFF AT THE BRITISH PAVILION.

MR J CRAIG, CHAIRMAN AND CEO, ROLLS ROYCE (CANADA). ROLLS ROYCE(CANADA) LTD IS A MAJOR SUBSIDIARY OF ROLLS ROYCE UK. OVER 50 PER CENT OF THEIR BUSINESS IS ON THE REPAIR AND OVERHAUL OF AERO ENGINES AND INDUSTRIAL GAS TURBINES. TOTAL ANNUAL TURNOVER IS IN EXCESS OF 200 MILLION CANADIAN DOLLARS. HISTORICALLY, ROLLS ROYCE HAVE SUPPLIED OVER 75 PER CENT OF THE UNITS OVER 10,000 HP TO POWER THE CANADIAN OIL AND GAS PIPELINES. THEY ARE OPENING A NEW TEST BED FACILITY WITH FEDERAL GOVERNMENT FINANCIAL ASSISTANCE.

MESSRS MACKIE AND WEBB, PRESIDENT AND BC MANAGER RESPECTIVELY
OF JAGUAR (CANADA). THEIR SALES IN CANADA SO FAR THIS YEAR AT
945 ARE 58 PER CENT UP.

SIR ROBERT REID, CHAIRMAN/BRITISH RAIL. THERE ARE TWO
BRITISH RAIL INTERESTS AT EXPO. (1) ALSO THE BRITISH RAIL TRAVELLING
PEOPLE ARE PROMOTING TRAVELLING BY RAIL TO CANADIAN TOURISTS
WITHIN THE UK. (2) RAILBUS BUILT BY BREL. THERE IS A RAILBUS
RUNNING ON THE 60 KMS BETWEEN NEW WESTMINSTER AND ABBOTSFORD FOR THE
DURATION OF EXPO WITH FARE PAYING PASSENGERS FOR THE DEMONSTRATION.
BREL HOPE VIA RAIL MIGHT BUY RAILBUS FOR WIDESPREAD USE ON THE
SHORTER ROUTES IN CANADA. BREL ARE IN CONTACT WITH PROSPECTIVE
CANADIAN PARTNERS.

MR COLIN MARSHALL, CEO OF BRITISH AIRWAYS. CANADIAN TOURIST
FIGURES TO THE UK DID DROP, THOUGH NOT AS MUCH AS IN THE US,
BUT THEY ARE NOW PICKING UP AGAIN.

< MR VODEN MANAGER OF GIFTSHOP IN BRITISH PAVILION WHICH IS SELLING ALL BRITISH GOODS AND DOING WELL.

MR GEOFFREY BARNETT, CHAIRMAN OF ELEPHANT AND CASTLE CHAIN OF RESTAURANTS WHO HAS THE CONCESSION FOR BRITISH PUB IN THE PAVILION. THE PUB IS SELLING BRITISH BEERS, LIQUORS AND FOODS AND IS DOING BRISK TRADE.

POSSIBLY MANAGING DIRECTOR OF HOVERCRAFT. THE AP 188 HAS BEEN SOLD TO HOVERWEST FOR FERRY SERVICES BETWEEN VICTORIA AND VANCOUVER. THIS FOLLOWS A SALE EARLIER THIS YEAR TO THE CANADIAN COAST GUARD FOR USE ON THE ST LAWRENCE. THERE ARE SOME PROSPECTS FOR LOCAL MANUFACTURE IN BRITISH COLUMBIA.

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WOODWARDS BOOK STORE: MR TOFT, STORE MANAGER. THERE WILL BE A DISPLAY OF BRITISH BOOKS AS PART OF THE BRITISH BOOK MONTH IN BRITISH COLUMBIA. IT MIGHT BE APPROPRIATE TO ASK ABOUT THE EFFECT OF THE NEW TARIFFS ON BOOKS.

BIRKS JEWELLERS: MR G DRUMMOND, BIRKS PRESIDENT, MR THOMAS M BIRKS, VICE PRESIDENT, AND MR MICHAEL DOULTON OF ROYAL DOULTON. BIRKS IS AN UP-MARKET GIFTWARE SHOP AND CURRENTLY HOLDING A SPECIAL PROMOTION BY THE ROYAL DOULTON COMPANY THROUGHOUT THEIR STORES IN BRITISH COLUMBIA.

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D. R.

PRIME MINISTER'S VISIT TO CANADA

11-13 JULY 1986

MONTREAL

PRIME MINISTER'S MEETING WITH THE
PRIME MINISTER OF CANADA

OW

CCAR



Foreign and Commonwealth Office

London SW1A 2AH

4 July 1986

CF
Please bring forward
with brief

Dear Charles,

cm

Prime Minister's Visit to Canada: Expo '86

One of the minor events in the Prime Minister's programme for her visit to the Expo is the presentation of a Sunbird sailboat, designed for use by the handicapped, to the Mayor of Vancouver. This is due to take place at the British Pavilion.

The Prime Minister will wish to know that the Managing Director designate of the boat's manufacturers, Mr Geoffrey Dawson of Belmarine Ltd of Consett, will be travelling on the Concorde flight to Vancouver. The firm have donated the boat to be presented, and Mr Dawson will attend the presentation.

Yours ever,

Colin Budd

(C R Budd)
Private Secretary

C D Powell Esq
PS/10 Downing Street

London 24th July 1936
To the my Commonwealth Club

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THE CANADIAN SUBMARINE ACQUISITION PROGRAMME ~ CASAP

- The Canadian Navy has three British built OBERON Class submarines in service that will reach the end of their effective life in the 1990s.
- The Canadian Government intends to build their replacements in Canada, using a Canadian prime contractor who will obtain the design and building know-how from a European submarine designer/builder.
- The prime contractor may be a shipbuilder, combat systems company, or management house, fronting for a consortium comprising elements from each plus the overseas design house.
- Eight overseas design houses have been designated as potential suppliers of know-how, two from Germany, two from Holland and one each from France, Italy, Sweden and the UK. Vickers Shipbuilding and Engineering Limited (VSEL) is the UK "competitor".
- The Canadian order will probably be for four submarines. The order date is 1990 with completions annually from 1995 onwards.
- The formal announcement of Government approval for the preliminary stages of the procurement process has not yet been made, partly due to Ministers preoccupation with budgetary problems, but could well be made in July.
- In consequence, the staff requirement for the Canadian submarine has not yet been issued. From what is known of the navy's thinking and operational doctrine, there is confidence that a variant of the VSEL 2400 family can be produced as a low risk solution to the Canadian requirement.
- Low risk because the variant would be derived from the RN 2400 Class, the lead ship of which HMS UPHOLDER, will enter service in 1987, and three sister ships already ordered will be under construction.
- VSEL is in close touch with the major Canadian companies concerning the CASAP, with the naval project team and with officials of the four federal government departments with major influence on the programme, as well as the provincial governments, and of course, with the British High Commission in Ottawa.
- It is important to UK industry that the UK should re-enter the warship export market, preferably by building in the UK but failing that by supplying know-how and equipment.
- It is, therefore, vital that VSEL should re-establish export credibility as the preferred supplier of submarine design and construction technology to Canada, and thus provide a continuing avenue for the export of British hi-tech material to the Canadian forces and to the Canadian economy generally.

CONFIDENTIAL COVERING SECRET

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Foreign and Commonwealth Office

London SW1A 2AH

4 July 1986

Dear Charles,

Prime Minister's Visit to Canada, 11-13 July 1986

The Prime Minister is visiting Canada from 11-13 July.

The objectives of the visit are:

- (a) to attend the British Week of EXPO 86 in Vancouver: thereby to assist British exporters and to draw attention to British achievements in the field of transport and communications, the theme of the EXPO;
- (b) to have a bilateral in Montreal with Mr Mulroney, concentrating on South Africa but also covering bilateral trade issues and the Canadian contribution to the International Fund for Ireland.

// I enclose two sets of briefs: one for Vancouver and one for the Mulroney bilateral. These include programmes, personality notes and annexes giving background and defensive points.

HRH Princess Margaret will also be in Vancouver and will attend the Royal Ballet performance on 12 July. Lord Gray (Scottish Office) will be in Vancouver from 9 to 16 July, to visit EXPO and attend the Scottish Festival.

You may like to bear in mind that the next CHOGM will be in Vancouver in 1987.

/ I attach Ottawa telegram number 411, setting the scene
/ for the visit together with Ottawa telegrams numbers 398 and
/ 407 on the recent major Cabinet reshuffle. The Prime Minister may also wish to note that UK exports to Canada in 1985 were 43% higher than in 1984 (16% non-oil), when the balance of visible trade moved into our favour for the first time since 1972.

/We



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We understand that the Canadian press have picked up a remark by the Prime Minister on 19 June in the Commons, implying that Canada is not a major Western industrialised country (Hansard attached). In fact Canada ranks 7th in the world in GNP terms and manufacturing accounts for 18% of her GNP, only slightly less than the USA. / *

Yours ever,

Colin Budd

(C R Budd)
Private Secretary

C D Powell Esq
PS/10 Downing Street

* This point was also alluded to by the Canadian Foreign Minister - in sorrow more than anger - when he had dinner with the Foreign Secretary in London on 20 June.

CONFIDENTIAL COVERING SECRET

negotiations between the Government and the black people of South Africa. That is still our objective. The right hon. Gentleman speaks as though this Government had done nothing. I do not think that he will find another industrialised Western country that has done more—an embargo on exports of arms, refusal to co-operate in the military sphere, recall of military attachés discouraging scientific events, except where those contribute to the ending of apartheid, cessation of oil exports to South Africa, prohibition of all new collaboration in the nuclear sector, cessation of exports of sensitive equipment to police, banning all new Government loans, a commitment to take unilateral action on the banning of imports of Krugerrands — action that was taken — end of Government funding for trade missions and banning the import of all gold coins from South Africa. Would the right hon. Gentleman like to name a Western industrialised country that has done more?

Mr. Kinnock: Mr. Speaker — [HON. MEMBERS: "Answer."] I will answer. There is no other country in the world that has a greater and closer relationship or a greater and closer responsibility than this country. A few months ago, the Prime Minister was describing all that as a "teeny little bit." Will the right hon. Lady now do the effective thing and ban new investment in South Africa?

The Prime Minister: Tell me a Western industrialised country that has done more. The right hon. Gentleman cannot.

Dr. Hampson: Does my right hon. Friend recall that, when she was Secretary of State for Education and Science, in her White Paper "Education: A Framework for Expansion" she urged the need for more part-time students? Is that not now very much the essence of our industrial future, in that we need more people to update their qualifications and retrain? Is there any need to wait for a loans scheme to give those people an incentive because currently they pay both their maintenance costs and their fees?

The Prime Minister: Retraining, and therefore perhaps returning to university or to other advanced education colleges for further training, will be an important part of our future. Frequently, training takes place through industry itself or through industry sponsoring the requisite courses. I think that that is one of the best ways.

Q2. Mr. Haynes asked the Prime Minister if she will list her official engagements for Thursday 19 June.

The Prime Minister: I refer the hon. Gentleman to the reply that I gave some moments ago.

Mr. Haynes: Do the Prime Minister and her Government represent the people of this nation? [HON. MEMBERS: "No."] I should like the right hon. Lady to answer, bearing in mind that a recent opinion poll found that more than 50 per cent. of the people wanted her to take action against South Africa by way of sanctions. If the answer is no to sanctions, is it because of the financial interests of Conservative Back Benchers in their investments in South Africa. We want to know about that.

The Prime Minister: Yes, the Government do represent the people of this country. If we do not dash into full economic sanctions, as the Opposition would wish, it is because we agree with the reason that the Labour

Government gave in the United Nations when they voted against full mandatory economic sanctions. At that time they said:

"because we do not agree that the far-reaching economic measures which the resolution calls for would produce the changes in South Africa which we would all like to see."—[*Official Report*, 16 January 1978; Vol. 942, c. 9.] We would endorse that sentiment.

Mr. Spencer: Will my right hon. Friend confirm that the inner city initiative in Highfields in my constituency, which is much welcomed by the people who live there, will press ahead notwithstanding the childish hostility of Leicester city council?

The Prime Minister: We believe that the inner cities initiative was widely welcomed. I assure my hon. Friend that we shall press ahead with it in the city he represents.

Dr. Owen: Since Canada, Holland and the Scandinavian countries have all done more than this country against South Africa and since, if the Prime Minister is not careful, the United States Senate will pass a modified Bill following the lead of the House of Representatives and the Prime Minister will again, as last summer, have to follow in the wake of President Reagan, would it not be better for her to adopt a more conciliatory approach and put forward constructive proposals which she could support and which other countries ought to be forced to support as well?

The Prime Minister: I deliberately said major "Western industrialised countries". No other has done more. I remind the right hon. Gentleman that he too is against trade sanctions and has made his position clear in the articles he has written.

Mr. Robert B. Jones: Is my right hon. Friend aware that a typical headmaster and board of governors in my constituency would have discretion over a mere £4,000 out of their total budget? Will she have talks with our right hon. Friend the Secretary of State for Education and Science to see whether a system can be instituted that would more fairly reflect the number of pupils in the school and give responsibility locally to the headmaster and the board of governors?

The Prime Minister: My hon. Friend is correct. That is a possible reform of education expenditure. My right hon. Friend is prepared to consider any reform that will make the money spent on education more effective and produce better results for the pupils.

Q3. Mr. Ron Brown asked the Prime Minister if she will list her official engagements for Thursday 18 June.

The Prime Minister: I refer the hon. Gentleman to the reply that I gave some moments ago.

Mr. Brown: Will the Prime Minister take particular note of the early-day motion tabled by my hon. Friend the Member for East Lothian (Mr. Home Robertson) because he expresses fears about the operation of the Torness power station, remembering that Lothian and the Borders fire board has also criticised safety measures at that station? Will she join the Edinburgh *Evening News* and the people of east Scotland in opposing the commissioning of that station—or have the lessons of Chernobyl been forgotten in this country?

The Prime Minister: As the hon. Gentleman is perfectly well aware, the commissioning of the station will

OW

Woodward's

Please put
into briefs
of Mr.

Woodward Stores (London) Limited

"Londwood" at Cadogan Pier, Chelsea Embankment London SW3 5RQ England Telephones: 01-351 3388 Telex: 27408

Date: 4 July, 1986

Mr C Powell
Private Secretary
10 Downing Street
LONDON SW1

Dear Mr Powell.

I am writing to thank you so much for your kindness and cooperation in connection with the Prime Ministers visit to our Company during EXPO '86.

I understand from our Executive in Vancouver, the British Consul there have been in close touch with them about the visit and of course everyone is quite overwhelmed and excited about this, which we all consider a very great honour and indeed most kind of the Prime Minister to fit us into such a very busy programme.

I know she will be meeting certain of our Executives in particular, our President - Mr Frank Robertson. The Prime Minister might like to know of the continued tremendous support he has shown in importing goods from Britain.

I thank you again for all you have done.

Ameyles.
Michael Lines.
MICHAEL P LINES

CRANES CREST



CRANES
CREST



PRIME MINISTER'S MEETING WITH PRIME MINISTER OF CANADA, 13 JULY 1986

1. Attached are:

- (a) Programme and personality notes on expected Canadian team.
- (b) Political brief (South Africa, Ireland).
- (c) Trade/investment brief (Allied Lyons, pharmaceuticals, Canadian tariffs on books and tea bags).

2. Also attached are background briefs on:

- Air services. (imbalanced operation of air services agreement not acceptable. Possible further round of official-level negotiations at end of this month: if unsatisfactory, UK will have no option but to terminate the agreement)
- Terrorism and Sikhs. (important to maintain momentum on Summit 7 follow-up, but avoid proliferation of new fora for discussing the subject, or wider involvement of NATO. Value UK/Canada cooperation on Sikh terrorism)
- EC/Canada issues:
 - (i) fisheries (dispute over fishing in Canadian waters. Agreements to be renegotiated)
 - (ii) agriculture (follow-up to Tokyo; interim solution to EC/US grain dispute)
 - (iii) UK Presidency (we will make customary arrangements to keep Canadians informed. Canadian officials briefed and are content)
 - (iv) Arctic baselines (Canada claims extensive sovereignty over northern waters; EC and US unhappy. UK Presidency to make démarche shortly in Ottawa: reserve our rights to innocent passage)



- Soviet POWs in Afghanistan. (transit through London now unlikely before mid-August. Happy to help, but Canadians should bear in mind potential Anglo-Soviet problems, even after Shevardnadze visit).

- UK pensioners in Canada. (pensions not index-linked: rates frozen when pensioners left UK. Matter under review but constraints on UK public spending mean no prospect of change at present)

- Canadian economy.

PRIME MINISTER'S VISIT TO MONTREAL 13 JULY 1986

JULY 13

06.30 P.M. and party depart for Vancouver airport

06.45 Federal and Provincial Representatives will be at the airport to bid farewell to the P.M.

06.52 Doors close

07.00 Aircraft departs (meal on aircraft)

13.40 Aircraft arrives at Mirable Airport, Montreal

13.42 Doors open

13.48 Mr Mulroney, Prime Minister of Canada greets P.M at foot of the aircraft steps. No other formalities

13.53 Motorcade leaves for the airport hotel (Chateau de l'Aeroport)

13.57 Motorcade arrives at airport Hotel

14.00 Photo opportunity in the Concorde room

14.05 Bilateral begins in the Concorde room

15.05 Bilateral ends

15.10 P.M and Mr Mulroney address media in the media room on the first floor of the hotel (no questions)

15.17 P.M and Mr Mulroney leave media room, withdraw to ground floor of the hotel

15.22 Motorcade departs for aircraft

15.26 Motorcade arrives at aircraft. Mr Mulroney bids farewell to P.M.

15.32 Aircraft doors close

15.40 Aircraft departs

00.40 Aircraft arrives London, Heathrow

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OF 022110Z JULY 86

PRIME MINISTER'S VISIT TO CANADA

1. THE MULRONEY GOVERNMENT HAS BEEN GOING THROUGH A DIFFICULT PATCH IN RECENT WEEKS. ON BOTH THE DOMESTIC AND EXTERNAL FRONTS, THINGS HAVE NOT BEEN GOING THEIR WAY. PARLIAMENT HAS NOW RISEN FOR THE SUMMER RECESS. THIS GIVES THE GOVERNMENT SOME RESPIRE FROM DAILY HARRYING BY THE OPPOSITION IN THE COMMONS AND AN OPPORTUNITY TO REGROUP THEIR FORCES.
2. MULRONEY'S FIRST MOVE HAS BEEN TO MAKE A MAJOR RESHUFFLE OF HIS CABINET. (MY TELNOS 398 AND 407). THE CHANGES HAVE BEEN GENERALLY WELCOMED AS GIVING THE GOVERNMENT A MORE PURPOSEFUL IMAGE, BY THE REMOVAL OF SOME OF THE LESS SUCCESSFUL MINISTERS, THE PROMOTION OF THOSE WHO HAVE PERFORMED WELL, AND THE INTRODUCTION OF SOME NEW BLOOD. IT HAS BEEN A SUCCESSFUL RECONSTRUCTION, THOUGH THE INCREASED STRENGTH OF QUEBEC WITHIN THE GOVERNMENT MAY CAUSE PROBLEMS WITH THE OTHER PROVINCES.

DOMESTIC

3. THE STANDING OF THE GOVERNMENT AND OF THE PRIME MINISTER PERSONALLY HAS TAKEN A NUMBER OF KNOCKS. ONE OF THE LEADING AND MOST EFFECTIVE MINISTERS, SINCLAIR STEVENS, RESIGNED (AFTER A MESSY FORTNIGHT OF CONTROVERSY) OVER ALLEGED CONFLICT OF INTEREST. HE WAS THE FOURTH MINISTER TO GO IN 18 MONTHS.
4. MULRONEY'S IMAGE WAS BADLY BRUISED BY THE FAILURE OF PRESIDENT REAGAN TO WARN HIM IN ADVANCE (LET ALONE CONSULT) ABOUT A US PROTECTIONIST MEASURE AGAINST CANADIAN CEDAR PRODUCTS. HE HAS ALSO BEEN UNDER PERSONAL ATTACK FOR THE COST OF OVERSEAS TRAVEL FOR HIMSELF AND HIS EXTENSIVE PERSONAL STAFF.
5. THE OPPOSITION HAVE TAKEN FULL ADVANTAGE OF THESE SETBACKS AND THE LIBERAL PARTY NOW HOLDS A LEAD IN THE MOST RECENT OPINION POLLS.

EXTERNAL

6. CANADA/US RELATIONS AND SOUTH AFRICA ARE THE DOMINANT ISSUES.

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7. MULRONEY WAS FURIOUS AT THE UNHERALDED IMPOSITION BY THE US OF A TARIFF ON CANADIAN CEDAR PRODUCTS (SHAKES AND SHINGLES). HE REGARDED THIS AS A PERSONAL AFFRONT, AFTER ALL HIS EFFORTS TO GET ON CLOSE TERMS WITH THE PRESIDENT. THE SCARS STILL SHOW. THE PERCEIVED INSULT WAS WORSE COMING AS IT DID ON THE SAME DAY AS THE OPENING OF US/CANADA TALKS ON AN ENHANCED TRADE ARRANGEMENT DESIGNED TO DEFLECT PROTECTIONIST PRESSURES ON BOTH SIDES. THIS IS IN ITSELF A CONTROVERSIAL INITIATIVE AND HAS EXPOSED THE GOVERNMENT TO CONSIDERABLE CRITICISM FOR PUTTING CANADIAN INTERESTS AT RISK OVER A WIDE FIELD.

8. THE US/CANADA RELATIONSHIP IN ALL ITS ASPECTS WILL REMAIN CENTRE STAGE FOR A LONG TIME TO COME. WHAT RANKLES WITH CANADIANS IS THAT THEY ARE AWARE THAT FOR THE US, CANADA IS NO MORE THAN A SIDE-SHOW

9. MULRONEY SEES SOUTH AFRICA AS BOTH AN OPPORTUNITY AND A CHALLENGE. AN OPPORTUNITY FOR HIM AND CANADA TO PLAY A SIGNIFICANT ROLE IN HOLDING THE COMMONWEALTH TOGETHER SEEMINGLY COLON A CHALLENGE TO FIND SOME AGREED POLICY THAT WILL BRING EFFECTIVE PRESSURE TO BEAR ON SOUTH AFRICA. THE PRESSURE OF OPINION WITHIN CANADA WILL NOT ALLOW MULRONEY (EVEN IF HE WISHED) TO RESIST A MOVE TOWARDS STRONGER ECONOMIC MEASURES AGAINST SOUTH AFRICA UNLESS IT CAN BE CLEARLY AND SWIFTLY DEMONSTRATED THAT THERE IS SOME OTHER WAY OF SIGNALLING TO THE SOUTH AFRICAN GOVERNMENT THE NEED FOR A REAL AND EARLY DIALOGUE WITH THE BLACK LEADERSHIP.

10. THOUGH MULRONEY REMAINS OUTWARDLY CALM IN THE FACE OF THESE DIFFICULTIES, THERE HAS BEEN A DISTINCT ATMOSPHERE OF ANXIETY WITHIN THE CONSERVATIVE RANKS. THE INITIAL BLOOM HAS CERTAINLY FADED, EVEN THOUGH THE CANADIAN ECONOMY IS IN BASICALLY GOOD SHAPE. WHEN PARLIAMENTARY ACTIVITY RESUMES AFTER THE SUMMER, WHAT MULRONEY WILL BE LOOKING FOR SOME DOMESTIC OR FOREIGN SUCCESS TO GET HIS GOVERNMENT BACK ON THE RAILS.

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PS/LADY YOUNG
PS/MR EGGAR
SIR W WARDING
MR DAVID THOMAS

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MULRONEY, THE RT HON (MARTIN) BRIAN, PC MP BA LL.L. LL.D

Prime Minister since 4 September 1984.

Born Baie Comeau, Quebec in 1939.

Educated at St Francis Xavier and Laval Universities.

Called to the Bar of Quebec in 1965.

Formerly President and Director Iron Ore Company of Canada and Director of a number of other companies including Quebec North Shore and Labradore Railway, Standard Broadcasting Corporation, and Ritz-Carlton Hotel Co of Montreal Ltd.

Runner-up to Joe Clark in the PC leadership race in 1976. Until he was victorious at the June 1983 PC leadership convention, had never been elected to any political office. Defeated Joe Clark on the fourth ballot. Was elected to Parliament for the riding of Central Nova (in Nova Scotia) in a landslide victory in August 1983, the previous incumbent having resigned to make way for him.

Ran in his native constituency of Baie Comeau in the 1984 election, and won a landslide victory there and throughout Canada.

He is a shrewd politician and an effective operator, though he can give the impression of being glib and superficial. He is easy to underestimate. He has put his skills as a conciliator to good use in restoring party and national unity since his election. He initially presented himself as a successful businessman who knew how to run an economy and was committed to free enterprise, but increasingly tempered this with concern for the under-privileged. Committed to NATO and to improvement of the Canadian defence forces, as well as closer links with the United States.

Roman Catholic. Good looking with a great deal of Irish charm.

Interest: tennis.

His wife, Mila, (pronounced Mealer, not Miller) born in Yugoslavia, is pretty, vivacious and a considerable political asset. She studied civil engineering at university for a year but left to marry Mr Mulroney. She collects Canadian art and antiques, enjoys swimming, tennis and dancercise. They have four children.

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ROY, BERNARD

Principal Secretary to the Prime Minister.

Born Quebec City in 1940.

Educated at Laval University.

A lawyer and a partner in the law firm of Ogilvy, Renault in Montreal. Previously served as Chairman of the Board, Royal Victoria Hospital, Montreal.

Has been a close friend of Mr Mulroney since the late 1960s and was best man at the Mulroneys' wedding in 1973. He was Mr Mulroney's chief election organiser in Quebec in 1984, but has a limited understanding of the Federal Progressive Conservative Party. He is fiercely loyal to Mr Mulroney, who reciprocates with total confidence in Mr Roy.

Accompanied Mr Mulroney on official visit to London in April 1985. Favourably impressed: sympathetic towards the UK.

Married.

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DOUCET MR (JEAN) ALFRED "FRED"

Senior Adviser to the Prime Minister.

Born Nova Scotia 1939. Bilingual.

Educated St Francis Xavier University, Mount Allison University and Ottawa University (PHD).

1960-65 School Teacher in Manitoba and Quebec.

1965-80 St Francis Xavier University where he worked consecutively as Administrative Assistant to the President, Director of Student Services and Director of Development.

1980-83 Chief Executive Officer of East Coast Energy Ltd.

1983-84 Chief of Staff of Leader of the Opposition.

Close friend and business associate of Mulroney, whom he met at St Francis Xavier where they were both active in the Tory Party. Doucet helped organise the Laval Conference which launched Mulroney onto the National Political scene. Had brief oil business links with Walter Wolf, the international entrepreneur credited with providing the offshore funds to dethrone Joe Clark.

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McMURTRY, THE HON ROY, QC

High Commissioner in London since April 1985.

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 his present appointment. 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 election of a new leader for the Progressive Conservative Party of Ontario in January 1985.

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 an astute politician, though his intellectual nimbleness is not immediately apparent in his rather heavy personal appearance. Friendly and approachable with a keen sense for publicity. Does not necessarily regard his appointment to London as the end of his political career. He is young enough to bounce back on to either the federal or provincial scene.

He is a keen sportsman and an accomplished artist.

His wife, Ria Jean (pronounced RIYAH-Jean as in "RIDE"), has not played a prominent part in his political life, but shares his interest in landscape painting and community services. Six children.

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PRIME MINISTER'S MEETING WITH MR MULRONEY: 13 JULY: SOUTH AFRICA

1. THERE HAS BEEN EXTENSIVE COVERAGE OF THE PRIME MINISTER'S INTERVIEWS WITH THE CANADIAN MEDIA IN THE RUN-UP TO HER VISIT TO CANADA. THE PRIME MINISTER'S DETAILED EXPLANATION OF THE REASONS FOR BRITISH POLICY AGAINST FULL ECONOMIC SANCTIONS HAVE BEEN EMPHASISED. THE MEDIA HAVE ALSO DWELT ON THE INEVITABILITY OF A CONTINUED DIVERGENCE OF VIEWS BETWEEN THE PRIME MINISTER AND MR MULRONEY WHEN THEY MEET ON SUNDAY. IT IS CLEAR THAT THIS WILL BE THE MAIN ITEM IN WHICH THE MEDIA ARE LIKELY TO BE INTERESTED.

2. IN COVERING THE PRIME MINISTER'S INTERVIEWS IN LONDON IT HAS BEEN POINTED OUT THAT SHE DEALT EXCLUSIVELY WITH SOUTHERN AFRICA. THE MEDIA APPEAR TO BE WORKING THEMSELVES UP INTO A LATHER ABOUT A LIKELY CLASH OF VIEWS. THERE HAS BEEN WIDESPREAD COVERAGE OF THE PERCEIVED REBUFF OF THE FOREIGN SECRETARY BY SOUTH AFRICA AND OTHER AFRICAN STATES DURING HIS PRESENT VISIT. THE MEETING BETWEEN THE SECRETARY OF STATE AND PRESIDENT KAUNDA WAS FEATURED IN TODAY'S PRESS WITH HEADLINES SUCH AS THE GLOBE AND MAIL 'HOWE GETS AN EARFUL FROM ZAMBIAN LEADER' AND THE OTTAWA CITIZEN 'AFRICAN NATIONS PUT HEAT ON HOWE OVER SANCTIONS'.

3. (IN ADDITION,) APPARENTLY UNFOUNDED STORIES ARE APPEARING IN THE PRESS. ONE SUCH, A REPORT FROM LONDON THAT MR MULRONEY IS PREPARING TO PUSH FOR AN EARLY EMERGENCY MEETING OF ALL 49 COMMONWEALTH HEADS OF GOVERNMENT, POSSIBLY IN CANADA, IF EFFORTS TO RESOLVE DISAGREEMENTS OVER SANCTIONS AGAINST SOUTH AFRICA FAIL, CONTINUES TO BE GIVEN SPACE DESPITE A CATEGORICAL OFFICIAL DENIAL OF ITS TRUTH. ANOTHER, BY JONATHAN MANTHORPE, UNTIL RECENTLY, REPRESENTATIVE OF THE NATIONALLY SYNDICATED SOUTHAM NEWS IN LONDON, STATES THAT THE ROOT OF THE PRESENT DISAGREEMENT BETWEEN CANADA AND THE UK LIES IN THE MEETING ON 20 JUNE BETWEEN YOU AND JOE CLARK. CLARK IS REPORTED AS BEING SO SHOCKED BY YOUR

IN LONDON, STATES THAT THE ROOT OF THE PRESENT DISAGREEMENT BETWEEN CANADA AND THE UK LIES IN THE MEETING ON 20 JUNE BETWEEN YOU AND JOE CLARK. CLARK IS REPORTED AS BEING 'SO SHOCKED' BY YOUR 'PULSOME CONDEMNATION OF CANADA'S SUPPORT FOR SANCTIONS' THAT HE WAS 'TOO ANGRY TO TALK ABOUT IT' TO THE PRESS. YOU ARE ALLEGED TO HAVE CALLED PRO-SANCTION LOBBY, INCLUDING CANADA, 'HYPOCRITICAL' AND SAID THAT CANADA'S POSITION WAS NOT HELPFUL.

4. THIS RATHER SENSATIONAL REPORTING IS BEING OFFSET BY INDICATIONS THAT THE CANADIANS SEE THEMSELVES FULFILLING A MEDIATORY ROLE. PRESIDENT KAUNDA IS REPORTED AS HAVING TOLD MR MULRONEY'S PERSONAL REPRESENTATIVE, BERNARD WOOD, IN LUSAKA LAST WEEK 'LET BRIAN DO ANYTHING POSSIBLE TO TELL THAT IRON LADY SHE SHOULD NOT ISOLATE HERSELF IN THE COMMONWEALTH. BUT THERE IS ONE PERSON WHO CAN SUCCEED WITHIN THE COMMONWEALTH (ITS BRIAN)'. MR MCMURTRY IS REPORTED AS HAVING COUNSELLED COMMONWEALTH COUNTRIES TO REFRAIN FROM PRECIPITOUS ACTION IF THERE WAS NO AGREEMENT AT THE AUGUST MEETING.

COMMENT

5. WITH THE CANADIAN GOVERNMENT RESHUFFLE OVER AND PARLIAMENT IN RECESS, THE MEDIA ARE SHORT OF DRAMATIC COPY. MIRABLEE AND SOUTH AFRICA THUS SUIT THEM. BOOK. WHILE WE HAVE NO GROUND FOR SUSPECTING ANY OFFICIAL ENCOURAGEMENT FOR THIS RASH OF SPECULATIVE REPORTING, SOME MEMBERS OF THE PRIME MINISTER'S ENTOURAGE WOULD NOT BE AVERSE TO SEEING MR MULRONEY BUILT UP AS THE COMMONWEALTH'S SAVIOUR, A ROLE WHICH WOULD APPEAL TO A WIDE RANGE OF OPINION IN CANADA.

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PRIME MINISTER'S MEETING WITH CANADIAN PRIME MINISTER: 13 JULY 1986

POLITICAL BRIEF

OBJECTIVES

- To enlist Canadian support for the EC Mission to Southern Africa in the run-up to Commonwealth Review Meeting.
- To establish what amount the Canadian Government have decided to contribute to the International Fund for Ireland.

ARGUMENTS

(a) South Africa

- Mission intended to build on COMGEP. Has same objectives: end of apartheid through dialogue and suspension of violence on all sides. Not fact-finding, nor intended to supersede or undermine COMGEP findings. Foreign Secretary has full backing and authority of European Community.
- Convinced one more effort worthwhile. Worried at signs of increasing South African belligerence. In this atmosphere to propose tougher sanctions might produce entirely the wrong result. Foreign Secretary's meeting with P W Botha an important opportunity to influence SAG, encourage moderate white opinion.
- ANC [If raised]. No meeting arranged. But prepared to consider meeting if chance of progress. Suspension of violence one key to progress. Need to encourage flexibility on both sides.
- Undertaking to consult on future measures reinforces position Commonwealth have already taken. Important to have support of industrialised world if measures are to be effective.
- Would welcome your assessment of other Commonwealth views.



(b) Ireland

- Understand you have decided in principle to make a contribution. The Americans are now committed to giving US \$50m to the Fund. If the Canadian Government can announce its contribution now, it will help make the Fund truly international, which will be of political value to us at home and in Washington.

CANADIAN OBJECTIVES

(a) South Africa

- To emphasise strong feelings within Commonwealth. To seek assurance that UK will not use EC Mission as reason for avoiding decisions on further measures at Commonwealth review.

- To press for further Commonwealth measures in line with the EPG Report.

(b) Ireland

- Now that President Reagan has approved a US contribution, we expect that Mr Mulroney is ready to tell the Prime Minister what the Canadian contribution will be.

OUR RESPONSE

(a) South Africa

- Well aware of strong feelings in Commonwealth. But our main concern is to achieve real progress on dialogue/violence, not to make gestures which could undermine prospect of negotiations or peaceful settlement.

- Willing to consider further measures. That is why we shall consult with industrialised countries in next three months. Aim should be to find measures which have impact on SAG without wrecking South African economy.



- EC Mission not delaying tactic. Cannot afford to pass up any chance of peaceful progress however slim.

- Easy for those with no interests at stake to sign up for sanctions. Extent of our involvement gives us special responsibility. Must consider the way forward very carefully. Interests of small Commonwealth countries in Southern Africa a major concern.

- Eminent Persons Group recognised that Commonwealth aim must still be to promote dialogue. Our responsibility to keep international community firmly focused on that. Canada's moderating influence will be vital.

(b) Ireland

- [If Mr Mulroney gives a figure for a Canadian contribution] Delighted by this news.

- [If he indicates the Canadians are still considering] Hope very much you will be able to announce your contribution soon.

PRESS LINE

(a) South Africa

- Will depend on result of the meeting.

(b) Ireland

- [If Canadian Government announce their contribution] Irish and British Governments are grateful and delighted.

- [If there is no announcement] So far press attention to a possible Canadian contribution has been minimal, nor would we wish to encourage it.





PRIME MINISTER'S MEETING WITH CANADIAN PRIME MINISTER: 13 JULY 1986
BACKGROUND ANNEX ON SOUTH AFRICA

Essential Facts

A. South Africa

1. On 12 June 1986 Canada announced four further measures against South Africa:

- (a) an end to Canadian Government procurement of South African products
- (b) a ban on the promotion of tourism
- (c) the allocation of C\$2 million for education of Blacks in South Africa
- (d) the withdrawal of accreditation from non-resident South African specialist attaches for science, mining, labour and agriculture.

*Pl
Chom. Vand.*

2. Mr Clark told the Secretary of State in London on 20 June that the steps taken by Canada so far had been symbolic. The Canadian Government was however prepared to go further and Mr Mulroney would be saying at his bilateral with the Prime Minister that there was a real need for Britain to take further action.

3. Mr Clark expressed deep concern about the consequences for the Commonwealth if the Review meeting was not handled sensitively. He sensed widespread understanding in Canada that any action taken was uniquely difficult for the UK. Canada was not planning any further measures before August.

4. Mr Mulroney wrote to the Prime Minister on 27 June explaining that the measures introduced on 12 June were part of the Canadian response to the rebuff of the EPG. He looked for a coordinated Commonwealth response in August but accepted that the UK's special interest may not allow it to proceed with as broad a range of measures as Canada might adopt. Mr Mulroney believed that even small steps by South Africa's major trading partners, including the EC states would greatly reinforce the message to President Botha. He himself had recently spoken to President Kaunda, Mr Gandhi and Mr Hawke.

CDP

(2)

Prime Minister

A message on South Africa

MASTER CC SUBJECT
OFS

from Mr. Mulrooney, written

before he knew the
Council's outcome.

European
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filed on S.A./C.A. Relations

June 27, 1986

CDP 3096

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

PRIME MINISTER

PERSONAL MESSAGE

Dear Margaret:

SERIAL No. T117C/86

This is just a short note on where I think we may be heading on South Africa in the light of developments during the past weeks. Clearly you have been very actively engaged on the issue as our reports and indeed a recent exchange in your House attests.

I recently sent a personal message to President Botha urging him to reconsider the banning order his government brought in and the subsequent state of emergency. I conveyed my concern about the course he has evidently chosen which can only lead to greater anger, repressive violence and intensified unrest in the long run.

I also left no doubt about how disappointed we were that the South African government had, by its words and actions, rejected the negotiating concept put forward by the Commonwealth Group of Eminent Persons. I urged him to look again at the merits of a suspension of violence on all sides and a dialogue leading to majority rule and non-racial, representative government. The grave risks South Africa would run failing such a dialogue also concerned me deeply. Doing away with apartheid was surely better for all South Africans than the only apparent alternative - a pattern of continuing and increasing violence.

Since it was by no means certain that President Botha would pay much heed to such a message, we also made it clear to the South African government that the measures we announced on June 12 were part and parcel of our response to the rude rebuff they had given the Commonwealth Group and to the emergency measures they had introduced. The letter was conveyed to President Botha the same day we introduced those measures. I think that was an appropriate response for the moment: the measures sent a clear signal to South Africa and involve some costs for Canadians but not in themselves bear very heavily on Canada or South Africa.

What is more important is that we have a significant and coordinated Commonwealth response to South Africa in August. Recognizing that South Africa plays a lesser part in our external trade than in yours, I can see that we may need to proceed with a broader range of measures than you might adopt. That would be consistent with the principle of equitable burden-sharing with the Commonwealth.

I know that you will be reviewing this question in the Community shortly. One point we have made with some of your Community partners is that even relatively small steps by South Africa's major trading partners would reinforce very greatly the message to President Botha and his colleagues that the time has come for them to embark on a new course.

The latest press reports suggest that you may be considering some new initiatives aimed at getting talks started between the South African government and black leaders. I would certainly wish you well if any openings appear which would enable you to pursue that daunting task.

It will be important to keep in touch during the coming weeks. I have recently spoken to Kenneth Kaunda, Robert Hawkes and Rajiv Gandhi and look forward to going over the ground with you when we meet on July 13. We shall want to see what we can do to achieve an agreed Commonwealth position at the London meeting.

Yours sincerely,

Brian

THE COMMONWEALTH ACCORD ON SOUTHERN AFRICA

We consider that South Africa's continuing refusal to dismantle apartheid, its illegal occupation of Namibia, and its aggression against its neighbours constitute a serious challenge to the values and principles of the Commonwealth, a challenge which Commonwealth countries cannot ignore. At New Delhi we expressed the view that "only the eradication of apartheid and the establishment of majority rule on the basis of free and fair exercise of universal adult suffrage by all the people in a united and non-fragmented South Africa can lead to a just and lasting solution of the explosive situation prevailing in Southern Africa." We are united in the belief that reliance on the range of pressures adopted so far has not resulted in the fundamental changes we have sought over many years. The growing crisis and intensified repression in South Africa mean that apartheid must be dismantled now if a greater tragedy is to be averted and that concerted pressure must be brought to bear to achieve that end. We consider that the situation calls for urgent practical steps.

2. We, therefore, call on the authorities in Pretoria for the following steps to be taken in a genuine manner and as a matter of urgency:

- (a) Declare that the system of apartheid will be dismantled and specific and meaningful action taken in fulfilment of that intent. ✓
- (b) Terminate the existing state of emergency.
- (c) Release immediately and unconditionally Nelson Mandela and all others imprisoned and detained for their opposition to apartheid. ✓
- (d) Establish political freedom and specifically lift the existing ban on the African National Congress and other political parties. ✓
- (e) Initiate, in the context of a suspension of violence on all sides, a process of dialogue across lines of colour, politics and religion, with a view to establishing a non-racial and representative government. ✓

3. We have agreed on a number of measures which have as their rationale impressing on the authorities in Pretoria the compelling urgency of dismantling apartheid and erecting the structures of democracy in South Africa. The latter, in particular, demands a process of dialogue involving the true representatives of the majority black population of South Africa. We believe that we must do all we can to assist that process, while recognising that the forms of political settlement in South Africa are for the people of that country - all the people - to determine.

4. To this end, we have decided to establish a small group of eminent Commonwealth persons to encourage through all practicable ways the evolution of that necessary process of political dialogue. We are not unmindful of the difficulties such an effort will encounter, including the possibility of initial rejection by the South African authorities, but, we believe it to be our duty to leave nothing undone that might contribute to peaceful change in

South Africa and avoid the dreadful prospect of violent conflict that looms over South Africa, threatening people of all races in the country, and the peace and stability of the entire Southern Africa region.

5. We are asking the President of Zambia and the Prime Ministers of Australia, The Bahamas, Canada, India, the United Kingdom and Zimbabwe to develop with the Secretary-General the modalities of this effort to assist the process of political dialogue in South Africa. We would look to the group of eminent persons to seek to facilitate the processes of dialogue referred to in paragraph 2(e) above and by all practicable means to advance the fulfilment of the objectives of this Accord.

6. For our part, we have as an earnest of our opposition to apartheid reached accord on a programme of common action as follows:

- (i) we declare the Commonwealth's support for the strictest enforcement of the mandatory arms embargo against South Africa, in accordance with United Nations Security Council Resolutions 418 and 558 and commit ourselves to prosecute violators to the fullest extent of the law;
- (ii) we reaffirm the Gleneagles Declaration of 1977, which called upon Commonwealth members to take every practical step to discourage sporting contacts with South Africa;
- (iii) we agree upon, and commend to other governments, the adoption of the following further economic measures against South Africa, which have already been adopted by a number of member countries:
 - (a) a ban on all new government loans to the Government of South Africa and its agencies;
 - (b) a readiness to take unilaterally what action may be possible to preclude the import of Krugerrands;
 - (c) no Government funding for trade missions to South Africa or for participation in exhibitions and trade fairs in South Africa;
 - (d) a ban on the sale and export of computer equipment capable of use by South African military forces, police or security forces;
 - (e) a ban on new contracts for the sale and export of nuclear goods, materials and technology to South Africa;
 - (f) a ban on the sale and export of oil to South Africa;
 - (g) a strict and rigorously controlled embargo on imports of arms, ammunition, military vehicles and paramilitary equipment from South Africa;

- (ii) an embargo on all military co-operation with South Africa; and
- (i) discouragement of all cultural and scientific events except where these contribute towards the ending of apartheid or have no possible role in promoting it.

7. It is our hope that the process and measures we have agreed upon will help to bring about concrete progress towards the objectives stated above in six months. The Heads of Government mentioned in paragraph 5 above, or their representatives, will then meet to review the situation. If in their opinion adequate progress has not been made within this period, we agree to consider the adoption of further measures. Some of us would, in that event, consider the following steps among others:

- (a) a ban on air links with South Africa;
- (b) a ban on new investment or reinvestment of profits earned in South Africa;
- (c) a ban on the import of agricultural products from South Africa;
- (d) the termination of double taxation agreements with South Africa;
- (e) the termination of all government assistance to investment in, and trade with, South Africa;
- (f) a ban on all government procurement in South Africa;
- (g) a ban on government contracts with majority owned South African companies;
- (h) a ban on the promotion of tourism to South Africa.

8. Finally, we agree that should all of the above measures fail to produce the desired results within a reasonable period, further effective measures will have to be considered. Many of us have either taken or are prepared to take measures which go beyond those listed above, and each of us will pursue the objectives of this Accord in all the ways and through all appropriate fora open to us. We believe, however, that in pursuing this Programme jointly, we enlarge the prospects of an orderly transition to social, economic and political justice in South Africa and peace and stability in the Southern Africa region as a whole.

Lyford Cay, Nassau
20 October, 1985

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INFO IMMEDIATE LUSAKA, PRETORIA, WASHINGTON

SECRETARY OF STATE'S MISSION: MEETING WITH KAUNDA

SUMMARY

1. A FRANK, BUT FRIENDLY MEETING. KAUNDA URGED STRONGLY THAT WE SHOULD NOT DELAY TAKING SANCTIONS AND MUST DEMONSTRATE OUR OPPOSITION TO APARTHEID. SECRETARY OF STATE EXPLAINED REASONS FOR HIS MISSION AND WHY OUR ANALYSIS OF LIKELY EFFECT OF COMPREHENSIVE SANCTIONS WAS DIFFERENT. KAUNDA ACCEPTED THAT DIFFERENCES BETWEEN US WERE OVER MEANS NOT ENDS. HE CONCLUDED BY WISHING SECRETARY OF STATE WELL.

DETAIL

2. THE SECRETARY OF STATE SAW KAUNDA FOR AN HOUR AND A HALF ON 9 JULY. THE START OF THE MEETING WAS TELEVISED, THEREAFTER THE MEETING CONTINUED WITHOUT PRESS BUT WITH OFFICIALS PRESENT, FINISHING WITH A HALF HOUR PRIVATE SESSION BETWEEN THE TWO OF THEM.

3. IN THE TELEVISED SESSION, KAUNDA BEGAN BY STRESSING THE WARMTH OF OUR BILATERAL RELATIONS. THE ONE PROBLEM WAS SOUTH AFRICA. HE WAS CONCERNED BY WHAT HE PERCEIVED AS THE PRIME MINISTER'S ATTITUDE. BRITAIN HAD FOUGHT NAZISM AND SOUTH AFRICA TODAY WAS NAZI. HE FEARED, HOWEVER, THAT BRITAIN WAS PREPARED TO FIGHT ONLY FOR THE RIGHTS OF WHITES AND NOT BLACKS. A HOLOCAUST WAS COMING IN SOUTH AFRICA THAT WOULD GENERATE UNPRECEDENTED RACIAL HATRED. ONLY SANCTIONS COULD AVERT THIS, AND OFFER A NON-VIOLENT SOLUTION. BUT THE PRIME MINISTER WAS DELAYING ACTION. SHE HAD FIRST GOT THE EC TO WAIT FOR THE EPG REPORT. NOW THAT THEY HAD REPORTED SHE HAD TOLD THE EC TO DELAY A FURTHER 3 MONTHS. THIS WAS DESIGNED TO SIDELINE THE COMMONWEALTH REVIEW MEETING. THERE WAS LITTLE TIME BEFORE THE COMING EXPLOSION IN SOUTH AFRICA. HISTORY WOULD NOT FORGIVE DELAY.

*[studiously omitted
by BBC]*

*[This is
all what
he said to
you in
Nassau]*

4. THE SECRETARY OF STATE EMPHASISED THAT HE HAD COME ON BEHALF OF THE TWELVE AND THAT IT WAS A MISSION WITH A COMMON PURPOSE - TO SEE IF WE COULD PROMOTE DIALOGUE BETWEEN THE SAG AND BLACK LEADERS. HE COULD NOT ACCEPT THE PRESIDENT'S ANALYSIS OF THE PRIME MINISTER'S POSITION. HER PURPOSE AT THE HAGUE AS WELL AS AT NASSAU REPRESENTED HER SINCERE JUDGEMENT OF THE BEST

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WAY OF BRINGING APARTHEID TO AN END. WE WERE NOT TRYING TO UNDERCUT THE EPG BUT SEEING IF WE COULD CARRY FORWARD THEIR WORK. THERE WERE FIVE POINTS HE WISHED TO MAKE. FIRST, FUNDAMENTAL CHANGE TO A NON-RACIAL, FULLY REPRESENTATIVE SOCIETY MUST COME SOON IN SOUTH AFRICA: SECOND THERE HAD BEEN SOME, ALBEIT INSUFFICIENT CHANGE THERE ALREADY: THIRD, PEACEFUL NEGOTIATION WOULD END APARTHEID MORE QUICKLY THAN VIOLENCE: FOURTH, WE HAD IMPLEMENTED CERTAIN MEASURES, BUT IT WAS AN ILLUSION TO THINK THAT QUOTE ONE LAST PUSH UNQUOTE THROUGH COMPREHENSIVE SANCTIONS WAS GOING TO BRING DOWN THE SAG: FIFTH, WE MUST TAKE ANY CHANCE TO ADVANCE DIALOGUE - THE OPTION OF PEACEFUL NEGOTIATION WOULD NOT LAST INDEFINITELY.

5. CONTINUING WITHOUT THE PRESS PRESENT, KAUNDA REPEATED HIS ANALYSIS. HE HAD BEEN RIGHT IN THE PAST ABOUT DEVELOPMENTS IN SOUTHERN AFRICA. THE PURPOSE OF ACTION WAS NOT TO DESTROY THE SOUTH AFRICAN ECONOMY BUT TO BRING ABOUT CHANGE. SANCTIONS WOULD BUY TIME AND SHOW SOUTH AFRICAN BLACKS THAT THE WEST HAD NOT FORGOTTEN THEM. IF ACTION WERE TAKEN NOW IT WOULD PRESERVE SOUTH AFRICA AS A MARKET FOR WESTERN INVESTORS. HE WAS NOT TRYING TO ISOLATE THE PRIME MINISTER BUT SHE WAS ISOLATING HERSELF FROM THE MAINSTREAM OF COMMONWEALTH OPINION. OUR ANALYSIS CONCENTRATED ON WAYS OF APPEALING TO THE BOER GOVERNMENT, BUT IN DOING SO SEEMED TO REGARD BLACK OPINION AS IRRELEVANT.

6. THE SECRETARY OF STATE ASSURED KAUNDA THAT THE PRIME MINISTER PASSIONATELY WANTED APARTHEID ENDED AS SOON AS POSSIBLE. WE DIFFERED FROM HIM ONLY IN OUR ANALYSIS OF THE BEST MEANS TO ACHIEVE THIS. MANDATORY COMPREHENSIVE ECONOMIC SANCTIONS RISKED PUSHING THE AFRIKANERS INTO DEFIANT ISOLATIONISM: THEY WOULD CAUSE SOUTH AFRICAN INDUSTRIALISTS TO SIDE WITH THE HARDLINERS. THE BEST WAY FORWARD WAS TO PROMOTE DIALOGUE. IN OUR VIEW, THE EPG HAD NOT GIVEN ENOUGH WEIGHT TO THE VIEWS OF THE WHITE OPPOSITION PARTIES IN SOUTH AFRICAN, INDUSTRIALISTS AND THE PROGRESSIVE WING OF THE SOUTH AFRICAN GOVERNMENT. THERE WAS A NEED TO MOBILISE THIS GROUP WHICH FAVOURED CHANGE.

7. THE SECRETARY OF STATE SAID THAT THE EC HAD AGREED TO STUDY POSSIBLE FURTHER MEASURES BUT HAD REFRAINED FROM PRESENTING THIS AS A THREAT. COMPREHENSIVE ECONOMIC SANCTIONS WOULD HAVE SERIOUS CONSEQUENCES FOR BLACK SOUTH AFRICANS AND THE FRONT LINE STATES AND WE FEARED THE SUFFERING WOULD BE IN VAIN. BRITAIN WAS NOT ENGAGED IN AN ELABORATE GAME TO GAIN TIME. THE SECRETARY OF STATE HOPED TO SEE SOUTH AFRICAN LEADERS IN A COUPLE OF WEEKS' TIME TO SEE IF CONDITIONS COULD BE CREATED FOR A ROUND-TABLE DIALOGUE.

8. KAUNDA RESPONDED THAT HE ACCEPTED THAT OUR OBJECTIVES WERE THE SAME, BUT HISTORY WOULD JUDGE WHICH METHOD WAS RIGHT. WE SHOULD TELL THE TWELVE THAT IN ZAMBIA'S VIEW THEY WERE WRONG.

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9. THE SECRETARY OF STATE THEN WENT INTO A PRIVATE SESSION WITH KAUNDA WITH ONLY PRIVATE SECRETARIES PRESENT. HE REITERATED THAT THE PRIME MINISTER WAS SINCERELY ANXIOUS TO FIND THE RIGHT ANSWER. SHE WOULD BE VERY HURT BY WHAT HE HAD SAID ABOUT HER MOTIVES. WE HAD TAKEN A DIFFICULT POLITICAL STEP IN HAVING MRS CHALKER SEE TAMBO. IF HE WAS TO SAY CREDIBLY TO THE SOUTH AFRICANS THAT THEY SHOULD TALK TO THE ANC THEN HE NEEDED TO HAVE TALKED TO THEM HIMSELF. HE SOUGHT KAUNDA'S HELP IN ARRANGING THIS. KAUNDA SAID THAT IF HE WAS CONVINCED THAT IT WERE RIGHT TO DO SO HE WOULD NEED TO SPEAK TO THE ANC THROUGH TAMBO, BUT IT MIGHT BE BETTER TO WAIT UNTIL THE LATTER RETURNED TO LUSAKA.

10. KAUNDA SAID IN CONCLUSION THAT HE HOPED THE PRIME MINISTER'S ANALYSIS OF THE SITUATION WAS RIGHT. HE HAD MET PRESIDENT BOTHA SEVERAL TIMES AND WAS STILL IMPRESSED WITH THE STREAK OF AFRIKANERDOM WHICH HE SAW IN HIM. BUT HE PRAYED TO GOD THAT HE WAS WRONG AND HE WISHED THE SECRETARY OF STATE EVERY SUCCESS IN HIS MISSION. NOTHING WOULD MAKE HIM HAPPIER THAN SUCH SUCCESS. THE SECRETARY OF STATE THANKED HIM AND SAID THAT WE WOULD BE VERY GRATEFUL FOR ANY HELP AND BACKING KAUNDA COULD GIVE.

MELHUISH

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IEFO IMMEDIATE LUSAKA, PRETORIA, WASHINGTON

SECRETARY OF STATE'S MEETING WITH MR MUGABE

SUMMARY

1. THE SECRETARY OF STATE EXPLAINED REASONS FOR A FURTHER PUSH FOR NEGOTIATED SETTLEMENT. MUGABE EXPRESSED SCEPTICISM ABOUT PROSPECTS OF SUCCESS. ONLY PRESSURE WOULD MOVE THE SOUTH AFRICANS, IN THE FORM OF SANCTIONS AND MILITARY ACTION BY THE ANC. HE QUESTIONED BRITISH MOTIVES: THE SECRETARY OF STATE REFUTED THIS FIRMLY.

DETAIL

2. THE SECRETARY OF STATE EXPLAINED THE REASONS FOR HIS MISSION ON BEHALF OF THE EC. DIALOGUE WOULD BRING CHANGE IN SOUTH AFRICA MORE QUICKLY THAN ALTERNATIVE PATH OF MOUNTING VIOLENCE, WHICH WOULD SLOW CHANGE. THE SAG HAD AN ENORMOUS CAPACITY TO RESIST SUCH PRESSURES. WE SHOULD TAKE ACCOUNT OF THE CHANGES ALREADY OCCURRING IN SOUTH AFRICA AND ENCOURAGE THE PROGRESSIVE ELEMENTS THERE TO PRESS FOR MORE. A NUMBER OF ECONOMIC MEASURES HAD ALREADY BEEN TAKEN AGAINST SOUTH AFRICA, AND THE EC WERE STUDYING FURTHER MEASURES IN CASE THEY WERE NEEDED. BUT A FURTHER ATTEMPT AT DIALOGUE WAS ESSENTIAL. SANCTIONS WOULD NOT BRING DOWN THE REGIME QUICKLY, AND THE SAG WOULD RETALIATE, IN PARTICULAR AT ZIMBABWEAN TRANSPORT ROUTES. OUR OBJECTIVE ASSESSMENT WAS THAT THE SAG WOULD BE MORE FIRMLY ENTRENCHED AS A RESULT OF COMPREHENSIVE SANCTIONS AND THAT GREAT DAMAGE WOULD BE DONE TO THE FLS AND THE BLACK POPULATION. HE HAD NO ILLUSIONS ABOUT THE DIFFICULTY OF HIS MISSION, BUT THOUGHT A FURTHER ATTEMPT TO OBTAIN THE RELEASE OF MANDELA, UNBANNING OF THE ANC ETC, ESSENTIAL.

3. MUGABE SAID HE DID NOT UNDERSTAND HOW WE EXPECTED TO SUCCEED WHERE THE EPG, WHICH HAD DONE AN EXCELLENT JOB, HAD FAILED. THE SECRETARY OF STATE AGREED THAT THE GROUP HAD DONE A GOOD JOB: BUT THE EC THOUGHT A FURTHER EFFORT BY THE EC IN CONSULTATION WITH OTHER INDUSTRIALISED COUNTRIES WOULD REINFORCE THE ATTEMPT TO GET THE SAG TO MOVE. COMPREHENSIVE SANCTIONS WOULD NOT ACHIEVE THIS. MUGABE SAID THAT WE WERE APPROACHING SOUTH AFRICA WITH A WHITE FLAG: THERE WAS NO MOTIVE FOR THE SAG TO MOVE IN SUCH CIRCUMSTANCES. THE SECRETARY OF STATE SAID THAT PRESSURE WAS PROVIDED BY MEASURES ALREADY IN POSITION AND THE KNOWLEDGE THAT OTHER MEASURES WERE BEING STUDIED. AS THE PRIME MINISTER HAD EXPLAINED IN HER LETTER, EXPLICIT THREATS WERE LIKELY TO PRODUCE A PERVERSE REACTION.

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4. MUGABE SAID THAT IN THE ABSENCE OF REAL MEASURES WE COULD ONLY KNEEL BEFORE THE ARCHITECTS OF APARTHEID AND PLEAD FOR REASON. ONLY YESTERDAY THE PRIME MINISTER HAD AGAIN BEEN EMPHASISING HER TOTAL OPPOSITION TO SANCTIONS. THE SECRETARY OF STATE REMINDED HIM OF THE MEASURES WHICH HAD ALREADY BEEN TAKEN. THE BRITISH GOVERNMENT GENUINELY BELIEVED THAT COMPREHENSIVE ECONOMIC SANCTIONS WOULD HAVE THE NET EFFECT OF STRENGTHENING THE SAG WHILE HARMING EVERYBODY ELSE.

5. ON TRANSPORT LINKS, MUGABE SAID THAT THE RECENT DECISION TO STEP UP THEIR MILITARY OPERATIONS IN SUPPORT OF THE TRANSPORT LINKS WAS COSTING ZIMBABWE MUCH MONEY. THE SOUTH AFRICANS WERE ALREADY USING MILITARY FORCE AGAINST ZIMBABWE AND HER TRANSPORT LINKS. IF SOUTH AFRICA DISRUPTED THE ZIMBABWEAN LINK SOUTHWARDS IT WOULD ALSO COST ZIMBABWE A LOT OF MONEY, BUT DID NOT THINK THEY WOULD BE ANY WORSE OFF. ON THE OTHER HAND, HE DID NOT THINK SOUTH AFRICA COULD SURVIVE IF WE ALL, INCLUDING THE COMMONWEALTH, THE EC AND INDUSTRIALISED COUNTRIES COMBINED FORCES AGAINST APARTHEID. THE SECRETARY OF STATE SAID THAT HE DID NOT THINK ZIMBABWE HAD AN EFFECTIVE CHOICE BETWEEN EXPENDITURE ON DEFENDING HER LINKS IN THE PRESENT SITUATION AND EXPENDITURE TO REPLACE THE SOUTH AFRICAN TRANSPORT LINK IN THE EVENT OF SOUTH AFRICAN RETALIATION. THERE WOULD SIMPLY BE A MASSIVE INCREASE IN THE EXPENDITURE NEEDED. THE CORE OF SOUTH AFRICA WOULD SURVIVE SANCTIONS AND THE SITUATION WOULD PERSIST FOR YEARS.

6. MUGABE SAID THAT ZIMBABWE WOULD BE HIT HARD, BUT IF A NEW SITUATION WERE PRODUCED IN SOUTH AFRICA IT WOULD BE WORTH IT. THEY WOULD HAVE TO OPEN THE MAPUTO LINK, BUT THERE WOULD BE SOME RESULTING ADVANTAGES. ZIMBABWE COULD FEED HERSELF AND WOULD SURVIVE, ALTHOUGH HER INDUSTRY WOULD BE HIT. SHE WOULD NOT BE HIT AS HARD AS BOTSWANA, LESOTHO AND SWAZILAND. MRS THATCHER SHOULD NOT SPEAK ON BEHALF OF ZIMBABWE. IF SHE CONFINED HER STATEMENTS TO THE LOSSES WHICH BRITAIN WOULD SUFFER, WHICH HE ACKNOWLEDGED, SHE WOULD BE MORE CREDIBLE.

7. THE SECRETARY OF STATE SAID THAT IT WOULD TAKE A LONG TIME BEFORE A NEW SITUATION WAS PRODUCED IN SOUTH AFRICA. WE CERTAINLY DID EXPRESS OUR WORRY ABOUT THE ECONOMIC EFFECTS ON OURSELVES OF SANCTIONS. BUT MORE IMPORTANTLY, OUR CALCULATION OF THE NET ET GENERAL EFFECT WAS THAT IT WOULD BE NEGATIVE. SO WE THOUGHT THAT A FURTHER EFFORT MUST BE MADE TO PERSUADE THE SOUTH AFRICANS.

8. MUGABE SAID THAT HE DID NOT THINK WE WOULD SUCCEED. HE SUSPECTED THAT THE UK HAVING GOT THE SUPPORT OF THE EC WAS NOW TRYING TO DIVERT THE WORLD FROM SANCTIONS. THE SECRETARY OF STATE DENIED THIS. HE SAID THAT ALL THE PARTICIPANTS IN THE EUROPEAN COUNCIL ACCEPTED THAT THE EFFECT OF COMPREHENSIVE SANCTIONS WAS LIKELY TO BE NEGATIVE, AND THEREFORE THOUGHT THAT A DIFFERENT WAY SHOULD BE TRIED.

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9. MUGABE SAID THAT WITHOUT THE THREAT OF SANCTIONS (OR MILITARY ACTION ON THE PART OF THE WEST, WHICH HE RULED OUT,) THE SOUTH AFRICANS WOULD NOT MOVE. HE RELUCTANTLY BELIEVED THAT MILITARY ACTION BY THE ANC/PAC WAS NECESSARY. BUT THE REST OF THE WORLD WHICH BELIEVED IN A NON-VIOLENT METHOD SHOULD ADOPT EFFECTIVE NON-VIOLENT MEASURES. A COMBINATION OF THIS AND THE CAMPAIGN BY THE ANC WOULD ONE DAY DELIVER THE GOODS. THE MOMENTUM WOULD GROW STRONGLY OVER THE FOLLOWING YEAR, 45,000 LIVES HAD BEEN LOST IN FREEING ZIMBABWE: THE TOLL IN SOUTH AFRICA WOULD BE GREATER.

10. THE SECRETARY OF STATE SAID THAT THE SAG COULD HOLD OUT FOR A VERY LONG TIME: THEY WERE IN NO WAY COMPARABLE TO THE PREVIOUS RHODESIAN GOVERNMENT.

11. MUGABE ASKED WHETHER THE BRITISH GOVERNMENT WISHES TO SEE A TRUE NON-RACIAL GOVERNMENT IN SOUTH AFRICA, WHICH WOULD INEVITABLY BE PREDOMINANTLY BLACK. HE STRONGLY DOUBTED THIS SEEING THE BRITISH GOVERNMENT'S PREVIOUS HISTORY IN RHODESIA. THE CONSERVATIVE PARTY SOMETIMES ADOPTED RACIST POSTURES. HE WONDERED WHETHER WE WOULD NOT IN FACT CONSIDER THAT A CHANGE TO BLACK RULE IN SOUTH AFRICA WOULD BE DISADVANTAGEOUS TO US.

12. THE SECRETARY OF STATE SAID THAT IF MUGABE READ THE PRIME MINISTER'S LETTER HE WOULD SEE THAT WE WERE STRONGLY IN FAVOUR OF CHANGE IN SOUTH AFRICA. HE TOTALLY EXCLUDED THE SUGGESTION OF RACISM IN THE CONSERVATIVE PARTY'S APPROACH. OUR APPROACH WAS BASED ON A CLEAR ANALYSIS OF THE SITUATION. HE SHOULD GIVE CREDIT TO THE PRIME MINISTER FOR HAVING WORKED AT LUSAKA FOR ZIMBABWEAN INDEPENDENCE: THIS ALONE SHOULD SHOW THAT WE HAD NOT BEEN AFRAID OF BLACK MAJORITY RULE. THE PRIME MINISTER APPROACHED THE SOUTH AFRICAN SITUATION IN THE SAME WAY AS SHE HAD THE ZIMBABWEAN ONE. SHE WANTED TO ACHIEVE THE BREAKTHROUGH WHICH WE ACHIEVED FOR ZIMBABWE AT LUSAKA. SHE BELIEVED THAT THE LONGER THE DELAY IN RELEASING MANDELA, THE LONGER THE TRAGEDY WOULD CONTINUE. WE KNEW THE SAG WOULD BE HARD TO SHIFT BUT WE HAD TO TRY, BECAUSE ONLY THIS WOULD BRING QUICKER CHANGE.

13. MUGABE SAID THAT WE WOULD HAVE TO AGREE TO DIFFER ON THE ANALYSIS. THESE DIFFERENCES WOULD BE PUBLIC, BUT THEY SHOULD NOT UNDERMINE THE GENERALLY FRIENDLY RELATIONSHIP BETWEEN THE UK AND ZIMBABWE. HE THEN LAUNCHED INTO A LENGTHY ATTACK ON THE UNITED STATES, ON THE GROUNDS THAT IT SOUGHT TO TIE ITS AID PROGRAMME TO THE BEHAVIOUR OF THE COUNTRIES CONCERNED, AND WAS NOW DEMANDING AN APOLOGY FROM ZIMBABWE FOR THE SPEECH MADE

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AT THE US NATIONAL DAY PARTY LAST WEEK. ZIMBABWE COULD NOT ACCEPT SUCH CONDITIONALITY. THE SECRETARY OF STATE SAID THAT WE WERE FRIENDLY WITH BOTH THE US AND ZIMBABWE AND NATURALLY HOPED THAT ANY DISAGREEMENT COULD BE RESOLVED QUICKLY. HE AGREED THAT WE SHOULD SPEAK CANDIDLY TO EACH OTHER BUT WISHED TO EMPHASISE THAT MUGABE SHOULD NOT CHALLENGE THE GOOD FAITH OF THE BRITISH GOVERNMENT OR THE PRIME MINISTER. MUGABE SAID THAT HE APPRECIATED OUR HAVING MADE KNOWN OUR VIEWS: OF COURSE HE WOULD TELL US WHEN HE DISAGREED WITH THEM, BUT WE COULD CONTINUE TO DISCUSS THEM.

14. NOW SEE MIFT (NOT TO ALL).

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PS/MRS CHALLER

PS/PUS

MR DEREK THOMAS

MR FERGUSON

MR REEVE

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MR MALLABY, CABINET OFFICE

ASSESSMENTS STAFF, CAB OFF

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OUTCOME OF THIS MISSION. IT WOULD BE PREMATURE TO SPECULATE. THE TWELVE ARE NOT (NOT) AUTOMATICALLY COMMITTED TO ADOPTING THE FURTHER MEASURES MENTIONED IN THE EUROPEAN COUNCIL STATEMENT IF THE MISSION DOES NOT YIELD RESULTS.

(E) WE (THE UK) HAVE ALREADY IMPLEMENTED A WIDE RANGE OF MEASURES WHICH COMPARES VERY FAVOURABLY WITH THOSE ADOPTED BY OTHERS:

- WE SUBSCRIBE TO THE GLENEAGLES AGREEMENT DISCOURAGING SPORTING CONTACTS WITH SOUTH AFRICA.
- WE DO NOT SUPPLY ARMS OR PARA-MILITARY EQUIPMENT TO SOUTH AFRICA.
- WE DO NOT IMPORT ARMS OR PARA-MILITARY EQUIPMENT FROM SOUTH AFRICA.
- WE DO NOT CO-OPERATE WITH SOUTH AFRICA IN THE MILITARY SPHERE.
- WE HAVE RECALLED OUR MILITARY ATTACHES ACCREDITED TO SOUTH AFRICA AND WILL REFUSE TO GRANT ACCREDITATION TO NEW MILITARY ATTACHES FROM SOUTH AFRICA.
- WE DO NOT SELL SENSITIVE EQUIPMENT TO THE SOUTH AFRICAN POLICE AND ARMED FORCES.
- WE DO NOT COLLABORATE IN SOUTH AFRICA'S NUCLEAR DEVELOPMENT.
- WE DO NOT SELL OIL TO SOUTH AFRICA.
- WE DISCOURAGE SCIENTIFIC OR CULTURAL EVENTS EXCEPT WHERE THESE CONTRIBUTE TO THE ENDING OF APARTHEID OR HAVE NO POSSIBLE ROLE IN SUPPORTING IT.
- WE DO NOT HAVE OFFICIAL CONTACTS OR AGREEMENTS IN THE SECURITY SPHERE.
- WE HAVE BANNED ALL NEW GOVERNMENT LOANS TO THE SOUTH AFRICAN GOVERNMENT AND ITS AGENCIES.
- WE HAVE ENDED GOVERNMENT FUNDING FOR TRADE MISSIONS TO SOUTH AFRICA AND FOR TRADE FAIRS IN SOUTH AFRICA.
- WE HAVE BANNED THE IMPORT OF ALL GOLD COINS FROM SOUTH AFRICA.

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(F) WHEN THE SECRETARY OF STATE VISITS SOUTH AFRICA HE WILL BE MAKING IT PLAIN THAT DIALOGUE CANNOT TAKE PLACE SO LONG AS THE RECOGNISED LEADERS OF THE BLACK COMMUNITY ARE DETAINED AND THEIR ORGANISATIONS PROSCRIBED. IN PARTICULAR HE WILL URGE THE SOUTH AFRICAN GOVERNMENT TO RELEASE NELSON MANDELA UNCONDITIONALLY.

4. SEE MIFGT.

HOWE

YYYY

FCO (PALACE) WHITEHALL
INFO.D.

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FOLLOWING FOR SAFD
YOUR TEL NO 83: EC PRESIDENCY MISSION

1. YOU ASKED FOR AN OVER-VIEW OF RECENT REFORMS AND WHERE THEY LEAVE THE POSITION OF ORDINARY BLACKS:

(I) REFORMS: SOCIO-ECONOMIC

- REPEAL OF MIXED MARRIAGES AND PART OF IMMORALITY ACTS MAKES MULTI-RACIAL MARRIAGES LEGAL, BUT FEW PEOPLE BENEFIT AND LIMITATIONS REMAIN ON WHERE THEY CAN LIVE.
- ABOLITION OF PASS LAWS REPLACE HATED PASS BOOKS WITH NON-DISCRIMINATORY UNIFORM IDENTITY DOCUMENTS: ALL BLACKS BENEFIT.
- ABOLITION OF INFLUX CONTROL REMOVES FEAR OF ILLEGAL URBAN DWELLERS BEING RETURNED TO HOMELANDS AND OPENS WAY FOR ACCELERATED BLACK HOUSING DEVELOPMENT (MORE GOVERNMENT MONEY MADE AVAILABLE, THOUGH MORE LAND STILL NEEDED): HOWEVER LAWS AGAINST SQUATTERS TO BE TIGHTENED, BLACK LOCAL AUTHORITY POWERS IN THIS RESPECT ENHANCED, AND STILL UNCLEAR TO WHAT EXTENT ALREADY CONSIDERABLE INFLUX OF NEW SETTLERS INTO TOWNSHIPS WILL INCREASE.
- RESTORATION OF SOUTH AFRICAN CITIZENSHIP TO BLACKS WHO ARE CITIZENS OF INDEPENDENT HOMELANDS BUT BORN OR RESIDENT IN SOUTH AFRICA GIVES ADDED SECURITY TO URBAN DWELLERS FROM THOSE HOMELANDS: BUT FUTURE CITIZENSHIP RIGHTS OF REMAINING CITIZENS OF INDEPENDENT HOMELANDS REMAINS UNCERTAIN.
- FULL OWNERSHIP RIGHTS IN ALL TOWNSHIPS WILL BENEFIT MANY BLACKS, THOUGH 99-YEAR LEASES WERE ALREADY BECOMING AVAILABLE IN MOST AREAS.
- OPENING OF CENTRAL BUSINESS AREAS FOR NON-WHITES IN SEVERAL CITIES GIVES BETTER OPPORTUNITIES TO SOME BLACK BUSINESSMEN: AND OTHER MEASURES WILL ASSIST SMALL BUSINESSMEN WITHIN TOWNSHIPS.

(II) REFORMS: POLITICAL

- TRI-CAMERAL PARLIAMENT HAS GIVEN ASIANS AND COLOURED SLIGHT POLITICAL CLOUT, BUT RECENT ADOPTION OF NEW SECURITY LAWS AGAINST OPPOSITION OF ASIAN AND COLOURED REPRESENTATIVES HAS UNDERMINED SYSTEM'S ALREADY WEAK CREDIBILITY.
- NON-WHITES BROUGHT INTO PROVINCIAL GOVERNMENT FOR THE FIRST TIME (APPOINTED BY CENTRAL GOVERNMENT TO NEW PROVINCIAL EXECUTIVE COUNCILS): BUT WITH LIMITED AUTHORITY, AND EXCEPT IN NATAL OUTNUMBERED BY WHITES: RELUCTANCE OF BLACKS TO PARTICIPATE.

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- MOST BLACKS REJECT GOVERNMENT PLANS TO ESTABLISH REGIONAL SERVICES COUNCILS ON WHICH REPRESENTATIVES OF ETHNIC LOCAL COUNCILS ARE TO SERVE, INCLUDING RESTRUCTURED BLACK LOCAL AUTHORITIES.
- MULTIRACIAL POLITICAL PARTIES NO LONGER PROHIBITED.

(III) LAW AND ORDER

- TWENTY-TWO MONTHS OF BLACK TOWNSHIP UNREST IN ALL REGIONS, PARTICULARLY BAD IN WEST AND EAST CAPE AND THE RAND; GOVERNMENT STILL UNABLE TO SUPPRESS.
- TOUGH SECURITY MEASURES APPLIED FROM BEGINNING OF UNREST; STATE OF EMERGENCY IN CERTAIN AREAS JULY 85-MARCH 86 MADE LITTLE IMPACT.
- CURRENT STATE OF EMERGENCY IMPOSED COUNTRY-WIDE SINCE JUNE 12 WITH OVER 3,000 DETENTIONS AND MASSIVE SECURITY FORCE PRESENCE; FEWER UNREST INCIDENTS BUT BLACK DEATHS ABOUT THE SAME AS BEFORE EMERGENCY.
- INCREASING ANC GUERRILLA ATTACKS AGAINST "SOFT" WHITE TARGETS HAVE KILLED AND INJURED A NUMBER OF WHITE AND BLACK CIVILIANS.

POSITION OF BLACKS

- GOVERNMENT'S REFORMS HAVE ALLEVIATED SOME DEEPLY RESENTED CONTROLS AND IMPROVED SECURITY OF TENURE AND SCOPE FOR URBAN RESIDENCE AND EMPLOYMENT. MAIN BENEFICIARIES ARE URBAN BLACKS BUT COMPARATIVELY LITTLE FOR THE LARGER NUMBERS OF RURAL BLACKS IN SOUTH AFRICA AND THE HOMELANDS.
- GROUP AREAS AND SEPARATE AMENITIES ACTS REMAIN SO FAR UNTOUCHED, THOUGH UNDER STUDY. SEGREGATION IN HOUSING, SCHOOLS AND HOSPITALS STILL ENFORCED. ON THE BASIS OF LOCAL WHITE CHOICE, MANY PUBLIC FACILITIES, SUCH AS BUSES, RESTAURANTS, CINEMAS AND BEACHES REMAIN RACIALLY SEGREGATED, THOUGH THIS IS PROGRESSIVELY IMPROVING.
- POPULATION REGISTRATION ACT CONTINUES TO IDENTIFY BLACKS (AND OTHER PEOPLE) FOR PURPOSES OF IMPLEMENTING DISCRIMINATORY LEGISLATION.
- GOVERNMENT FINANCIAL PROVISION FOR BLACK EDUCATION, HEALTH, HOUSING ETC FAR LOWER THAN FOR WHITES, THOUGH RISING IN ABSOLUTE TERMS.
- BLACK MIDDLE-CLASS SIGNIFICANT AND GROWING (BLACK MILLIONAIRES EXIST). LIVING CONDITIONS FOR ORDINARY URBAN BLACKS VARY FROM REASONABLE TO APPALLING: HIGH UNEMPLOYMENT, CHILD MALNUTRITION AND GROSS OVERCROWDING ALL WIDESPREAD. BLACKS IN RURAL AREAS OF SOUTH AFRICA AND HOMELANDS ARE EVEN POORER.
- SO-CALLED "VOLUNTARY" REMOVALS CONTINUE.
- KWANDEBELE IS TO BE DECLARED INDEPENDENT.
- EVEN BEFORE UNREST, BLACKS SUFFERED CONSIDERABLE POLICE ABUSE AND FOUND LEGAL REDRESS DIFFICULT: MAGISTRATES COURTS FREQUENTLY BIASED AGAINST BLACKS. ON THE OTHER HAND SUPERIOR COURTS ARE REASONABLY OBJECTIVE AND SOME EVEN REFORMIST.
- SINCE UNREST ORDINARY BLACKS, PARTICULARLY IN TOWNSHIPS, HAVE BEEN SUBJECTED TO INTIMIDATION AND VIOLENCE BY POLICE, CONSERVATIVE VIGILANTES AND RADICAL "COMRADES" ALIKE.

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- CURRENT STATE OF EMERGENCY HAS DRASTICALLY CURTAILED BASIC FREEDOMS AND JUDICIAL RECOURSE FOR BLACKS SUSPECTED OF OPPOSITION TO THE GOVERNMENT (AND THEIR WHITE SYMPATHISERS).
- BLACKS CONTINUE TO HAVE NO POLITICAL RIGHTS AT NATIONAL LEVEL AND FEW MEANINGFUL RIGHTS AT LOCAL LEVEL.
- RADICALS NO LONGER INTERESTED IN PARTIAL REFORM OF APARTHEID BUT IN TRANSFER OF POWER. THEY SEE NO HOPE OF ACHIEVING THIS FROM PRESENT GOVERNMENT. "SILENT MAJORITY" AMONG BLACKS SHARE SAME GOAL BUT MANY WOULD GIVE PRIORITY TO PEACE AND EMPLOYMENT.

FUTURE REFORMS

- NATIONAL PARTY CONGRESS (AUGUST 7/8 LIKELY TO ENDORSE PRINCIPLE OF POWER-SHARING AND ESTABLISHMENT OF A MULTI-RACIAL NATIONAL STATUTORY COUNCIL EMPOWERED TO RECOMMEND AMENDMENTS TO THE CONSTITUTION BRINGING BLACKS INTO DECISION-MAKING AT ALL LEVELS (BUT LEAVING OVERALL WHITE CONTROL).
- AMENDMENT OF GROUP AREAS ACT, REPEAL OR AMENDMENT OF SEPARATE AMENITIES ACT LIKELY.

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Prime Minister

Foreign and Commonwealth Office

London SW1A 2AH

This contains some of the information which you wanted - though not on detentions. 4 July 1986

Can Tim have a copy for me? I would like to keep heads for me

Here are some very good quotes in the Renwick book on sanctions. I have underlined them.

Dear Charles,

South Africa

Thank you for your letter of 30 June.

CDP 4/7

I enclose a note which deals with your first three questions: recent states of emergency in Commonwealth countries; Commonwealth one party states; and deaths caused by the security forces in Commonwealth countries. It shows that some Commonwealth countries, although by no means the majority, have a distinctly stained record.

Nonetheless, Sir Geoffrey Howe takes the view that we need to be very cautious in the public use we make of this information, particularly at the present time during his two visits to Southern Africa and the run up to the Commonwealth Review Meeting. He doubts whether we will further our objectives at the meeting by deploying this sort of information and hopes that it can therefore be regarded strictly as background material.

As regards sanctions, I enclose the concluding chapter of Robin Renwick's book "Economic Sanctions" published in 1981. His conclusions are that the arguments are by no means clear cut; he emphasises the importance of not expecting too much from a sanctions policy, but suggests that they have had some impact on occasions. In opposing sanctions it has of course been part of our policy to point out their ineffectiveness by reference to eg Rhodesia. Nevertheless the present government has imposed various forms of trade sanction four times during its term of office - Poland, Iran, Afghanistan and Argentina, as well as the recent limited measures against Libya. Too absolutist a line on the general ineffectiveness of sanctions per se can therefore land us in difficulty in explaining why we decided to apply them on previous occasions. So too with South Africa, where we already have a number of economic measures in place and have agreed to the making of contingency plans for more.

[Actually, it comes out heavily against sanctions as an effective weapon]

Yours ever,
Colin Budd

(C R Budd)
Private Secretary

C D Powell Esq
10 Downing Street

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BANGLADESH: Frequent significant civilian fatalities since war of independence in 1971.

INDIA: Significant fatalities on several occasions, although most of the recent incidents which have been widely reported have stemmed from intercommunal violence and have not involved the security forces to a significant extent. Operation Blue Star (the clearing of the Golden Temple) in 1984 led to over 600 civilian casualties.

SRI LANKA: Significant numbers of deaths resulting from Tamil/Sinhalese racial conflict since 1983.

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CONCLUSIONS

There is an obvious difficulty in attempting any precise estimate of the effects of sanctions. It is impossible to isolate them from other factors or to judge with any confidence what might have happened if they had not been imposed. It is, however, possible to arrive at certain general conclusions. It is often argued, for instance, that "sanctions have no effect." Yet it is clear that in the main cases considered in this study sanctions did have considerable economic effects. Sanctions against Italy in 1935-36 caused a sharp fall in the value of exports and a severe cutback in imports. Italy's gold and foreign exchange reserves fell rapidly in the short period (eight months) in which they were in force. For Cuba the loss of the United States market for sugar was to a large extent offset by Soviet purchases. But Cuba did suffer in the early years from the loss of U.S. supplies of plant and machinery. U.S. sanctions against Cuba increased the costs to the Soviet Union of support for the Cuban economy.

Rhodesia represents the most ambitious attempt at sanctions enforcement and the only case in which comprehensive mandatory sanctions have been imposed under the appropriate provisions of the U.N. Charter. There can be no doubt that sanctions had a significant economic effect, causing a severe loss of export earnings and foreign exchange difficulties and acting as a constant brake on economic growth. Their effects were very clearly described by Mr. Smith, who was normally in the habit of dismissing them as no more than a "nuisance," in the Rhodesian Parliament in April 1973:

The imposition of sanctions created many trading problems for us. We find that we are compelled to export at a discount and import at a premium. The result is that we lose out on both transactions. This has the effect of reducing profit margins internally and at the national level it has an adverse effect on our balance of payments and foreign reserves . . . because our foreign reserves are depleted artificially, our natural development is prejudiced. This clearly has a serious inhibiting effect on the creation of job opportunities.

Rhodesia, however, continued to be able to obtain essential imports and to find markets for its exports. The economy was diversified and sustained economic growth was achieved throughout most of the first decade of sanctions enforcement. The subsequent difficulties owed far more to the world economic recession and, increasingly, to the war than to sanctions.

Rhodesia would not have been able to withstand sanctions but for the non-participation of South Africa, leaving a huge gap in their application. It is possible to envisage circumstances in which sanctions might be universally applied against an "offending" country. In that event their efficacy would depend on the degree of self-sufficiency of the target country. The Rhodesian case, however, is the one in which, to date, sanctions have been applied with the *widest* international support. Partial sanctions enforcement has so far been the rule rather than the exception. Given the opportunities for fraud and evasion and the fact that for the "target" country this becomes a matter of survival, it has proved difficult to conceive of fully effective sanctions enforcement without recourse to a blockade or equivalent measures to isolate the country to which they are applied.

The difficulty of predicting the effects of economic pressures has been demonstrated in a number of cases. In the Abyssinian crisis the British Cabinet concluded that it was "impossible to say whether an oil embargo would be effective until it was tried."¹ Exaggerated expectations were entertained as to the economic effects of sanctions against Rhodesia and in other instances. As in the conviction of the German naval strategists in 1917 that Britain would be obliged to sue for peace if a certain proportion of her external trade were extinguished, the origin of most of the mistaken or overconfident forecasts of the effects of sanctions has lain in the static nature of the

assessment. It was imagined, for instance, that if all the major importing countries agreed to a formal embargo on Rhodesian tobacco exports, Rhodesia actually would lose virtually all the earnings from those exports (which did not prove to be the case); and that Rhodesia could hardly withstand the loss of one-third of her external trade, which also did not prove to be the case. Any such assessments must make a large and, of necessity, unquantifiable allowance for the redirection of trade, leakages, disguised exports, and so forth. Such estimates have also been vitiated by the tendency, ignoring political factors, consistently to underestimate the strength of the resistance the imposition of sanctions—or other economic pressures—is liable to bring forth. The German experience in two World Wars demonstrates the ability of a sufficiently resilient economy—even one which, normally, is highly dependent on imports—to withstand an economic siege. Certain raw materials, especially minerals, which were regarded as indispensable turned out not to be so. Remarkable success in eking out scarce supplies was achieved by the reduction of consumption and substitution. In the Rhodesian case import dependence was reduced by the rapid development of manufacturing industry.

The implementation of sanctions is beset by many difficulties, described in the preceding chapters. It requires a complex administrative apparatus. It frequently is hard to reconcile the conflicting requirements of—or pressures on—the various departments of government (foreign affairs, commerce, treasury, agriculture, customs, etc.) to say nothing of the central banks and other agencies involved. The administration of financial sanctions is of itself a matter of great complexity. In the operation of any embargo difficulties of interpretation and demands for exceptions on humanitarian or other grounds invariably arise, necessitating a series of difficult and, frequently, controversial consequential decisions. Much greater bureaucratic tenacity is required in the pursuit of breaches than most governments are prepared to devote to such a purpose; and this kind of persistence, particularly in dealings with other governments involved, is liable to create considerable friction. There is a tendency to assume that all countries have a governmental apparatus which is actually capable of enforcing sanctions and that, having voted for sanctions, all countries will take the necessary legislative and sustained administrative action required to bring them into effect. This has not so far proved to be the case. In the case of many coun-

tries which do have the necessary apparatus, serious difficulty is liable to arise over the burden of proof. The governments of most countries will be reluctant to prosecute companies unless they are reasonably certain of securing a conviction. At times the juridical complexities may simply be used to resist demands from other governments for the more rigorous enforcement of sanctions. Frequently, however, the difficulties are genuine. In the great majority of breaches of sanctions, particularly those involving indirect trade, documentary or other positive proofs are unlikely to be obtained.

Some though not all of these difficulties of enforcement can be overcome if sufficient political will exists to make sanctions effective. Their observance depends to a large extent on the vigor with which governments are prepared to follow up suspected breaches by persons and companies within their jurisdiction. The energy with which national governments proceed to enforce sanctions, however, has tended to depend on their own direct interest in the case. Sanctions against Iran were much more rigorously enforced by the United States and sanctions against Rhodesia—despite the oil leakages—were more strictly applied by Britain than by most other countries. It has proved difficult to conceive of a case in which sanctions are enforced with equal zeal by all the major trading partners of the target country. The unevenness of their implementation rapidly increases pressures on governments which are enforcing them to adopt a more liberal interpretation to avoid forgoing important commercial opportunities. The effectiveness of sanctions and their enforcement depend crucially also on the extent of national support for the sanctions policy. The U.S. Administration has experienced relatively little difficulty in enforcing the embargoes on trade with North Korea, Cuba, Iran, or Vietnam. Sanctions against Rhodesia commanded much less support, particularly among the business community, in the United States as in Europe. In the Rhodesian case publicity became a major factor in sanctions enforcement. Reputable companies were concerned to avoid any suggestion that they were in breach of the law. Companies with important commercial interests elsewhere in Africa were increasingly concerned about the effect on these of non-compliance.

A characteristic of attempts to organize economic denial is the rapid redirection of trade around whatever obstacles are interposed. Undertakings by countries not applying sanctions to hold trade to “normal” levels have tended to prove of limited real effect and to be

subject to very elastic interpretation. The U.S. "moral embargo" against Italy was largely ineffective. Neutral trade posed a major problem in both World Wars. Rhodesia was able to secure virtually all the imports it required by indirect trade. When from October 1973 the Arab countries sought to exploit the "oil weapon," the sudden increase in oil prices and, for a time, the cutbacks in production had dramatic effects on the world economy; but the actual embargoes imposed on deliveries to the United States and the Netherlands were short-circuited by the redirection of supplies. A similar phenomenon was evident in the case of the partial grain embargo imposed by the United States in response to the Soviet intervention in Afghanistan.² The effects were diminished by increased Soviet imports from other sources—though it was not possible to make up the entire shortfall and alternative supplies did entail some additional costs.

Sanctions almost invariably result in increased state intervention in the economy to which they are applied as governments introduce or intensify import and other controls to mitigate their effects. Embargoes on imports from a target country, except in the case of scarce commodities (e.g., certain minerals), have tended to be more effective than prohibitions on exports to them as a natural function of the intense competition for export markets. The embargoes on exports to both Italy and Rhodesia were largely ineffective; but the embargoes on their exports did substantially reduce their capacity to earn the foreign exchange needed to finance imports. Disinvestment—as distinct from the prevention of new investment—has proved virtually impossible to realize. For existing investment is to a large extent captive. Attempts to remove it on any substantial scale can be—and have been—relatively easily defeated by the imposition of exchange and other controls.

The initially attractive theory of the graduated application of sanctions, involving the progressive extension of embargoes in the absence of a satisfactory response, failed to take adequate account of the fact that the progressive application of sanctions allows more time for the target economy to adapt; while the real difficulty has been that of making even a comprehensive embargo sufficiently effective to produce tangible results. Selective sanctions are complex and difficult to operate, being liable to give rise to serious difficulties of interpretation, both within and between governments, as to what trade is permitted and what is not. Their effectiveness has

tended to depend on the extent to which they are concentrated on particularly vulnerable export products, i.e., those for which alternative sources of supply are readily available, as in the case of Rhodesian tobacco; or in areas, such as weapons and high technology, where the embargoed items already are subject to stringent national measures of export control.

One of the most serious problems in the application of sanctions has been the very long time required for them to take effect. The estimates of economic experts, the British government noted in the Abyssinian crisis, were "apt to work out more slowly than they anticipated."³ If governments are prepared to show sufficient determination in the matter, exports to and imports from a target country can be interrupted rapidly. But this is liable greatly to increase the costs to the country applying them. If existing sales or contracts are exempted it may take many months, as it did in the application of sanctions by most countries against Rhodesia and Iran, for trade flows to diminish. Trade with Italy in 1935-36 fell off more quickly in part because the lead times for most international transactions in the 1930s were much shorter than they are today. In the case of Cuba as in that of Rhodesia it took two to three years for sanctions to have their maximum effect. Thereafter the pressure exerted by them tended to diminish as the necessary processes of adaptation took place. The fact that the impact of sanctions can only be gradual and cumulative allows time to organize their evasion and, in almost every case, has created acute problems in relation to the political expectations that they will somehow yield quicker and more obvious results.

There is always a cost attached to sanctions. They are liable to inflict considerable economic damage on those applying them, as well as on those to whom they are applied. It is not only business interests which are liable to suffer. The loss of important raw materials, especially minerals, and of export opportunities is a source of great concern to the governments of major trading nations. Especially in a time of recession, particular concern is likely to be felt about the effects on employment. At times, however, in parallel with a disposition to exaggerate the effects of sanctions on the target country, there has been a tendency similarly to exaggerate the costs or other difficulties to those applying them. In the case of neighboring countries these are liable to be very significant; in other cases often much less so. As the German experience indicates it is not in general the

case, for instance, that scarce minerals are irreplaceable. It is more often the case that they can be obtained elsewhere, or substituted; but in general at a substantially increased cost.

Nor does the loss of export opportunities always turn out to be as significant — or as absolute — as is feared. In 1935-36 the British government was concerned about the effect of the loss of coal exports to Italy on an already hard-hit industry. The President of the Board of Trade convinced himself that "irreparable" harm was being done to British trade. Italy, however, accounted for less than three percent of Britain's exports which, overall, did not decline in the sanctions period. In the case of Rhodesia, the phenomenon of indirect trade significantly reduced the real loss of exports to most of the major exporting countries — though Britain suffered particular damage in a market which, hitherto, it had dominated. Despite the partial embargo on the sale of grain to the Soviet Union, partly as a result of the redirection of trade, U.S. grain exports overall increased substantially in the period in which the embargo was in force. A significant problem, however, has proved to be the unevenness of the impact of sanctions on business and other interests in the country applying them. It has rarely proved possible to compensate enterprises affected by sanctions for the loss of trade resulting from them. Such action, apart from its potential costs, is liable to be both controversial and litigious, giving rise to a host of conflicting claims.

Far too little attention has been paid to the effects of sanctions on neighboring countries. These may be no less severe than the impact on the "target" country. Under Article 16 of the League of Nations Covenant member states undertook to assist each other to minimize the loss and disruption liable to result from the application of sanctions. A proposal adopted by the League Council envisaged attempting to compensate states particularly affected by the loss of Italian supplies or markets by increased imports by or exports from other member states. Of Italy's neighbors, Austria and Switzerland did not apply sanctions, while the results of the attempt to organize assistance for Yugoslavia were extremely meager. So far as military measures were concerned, the British government was conscious throughout the crisis that, if it resulted in a war, "mutual support" would not necessarily be forthcoming from other League members.

Similar problems arose in a much more acute form in the case of Rhodesia. Article 50 of the U.N. Charter provides that states confronted by special economic problems arising from the implementa-

tion of Security Council measures shall have the right to consult with the Security Council about a solution to those problems. It was recognized that Botswana, Swaziland, and Lesotho would not be able to apply sanctions against Rhodesia. Nor, initially, was Zambia able to do so. The economies of the two countries had been closely linked in the Central African Federation; and Zambia depended on Rhodesia Railways for much of its export and import trade. The decision to apply oil sanctions against Rhodesia necessitated an air lift of oil supplies to Zambia until alternative routes could be established. Security Council Resolution 253 of 29 May 1968 imposing comprehensive mandatory sanctions called for assistance to Zambia to help solve her special problems in carrying out the Security Council decision. These were serious. The Zambian government stated at the time that as a result of the Rhodesian crisis it had already incurred costs amounting to US \$241 million, of which \$46 million had been met by Britain. Mr. Smith was to claim that his opponents were prepared to fight "to the last Zambian." In 1976 U.N. officials estimated that the closing of the border with Rhodesia in 1973 had cost Zambia about \$450 million. President Kaunda commented that the international community had been "more generous with moral than with material support." China had made a major contribution to reducing Zambia's dependence on Rhodesian routes with the building of the rail link to Tanzania. By 1978, however, Zambia was forced by bottlenecks on that route to resume exports and imports via Rhodesia. The experience of Mozambique following the border closure in 1976 was to demonstrate no less clearly that the limited amount of additional economic assistance received could in no way compensate for the economic disruption caused by the loss of cross-border and transit trade.

By no means the least of the difficulties attending the application of sanctions has been the problem of terminating them. For it frequently is the case when sanctions are imposed that inadequate attention is given to the circumstances in which it is envisaged that they should be lifted. In the case of Italy, the League of Nations got the worst of all possible worlds. The sanctions imposed were insufficiently rigorous to exert real pressure except on an extended time-scale; yet they were in force for only eight months. They were imposed in order to deter aggression. They were removed not because the aggression had been terminated, but because it had been successful. When sanctions have been imposed on a national or "volun-

tary" basis, the problem of their termination has related mainly to the political difficulties of withdrawing from a position once adopted or admitting that the expectations attached to a policy have not been fulfilled. Particularly if a sanctions policy has been adopted primarily or even partly to impress opinion in third countries the costs of abandoning it may be considerable, irrespective of the impact on the "target" country. Embargoes often are maintained primarily for historical reasons. It is quite possible for a government to find itself continuing to apply sanctions when circumstances have changed and it may itself no longer have much faith in the policy on the basis of which they were imposed.

So far as sanctions under general international auspices are concerned, the initial attempt under Article 16 of the League Covenant to impose an automatic obligation on member states to apply sanctions was unrealistic. The effect of the interpretative resolutions passed in 1921 was to mean that sanctions were decided by majority vote in the League Council and applied by those member states who supported them. There was no binding obligation on other League members to follow suit. Sanctions could be and were terminated by majority vote. The position is different under the U.N. Charter. If a determination is made under Article 39 of the Charter (as it was in the Rhodesian case) that a threat to the peace exists, resolutions may be passed which impose legally binding obligations on the member states—though such obligations in some cases have been disregarded with impunity.

This framework for the application of sanctions has given rise to different problems. A Security Council resolution requires the assent or at least the acquiescence of all five permanent members of the Council. Collective action under the mandatory provisions of the Charter is not, therefore, feasible in any circumstances in which one of them is the aggressor. In the Rhodesian case, particular difficulty arose from the fact that most of the British sanctions orders were subject to annual parliamentary renewal, while the mandatory sanctions imposed under U.N. auspices were open-ended. Most member states took the view that the *removal* of sanctions required a fresh affirmative resolution from the Security Council. This would have given any permanent member a potential veto over the terms of a settlement. The British government thus found itself in the unenviable position of having to secure annual approval in its own Parliament for the renewal of sanctions (and this in some years was no

easy task), but having no certainty that the United Nations would terminate them in the event of a settlement the British Parliament considered satisfactory.

Sanctions are liable to have perverse effects, both political and economic. The effect of sanctions on the target economy may turn out to be by no means wholly prejudicial. In the case of Italy, the loss of exports was accompanied by a cutback in imports which actually resulted in an *improvement* in the trade balance. Financial sanctions proved to be a two-edged weapon. Italy's large debt rendered creditors anxious to avoid a default. The interruption of remittances to companies abroad helped the balance of payments in the short term. Similarly, the interruption of remittances had a beneficial effect on the Rhodesian balance of payments and helped to create sufficient liquidity in the Rhodesian banking system to enable credit to be made readily available for the diversification of industry and agriculture. These benefits were obtained at serious long-term costs in terms of the loss of foreign investment (but investment was still forthcoming from South Africa).

Of much greater significance was the diversification of the economy and greatly increased self-reliance which resulted from sanctions. In the decade from 1965 to 1975 the Rhodesian economy was transformed from virtually total dependence on the importation of manufactured goods in exchange for raw materials to a remarkable degree of self-sufficiency in most areas except oil and industrial plant and machinery. The successes in moving into or expanding the production of ferrochrome, refined steel products, railroad cars, consumer goods and so forth, were a product of local ingenuity and enterprise, under the stimulus of sanctions. The German economy responded to a much sharper economic siege in two World Wars with remarkable advances in synthetic production and innovations in the use of ferro-alloys in reinforcing steel.

Sanctions frequently—one might almost say, generally—are decided in large measure as a consequence of the lack of feasible alternatives. In the case of Iran, as in that of Rhodesia, they represented an attempt to achieve some external influence on the situation. In both instances an attempt was being made to achieve a real result. In virtually all the cases in which sanctions have been applied, however, the purpose has also been *demonstrative*. In a good many instances the demonstration of disapproval appears to have been the main purpose of applying sanctions. For in some of the more partial

cases it can scarcely have been supposed that they would have much effect on the target country. The use of sanctions for demonstrative purposes rests on the conception that they are a way of "signalling" to the target country and, no less important, to other countries a government's position in relation to some manifestation of international—or internal—misconduct. There are international circumstances in which it may appear wholly inadequate for a government to confine itself to inveighing rhetorically against the conduct of another state and when it may consider it essential to demonstrate its disapproval by action as well as words, even at the cost of some damage to its own country's interests—the acceptance of such damage in itself indicating its determination. Such an attitude may also be intended to indicate the resistance further action of the kind is likely to encounter. The economic measures decided by the United States in response to the Soviet military intervention in Afghanistan were intended *inter alia* to serve this purpose.

Even if sanctions fail to make the target country comply, they may well serve a purpose which is useful in the eyes of those applying them. A government may consider sanctions useful if they serve to "declare its position to internal and external publics or [help] to win support at home or abroad."⁴ It certainly is the case that sanctions policies often have been decided on this basis. The most important argument in favor of such a policy may be the desire to maintain or improve relations with third countries; or to impress domestic opinion. But the idea that sanctions may serve as a useful instrument of policy *irrespective of their impact on the target country* gives rise to certain obvious difficulties. *Vis-à-vis* the target country, the application of sanctions is liable to be incompatible with attempts to influence its policies by "persuasive" action (diplomatic *démarches* and so forth). Expectations often are entertained that it will somehow be possible to do both. This is likely to be the case only to the extent that sufficient real pressure is exerted to give the target regime a serious incentive to negotiate. Token or "mild" sanctions are liable to produce a reverse political effect, while enabling the government to which they are applied in turn to demonstrate that it can withstand them. Once it is apparent that such action is producing little effect on the target, those the demonstration is intended to convince may no longer be particularly impressed by it.

Considerable hopes have been placed on the *threat* of sanctions as

a way of inducing a country to alter its behavior. Sanctions do have an economic effect: obviously, therefore, any government has an interest in avoiding them if it can. The possibility—or likelihood—of the imposition of sanctions can have some deterrent effect by increasing the potential costs of a given course of action. The threat of sanctions did not, however, deter Mussolini from invading Abyssinia or Mr. Smith and his colleagues from their unilateral declaration of independence. In political terms, it is the latent or implicit rather than the explicit threat of sanctions which is likely to be most effective. For once a direct threat is made that sanctions will follow unless a certain course of action is adopted, the *amour propre*—and possibly even the political survival—of the "receiving" government will be at stake; and it will be liable to take its chance with the economic penalties rather than face the political humiliation of having to capitulate to external pressures. This will particularly be the case if the government concerned feels that its survival—or that of "the system"—will in any event be at stake if it *does* comply.

Sanctions were conceived as a means of resisting aggression without the need for resort to the use of force. Their main attraction has been as a way of exerting pressure on a recalcitrant power without causing excessive risks to the country applying them. There are times when sanctions may distract attention from other and more effective ways of achieving the desired result (e.g., the closure of the Suez Canal to Italian troop ships en route to Abyssinia). A blockade is a more effective form of sanctions policy, but one which offers a much greater risk of precipitating a conflict. While sanctions have not proved an effective instrument in terms of resisting aggression, they do have the virtue of offering an alternative to military action and, at times, of affording a government a means of containing pressures to embark on some much riskier course. Since sanctions do have a punitive effect, they can impose some penalty on international misconduct, though they are unlikely of themselves to bring it to an end. While sanctions, in this perspective, may often appear an attractive option, those governments which have sought to achieve a real impact on the target country—as distinct from purely "demonstrative" effects—have found that the problem of escalation may take other forms, as over whether to apply oil sanctions against Italy or to extend sanctions against Rhodesia to the whole of southern Africa. The imposition of sanctions is liable to lead to the dilemma

of accepting either that they are going to be relatively ineffective, or the necessity of taking further and more difficult steps in an attempt to improve their effectiveness.

Sanctions in practice, though not always in intention, are an application of the principle of collective guilt, or at least collective punishment. External pressures, at least initially, may tend to promote social and political cohesion, rather than dissent. In increasing the sense of isolation of the society to which they are applied, they may not render it more amenable to external influence. In terms of incentive, it is not sufficient that sanctions are perceived as a penalty, or at any rate a nuisance. Alternative courses of action must also be perceived as lesser evils.⁵

The Rhodesian case exhibits all the difficulties which the international enforcement of economic sanctions may be expected to encounter; yet astonishment is still expressed when the same difficulties are encountered in other cases. The political effects which had been hoped for never materialized. Through the various attempts to negotiate with Mr. Smith in the early years, one factor remained constant: he was prepared to agree to majority rule, but only on condition it was deferred to the Greek kalends. The regime in this period was not brought progressively to modify its position—not because it was not suffering economic penalties, but because it was prepared to accept those penalties rather than agree to its own disappearance. It was all the easier for it to do so because, as yet, few of its supporters were having to make real sacrifices—yet support for it was maintained when, later, they were obliged to do so and indeed to risk their lives, and those of their families, for its survival.

Nor did sanctions succeed in encouraging the development of opposition within the white community. There was a failure to appreciate that no one was going to stand by and see the collapse of his business and personal fortunes. A third of the white electorate had consistently voted against the Rhodesian Front and they continued to do so; but there was no sign that their numbers were increasing. Sanctions did tend to place other elements of society in the same position as active supporters of the regime: most of those who had their homes and fortunes in the country found themselves engaged in their evasion. The regime in turn sought to create and exploit a siege mentality to silence or discredit its critics. The various pressure groups which had been expected to have an influence—the business

community or the farmers' leaders—seemed unable to make that influence felt. In terms of weakening internal support for the regime among the white electorate, sanctions were totally ineffective. A similar phenomenon has been noted in the cases of Italy and Cuba. It is important to note, however, as the counterpart of this paradox, the finding of the Pearce Commission that in Rhodesia the continuance of sanctions was supported by African opinion despite the effects on African standards of living.

Sanctions have been defined as the "penalty imposed to secure obedience to a law." Their purpose is to exert influence on the target country—to get them to "change their mind."⁶ The theory of sanctions rests on the assumption that if subjected to economic penalties a nation will, as a matter of self-interest, change its conduct. The idea of an automatic correlation between economic deprivation and the loss of the political will to resist is, to say the least, questionable. The theory depends on the notion that people's income can be threatened rather like their lives. In the first place this is not easy to achieve; in the second, it may not produce the desired political result. It may be possible, as happened to some extent in the case of Rhodesia, to transfer the economic penalties to others; and the reaction to economic or other pressures depends on the character of the society to which they are applied. Such pressures are always liable to have the opposite effect. For the Europeans in Rhodesia, compliance meant majority rule. This they saw as a greater threat, not just to their economic well-being, but to their way of life.

The lack of correlation between their economic and political effects is the most serious of all the problems attached to sanctions policies. In discussion of the efficacy of sanctions, however, there is an alternative theory no less doctrinaire than that on which the theology of sanctions originally was based. *The idea that sanctions have no effect, impose no penalty, or that their avoidance (or termination) offers no incentive, is contrary to the evidence, as it is to common sense.* Financial sanctions did have some effect in the Iranian and other cases. Sanctions against Rhodesia did exert some pressure for a negotiated solution, though the pressure was never irresistible and they did so at the considerable political cost of tending to consolidate rather than diminish white support for the regime. In the final phase their premature removal would have encouraged resistance to a wider settlement. They had perverse effects on the Rhodesian economy, encouraging self-reliance and diversification. But

their overall effect was to limit its expansion and in the long run to weaken the regime to which they were applied.

Despite the limited and uncertain results so far achieved from sanctions policies, the possibility of recourse to collective economic measures—with varying degrees of international support—remains an important factor in international relations and will continue to do so. The attempt to deny military or economically strategic materials or technology to a potential adversary is and will remain the most widely practiced form of embargo. The export of such items normally is already subject to effective national measures of control and it has proved possible to achieve systems of denial in this area which have been effective not so much in preventing as in slowing down transfers or technological “catching up.” Any government faced with acts of outright hostility or the arbitrary expropriation of assets is likely to react by interrupting economic relations with the country concerned.

Even when their interests are not directly threatened there will continue to be circumstances in which governments will feel it necessary to declare their position by something more than words alone. The traditional method of breaking off diplomatic relations has been found in many respects to be the least effective sanction of all. It inflicts no real penalty on the target country and deprives the initiating government of a flow of first-hand information and the most effective channel of communication. The British government in 1965 did hope that sanctions against Rhodesia would bring about political change. But it also faced the prospect that, if no action were taken, this would increase the damage to Britain's position in other parts of the world. It was concerned at the possibilities the Rhodesian crisis offered for exploitation by the Soviet Union.* It did not consider that it could afford simply to acquiesce or appear to be acquiescing in what had happened. The imposition of sanctions was intended *inter alia* to declare its position on the fundamental question of racial equality. The decision of the European governments to join in sanctions against Iran, despite uncertainty as to their probable effects, was intended essentially as a declaration of solidarity with the United States over the question of the hostages.

*With Mr. Wilson speaking in the House of Commons of a “struggle for the soul of Africa” (12 November 1965).

Sanctions have been described as a “romantic delusion . . . Where military power is not employed and the enforcement of an embargo depends merely on the agreement of nations—whether or not expressed in a U.N. resolution—the result will more likely be annoyance than hardship.”⁷ It certainly is the case that, to date, they have very rarely succeeded in producing the desired result. Much confusion has arisen from the overambitious expectations attached to them and the fact that in many of the cases in which they have been imposed for “demonstrative” purposes, they have succeeded only in demonstrating their ineffectiveness. Still greater harm has been done by the imposition of sanctions in circumstances in which they were never really intended to be effective—as was the case, for some of the participants at least, with sanctions against Italy in the Abyssinian crisis. In the Rhodesian case it is at least arguable that they did more damage to the neighboring countries than to the one to which they were applied.

Sanctions were conceived in piety as a bloodless substitute for war—and, it was hoped, an effective one. If applied with sufficient determination, economic sanctions can and do produce *economic* effects. They may increase the self-reliance of the target country. They can also serve to render the attainment of economic objectives more difficult for it—to act as a brake on economic growth. One of the most serious flaws in sanctions policies has been reliance on the theory that they can be depended upon, beyond that, to have a *corrective* effect—to bring about the desired political changes. The avoidance of future fiascoes will depend *inter alia* on a much clearer understanding of the limitations of sanctions policies—and of why governments are likely to continue to find it difficult to do without them. On one level there is the indirect benefit of helping to contain domestic pressures to take some more drastic action *vis-à-vis* the country concerned; on another the continuing conviction that sanctions can help to demonstrate that certain types of conduct, if repeated or continued, will encounter real resistance, not merely verbal indignation.

The purpose of sanctions was conceived initially as being either preventive or remedial. Their main effect, however, has invariably been *punitive*. There are international circumstances in which it may become necessary to take some punitive action, falling short of the use of force, either to weaken the regime to which sanctions are applied or, by penalizing it for one undesirable action, to try to

deter it from further action of that kind. Given the fact that they do have a punitive effect the possibility that economic penalties will be imposed is a factor it is desirable to maintain in the calculations of a government apparently bent on acting in defiance of international law. To abandon altogether the idea of recourse to sanctions in response to acts of aggression or other flagrant violations of international law or human rights would be to reduce the choice of response to one between military action and acquiescence—an unattractive choice at the best of times and particularly so in a nuclear age. In cases in which “real” sanctions are applied, provided (a) they affect a significant proportion of the target country’s external trade (or external finance); and (b) there is sufficient international support, they can impose some penalty on the target country. They may have some deterrent effect, though they are not likely to do so if the regime believes its survival in any event to be at stake. Once applied they may, if sufficiently effective, weaken the target regime; but they will not necessarily change its behavior.

The purpose of this study is to suggest that, when consideration is given to the use of the “economic weapon,” greater attention should be paid to the effects this is likely to have on the target country. Exaggerated expectations should not be entertained as to the likely economic effects, or the time-scale on which these may be felt; still less as to the probable political results. The possibility of recourse to sanctions is liable to be more effective as a means of pressure than their implementation. The threat of the imposition of sanctions may increase bargaining power with the government concerned, though it may do so in circumstances in which it becomes difficult for either side to give way. Minor or petty sanctions are virtually certain to produce a reverse political effect without exerting any real pressure. On the occasions on which it is thought right to have recourse to sanctions, it will be as well to do so without illusions. A sanctions policy should never be based on the initial fallacy, which was the supposition that it would prove possible to deter aggression or otherwise to change fundamentally the political conduct of states by the threat of economic penalties alone. The implementation of sanctions is essentially punitive, the effect—if there is sufficient international support—being to weaken the country to which they are applied. There are international circumstances in which this may be a necessary action to take. More ambitious claims should not be made for a sanctions policy.



PRIME MINISTER'S MEETING WITH PRIME MINISTER OF CANADA: 13 JULY 1986

Trade and Investment

Our objectives

- (a) underline UK interest in outcome of Allied Lyons' takeover bid for Hiram Walker.
- (b) express strong hope that legislation to reform the Canadian Patent Act as it applies to pharmaceuticals will be tabled early in next Canadian parliamentary session.
- (c) stress UK concerns over effect on UK exporters of books, tea bags and computer parts of Canada's recent tariff measures against the US.

Arguments

- (a) Interested in Investment Canada's appraisal of Allied Lyons' takeover for Hiram Walker; hope their decision will be made soon; it would be wrong to oppose sale because Allied Lyons is UK company.
- (b) current pharmaceuticals licensing system abuses intellectual property rights. 4 % royalties an inadequate contribution to the R & D costs of companies with patents on prescription drugs. Welcome Minister Côté's intention to propose legislative reform: soon please.
- (c) Canadian trade retaliation against US will cost legitimate UK exporters to Canada some £3m pa. Unfair. Tea bags especially so: UK much larger exporter to Canada than is US. UK discussing appropriate response with EC partners - risk of retaliation against Canada.

Canadian objectives

- (a) Reassure Prime Minister that Investment Canada will soon issue decision on Allied Lyons/Hiram Walker, but note that foreign takeovers are politically sensitive in Canada.
- (b) Note that reform proposals on pharmaceutical licensing ready to be tabled, but explain this is a sensitive domestic issue.



- (c) Explain that swift Canadian response to US measures was necessary, and will continue to be so whilst US tariff on cedar products remains; few product areas open to Canada for retaliation; tariff on tea bags will not bite on UK until 1 January 1987 and US may have modified cedar tariff by then. Canadian measure compatible with GATT.

Our response

- (a) Allied Lyons/Hiram Walker takeover makes good commercial sense, good for Canada; political interference with takeovers will hamper Canadian attempts to increase inward investment.
- (b) long delay already in introducing proposals for reform of pharmaceutical licensing.
- (c) Canadian tariffs will significantly affect UK exporters. Not good enough to hide behind GATT. Pressure for appropriate UK/EC response will grow.

Press line

- (a) none.
- (b) Prime Minister stressed her hope that legislative proposals to reform Canadian Pharmaceuticals law would be brought forward as early as possible in the next session.
- (c) Prime Minister raised UK concerns over the effect on UK exports of books, computer parts and tea bags of tariff measures recently introduced by Canada in response to the imposition by the US of a 35% duty on Canadian cedar "shakes and shingles".



PRIME MINISTER'S MEETING WITH CANADIAN PRIME MINISTER:
13 JULY 1986

BACKGROUND ANNEX ON INVESTMENT
(ALLIED LYONS' BID FOR HIRAM WALKER)

1 Hiram Walker sold its distillery business to Allied Lyons for \$2.6 billion, as part of its resistance to an initial offer by Gulf Canada. Gulf eventually took over Hiram Walker, but felt cheated by the prior sale of substantially all the real assets, and contested the sale in the Courts. The Ontario Supreme Court allowed the sale to proceed but Gulf have appealed against the decision; the deadline for the appeal has been extended to 9 July. Allied Lyons are confident of winning the appeal; Gulf are expected to make further appeals to delay matters.

2 Investment Canada, which examines overseas takeovers of Canadian companies, is still considering the Allied Lyons deal. There should be no problem with Investment Canada. But Allied Lyons are pitting themselves against two of the most powerful families in Canada, the Reichmanns (through Gulf) and the Bronfmans (through Seagrams, who would also like Hiram Walker's distilling assets).

3 On 21 May, the Secretary of State for Trade and Industry announced his intention not to refer this merger to the Monopolies and Mergers Commission under the provisions of the Fair Trading Act 1973. There are therefore no difficulties at the UK end.

4 It is generally accepted that Allied Lyons - who are strong in wines and beers - and Hiram Walker's distillery business - spirits - are almost a perfect fit. Together they would be a major world force. We will not be making formal representations whilst the matter is before the Canadian courts, and we have stopped short of underwriting the commercial logic of the deal in our informal contacts. But the Canadian authorities are well aware of HMG's interest in this case.

JPFAAR



PRIME MINISTER'S MEETING WITH CANADIAN PRIME MINISTER:
13 JULY 1986

BACKGROUND ANNEX ON CANADIAN PHARMACEUTICALS POLICY

1 The Canadian Patent Act 1969 allows "compulsory licensing" to be granted to domestic firms to import and sell copies (generics) of patented drugs on payment of a royalty to the patent holder. The royalty has in practice been uniform at 4%. In many cases this has meant Canadian firms not contributing fairly to the R&D costs of overseas companies (notably Glaxo for the UK).

2 Proposals to change the Act were first announced some 3 years ago. They have been the subject of controversy in Canada: opponents stress that drug prices could rise if compulsory licences were less freely granted. Legislative proposals were further delayed when, in late May, the US took action against Canadian exports of cedar products because Canada has tended to view the pharmaceuticals issue as primarily a bilateral US/Canada matter. But Consumer Affairs Minister Côté recently announced his intention to table reform proposals soon; it seems that he would have tabled them before the Canadian Parliament rose, but that he ran out of Parliamentary time.

JPFAAU



PRIME MINISTER'S MEETING WITH CANADIAN PRIME MINISTER, 13 JULY 1986

Background Annex on UK/Canada trade.

As Canada's economy has developed, so too has her dependence on the USA as a trading partner: 71% of Canada's imports were from the USA in 1985. Britain is the third largest supplier to Canada with 3.1% (C\$3.3 billion) of the 1985 market. Canada is Britain's 9th largest export market.

Exports from the UK in 1985 were 43% higher than in 1984. Due to long-standing imports of raw materials and foodstuffs eg paper pulp, wood, metal ore and cereals, the balance of trade has until very recently been in Canada's favour. In 1985 the balance swung in Britain's favour due to large exports of oil. However an increase of 32% in the value of exports of machinery and transport equipment played their part.

	1984	1985	1985 Jan-May	1986 (Prov) Jan-May	85/86 % increase
UK Imports from Canada	1618	1653	805	655	- 19
UK Exports to Canada	1184	1693	632	635	+ 0.5
of which non oil	1013	1270	527	491	- 7
Crude Balance	-434	+ 40	-173	-20	-

Source: OTS

OUTLOOK FOR UK EXPORTS

UK exports to Canada are holding up well this year despite less favourable exchange rate. Exports in the first five months were f635m against f632m for the same period last year. As well as oil, sharp increases were recorded in chemicals, electrical generators, laboratory equipment and kitchen utensils and table-ware.



Areas of particular opportunity are electric power generation and distribution, petrochemical and fertiliser plants, oil and gas pipelines and plants, the mining of coal and industrial minerals. The manufacturing and service industries also offer many export opportunities as does the market for top quality consumer goods.

INVESTMENT

At the end of 1984 the total stock of foreign direct investment in Canada was C\$83.1 billion, over twice as large as the value of Canadian direct investments abroad. The UK is the second largest foreign investor with about 9% of the value of foreign direct investment (\$7.34 billion at the end of 1984). The stock of Canadian investment in the UK was C\$1.85 billion (end 1984) and the UK was the major destination for Canadian external investment after the USA.

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July 1986



PRIME MINISTER'S MEETING WITH CANADIAN PRIME MINISTER:
13 JULY 1986

BACKGROUND ANNEX ON CANADA/US TRADE DISPUTE
IMPLICATIONS FOR CANADA/UK TRADE

1 President Reagan announced on 22 May the introduction of a 35% tariff on cedar 'shakes and shingles' (products used mainly in the construction industry). This action was clearly aimed at Canada and followed a case filed by the US lumber industry under s.201 of the US Trade Act alleging serious injury from Canadian imports. Mr Mulroney complained personally to President Reagan about the tariff and warned that Canada would respond appropriately. On 2 June, Canada announced increased tariffs aimed at the US on a range of products.

2 Neither the US nor the Canadian tariff measures are contrary to GATT, since none of the tariffs involved are bound in GATT. But the tariff measures have to be applied equally to all supplying countries to comply with the 'Most Favoured Nation' provision of the GATT. The US measure has no direct effect upon UK exporters, but the Canadian measures will affect significantly UK exports of books, tea bags and computer parts. The relevant Canadian measures are:

- (i) A tariff of 10% on English language books. UK direct exports of books totalled £22m in 1985, and books printed by UK companies in the US for sale in Canada will also be affected.
- (ii) A tariff of 6 cents per lb on tea bags. UK exports of tea bags in Canada in 1985 were some £15.3m - and the comparable figure for US exports was only £2.5m. Lyons Tetley, the largest UK exporter of tea bags to Canada, estimate that the tariff will cost them some £200,000 pa. UK exports of tea bags will continue to enter Canada free of duty under a preferential tariff until the end of 1986, but the new tariff will apply from 1 January 1987.
- (iii) Withdrawal from an agreement made in January 1986 with the US and Japan to drop a 3.9% tariff on computer parts. UK exports of computer parts to Canada in 1985 were £8.5m.

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3 In terms of duties collected by Canada, the cost of the tariffs in a full year would be some c\$4.6m on books (£2.2m on 1985 exports of £22m), c\$0.5m on tea bags (£0.24m on 1985 exports of £15m) and c\$0.7m on computer parts (£0.34m on 1985 exports of £8.5m): a total of c\$5.8m (£3.0m).

4 The UK has raised the matter within the Community but the Commission has been reluctant thus far to make a political level approach to Canada, on the grounds that EC retaliatory action (for instance against US restrictions on EC semi-finished steel) inevitably affect third countries in the same way as the Canadian measures affect the UK (and others). UK officials have pursued the matter bilaterally with Canada and the Foreign Secretary raised it last month with Mr Clark, Canadian Secretary of State for External Affairs.

5 The Canadians are still hoping for a resolution to their dispute with the US which would in turn solve our problems. But they have acknowledged the difficulties caused for the UK, said that it was difficult to find products on which to retaliate against the US which did not affect some other countries, and agreed to look seriously at our case. There are some indications that the Canadians are being disingenuous on tea bags and that their tariff represents a deliberate concession to the Canadian tea lobby. But Mr Clark told the Foreign Secretary that he was more optimistic about a solution on tea bags than on books.

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CANADA: ECONOMIC

1. The Canadian economy continues to show good growth (4.5% in 1985 - among the highest in any industrial country). Inflation in 1985 was 4%. Unemployment decreased to 9.6% nationally in February (provincial figures vary).
2. The Finance Minister presented his second budget on 26 February. It was seen as a delicate, cautious and politically prudent balancing act, signalling the Government's intention to bring forward more comprehensive reforms of the systems of social expenditures and related tax provisions. The budget was made against the backdrop of the Canadian dollar crisis at the beginning of February which had required strong intervention in exchange markets by the Bank of Canada and consequent raising of interest rates. The measures included higher taxes and public spending cuts. Economists and businessmen were disappointed that spending cuts were not greater. They question whether the deficit had been cut enough to steady the dollar (from C\$34.3 bn in the year to March 1986 to C\$29.5 bn in fiscal year 1987 and C\$22 bn in 1991). The reduction in oil prices since February has reduced anticipated revenue, but this is expected to be offset by faster growth in the economy as a whole. Although no departmental budget escaped, the cuts in the defence and aid budgets were lower than most other departments, in line with the high priority given by the Government to those two programmes.
3. UK exports to Canada in 1985 were 43% higher than in 1984. The bulk of the increase was oil, but useful increases were recorded in machinery, fabricated materials, aircraft equipment and food. In 1985 the balance of visible trade moved into the UK's favour for the first time since 1872.



PRIME MINISTER'S MEETING WITH CANADIAN PRIME MINISTER:

13 JULY 1986

BACKGROUND ANNEX ON POSSIBLE CANADIAN CONTRIBUTION TO THE INTERNATIONAL FUND FOR IRELAND

1. Our High Commissioner and the Irish Ambassador in Ottawa made a joint approach to the Canadian Department of External Affairs (DEA) on 5 February proposing a Canadian contribution to the International Fund. Sympathetic consideration was promised but it was clear from the outset that, in view of current Canadian budgetary difficulties, any contribution from them was likely to be little more than a gesture.

2. Mr Mulroney told the Foreign Secretary in Tokyo on 6 May that his Government was now contemplating making a contribution to the Fund. This line was repeated when the Foreign Secretary met his Canadian counterpart on 29 May. The Canadian Foreign Minister told the Foreign Secretary on 20 June that Mr Mulroney intended to raise the matter with the Prime Minister in Canada. The Canadians were planning to make a "more than symbolic" contribution.

3. There has been extensive discussion in the United States about their own contribution and it has been clear throughout that the Canadians have been watching developments on Capitol Hill before committing themselves to a figure. Senate consideration of a US contribution was resumed on 12 June (following the Senate Foreign Relations Committee's favourable vote on the UK/US Supplementary Extradition Treaty) with the 'marking up' by the Committee of a financial package for consultation by the whole Senate. This consideration has still to take place. However, on 2 July, and quite separately, President Reagan signed the Supplemental Appropriations Bill for US Fiscal Year 1986, into which Speaker O'Neill and his supporters inserted a clause authorising a US \$50m contribution to the Fund in the current year so as to launch the Fund properly before his retirement.

4. It seems likely that the Canadians have been unwilling to show their hand until a decision was taken in Washington. They should now be more forthcoming. Our Embassy in Canberra picked up a rumour

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from the Australians that the Canadians were contemplating an offer of \$1m (Canadian?) a year for five years; however neither our High Commission nor the Irish Embassy in Ottawa have been able to nail this down.

REPUBLIC OF IRELAND DEPARTMENT
FOREIGN & COMMONWEALTH OFFICE

3 July 1986

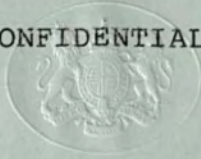
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PRIME MINISTER'S MEETING WITH CANADIAN PRIME MINISTER: 13 JULY 1986

Background Annex on UK/Canada Air Services

1. There have been two rounds of UK-Canada air services talks this year. The UK's aim in these has been to renegotiate the UK-Canada Air Services Agreement (ASA) which has remained largely unchanged in its main provisions since 1949. There has been some progress towards agreeing a more liberal regime on trans-Atlantic services; the Canadians have also been helpful in separating the Hong Kong-Canada element of the ASA, necessary for us in the run-up to 1997. However, Air Canada services beyond London to Dusseldorf and to Bombay-Singapore have proved a major problem.
2. As part of a package to give British Airways access to points in Western Canada, Air Canada was given rights to carry London-Dusseldorf and London-Bombay-Singapore traffic. Under the terms of the ASA, these services should have as their primary purpose the carriage of passengers whose journeys either begin or end in Canada. In practice, in 1985, only 36% of passengers on the London-Dusseldorf service and 23% on the London-Bombay-Singapore service originated in Canada.
3. British Airways estimate that Air Canada operations beyond London currently cost them £5 million per annum in lost revenue and could cost as much as £15 million pounds per annum within a few years.
4. Canadian refusal to bring these services back to within the terms of the ASA has forced the DTp to conclude that termination of the air services agreement, followed by its complete renegotiation is the only way forward. However, they have offered to hold one last round of consultations in order to reach agreement. These are provisionally scheduled for 28 and 29 July.

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5. The Canadians have been left in no doubt that, in the event of these negotiations failing to produce a satisfactory outcome, we shall have no alternative but to terminate the ASA.

Maritime, Aviation and
Environment Department

3 July 1986

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DEPARTMENT/SERIES <i>PRGM 19</i> PIECE/ITEM <i>1681</i> (one piece/item number)	Date and sign
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PRIME MINISTER'S MEETING WITH CANADIAN PRIME MINISTER
BACKGROUND ANNEX ON EC/CANADA

Fisheries

1. EC/Canada Fisheries Relations have deteriorated over last 12 months following series of infringements and abuses against Community vessels.

- Abuses are result of EC/Canada dispute concerning fishing for cod in small part of North Atlantic Fisheries Organisation (NAFO) area 3L (Nose of the Bank) which lies outside Canadian 200 mile limit: these include failure to issue licences to German vessels; refusing entry to Canadian ports by Portuguese vessels; attempt by Canada to put inspectors on all Portuguese vessels fishing on Nose of the Bank under guise of Scientific Observer Programme; and the recent arrest of Spanish boats for allegedly fishing inside Canadian 200 mile zone.

- Attempts to resolve problems bilaterally unsuccessful.

- Canada claims that EC share of Total Allowable Catch (TAC) allocated under EC/Canada Agreement applies to stock in the whole area.



- EC argues that fishing in international waters outside Canadian jurisdiction is subject to provisions of NAFO Convention.

2. EC agreed, at Fisheries Council on 25 June to give Canadians notice of withdrawal from EC/Canada Scientific Observer Programme (SOP) and NAFO Joint Enforcement Scheme (JES) (The Scientific Observer Programme is a bilateral arrangement to contribute to research in NAFO international waters. The Joint Enforcement Scheme allows for mutual inspection by the NAFO Contracting Parties on vessels operating in international waters operated by NAFO.)

- Canada has accepted need for renegotiation of these arrangements.

Agriculture



- Tokyo Summit agreement on need to tackle surpluses: action needed to redirect policies and adjust structure of agricultural production in light of world demand. Further analysis in OECD.

- European Council conclusions:

- international cooperation at multilateral and bilateral level.



- reaffirmation of EC commitment to include agriculture in new GATT round.
- continued reform of CAP.
- OECD study of agriculture to issue in draft in October.
- GATT negotiations should begin late 1986/early 1987: likely to take 3/4 years.
- Interim solution to EC/US enlargement dispute, assuring US reasonable access for grain exports to EC (at around 1985 levels: 234,000 tonnes a month) to end 1986.



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PRIME MINISTER'S MEETING WITH CANADIAN PRIME MINISTER
13 JULY 1986

Background annex on Arctic Baselines

1. A long-standing difference between Canada and other states, notably, the USA over the Canadian Arctic and the North West Passage re-appeared last July when the Canadian Government announced that the voyage by the US ice-breaker "Polar Star" had received its authorisation and would proceed "with Canadian support and participation". Canada claims sovereignty over these northern waters and maintains foreign vessels need permission to travel through the North West Passage. The US contends they are international waters through which any vessels may pass freely ; they informed the Canadian Government in May of the plans for the "Polar Star" but did not seek its consent. They (and we) had reserved their position in 1970 over Canadian claims to a 100 mile pollution zone in the Arctic.

2. The voyage took place between 1-15 August 1985 and was extensively reported. Pressed to react, Mr Clarke announced in Parliament on 10 September 1985 a system of straight baselines for the Canadian Arctic archipelago, with the consequence that Canada now claims the waters within the area as her internal waters.

3. Canada's claim to sovereignty over Arctic islands and certain extensive bays (notably Hudson Bay) rests on historical foundations going back to the British period. The UK recognises Canada's sovereignty over their islands and those bays. We had not however expressed a view on her hitherto ill-defined claims to sovereignty over waters between the Arctic islands, beyond the normal territorial sea limit. After a detailed analysis of the new

/Canadian

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Canadian baselines it was concluded that an impartial Tribunal might well uphold them but that it was necessary to take a suitable opportunity to make clear that the right of innocent passage still existed behind the baselines. Many of our EC partners had even greater concern.

4. We therefore agreed to an EC Presidency demarche on 24 April this year seeking clarification of the Canadian justification of the baselines in international law and the rights of navigation which applied behind them. The Canadians replied in an Aide Memoire of 14 May justifying the baselines on the basis of historic title and the uniqueness of the area in question which they maintain has not been used for international navigation. The Community consider this response unsatisfactory and the Dutch Presidency proposed a joint reservation of rights to make it clear that member states consider they continue to enjoy a right to innocent passage. UK Presidency will make a common demarche in Ottawa with Dutch Ambassador shortly.

5. The Canadian claim to sovereignty over these northern waters also has important political and strategic implications. The Soviet reported position is that they regard the North West Passage as a Canadian internal waterway as much as the North East Passage is a Soviet waterway. The US regards both as open for international navigation including US warships. They had intended to lodge a strong protest against the Canadian baselines but were persuaded by informal Canadian representations not to do so. Instead bilateral discussions are taking place in an effort to resolve the matter amicably.

Maritime, Aviation and
Environment Department

3 July 1986

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PRIME MINISTER'S MEETING WITH CANADIAN PRIME MINISTER,
13 JULY 1986

BACKGROUND ANNEX ON SOVIET PRISONERS IN AFGHANISTAN

1. FCO and Home Office Ministers have given agreement in principle to a Canadian request for transit facilities at Heathrow for a group of 6 Soviet POWs en route from Islamabad to Canada. The operation is unlikely to take place before mid-August ie. a month after the Shevardnadze visit. The Canadians are unlikely to raise except to express appreciation. There is no need for us to do so.
2. The Canadians first approached us about this in April. They explained that for various reasons - both technical and political - a London transit was the only feasible option. They also explained that the Canadian Government was under considerable Parliamentary pressure from emigre groups sponsoring the POWs to facilitate their early "exfiltration".
3. Our agreement in principle was on condition that the Canadians reduced transit time to a minimum by providing their own military transport for the onward flight and that the POWs provided written undertakings that they wished to continue their journey to Canada. The Canadians accepted these conditions. We also had to warn the Canadians, because of continuing delays at the Pakistani end, that we might need to review our agreement if the transit risked coinciding with Mr Shevardnadze visit (14/15 July).
4. The exercise has now been postponed until mid-August because of Pakistani nervousness that knowledge of their involvement could undermine proximity talks on Afghanistan currently taking place in Geneva. The new timing is preferable from the Shevardnadze point of view.



UK/CANADA SOCIAL SECURITY RELATIONS

Background

1. UK pensioners overseas normally have pension paid at "frozen" rates. Unfreezing only applies where specific agreement reached.
2. Social security agreement with Canada does not cover index-linking of pensions. 56,000 UK retirement and widow pensioners in Canada. Receive rate in payment when pensioner left UK or when he first qualified for pension, if later.
3. In 1972 UK proposed comprehensive agreement with Canada to include pension upratings, but Canadian authorities not empowered then to negotiate. Since then tighter financial constraints in UK.
4. Cost of completely "unfreezing" pensions in Canada (ie paying pensions at current UK rates) - about £35 million a year. Cost of future increases only - about £4.8 million in first year (increasing each year until all UK pensioners in Canada ~~were~~ receiving same benefit as if living in UK).
5. Preparatory discussions between Canadian and UK officials on possible convention, but money not yet available in UK to unfreeze. (Canada prepared to spend over \$21.5 million, but this would go to Canadian pensioners in Canada and UK. Would not reduce UK costs.)



6. Sustained activity for several years by pressure groups, notably British Pensioners' Association of Canada, for "unfreezing". Latest campaign included meeting on 22 May at St Ermins Hotel, Westminster, to which members of both Houses invited. (Lord Stallard and Sir John Farr jointly chaired meeting.)

7. Matter raised with PM by Mr Trudeau when Prime Minister.

Line to take

8. Explain constraints on public spending

- need to assess priorities
- not all desirable changes can be accommodated.

Confirm matter kept under review

- seeking to find a way forward
- DHSS looking again at options and difficulties
- no prospect at present.

DHSS

July 1986

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CABINET CHANGES

1. THE PRIME MINISTER TODAY ANNOUNCED CABINET CHANGES INVOLVING 26 OF THE 40 MINISTERIAL PORTFOLIOS. EIGHT NEW MINISTERS WERE APPOINTED - THERE WERE CHANGES IN PORTFOLIO RESPONSIBILITIES. SIX FORMER MINISTERS ARE DROPPED. CHANGES AS FOLLOWS (MINISTERS' PREVIOUS PORTFOLIO IN BRACKETS):

MINISTER OF COMMUNICATIONS - FLORA MACDONALD
(EMPLOYMENT AND IMMIGRATION)

MINISTER OF TRANSPORT - JOHN CROSBY
(JUSTICE AND ATTORNEY GENERAL)

MINISTER OF STATE - ROCH LA SALLE
(PUBLIC WORKS)

DEPUTY PRIME MINISTER, PRESIDENT OF THE PRIVY COUNCIL AND
GOVERNMENT HOUSE LEADER - DON MAZANKOWSKI
(TRANSPORT)

JUSTICE AND ATTORNEY GENERAL - RAY HNATYSHYN
(MINISTER OF STATE, GOVERNMENT HOUSE LEADER)

SECRETARY OF STATE AND MINISTER FOR MULTICULTURISM - DAVID CROMBIE
(INDIAN AND NORTHERN AFFAIRS)

NATIONAL DEFENCE - PERRIN BEATTY
(SOLICITOR GENERAL)

CONSUMER AND CORPORATE AFFAIRS - HARVEY ANDRE
(ASSOCIATE MINISTER, DEFENCE)

INDIAN AND NORTHERN AFFAIRS - WILLIAM MCKNIGHT
(LABOUR)

INTERNATIONAL TRADE - PAT CARNEY
(ENERGY)

MINISTER OF STATE (TRANSPORT) - ANDRE BISSONNETTE
(SMALL BUSINESS)

EMPLOYMENT AND IMMIGRATION - BENOIT BOUCHARD
(SECRETARY OF STATE)

REGIONAL INDUSTRIAL EXPANSION - MICHEL COTE
(CONSUMER AND CORPORATE AFFAIRS)

SOLICITOR GENERAL - JAMES KELLEHER
(INTERNATIONAL TRADE)

ENERGY, MINES AND RESOURCES - MARCEL MASSE
(COMMUNICATIONS)

MINISTER OF STATE (PRIVATISATION) AND MINISTER RESPONSIBLE FOR
STATUS OF WOMEN - BARBARA MCDUGALL
(FINANCE)

SUPPLY AND SERVICES - MONIQUE VEZINA
(EXTERNAL RELATIONS)

PUBLIC WORKS - STEWART MCINNES
(SUPPLY AND SERVICES)

GOVERNMENT SENATE LEADER AND MINISTER OF STATE (FEDERAL/
PROVINCIAL RELATIONS) - LOWELL MURRAY

ASSOCIATE MINISTER OF NATIONAL DEFENCE - PAUL DECK

MINISTER OF LABOUR - PIERRE CADREUX

MINISTER OF STATE (YOUTH) - JEAN CHAREST

MINISTER OF STATE (FINANCE) - TOM HOCKIN

MINISTER OF EXTERNAL RELATIONS - MONIQUE LANDRY
(PARLIAMENTARY SECRETARY TO JAMES KELLEHER)

MINISTER OF STATE (SMALL BUSINESSES AND TOURISM - BERNARD VALCOURT)

MINISTER OF STATE (IMMIGRATION) - GERRY WEINER
(FORMER PARLIAMENTARY SECRETARY TO JOE CLARK)

2. COMMENTS FOLLOW.

DAY

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MY TELNO 398: CABINET CHANGES

1. IN LONG-EXPECTED CABINET CHANGES, PRIME MINISTER MULRONEY HAS PUT TOGETHER A MINISTERIAL TEAM WITH WHICH HE IS EXPECTED TO APPROACH THE NEXT GENERAL ELECTION. HE HAS PROMOTED SOME OF PROVEN ABILITY, DROPPED FAITHFUL SERVANTS AND FAILURES, WHILE AT THE SAME TIME TAKING ACCOUNT OF THE SERIOUS FALL IN GOVERNMENT POPULARITY IN QUEBEC BY INCLUDING MORE QUEBEC MPS IN HIS CABINET. HE HAS ALSO SIGNIFICANTLY ADJUSTED SOME MAJOR PORTFOLIOS TO TAKE ACCOUNT OF CHANGES IN EMPHASIS IN GOVERNMENT POLICY.

2. IN WHAT IS SAID TO BE THE LARGEST CABINET RESHUFFLE BY A PRIME MINISTER IN OFFICE, MR MULRONEY HAS REPLACED MINISTERS IN 26 OF THE 40 CABINET PORTFOLIOS. THE MORE INTERESTING CHANGES FROM OUR POINT OF VIEW ARE:

(A) DON MAZANKOWSKI BECOMES DEPUTY PRIME MINISTER, PRESIDENT OF THE PRIVY COUNCIL AND GOVERNMENT HOUSE LEADER. HE REPLACES AS DEPUTY PRIME MINISTER, THE FORMER MINISTER OF DEFENCE, ERIC NIELSEN. NIELSEN HAS NOT SHONE RECENTLY. HE HAS MISHANDLED THE COMMONS ON A NUMBER OF OCCASIONS DURING MULRONEY'S ABSENCE AND WAS BECOMING A CONSIDERABLE POLITICAL AND PUBLIC RELATIONS LIABILITY. NOR HAD HE EVER REALLY MASTERED HIS DEFENCE PORTFOLIO. MAZANKOWSKI IS WELL-REGARDED IN PARLIAMENT, HAS BEEN A SUCCESSFUL TRANSPORT MINISTER AND HAS COPEWELL AS TEMPORARY INDUSTRY MINISTER. MULRONEY'S HOPE MUST BE THAT HE CAN BRING MORE ORDER AND CIVILITY TO PARLIAMENTARY BUSINESS, SOMETHING THAT HAS BEEN SINGULARLY LACKING RECENTLY. HE SITS FOR AN ALBERTA RIDING WHICH MAY HELP TO BALANCE THE SHEET TOWARDS QUEBEC.

(B) PERRIN BEATTY, WHO TAKES ON DEFENCE. AN UNEXPECTED APPOINTMENT, BUT ONE THAT HAS BEEN GENERALLY WELCOMED. HE HAS A REPUTATION FOR BEING AN EFFICIENT AND STRONG MINISTER. HE SHOULD BRING FURTHER DIRECTION TO DEFENCE, WHICH HAS HITHERTO SUFFERED FROM A LACK OF A STRONG AND ABLE MINISTER WHO COULD CONCENTRATE SINGLE-MINDEDLY ON THE PROBLEMS OF THE DEPARTMENT. BEATTY IS APPROACHABLE, AND GENERALLY WELL-DISPOSED TOWARDS THE UK.

(C) PAT CARNEY, WHO WON HIGH PRAISE AS MINISTER OF ENERGY IN REACHING AGREEMENT WITH BOTH EAST COAST AND WESTERN OIL PRODUCERS HAS BEEN MADE MINISTER FOR INTERNATIONAL TRADE WITH OVERALL RESPONSIBILITY FOR TRADE NEGOTIATIONS, THE BOTH THE NEW GATT ROUND AND THE US/CANADA TALKS. HER MAIN TASK WILL BE TO PUT TOGETHER A DEAL WITH THE U.S. THAT WILL BENEFIT CANADA AS A WHOLE AND TO PRESENT MORE EFFECTIVELY IN PUBLIC AND TO THE BUSINESS COMMUNITY, GOVERNMENT POLICY ON THESE TALKS, WHICH WILL BE A MAJOR ISSUE

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WHEN THE NEXT ELECTION COMES ROUND. SHE WILL ALSO OVERSEE BILATERAL TRADE MATTERS. HER APPOINTMENT IS SEEN BY SOME AS A 'PROMOTION' FOR CLARK. WE DO NOT SEE IT THAT WAY. THE US/CANADA TALKS AND THE GATT NEGOTIATIONS NEED FULL-TIME MINISTERIAL ATTENTION. CLARK CANNOT DO THIS AND COVER THE WHOLE RANGE OF INTERNATIONAL AFFAIRS. MULRONEY HAS MADE IT CLEAR THAT CLARK WILL STILL MAINTAIN OVERALL LEADERSHIP AND DIRECTION OF EXTERNAL AFFAIRS, INCLUDING THE CARNEY PORTFOLIO.

(D) MICHEL COTE, QUEBECKER, TAKES THE MAJOR ECONOMIC MINISTRY, DEPARTMENT OF REGIONAL INDUSTRIAL EXPANSION, WHICH HAS INVESTMENT CANADA IN ITS BANQUICK. AS MINISTER FOR CONSUMER AND CORPORATE AFFAIRS, HE WAS RESPONSIBLE FOR PROPOSALS FOR NEW LEGISLATION ON PHARMACEUTICALS, COMPETITION, AND BANKRUPTCY. HE IS SOMETHING OF AN UNKNOWN QUANTITY AND MAY NOT PROVE AS AMENABLE AS HIS SUBSTANTIVE PREDECESSOR, SHINCLAIR STEVENS.

4. THE BIG WINNER IN THIS RESHUFFLE IS QUEBEC. 5 OF THE 6 MAJOR ECONOMIC PORTFOLIOS ARE NOW HELD BY QUEBEC MINISTERS. FOUR OF THE 8 NEW MINISTERS ARE FROM THAT PROVINCE. WITH GOVERNMENT SUPPORT IN QUEBEC HAVING DROPPED TO 25 PER CENT. (LEVEL WITH THE NDP), WITH THE LIBERALS AT 49 PER CENT, SOME ACTION TO RESTORE THE GOVERNMENT'S FORTUNES IN QUEBEC WAS INEVITABLE. THERE COULD HOWEVER BE A BACKLASH FROM THE OTHER PROVINCES IF QUEBEC IS SEEN TO BE GETTING AN UNDUE PROPORTION OF GOVERNMENT FUNDING AND GOVERNMENT BUSINESS.

5. OVERALL, THE CHANGES HAVE BEEN WELCOMED BY THE MEDIA AS AS SENSIBLE AND TIMELY REDEPLOYMENT OF THE GOVERNMENT'S RESOURCES. DURING RECENT MONTHS, THE GOVERNMENT HAD UNINCREASINGLY COME TO LOOK SOMEWHAT STALE AND RAGGED. THE CHANGES THAT MULRONEY HAS NOW MADE GAVE IT A SHARPER AND MORE WORKMANLIKE IMAGE. IT REMAINS TO BE SEEN WHETHER THE NEW TEAM CAN RESTORE THE GOVERNMENT'S FORTUNES, WHICH HAVE FALTERED CONSIDERABLY IN RECENT MONTHS.

DAY

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THIS TELEGRAM
WAS NOT
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PRIME MINISTER'S VISIT TO CANADA

1. THE MULRONEY GOVERNMENT HAS BEEN GOING THROUGH A DIFFICULT PATCH IN RECENT WEEKS. ON BOTH THE DOMESTIC AND EXTERNAL FRONTS, THINGS HAVE NOT BEEN GOING THEIR WAY. PARLIAMENT HAS NOW RISEN FOR THE SUMMER RECESS. THIS GIVES THE GOVERNMENT SOME RESPIRE FROM DAILY HARRYING BY THE OPPOSITION IN THE COMMONS AND AN OPPORTUNITY TO REGROUP THEIR FORCES.

2. MULRONEY'S FIRST MOVE HAS BEEN TO MAKE A MAJOR RESHUFFLE OF HIS CABINET (MY TELNOS 398 AND 407). THE CHANGES HAVE BEEN GENERALLY WELCOMED AS GIVING THE GOVERNMENT A MORE PURPOSEFUL IMAGE, BY THE REMOVAL OF SOME OF THE LESS SUCCESSFUL MINISTERS, THE PROMOTION OF THOSE WHO HAVE PERFORMED WELL, AND THE INTRODUCTION OF SOME NEW BLOOD. IT HAS BEEN A SUCCESSFUL RECONSTRUCTION, THOUGH THE INCREASED STRENGTH OF QUEBEC WITHIN THE GOVERNMENT MAY CAUSE PROBLEMS WITH THE OTHER PROVINCES.

DOMESTIC

3. THE STANDING OF THE GOVERNMENT AND OF THE PRIME MINISTER PERSONALLY HAS TAKEN A NUMBER OF KNOCKS. ONE OF THE LEADING AND MOST EFFECTIVE MINISTERS, SINCLAIR STEVENS, RESIGNED (AFTER A MESSY FORTNIGHT OF CONTROVERSY) OVER ALLEGED CONFLICT OF INTEREST. HE WAS THE FOURTH MINISTER TO GO IN 18 MONTHS.

4. MULRONEY'S IMAGE WAS BADLY BRUISED BY THE FAILURE OF PRESIDENT REAGAN TO WARN HIM IN ADVANCE (LET ALONE CONSULT) ABOUT A US PROTECTIONIST MEASURE AGAINST CANADIAN CEDAR PRODUCTS. HE HAS ALSO BEEN UNDER PERSONAL ATTACK FOR THE COST OF OVERSEAS TRAVEL FOR HIMSELF AND HIS EXTENSIVE PERSONAL STAFF.

5. THE OPPOSITION HAVE TAKEN FULL ADVANTAGE OF THESE SETBACKS AND THE LIBERAL PARTY NOW HOLDS A LEAD IN THE MOST RECENT OPINION POLLS.

EXTERNAL

6. CANADA/US RELATIONS AND SOUTH AFRICA ARE THE DOMINANT ISSUES.

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7. MULRONEY WAS FURIOUS AT THE UNHERALDED IMPOSITION BY THE US OF A TARIFF ON CANADIAN CEDAR PRODUCTS (SHAKES AND SHINGLES). HE REGARDED THIS AS A PERSONAL AFFRONT. AFTER ALL HIS EFFORTS TO GET ON CLOSE TERMS WITH THE PRESIDENT. THE SCARS STILL SHOW. THE PERCEIVED INSULT WAS WORSE COMING AS IT DID ON THE SAME DAY AS THE OPENING OF US/CANADA TALKS ON AN ENHANCED TRADE ARRANGEMENT DESIGNED TO DEFLECT PROTECTIONIST PRESSURES ON BOTH SIDES. THIS HAS IN ITSELF A CONTROVERSIAL INITIATIVE AND HAS EXPOSED THE GOVERNMENT TO CONSIDERABLE CRITICISM FOR PUTTING CANADIAN INTERESTS AT RISK OVER A WIDE FIELD.

8. THE US/CANADA RELATIONSHIP IN ALL ITS ASPECTS WILL REMAIN CENTRE STAGE FOR A LONG TIME TO COME. WHAT RANKLES WITH CANADIANS IS THAT THEY ARE AWARE THAT FOR THE US, CANADA IS NO MORE THAN A SIDE-SHOW

9. MULRONEY SEES SOUTH AFRICA AS BOTH AN OPPORTUNITY AND A CHALLENGE. AN OPPORTUNITY FOR HIM AND CANADA TO PLAY A SIGNIFICANT ROLE IN HOLDING THE COMMONWEALTH TOGETHER SEMI COLON A CHALLENGE TO FIND SOME AGREED POLICY THAT WILL BRING EFFECTIVE PRESSURE TO BEAR ON SOUTH AFRICA. THE PRESSURE OF OPINION WITHIN CANADA WILL NOT ALLOW MULRONEY (EVEN IF HE WISHED) TO RESIST A MOVE TOWARDS STRONGER ECONOMIC MEASURES AGAINST SOUTH AFRICA UNLESS IT CAN BE CLEARLY AND SWIFTLY DEMONSTRATED THAT THERE IS SOME OTHER WAY OF SIGNALLING TO THE SOUTH AFRICAN GOVERNMENT THE NEED FOR A REAL AND EARLY DIALOGUE WITH THE BLACK LEADERSHIP.

10. THOUGH MULRONEY REMAINS OUTWARDLY CALM IN THE FACE OF THESE DIFFICULTIES, THERE HAS BEEN A DISTINCT ATMOSPHERE OF ANXIETY WITHIN THE CONSERVATIVE RANKS. THE INITIAL BLOOM HAS CERTAINLY FADED, EVEN THOUGH THE CANADIAN ECONOMY IS IN BASICALLY GOOD SHAPE. WHEN PARLIAMENTARY ACTIVITY RESUMES AFTER THE SUMMER, WHAT MULRONEY WILL BE LOOKING FOR SOME DOMESTIC OR FOREIGN SUCCESS TO GET HIS GOVERNMENT BACK ON THE RAILS.

DAY

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NEWS. D
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RESEARCH. D
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SIR W WARDING
MR DAVID THOMAS

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THE

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ENCYCLOPEDIA

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1985



Sir William Van Horne, brilliant railway manager whose drive and determination were largely responsible for the rapid completion of the CPR (courtesy Public Archives of Canada/IC-8549).

which substantially reduced freight rates on Prairie grain and flour. After his retirement from the presidency in 1899, he promoted the building of a railway in Cuba. Van Horne was a complex personality: a brilliant railway manager, a gourmet and a man with tremendous intellectual curiosity. He was awarded an honorary knighthood in 1894.

JOHN A. EAGLE
Reading: P. Berton, *The Last Spike* (1971); W. Vaughan, *The Life and Work of Sir William Van Horne* (1920).

Vancouver, the largest city in British Columbia and third largest in Canada, lies on a peninsula in the SW corner of the province's mainland. The surrounding waterways — Burrard Inlet, the Str of GEORGIA and the FRASER R respectively — provide an excellent, sheltered deep-sea port, convenient access to the Pacific Ocean, and an easy route to the rich agricultural lands of the Fraser Valley and the interior.

Settlement Archaeological evidence indicates that coastal Indians settled at Locarno Beach by 500 BC and at Marpole about 400 BC. The English sailor Capt George VANCOUVER and the Spaniard BODEGA Y QUADRA met off Point Grey in 1792 but Europeans paid little attention to the area until the 1860s when 3 Englishmen pre-empted land and built an unsuccessful brickyard. In the 1870s several entrepreneurs established logging camps, sawmills and 3 small settlements on the shores of Burrard Inlet.

Development, Economy and Transportation Vancouver began when CPR VP, William VAN HORNE, announced that the company would extend its line 20 km westward from the statutory terminus, Port Moody, in order to take advantage of a better harbour and terminal site. The provincial government gave the CPR over 2500 ha of crown land at the new terminus and private owners donated land. On 6 Apr 1886 the provincial legislature incorporated the city of

Population: 414 281 (1981c); 1 268 183 (CMA)

* Rate of Increase (1971-81): (CMA) 1.1%

Rank in Canada: Third (by CMA)

Date of Incorporation: City 1886

Land Area: 113 km²

Elevation: 4.25 m (CPR station)

Climate: Average daily temp, July 17.2°C, Jan 2.8°C; Yearly precip 1017.8 mm; Hours of sunshine 1925 per year

Vancouver, a name that Van Horne had suggested, in honour of the English explorer. Ratepayers elected M.A. MacLean, a real-estate dealer, as the first mayor. Then on June 13 a clearing fire blew out of control, claimed at least 11 lives, destroyed ramshackle buildings and drew invaluable publicity when residents rebuilt immediately. The CPR, the largest single landowner, recognizing the value of orderly growth, did not "boom" its land. Private real-estate developers such as David Oppenheimer (mayor, 1888-91) advertised the city and, through cash bonuses and tax concessions, attracted new industries such as the BC Sugar Refinery (1891).

The continent-wide depression of the mid-1890s temporarily checked growth, but during the 1897-98 KLONDIKE GOLD RUSH excitement, prosperity returned to Vancouver. By the turn of the century it had displaced Victoria, the provincial capital, as the leading commercial centre on Canada's West Coast. Transpacific ships, including CP Steamship's Empress liners, called regularly; coastal steamship companies, including CP Navigation and Union Steamships, made Vancouver their headquarters; and eastern businesses established their Pacific coast branches in Vancouver. The prewar economic boom expanded markets for such BC products as fish, minerals and lumber. Most lumber was sold on the Prairies. Nevertheless, Vancouver wholesalers complained that the lack of direct rail connections and discriminatory freight rates put them at a disadvantage relative to Calgary and Winnipeg in securing the trade of BC's interior. In response, the provincial government offered aid to new railways, including the Pacific Great Eastern (now BC Railway).

The beginning of worldwide economic

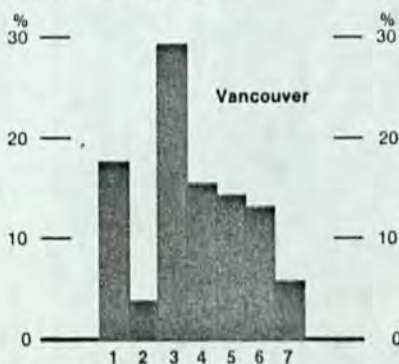
depression in 1913 and of war in 1914 severely reduced trade, retarded railway development and, coupled with declining resources, ended much of the mining boom in the Kootenay and Boundary districts. Nevertheless the Vancouver Stock Exchange (1907) survived and remains active in financing BC and Alberta developments, especially of the more speculative kind. During the 1920s growth resumed and Vancouver replaced Winnipeg as the leading city in western Canada. Cheap ocean transport through the Panama Canal opened new markets for BC lumber on the American E coast and made Europe more accessible. The province's successful campaign for freight-rate reduction enabled Vancouver to become a grain-exporting port. The port itself expanded greatly and came under the jurisdiction of a federal agency, the National Harbours Board, in 1936. The export grain trade held up remarkably well during the GREAT DEPRESSION of the 1930s, but the city suffered extensive unemployment, especially since the unemployed of western Canada regarded Vancouver, with its mild climate, as a "mecca." Unrest among the unemployed caused several incidents, including the reading of the Riot Act by Mayor G.G. McGeer in 1935 (see also ON TO OTTAWA TREK). The outbreak of WWII and the development of war industries, particularly shipbuilding, ended unemployment but sharply reduced the grain trade.

Trade grew once shipping became available again after the war, especially after Canada began selling large quantities of wheat to China in 1961. By 1963 Vancouver ranked first among Canadian ports in tonnage. Demand around the Pacific Rim for other western Canadian products, notably lumber, potash and coal, has led to the construction of specialized port facilities and the extension of the port as far E as Port Moody and S to the Roberts Bank coal terminal (1970). Because of the importance of the Pacific Rim, CP Air had established its headquarters in the city in 1949 and, along with other international and domestic carriers, uses the Vancouver International Airport, which the federal government expanded significantly after buying it from the city in 1961. Vancouver also expanded its role as the head office centre for such provincial corporations as BC Forest Products, Cominco and MACMILLAN BLOEDEL; a variety of smaller firms; the major provincial labour unions; and the regional offices for national enterprises such as the chartered banks. The BANK OF BRITISH COLUMBIA (chartered 1966) has its head office there.

Cityscape The backdrop of mountains, the proximity of the sea and the presence within the city limits of such wilderness areas as Stanley Park long lulled Vancouver residents into a feeling that none of their doings could seriously impair the city's natural beauty. The original surveyors, many of them CPR employees, showed little imagination as they generally laid out streets according to a grid pattern that made few allowances for such natural features as steep slopes. Apart from establishing fire limits and attempting to keep noisome industries on the outskirts, the city made few efforts to direct land use until the late 1920s when it commissioned the American firm, Harland Bartholomew and Associates, to draw up a town plan. The city adopted some of its suggestions, such as a comprehensive zoning regulation, but could not really enforce these rules until after WWII. Nevertheless, clear land-use patterns emerged. More affluent residents, for example, have always tended to live W of Cambie Street where developers subdivided land into large lots; the less affluent, lived to the E, where lots had sometimes as little as 7.5 m frontages.

Since the 1960s the city's older core has undergone a considerable transformation. City planners studied land-use proposals; civic politicians debated and redesigned some of them; and

Distribution of Industrial Activity* by Industry Grouping within Census Metropolitan Areas, 1980

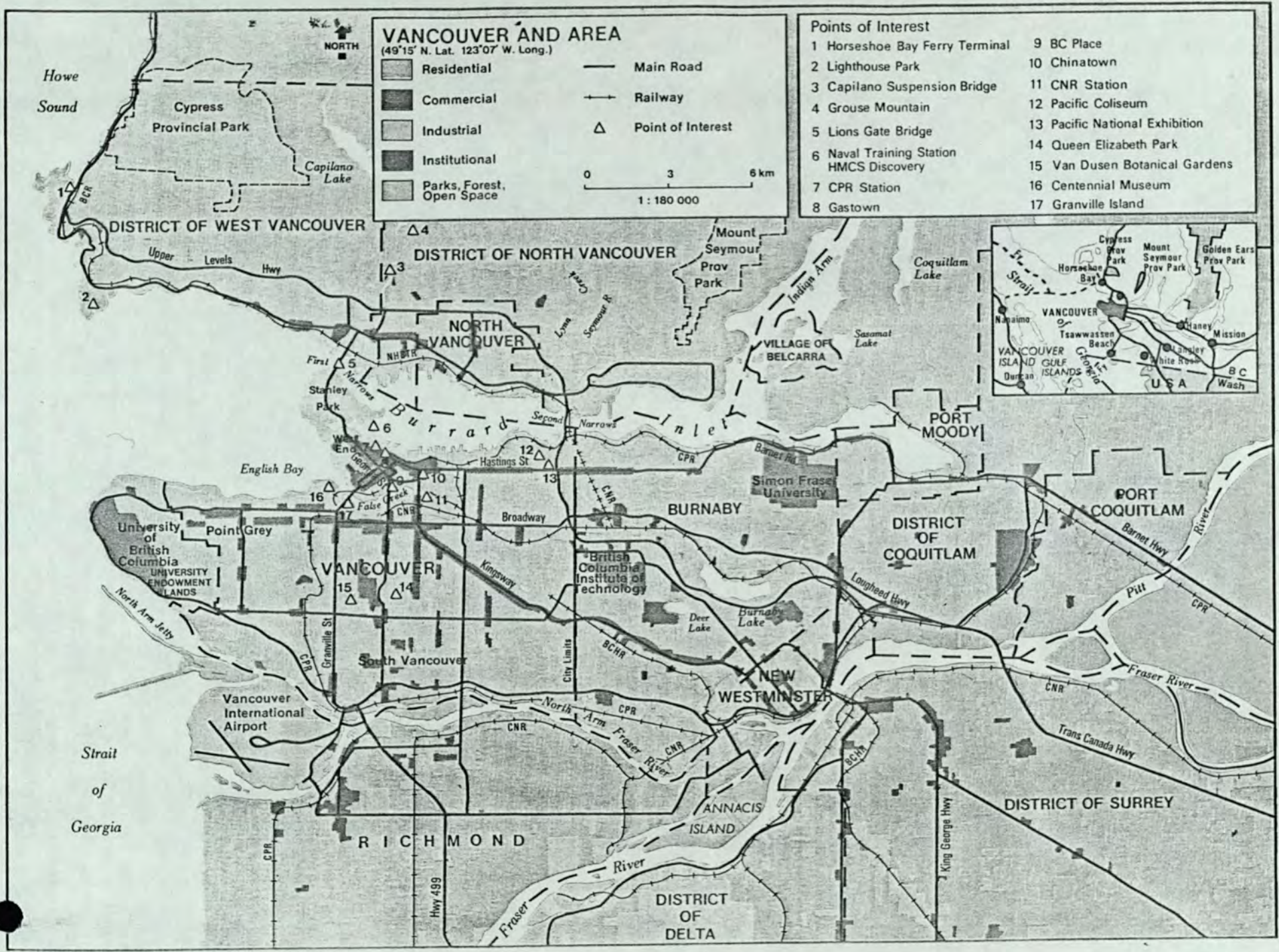


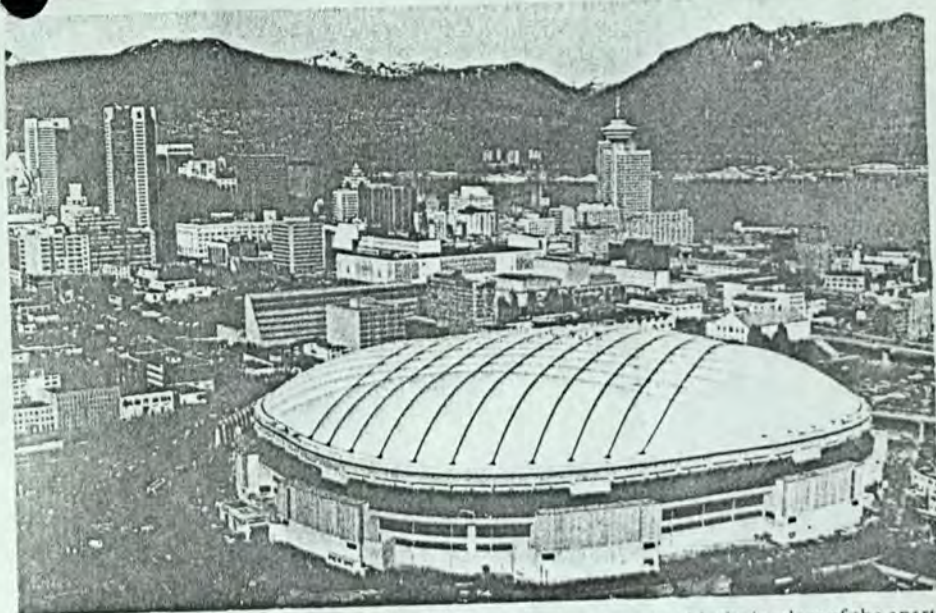
Industry groupings

1. Food and beverage and tobacco products industries
2. Leather, textile, knitting mills and clothing industries
3. Wood, furniture and fixtures, paper and allied and printing, publishing and allied industries
4. Machinery, transportation equipment and electrical products industries
5. Primary metal and metal fabricating industries
6. Rubber and plastic products, petroleum and coal products and chemical products industries
7. Non-metallic mineral products and miscellaneous manufacturing industries.

* Industry activity based on the average of percentage shares of the value shipments of goods of own manufacture, total value added and total number of employees for each of the selected metropolitan areas.

Source: Figure 11, Catalogue 31-209, Statistics Canada.





Vancouver, BC, Canada's 3rd-largest city and its major port on the Pacific. The 60 000-seat BC Place stadium was built in 1983 (courtesy BC Place).

private developers financed much of the new building. Downtown, a forest of 20- to 40-storey-high office and hotel towers, including such clusters as the Bentall, Royal, Pacific and Vancouver centres, have replaced the 2- and 3-storey retail blocks of pre-WWI vintage. Architecturally the most interesting new buildings are the Provincial Court House and Robson Square Conference Centre.

A dramatic indication of the city's post-industrial status is False Creek, off English Bay. From the city's earliest days this area, with its easy access to trackage and water transport, was the site of rail yards, sawmills, machine shops and related industries. Indeed, Vancouver was unique among N American cities of comparable size for the importance of first-stage resource processing in its economy. By the 1950s, changing technology in the lumber industry and the obsolescence of old plants turned False Cr into a decaying industrial centre. After much study and controversy, the city decided to develop False Cr town houses and apartments in 1976. Nearby Granville 1 — created as an industrial site in 1915 when the eastern part of False Cr was filled to provide land for the terminus and yards of the Canadian Northern Ry (now CN) and the Great Northern Ry (now Burlington Northern) — has become home to a public market, art school, theatres and restaurants. On the N side of the creek, on land formerly occupied by the CPR yards, the provincial government opened a 60 000-seat sports stadium in 1983, the first stage in the BC Place development, planned to include stores, office towers, recreational space and up to 19 000 residential units; it will also be the site of Expo 86.

Whereas the downtown and False Cr are being almost completely redeveloped, the city's oldest residential neighbourhood, east-end Strathcona, has been largely rehabilitated. Traditionally a working-class neighbourhood, it is home to many ethnic groups, of whom the most important are the CHINESE. In the late 1950s the city began demolishing some of the poorest dwellings and replacing them with public-housing projects. After a successful protest against a proposed freeway, local residents persuaded the senior governments to provide funds to rehabilitate existing facilities rather than undertake further renewal projects. In the West End, private developers, encouraged by new zoning regulations, began in the 1960s to build

high-rise apartment blocks in place of the apartment and rooming houses that had been carved out of the large homes of the city's early well-to-do residents. By 1971 the West End was noted for the density of its population. Paradoxically, Vancouver had once prided itself as a city of owner-occupied, single-family detached homes. Most homes (and this is still true of most neighbourhoods outside the West End) were of wood-frame construction, often influenced by California architectural style (see HOUSE).

Population Vancouver's most significant growth spurts occurred during its first 5 years and in the decade before WWI, resulting primarily from immigration from the British Isles and Ontario. The expansion of the 1920s, which saw Vancouver attain its status as the third-largest city in Canada, is explained by the annexation of the adjacent bedroom municipalities of Point Grey and S Vancouver in 1929, natural increase, renewed immigration from Britain and the beginning of significant migration from the Prairies. After a brief wartime and postwar spurt, the rate of population growth tapered off. The 1976 census recorded an absolute decline in the city proper while the population

Gastown, Vancouver (photo by Jerry Kroener/Reflection).



of Greater Vancouver passed the one million mark for the first time. High real-estate values in the city led young families to live in suburban municipalities, especially BURNABY, COQUITLAM, DELTA, North Vancouver City and Dist, RICHMOND and SURREY.

From 1901 (the first year for which statistics are available) to 1951, people of British ethnic origin — many of them Canadian born — formed three-quarters of the population and dominated the elite. After WWII new immigrants made Vancouver more cosmopolitan. In 1979 the school board reported that nearly 40% of the children in elementary school did not speak English as a first language. Pupils of Chinese, Italian and East Indian background were most numerous. Until after WWII, the largest and least popular non-British ethnic group were Asians, mainly Chinese and JAPANESE. An anti-Chinese riot in 1887, an anti-Asian riot in 1907, the tension surrounding the KOMAGATA MARU incident of 1914, and the 1942 decision of the federal government to evacuate all Japanese, including about 8600 city residents, from the coast demonstrates the hostility that Vancouver residents, like other British Columbians, felt towards Asians. With the postwar easing of immigration barriers, an increasing number of ethnic Chinese have come to Vancouver. Although Chinatown flourishes, Chinese reside throughout the city and participate fully in its life. Those Japanese who returned to the coast have blended into the city. Immigrants of East Indian ethnic origin have experienced a mixed reception.

Government and Politics Vancouver is unique among BC municipalities in having its own charter, but it remains very much a creature of the provincial legislature, which must approve every charter amendment. Until 1935 the city was governed by a mayor and aldermen chosen from various wards. When the province abolished the ward system, only the aldermen seriously objected. Taking advantage of the at-large system, the CO-OPERATIVE COMMONWEALTH FEDERATION in 1936 ran a slate of aldermanic candidates and elected 3. The existence of party politics at city hall was confirmed in 1937 with the formation of the Non-Partisan Association (NPA), a loose amalgam of Conservatives and Liberals. The NPA has been dominant in civic politics although it was challenged in 1972 by The Electors Action Movement (TEAM) and recently by several left-wing groups, of which the most important is the Committee of Progressive Electors (COPE).

Vancouver's first experience with METROPOLITAN GOVERNMENT occurred in 1913 with the formation of the Vancouver and Dist Joint Sewerage and Drainage Board. Metropolitan agencies concerned with water, public health and regional planning appeared later. The growth of suburban municipalities encouraged the provincial government to create an elected body, the Greater Vancouver Regional Dist (1967), which has taken over most functions of the earlier agencies and added such responsibilities as capital finance, building regulations, housing and air-pollution control.

Cultural Life Vancouver has long enjoyed a variety of cultural activities. The Art, Historical and Scientific Assn (one of the first groups organized) established a museum 1894. In honour of the 1958 BC centennial, the city built a new museum, a Maritime Museum and, with funds from lumberman H.R. MACMILLAN, a planetarium. As soon as the CPR opened an opera house in 1891, Vancouver became a regular stop for touring concert artists and theatrical companies. As well as supporting local amateur musical and dramatic groups, the city also has such professional bodies as the VANCOUVER SYMPHONY ORCHESTRA, the Vancouver Opera Assn and the Playhouse Theatre Centre. The last was one of

many professional theatrical companies that mushroomed in the 1960s and 1970s. All 3 used the Queen Elizabeth Theatre, a civic auditorium opened in 1959, but the symphony now plays in the restored Orpheum Theatre. Since Oct 1983 the Vancouver Art Gallery (est 1931) has been located at the Old Courthouse, a larger site than its previous home and redesigned by architect Arthur ERICKSON.

Institutions of higher learning have also stimulated the arts. The Vancouver area has 2 public universities, UNIVERSITY OF BRITISH COLUMBIA (fd 1908) and SIMON FRASER U (fd 1965); several regional colleges, including Vancouver Community College (1965); and the BC Institute of Technology (1964). Two daily newspapers, the *Vancouver Sun* and the *Province*, a number of specialized newspapers and journals, a host of radio stations, 4 TV stations and easy access to American TV via cable provide information and entertainment.

The Vancouver area offers many opportunities for outdoor recreation, including skiing and boating. Within the city are 138 parks of which the largest and most important is Stanley Park. Amateur teams participate in most sports and the BRITISH COLUMBIA LIONS football team (1964) and the VANCOUVER CANUCKS hockey team (1970) play in major professional leagues. The Lions play their home games at BC Place, where the 1983 Grey Cup between the Lions and the Toronto Argonauts was played. The Canucks use the Pacific Coliseum, on the Pacific National Exhibition grounds.

PATRICIA E. ROY
Reading: Patricia E. Roy, *Vancouver: An Illustrated History* (1980); C. Davis, *The Vancouver Book* (1976); L.J. Evenden, ed., *Vancouver: Western Metropolis* (1978); H. Kalman, *Exploring Vancouver 2* (1978).

Vancouver, George, naval officer, explorer (b at King's Lynn, Eng 22 June 1757; d at Peter-sham, London, Eng 12 May 1798). Vancouver was with James COOK on his second expedition to the South Seas (1772-75) and on his third to the NORTHWEST COAST (1776-80). In 1790 an expedition was planned to explore that coast. Preparations were delayed by news that the Spaniards had seized British property at NOOTKA SOUND but were resumed, under Vancouver's command, after a convention had been signed with Spain 13 Oct. Vancouver was charged with 2 missions: to receive back the properties alleged to have been seized at Nootka and to explore the coast from California to Cook Inlet, Alaska. He reached the coast in Apr 1792. In Aug he met the Spanish commissioner BODEGA Y QUADRA at Nootka; negotiations were friendly but futile, and the matter of the seized properties had to be referred to London and Madrid. Three summers were spent exploring the coast, with the intervening winters passed in the Sandwich Is [Hawaii]. Vancouver returned to Eng in Sept 1795 and soon set about revising his journal, published in 1798 as *A Voyage of Discovery to the North Pacific Ocean and Round the World*. In it he claimed with justice that his survey, one of the greatest of the kind, had removed "every doubt" about the existence of a NORTHWEST PASSAGE to the Atlantic "within the limits of our researches."

W. KAYE LAMB

Reading: B. Anderson, *Surveyor of the Sea: The Life and Voyages of Captain George Vancouver* (1960).

Vancouver, Mount, elev 4828 m, situated in the YT's St Elias Range, rises SE of Mt LOGAN between 2 immense glacier systems, Hubbard and Seward. A large massif, it supports 4 summits and measures 24 km from NW to SE at its base. Its SE summit, 4792 m, is a boundary peak between Canada and Alaska, only 32 km from the sea. The highest (NW) peak was first climbed June 1949 by N. Odell, W. Hainsworth, R. McCarter and A. Bruce Robertson. The SE summit, the highest unclimbed summit left in Canada by 1967, was climbed by a joint US-Canadian team

to commemorate the Alaskan and Canadian centennials. It was renamed Good Neighbour Peak.

GLEN BOLES

Vancouver Canucks, HOCKEY team. The Vancouver Canucks had been members of the Western Hockey League since 1948. For a price of \$6 million, they joined the NATIONAL HOCKEY LEAGUE on 22 May 1970. They played their first home game on 9 Oct 1970 in the 3-year-old, 15 555-seat Pacific Coliseum, and went on to accumulate 56 points for a sixth-place finish in the 7-team East Division under Coach Hal Laycoe and General Manager Bud Poile. In 1974 team ownership was transferred from the Medcor Corporation of Minneapolis to a group of Vancouver businessmen headed by Frank Griffiths. The Canucks best regular-season performance to date occurred in 1974-75, when they finished atop the Smythe Division with 86 points in 80 games. In 1982 they made a surprising advance through the playoffs but lost in 4 straight games to the New York Islanders in the STANLEY CUP final.

DEREK DRAGER

Vancouver Island, BC, 31 284 km², the largest island on the W Coast of N America, is about 460 km long and 50-80 km wide and stretches parallel to the BC mainland. It is separated from Canada by the GEORGIA, Queen Charlotte and Johnstone straits and from the US by JUAN DE FUCA STR. With the QUEEN CHARLOTTE IS. it forms part of a partially submerged chain of the Cordillera and is a continuation of the US coastal mountains. Its coastline is very rugged, especially on the W where there are several fjordlike inlets — the longest being Alberni Inlet and Muchalat Inlet — that cut into a heavily forested, mountainous interior, with mountains averaging 600-1000 m. Higher peaks include GOLDEN HINDE (2200 m), Elkhorn Mt (2194 m) and Mt Colonel Foster (2133 m). In contrast to this mountainous core are the coastal lowlands, which form an almost encircling belt. They are most pronounced in the N and E where the Nahwitti and Nanaimo lowlands form part of a coastal trough stretching from SE Alaska to the Puget Depression in Washington state. The Island has numerous freshwater lakes, the largest being Nimpkish, Cowichan, Buttle, Sproat, Great Central and Campbell. Its climate is damp but mild, with precipitation ranging from 3.8 m in the western flanks of the mountains to less than 0.8 m in the SE Nanaimo Lowland. Much of the precipitation returns to the Pacific through a series of rapid-flowing, deeply incised, relatively short rivers, such as the Nanaimo and Campbell. The island is most heavily populated in the SE, where the city of VICTORIA is located.

Although the archaeological record is still incomplete, it is clear that Indians have occupied the Island for several thousand years. A tribal, village society evolved, with an economy based on fishing, collecting and hunting. The abundant marine and forest resources along the coasts supported a culture rich in oral tradition and artistic expression. Two main linguistic families, Salishan and Wakashan, developed and continue to exist. Traditionally, villages

comprised stoutly constructed cedar longhouses and were usually situated in sheltered coves or a short distance upriver from the ocean. During the hunting season tribes migrated through well-defined territories. In the early 19th century the native population was about 15 000. Owing to disease, it declined to about 5600 in 1881, fluctuated around 5000 until the 1950s, but increased to more than 7000 by the 1970s.

Spanish, Russian, French, British and American explorers and traders began penetrating the waters of the NE Pacific in the 18th century. Britain gradually ousted the others, however, through the activities of its trading companies, the Royal Navy's presence, and negotiation and threat in Europe. The voyage of James COOK and George VANCOUVER's circumnavigation and hydrographic survey of the Island 1792-94 provided the basis for increased British penetration. The diversity of PLACE-NAMES with which the Island and its surrounding islands and waters abound are a permanent record of this exploratory period. In 1843 the HBC sent James DOUGLAS to the Island to select a site for a fort, and a small settlement at the southern tip developed around Fort Victoria. The Treaty of Washington (1846; see OREGON TREATY) established the Island as British territory; it was made a British crown colony in 1849. It united with the mainland BC colony in 1866 and the united colony entered the Dominion of Canada as the province of BRITISH COLUMBIA in 1871.

The European population grew slowly until the 1860s, when the discovery of gold on the mainland and coal on the Island led to a significant increase. Some of those disappointed in the goldfields turned to farming and coal mining and joined a growing trickle of settlers carving out homesteads on the narrow eastern lowlands. Besides Victoria, early settlement centered on the Duncan area of the Cowichan R valley and the COURTENAY-COMOX region, both attractive and fertile valleys. Although the forest was an obstacle to the pioneer farmer, its sheer quantity and high quality stimulated the growth of lumber mills at points accessible to tidewater, such as PORT ALBERNI (1861) and Chemainus (1862). The Esquimalt and Nanaimo Ry (1886) provided the basis for expanding the Island's lumber and mining industries. By 1900 the population had grown to around 51 000, with nearly 90% concentrated in the Victoria-NANAIMO region. After 1900 the pace of development increased rapidly as immigration continued and the mining and lumbering industries developed. Nanaimo expanded and new coal mines were opened at CUMBERLAND, LADYSMITH and Union Bay. Population growth slowed between 1921 and 1941, as little suitable land for agricultural development remained; the exhaustion of the best coal deposits left further development to the expansion of the forest industry. The potential for tourism was also becoming apparent as transportation facilities improved, and as the attraction of the Island as a retirement area grew.

The postwar era saw a new surge of growth associated with the increased activity of the forest-products industry, with new or expanded mills at Port Alberni, Crofton, CAMPBELL RIVER and Gold River. The province also became more actively involved in developing and managing the economy, and Victoria, the capital, benefited from expanded government functions. Recent elements of growth have been highway and hydroelectric-power construction, modernization of the ferry system, expansion of military bases and the continued growth of tourism.

The majority of the Island's residents live in Greater Victoria, DUNCAN, Nanaimo, Port Alberni, Courtenay, Campbell River and numerous small towns and villages. Most urban settlements owe their origins and early growth to resource extraction or processing. Since about 1900, those centres possessing both accessibility,



ports or railway stations, and more than one source continued to grow, and gradually made the transition from single-enterprise company towns. Victoria's early lead was lost with the growth of Vancouver, which had the advantage of a rail connection to the east. Others stagnated or became ghost towns. Throughout the first half of the 20th century over 77% of the Island's population was of British origin. The CHINESE formed the largest ethnic minority, followed by Scandinavians, JAPANESE and NATIVE PEOPLE. Since WWII the Island's ethnic composition has changed dramatically with an influx of Europeans.

ALAN F.J. ARTIBISE

Reading: C.N. Forward, ed, *Vancouver Island: Land of Contrasts* (1979); M.A. Ormsby, *British Columbia: A History* (1958).

Vancouver Playhouse, completed in 1962 with 647 seats and owned by the city of Vancouver, adjoins the large Queen Elizabeth Theatre. It is viewed as the city's "regional theatre," though the Arts Club Theatre is equally popular. The Playhouse Theatre Co began its first season in 1963, and the next year began a tradition of commissioning original works. Five to 7 plays have been presented annually in a September-to-April season, and sometimes an additional 3 or 4 plays are staged elsewhere. George RYGA's *The Ecstasy of Rita Joe* (1967) was the Playhouse's greatest success. The artistic directors have been Michael Johnston (1963), Malcolm Black (1964-67), Joy Coghill (1967-69), David Gardner (1969-71), Paxton Whitehead (1971-73), Christopher Newton (1973-79), Roger Hodgman (1979-82) and Walter Learning (1982-). See also THEATRE, ENGLISH-LANGUAGE. MALCOLM PAGE

Vancouver Symphony Orchestra has been in continuous existence since 1930, when an earlier Vancouver orchestra was revived. During its inaugural season, the VSO gave 4 concerts, all under conductor Allard de Ridder, 1930-40. A series of guest conductors led the orchestra until Jacques Singer was appointed music director, 1947-52. Under Irwin Hoffman, 1952-64, a protégé of Serge Koussevitzky, the orchestra moved from its home in the Orpheum Theatre to the new Queen Elizabeth Theatre in 1960. Meredith Davies, 1964-70, revitalized and rejuvenated the orchestra, and Kazuyoshi Akiyama was appointed music director, 1972-85. The orchestra toured Japan in 1974, Canada in 1976 and the US in 1978. In 1977 it moved back to the renovated Orpheum Theatre. By 1984-85, with a season of some 43 weeks and nearly 190 concerts, the VSO was regarded as one of Canada's major orchestras and has almost 40 000 subscribers.

BARBARA NOVAK

Vanderpant, John, photographer (b Jan van der Pant at Alkmaar, Netherlands 11 Jan 1884; d at Vancouver 24 July 1939). A major influence on Canadian photography in the 1920s and 1930s, he established a distinctive style that emphasized light and form and generally shunned popular manipulative processes. After being a photojournalist for a Dutch magazine, he came to Canada in 1911. He opened a studio in Okotoks, Alta, and after WWI moved to BC, eventually settling in Vancouver, where he set up a commercial portrait studio. He began exhibiting in international salons, quickly achieving acclaim and winning awards around the world; his solo exhibitions toured the US, Great Britain and Europe. A fellow of the Royal Photographic Soc of Great Britain, he also wrote and lectured widely. His Robson St gallery, opened in 1926 with Harold Mortimer-Lamb, was a centre for music, poetry and painting. JOAN M. SCHWARTZ

Vanier, Georges-Philéas, governor general 1959-67 (b at Montréal 23 Apr 1888; d at Ottawa 5 Mar 1967). Educated at Loyola and Laval, he was called to the Québec Bar in 1911. He enlisted in 1915 and after winning the Military Cross



Governor General Georges Vanier and Her Excellency Mrs Vanier during a sports event at Camp Fortune (courtesy Public Archives of Canada/C-75936).

and DSO he became a founding officer of the Royal 22e Reg, of which he later became commanding officer (1926-28). After WWI he entered the diplomatic service and represented Canada at the League of Nations, in London, and at many international conferences. In 1939 he became Canadian minister to France, and in 1943 minister to all allied governments in exile in London. He returned to France in 1944 as ambassador and served there with great distinction until his retirement in 1953.

Maj-Gen Vanier was installed as governor general on 15 Sept 1959. His years in office were turbulent ones because of a difficult economic situation, a succession of minority governments and the rise of violence and separatism in Québec. But he won the affection and admiration of Canadians by his concern, manifested in his inspiring public addresses and wide travels across the country, for the poor and the humble, for youth and for the family. A tall, impressive man who moved with great dignity and composure, he was profoundly religious and brought a spiritual and moral dimension to his office. His wife Pauline (née Archer) won equal respect and contributed much to the success of his term.

JACQUES MONET, SJ

Reading: R. Speaight, *Vanier: Soldier, Diplomat, and Governor General* (1970).

Vanier, Jean, spiritual leader, worker with the handicapped (b at Geneva, Swit 28 Sept 1928). The son of Georges VANIER, governor general of Canada, and Pauline Vanier (née Archer), he served in the British and Canadian navies 1945-50. He studied and taught philosophy and theology in France, and then in 1964 established a home for handicapped men living with him in Trosly-Breuil, France. Called L'Arche (the ark), it was the first of many; by 1982 there were 9 in France, 17 in Canada, 6 in the US and numerous others around the world. Vanier is widely esteemed for his leadership of spiritual retreats and for several books, including *Tears of Silence* (1970), *Eruption to Hope* (1971), *Followers of Jesus* (1976) and *Community and Growth* (1979). His writings and way of life challenge people to share life with the disadvantaged, in the belief that each person has a unique value as a human being. MAC FREEMAN

Varley, Frederick Horsman, painter (b at Sheffield, Eng 2 Jan 1881; d at Toronto 8 Sept 1969). In early life he spent much time in the English countryside and became intensely spiritual, finding God in nature, not in the church. He received a solid art education, first at the Sheffield School of Art (1892-1900), then the Académie royale des beaux-arts in Antwerp, Belgium (1900-02) where he studied original paintings by Rubens. After unsuccessful starts at careers as an illustrator and art teacher in England, Varley immigrated to Canada in 1912. Through Arthur LISMER, a Sheffield friend who had moved to Canada a year earlier, he found employment as a commercial illustrator in To-

ronto and befriended Tom THOMSON and Frank CARMICHAEL.

In 1918 Canadian War Records commissioned Varley to illustrate the war in Europe. He painted several portraits in England and made 2 trips to France. The 4 large war scenes that resulted were critically acclaimed and brought him to the forefront of painters in Canada. In May 1920 Varley became a founding member of the GROUP OF SEVEN. He did not share the Group's enthusiasm for the Ontario landscape, however, and during the early 1920s attempted to make a living as a portraitist. The family of Vincent MASSEY commissioned several, but Varley made little money and in 1926 began to teach at the Vancouver School of Decorative and Applied Arts. During the next 10 years he painted hundreds of landscapes in oil and watercolour, marked by fine draftsmanship, exotic colour, unusual vantage points, and after 1933 by metamorphosis of forms. In 1933, he and J.W.G. MACDONALD opened their own school, the BC College of Arts. Though it was well attended, it closed after 2 years, a victim of the Depression. By 1936 Varley was broke, and moved to Ottawa to try to resume his career as a portraitist. During the next 9 years he drifted between Ottawa and Montréal, making few paintings, except in 1938 when he travelled to the Arctic on the government supply ship *Nascopie*. In 1944 he returned to Toronto and, in 1948-49, taught at the Doon Summer School of Fine Arts near Kitchener. In 1955 he made a sketching trip to Cape Breton, and in 1957 the first of several more painting trips to BC. Romantic and independent, Varley was known as the "gypsy" of the Group of Seven. His gifts as a colourist, draftsman and intimate observer of life are best displayed in his drawings and small watercolours.

CHRISTOPHER VARLEY

Reading: Christopher Varley, *F.H. Varley* (1981).

Vaudreuil, Philippe de Rigaud de Vaudreuil, Marquis de, governor general of NEW FRANCE (b probably near Revel, France c1643; d at Québec C 10 Oct 1725). Vaudreuil served in the French army with the Mousquetaires from 1672 and distinguished himself in campaigns in Flanders. He was appointed commander of the troops in Canada in 1687 and took part in campaigns against the Iroquois (see IROQUOIS WARS). He followed CALLIÈRE in the governorship of Montréal 1698-1703 and then as governor of New France in 1703. When Vaudreuil took over, the colony was at war with its southern neighbour and her Indian alliances were threatened because of the collapse of the beaver trade and the French withdrawal from the western posts. In his conduct of the war, Vaudreuil tried to preserve the 1701 peace with the Iroquois while encouraging the Abenakis to harass the eastern New England settlements. After the TREATY OF UTRECHT, 1713, he worked through a network of highly effective Indian agents to reassert New France's control of the western FUR TRADE by establishing posts in Iroquois territory, and around the Great Lakes and upper Mississippi drainage area. He continued to exploit the Abenaki alliance to contain the spread of Massachusetts. He was a popular governor who through tenacious work and sometimes ruthless tactics guided New France through a critical era. His success was due in part to the lobbying of his Canadian-born wife at the French court.

MARY McDUGALL MAUDE

Vaudreuil, Pierre de Rigaud de Vaudreuil de Cavagnial, Marquis de (sometimes Vaudreuil-Cavagnial), officer, last governor general of NEW FRANCE (b at Québec C 22 Nov 1698; d at Paris, France 4 Aug 1778), son of Philippe de Rigaud de VAUDREUIL. He followed his father into the TROUPES DE LA MARINE and the colonial service. After rising through the ranks, he was



10 DOWNING STREET

From the Private Secretary

4 March 1986

The Prime Minister has asked me to thank you for your letter of 17 February inviting her to address the Fraser Institute. The programme for her visit to Expo '86 is not yet arranged but it is already clear that the time likely to be available is very short in relation to the commitments the Prime Minister will have to undertake in Vancouver. This is particularly the case as regards lunchtime engagements. I regret therefore that it will not be possible for her to address a lunchtime gathering at the Institute on this occasion.

It is as yet too early to say whether there might be time for a short visit to the Institute. Although I am sure that the Prime Minister would like to do this, there are many competing claims. May I suggest that you contact our Consul-General, Mr Stephenson, who is coordinating ideas for the visit programme in liaison with the High Commissioner at Ottawa.

(CHARLES POWELL)

Dr. Michael A. Walker

File

JA

JAIYALY

cc PC
✓
fco

885



Foreign and Commonwealth Office

London SW1A 2AH

4 March 1986

Dear Charles,

Prime Minister's Visit to Vancouver

Your letter of 20 February sought advice on an invitation to the Prime Minister from the Fraser Institute to address a luncheon meeting during her visit to Vancouver for Expo '86.

We have consulted Sir Derek Day, reminding him of the Prime Minister's wish not to have to make a major speech during this visit. His advice, with which we concur, is that the invitation can be declined. It seems unlikely that a lunchtime will be free during this brief visit. The Canadians envisage something of a set morning programme for Head of State or Head of Government visitors which concludes with a luncheon hosted by the Expo Commissioner-General. We are not yet in a position to submit a draft programme for the visit but we envisage recommending that the Prime Minister agree to attend this luncheon on the Saturday, 12 July. If she then stays in Vancouver on the Saturday, rather than fly to Montreal, we are likely to recommend that she have lunch with Mr Mulroney after their talks together.

A brief visit to the Fraser Institute might be possible, if the Prime Minister wished, but the draft programme for the Saturday afternoon is already filling up with ideas for store promotions and other commercially orientated calls. It might be wise not to raise hopes too high at this stage.

/ I attach a draft reply.

Yours ever,

Colin Budd

(C R Budd)
Private Secretary

C D Powell Esq
PS/10 Downing Street

CANADA: Expo 86: July 81

Foreign and Commonwealth Office

London SW1A 2AH

DRAFT: minute/letter/teleletter/despach/note

TYPE: Draft/Final 1+

FROM:

PS/No 10

Reference

DEPARTMENT:

TEL. NO:

SECURITY CLASSIFICATION

TO:

Your Reference

- Top Secret
- Secret
- Confidential
- Restricted
- Unclassified

Dr Michael A Walker
 Director, The Fraser Institute
 626 Bute Street
 Vancouver
 British Columbia, V6E 3M1
 CANADA

Copies to:

JAMALY

PRIVACY MARKING

SUBJECT:

.....In Confidence

CAVEAT.....

The Prime Minister has asked me to thank you for your letter of 17 February inviting her to address the Fraser Institute. The programme for her visit to Expo '86 is not yet arranged but it is already clear that the time likely to be available is very short in relation to the commitments the Prime Minister will have to undertake in Vancouver. This is particularly the case as regards lunchtime engagements. I regret therefore that it will not be possible for her to address a lunchtime gathering at the Institute on this occasion.

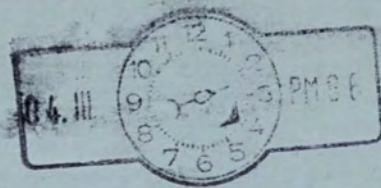
It is as yet too early to say whether there might be time for a short visit to the Institute. May I suggest that you contact our Consul-General, Mr Stephenson, who is coordinating ideas for the visit programme in liaison with the High Commissioner at Ottawa.

off.

Although I am sure we will be able to arrange a visit to the Prime Minister would like to do this, but are

Enclosures—flag(s).....

many competing claims



CA



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SLHAKA

10 DOWNING STREET

From the Private Secretary

20 February 1986

PRIME MINISTER'S VISIT TO VANCOUVER

I enclose a copy of a letter from the Fraser Institute in Vancouver pressing the Prime Minister to address a gathering at the Institute during her visit to Vancouver. It is suggested that, if the Prime Minister cannot manage a lunch, a brief visit to the Institute would be appreciated. You will see that the Institute has a close connection with Sir Alan Walters.

I should be grateful for advice on how to respond to this invitation. As you know, the Prime Minister wants if possible to avoid making a speech during her brief visit to Vancouver and the presumption should be against her accepting the invitation from the Institute to do so. But I would not rule out a visit if our High Commissioner advised that this would be worthwhile.

C D POWELL

Colin Budd, Esq.,
Foreign and Commonwealth Office

JA



Pte *SP*

10 DOWNING STREET

From the Private Secretary

20 February 1986

Thank you for your letter of 17 February about the possibility of the Prime Minister visiting the Institute during her visit to Vancouver. We are beginning to look at the programme for the Prime Minister's visit, which is only to be a very brief one, and I shall ensure that your invitation is given full consideration.

I shall be in touch with you as soon as I am in a position to let you have a firm reply.

C D POWELL

Dr. Michael Walker

Call

THE FRASER INSTITUTE

HEAD OFFICE: 626 Bute Street, Vancouver, British Columbia V6E 3M1 Canada ☐ ☐ ☐ (604) 688-0221

February 17, 1986

Mr. C. D. Powell
Private Secretary to the Prime Minister
10 Downing Street
London SW1
England

Dear Mr. Powell:

Further to my letters of May 10 and November 30, 1985, I now understand that Prime Minister Thatcher will be visiting Vancouver during the World's Transportation Fair on July 12, 1986.

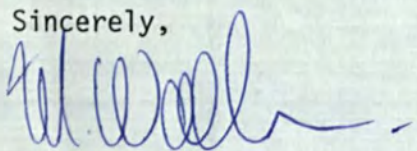
attach a copy

I would be grateful if you would bring forward our request for Mrs. Thatcher to speak to a Fraser Institute gathering during her visit. We have reserved a large space for a luncheon on the 12th July and can promise a large, enthusiastic audience of admirers sympathetic to Mrs. Thatcher's past efforts and present difficulties.

Sir Alan Walters, a long-time member of our Advisory Board, has agreed to come to Vancouver and to provide an introduction for Mrs. Thatcher at the luncheon, in the event she accepts our invitation.

If a luncheon is not possible, a brief visit to the Institute would be greatly appreciated.

Thank you for your consideration. I look forward to hearing from you.

Sincerely,


Dr. Michael A. Walker
Director

MAW/St

CANADA

Expo 86 7/81.



Copied to
PM TOURS ABROAD:
Expo '86 : January 1986

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SPW



APC
Press Office

10 DOWNING STREET

From the Private Secretary

4 February 1986

EXPO '86: VANCOUVER

Thank you for your letter of 3 February about the timing of the announcement of the Prime Minister's visit to Vancouver for Expo '86.

The Prime Minister agrees that, given the need to be able to make the best use of the promotional opportunities afforded by this visit, an early announcement of it should be made. You may like to discuss details direct with our Press Office.

(C. D. POWELL)

Colin Budd, Esq.,
Foreign and Commonwealth Office.

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PM TOURS ABROAD:
Expo '86: January 1986

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① C.R.B.
address office



Prime Minister
Agree that we

Foreign and Commonwealth Office

London SW1A 2AH

3 February 1986

can announce your decision
to visit Expo '86 in
Vancouver during British Week?

Yes no

It's unusually early, but apparently
Dear Charles, necessary to make full
use of the promotional opportunities.

Expo '86: Vancouver

CDP 3/11

Your letter of 19 January conveyed the Prime Minister's decision to visit Expo '86 and enabled us to speak, in confidence, to the Canadians. Mr Mulronev has enthusiastically welcomed a meeting with Mrs Thatcher on 13 July, but owing to another engagement will not be able to confirm until early March that the meeting can be in Vancouver. If he cannot make it to Vancouver he would very much welcome a meeting in Montreal, as in our original Option B. It was agreed to consult further before any announcement was made by either side.

The timing of an announcement presents difficulties. A final security threat assessment cannot be given until shortly before the visit and the Prime Minister's visits are normally only announced about a month before they are due to take place. In the case of the visit to Expo '86 an announcement is, however, needed very soon if we are to make the best use of the promotional opportunities and enlist full commercial support, for example to find sponsors for the reception on 12 July after the Royal Ballet performance. Sir Derek Day has added that the Expo authorities need to be told as soon as possible of the change of British Day to 12 July (which could increase the risks of speculation and leaks).

Provided you have no objection, we should like to agree with the Canadians that No 10 should soon announce the Prime Minister's decision in principle to visit Expo '86 during British Week. Details of the precise dates, route, mode of travel etc would not be announced, although in answer to questions we could say that the possibility of a meeting with Mr Mulronev was being considered.

Yours ever,

Colin Budd

(C R Budd)
Private Secretary

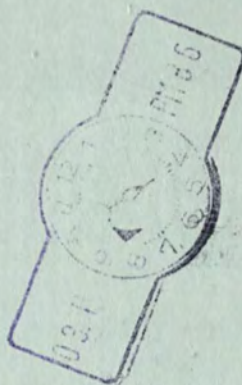
C D Powell Esq
PS/10 Downing Street

CONFIDENTIAL

Canada; Expo 86; 7/81

Foreign and Commonwealth Office

London SW1A 2AA



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Expo '86 : January
1986

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DAZATP
bcpc

10 DOWNING STREET

From the Private Secretary

19 January 1986

EXPO '86: VANCOUVER

Thank you for your letter of 16 January dealing with a number of points about Expo '86.

In the light of this and of the earlier letter reporting the Trade and Industry Secretary's views, the Prime Minister has decided that she will pay a brief visit to Expo '86 on 12 and 13 July. Her strong preference is for Option B in your letter, that is both days spent in Vancouver itself and a meeting there with Mr. Mulroney. She would be most reluctant to have to stop in Montreal on the way back.

The way is therefore now open for us to speak to the Canadians about this.

The Prime Minister has confirmed that she would be ready to fly by Concorde on the terms set out in your letter, subject to confirmation that security advice allows her to do so.

I am copying this letter to John Mogg (Department of Trade and Industry).

Charles Powell

Colin Budd, Esq.,
Foreign and Commonwealth Office.

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BM

11.18
Copied to
PM TOURS ABROAD: CONFIDENTIAL
Expo 86: January 1986

①

PRIME MINISTER

VISIT TO VANCOUVER FOR EXPO '86

You agreed in principle to this visit on 12/13 July.

The one outstanding point is how you travel.

You earlier agreed to go by Concorde. Lord King is enthusiastic, as it will be an excellent promotion for Concorde and for British Airways. He will let us have half the seats; and sell the other half to top businessmen attending EXPO.

At Brize Norton, you lapsed into loyalty to your VC10. This is understandable. But it would lengthen the journey (by 2/3 hours each way) and reduce the promotional impact. The RAF don't really mind, just this once.

Agree to go by Concorde?

Yes

Agree that we can now discuss the visit with the Canadian Government?

Yes
ms

CDP

C.D. POWELL

17 January 1986

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BM/53

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PM TOURS ABROAD:
Expo '86: January 1986

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Foreign and Commonwealth Office

London SW1A 2AH

16 January 1986

Dear Charles,

Expo '86: Vancouver

You said in your letter of 2 January that the Prime Minister would be prepared to consider attending Expo '86 if a number of points could be settled satisfactorily. We have consulted Sir Derek Day, who has confirmed that the British Day could be moved to 12 July. He has also outlined a draft programme for the Prime Minister.

There are several possible variants of the programme, which I have attached to this letter as A, B and C. Until he has been authorised to raise the question directly with the Canadians, Sir Derek cannot guarantee that Mr Mulroney would be able to be in Vancouver on 12 or 13 July. Option A is therefore for a full two days in Vancouver without any meeting with him. This would considerably diminish the political benefits of the visit and would not meet an important part of point (iv) of your letter. I assume therefore that it might not be acceptable. Option B assumes that it would be possible to arrange the meeting in Vancouver. Option C provides for only one day in Vancouver and for the second day (13 July) to include a short break at Montreal to meet Mr Mulroney before flying on to Heathrow. All three options would bring the Prime Minister back to London comfortably within your time limit. 'A' and 'B' at 0900 hours on Monday 14 July and 'C' at around midnight on Sunday/Monday.

These timings all assume flying by Concorde. We have consulted British Airways and Lord King has confirmed that they would be delighted if the Prime Minister would travel by Concorde to Expo '86 and that they would be prepared to charge only first class fares to the Prime Minister's party (that is 15-20 seats). They would feel obliged to offer the same terms to the businessmen and on this basis would need to sell at least 40 of the remaining 80 seats to cover their costs. This should be possible. They have also offered to have a stand-by Concorde aircraft at Heathrow as an assurance against delay on the outward trip.

/If

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CANADA : EXPO 86 : July 81

London and Manchester office

London SW1A 2JH





CONFIDENTIAL

If you are content, and in the light of the Prime Minister's views on the possibility of needing to break the return journey at Montreal, I think that we should now ask Sir Derek Day to speak to the Canadians.

Catherine Bradley's letter of 14 January has already commented on your point (v). I would add only that, while it is true that much of the thrust of Expo '86 will be non-commercial in nature, demand from British firms for space in our pavilion is so heavy that some are having to be turned away. British participation in Expo '86 is funded by the FCO, but with strong support from British industry.

I am sending a copy of this letter to John Mogg (DTI).

*Yours ever,
Colin Budd*

(C R Budd)
Private Secretary

C D Powell Esq
PS/10 Downing Street

CONFIDENTIAL

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OUTLINE PROGRAMME A (ALL TIMES LOCAL)

11 July

1800 Depart Heathrow
1700 Arrive Vancouver
Drive to hotel (30 minutes)
Evening Private supper: Review programme with High
Commissioner, Consul-General and UK Commissioner
General.
Optional Extra Meeting with local representatives of British
companies.

12 July

0930 Visit store promotion (or meeting with Premier of
British Columbia)
1100 Official opening ceremony for British Day,
incorporating a British parade and display (British
military band, choirs and strong commercial
content).
Followed by Visit to UK pavilion.
1245 Official luncheon hosted by Expo
pm Visits to major store promotions of British goods in
Vancouver.
Return to hotel.
1900 Leave for Royal Ballet performance of 'A Month in
the Country', 'La Baiser de la Fee' (and a new work
by Bintley).
Followed by Reception (emphasis on commercial guests), possibly
sponsored by Jaguar Ltd.

13 July

1000 Meeting with Premier of British Columbia.
1100 Visit Canada Place (the Canadian Pavilion at Expo
and likely venue of 1986 CHOGM).
Lunch For leading industrialists and businessmen from
Western Canada, hosted by Mrs Thatcher (no speech:
round table discussion).
pm Press conference and/or interviews with radio and
TV.
Followed by Visit to the Scottish Games, a feature of British
Week.
1800 (or later) Depart Vancouver.

14 July

0900 (or later) Arrive London.

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OUTLINE PROGRAMME B (ALL TIMES LOCAL)

11 July As in programme A.

12 July As in programme A.

13 July

1000 Meeting with Premier of British Columbia.

1100 Visit Canada Place. Greeted on arrival by
Mr Mulroney.

Lunch With Mr Mulroney, followed by discussion.

pm Meetings with media.

Visit to Scottish Games (if time permits).

1800 (or later) Depart Vancouver

14 July

0900 (or later) Arrive London.

CONFIDENTIAL

OUTLINE PROGRAMME C (ALL TIMES LOCAL)

11 July As in programme A.

12 July As in programme A.

13 July

0700 Depart Vancouver (lunch en route)

1400 Arrive Montreal.

pm Meeting with Mr Mulroney.

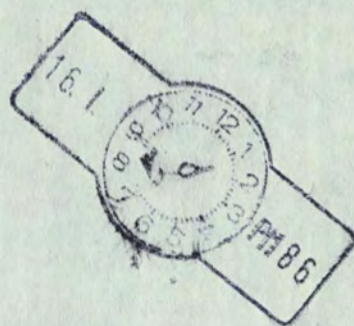
1600 Depart Montreal.

Midnight Arrive London.

14 July

0700 Depart Montreal.

Circa 1500 Arrive London.



copy (2)



JU146

Secretary of State for Trade and Industry

DEPARTMENT OF TRADE AND INDUSTRY
1-19 VICTORIA STREET
LONDON SW1H 0ET
Telephone (Direct dialling) 01-215 5422
GTN 215
(Switchboard) 01-215 7877

14 January 1986 *Rice Austin*
CDP
141

CONFIDENTIAL

Charles Powell Esq
Private Secretary to the
Prime Minister
10 Downing Street
London SW1

ms

Dear Charles,

EXPO '86: VANCOUVER

Thank you for copying to us your letter of 2 January to Len Appleyard.

The main thrust of exhibitions such as Expo '86 is usually cultural and informational. It is very difficult therefore to assess their commercial worth. There will be 47 leading British companies at Expo '86. We know that the Chairmen of British Rail and British Airways will both be visiting the exhibition, but any business is likely to be confined to the long term.

The situation is very different as regards stores promotions. The British Overseas Trade Board have planned a major stores promotion exercise to coincide with Expo '86. This will involve well over 800 stores throughout Canada. It will be on much the same scale as the recent very successful J C Penney promotion in the United States, and we hope just as successful.

The stores promotions will be concentrated in July and a visit by the Prime Minister at that time would undoubtedly provide a most welcome boost to the promotion.

I am copying this letter to Len Appleyard and to Sir Anthony Acland.

Yours sincerely,

C Bradley

CATHERINE BRADLEY
Private Secretary

CANADA
EXPO 86

7/87



CONFIDENTIAL

EXPO '86: TRANSMISSION

[Faint, illegible text, likely bleed-through from the reverse side of the page.]



10 DOWNING STREET

From the Private Secretary

2 January 1986

Dear Sir,

EXPO 86: VANCOUVER

The Prime Minister has looked once more at the possibility of visiting Vancouver for Expo 86 next July. As you will be well aware, July is far from an ideal month for the Prime Minister to travel abroad. But she was impressed by Sir Derek Day's letter of 29 November to the Foreign Secretary setting out the importance of Expo 86 and British participation in it and would be prepared to consider attendance if a number of points can be settled satisfactorily:

(i) British Day would have to be at a weekend. In the light of Derek Day's letter, it appears possible for British Day to be on Saturday, 12 July.

(ii) We should work out journey timings which would enable the Prime Minister to leave London not earlier than 1800 hours on Friday, 11 July, spend two days in Vancouver and be back in London by lunchtime or fairly shortly after on Monday, 14 July. My understanding is that this is technically feasible if we could secure the use of Concorde.

(iii) It would therefore be helpful if you could discuss informally, in strict confidence and at a very senior level with British Airways whether they would be prepared to make Concorde available for this journey. The basis which we might propose is that the Prime Minister's party might pay the equivalent of first class fares, leaving British Airways themselves to meet the "Concorde supplement" as a promotional expenditure. The cost to them might be reduced by letting senior businessmen attending Expo 86 travel on the flight.

(iv) The Prime Minister would want to be satisfied that a really worthwhile programme could be worked out for the Saturday and Sunday in addition to the opening ceremony of British Day. You might ask Derek Day to sketch out the sort of programme he would have in mind (including a meeting with Mr. Mulroney).

(v) It would be helpful to have also the Trade and Industry Secretary's considered judgement that the commercial importance of Expo 86 and of British Day is really likely to be such as to warrant the Prime Minister's attendance.

(vi) Finally, given that July is an exceptionally heavy month in London with a large number of speaking engagements, it would be necessary for me to be able to assure the Prime Minister that she would not be required to make any major speeches other than speaking at the opening ceremony.

It would be helpful if you could let me have answers to these points as soon as possible so that I can confirm the Prime Minister's willingness to attend.

I am copying this letter to John Mogg (Department of Trade and Industry) and to Sir Antony Acland.

Yours sincerely,

Charles Powell

(C. D. POWELL)

Len Appleyard, Esq., C.M.G.,
Foreign and Commonwealth Office.

PRIME MINISTER

EXPO 86: VANCOUVER

You commented on my earlier note that you did not think it worth going all that way for one day.

We could of course extend it by the following.

Friday 11 July dep. London 1800
arr. Vancouver 2100

Saturday 12 July - in Vancouver
Sunday 13 July

Sunday 13 July dep. Vancouver 2200

Monday 14 July arr. London 1500

At the moment you have no engagements in London that Monday except a reception at 1830 for MPs and their wives.

You may, before finally making up your mind, like to look at the attached account by Derek Day about the British effort at EXPO '86.

Agree to attend EXPO on 12/13 July?

Yes not

or

Agree to ask a Ministerial colleague, perhaps the Lord President, to represent you?

C.D.P

CHARLES POWELL
31 December 1985

JALAHS



10 DOWNING STREET

From the Private Secretary

23 December 1985

EXPO 86: VANCOUVER

The Prime Minister has now had the opportunity of considering further the possibility of visiting Vancouver to attend the British Day of EXPO 86 next July. Sherard Cowper-Coles provided us with a helpful note on alternative travel arrangements on 20 December.

The Prime Minister has decided that, in view of her other commitments in July, she will not in fact be able to take on a visit to EXPO 86 in Vancouver.

I am copying this letter to Michael Stark (Cabinet Office).

(MARK ADDISON)

Robert Culshaw, Esq.,
Foreign and Commonwealth Office.

file VC

A handwritten signature or set of initials in the bottom right corner of the page.

PRIME MINISTER

EXPO 86: VANCOUVER

You have agreed in principle to consider attending the British Day of EXPO 86 in Vancouver next July, provided it is on a Saturday.

I have been investigating journey times. We could do London-Vancouver in 7 hours by Concorde. This would make it possible to leave London at 1000 on Saturday, 12 July, and be in Vancouver at 0915 on Saturday, 12 July; spend the whole day and Saturday/Sunday night there, getting back to London on the Sunday evening. I can't deny it would be a pretty tiring journey, especially in July. But it is feasible. You might be able to leave on the Friday evening after Finchley Carnival, giving you an extra night on the ground in Vancouver.

I have consulted Sir Robert Armstrong on the question of costs. He advises that it would be legitimate to pay the subsonic costs of the journey and ask British Airways to carry the excess cost of Concorde, as a promotional expense to show Concorde off in Canada. Since a major trade fair is involved, there is a lot to be said for your winging in by Concorde.

If you decided to do the journey instead by RAF VC10, it would take 10 hours each way (provided the party was no more than 15 strong). You could leave London on the Friday evening after the Finchley Carnival. The journey would be:

Friday,	11 July:	Depart London:	1800
		Arrive Vancouver:	2100
Saturday,	12 July:	Depart Vancouver:	2200
Sunday,	13 July:	Arrive London:	1520

The argument in favour of going is that it is a major trade fair in a very big market, where your presence would have a

cf.
Do we have any ed's pps.?

(1)

very big impact (and Mr. Mulroney would, I am sure, join you).
Against is the fact that July is always a very busy month, and
you may well feel that going abroad is just too much.

I think the questions to be answered are:

1. Do you think you can face this sort of journey in
mid-July? *Not really worth it for one day.*
2. If yes, agree to investigate with British Airways the
possibility of using Concorde? or
3. Prefer to stick to the RAF?

C.D.P.

CDP

20 December, 1985.

JD3AGZ

CANADA
EXPO 86

JULY 81

OTOMOTIVO

111



Sir Antony Acland KCMG KCVO
Permanent Under-Secretary of State

Foreign and Commonwealth Office

London SW1A 2AH

20 December 1985

C D Powell Esq
No 10 Downing Street

Dear Charles,

EXPO '86 : VANCOUVER

You asked in your letter of 17 December for comparative journey times to Vancouver using RAF VC10 and Concorde. These are set out below, together with a possible timetable and other relevant details.

A. CONCORDE

The overall flight time from London to Vancouver would be 7 1/4 hours including a refuelling stop, probably at Gander, as follows:

LHR-Gander 2½ hours (supersonic) (door times)

Refuelling stop 1 hour

Gander-Vancouver 3 3/4 hours (supersonic) (door times)

The return journey would take 7 hours by the same route.

An informal and confidential approach to British Airways' Marketing Manager for North America and the Manager of the Concorde fleet has established that a Concorde may be available on 12 July. Unless British Airways could be persuaded to provide a Concorde free of charge, the cost would be about £155,000 plus the cost of tickets for the Prime Minister and her party.



A possible timetable might be (all times local):
(London = GMT + 1; Vancouver = GMT - 7; Gander = GMT - 2½)

Saturday 12 July

Depart LHR	1000
Arrive Gander	1000
Depart Gander	1100
Arrive Vancouver	0915

Sunday 13 July

Depart Vancouver	0800
Arrive Gander	1600
Depart Gander	1700
Arrive LHR	2300

It is not possible for Concorde to leave Vancouver in the late evening owing to night flying restrictions in North America.

B. RAF VC10

LHR-Vancouver 10 hours (door times)
(overflying Alaska)

Vancouver-LHR 9 hours 20 minutes

NB: Ideally, the number of passengers should be 15; the absolute maximum is 20 overall. Communication equipment would be installed.

If a pay load of more than 20 passengers or a specially fitted aircraft was required, a refuelling stop would have to be made in Ottawa. With one hour on the ground, the outward flight would be 14 hours 5 minutes and the return 12 hours 5 minutes (including 1 hour refuelling).

The approximate cost might be £72,000 for the non-stop flight or £87,000 for the flight via Ottawa.

A possible timetable might be
(all times local: London = GMT + 1; Vancouver = GMT - 7):

Saturday 12 July

Depart LHR	0900
Arrive Vancouver	1100
Depart Vancouver	2200



Sunday 13 July

Arrive LHR 1520

I hope this is helpful: please let me know if you need more information.

With best wishes for a happy Christmas
and a peaceful new year,

Yours ever,
Sherard

Sherard Cowper-Coles
Private Secretary

RESTRICTED



Foreign and Commonwealth Office

London SW1A 2AH

19 December 1985

EDP
19/12.

Dear Charles,

EXPO '86: Vancouver

Your letter of 17 December to Sherard Cowper-Coles said the Prime Minister had expressed some interest in attending Expo '86 during the British Week though, of the various dates identified by Sir Derek Day, the only one potentially possible would be Saturday 12 July.

This is encouraging. The Foreign Secretary hopes that the Prime Minister will find it possible to fit this visit in despite Parliamentary and other pressures. He supports the commercial and political arguments set out in Sir Derek Day's letter of 29 November.

A further point in favour is that it should be possible, even in a visit confined to 12 July, to arrange a short bilateral with Mr Mulroney in Vancouver. This might be a timely opportunity to talk to him again about Southern Africa. It would follow the report of the Eminent Persons Group and the expiry of the six month period (1 January - 30 June 1986) set by CHOGM at Nassau.

Yours ever,

Colin Budd

(C R Budd)
Private Secretary

C D Powell Esq
10 Downing Street

RESTRICTED

CANADA JUL '81

EXPO 86.



PERSONAL AND CONFIDENTIAL



10 DOWNING STREET

file LR
L03ARL
cc Sir PC [unclear]

From the Private Secretary

17 December 1985

EXPO 86: VANCOUVER

You will recall that I had some discussion with Sir Antony Acland last week of the Prime Minister's possible participation in Expo 86. The Prime Minister has expressed some interest in this though, of the various dates identified by Sir Derek Day, the only one which could possibly secure her attendance would be Saturday 12 July. As a first step we now need to work out journey times to and from Vancouver which would minimise her absence from the United Kingdom. It would be helpful in particular to compare relative journey times using RAF VC10 and Concorde. Could Protocol and Conference Department kindly do this and let me know the results as soon as possible.

[Handwritten signature]

CHARLES POWELL

Sherard Cowper-Coles, Esq.,
Private Secretary to Sir Antony Acland,
Foreign and Commonwealth Office.

PERSONAL AND CONFIDENTIAL

CDD
20/xii

Ref. A085/3272

MR POWELL

Thank you for your minute of 11 December about the Prime Minister's possible trip to Vancouver.

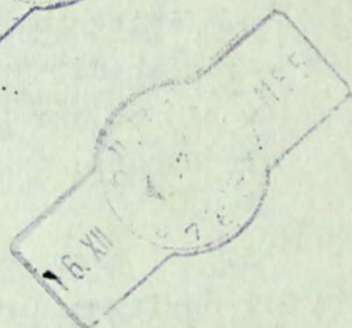
2. As to the question of cost, I am inclined to think that it would be prudent not to accept an offer of Concorde free of charge. I suggest that we should pay British Airways the cost of chartering a subsonic aircraft (eg a Tristar), or the cost of flying via Royal Air Force VC10, whichever is less, and allow British Airways to carry the excess cost of using Concorde: that would be a reasonable promotional expense to show Concorde off in Canada.
3. I assume that there would be no special communication or security equipment on Concorde. I think that that would be a risk that could reasonably be run for a trip to Canada; but it might be wise to get expert advice.
4. Concorde could not, I think, make Vancouver without having to stop to refuel. I do not know where they would refuel: perhaps Gander. But that would slightly diminish the time advantage.
5. It would be necessary to get the permission of the Canadian Government to land Concorde in Canada and to overfly the Canadian mainland at supersonic speeds. The overflight would presumably be across largely uninhabited tundra, and would trouble only very few people.
6. I hope that we shall not overlook the possibility of using Concorde for the flight to Tokyo. I think that it could be done with one stopover, at Anchorage; both legs of the flight would be almost entirely over the sea (or over the frozen moonscape of Alaska), so that virtually the whole journey could be supersonic without any problems; and the time gain (and reduction of jet-lag) would be maximised.

16 December 1985

RA

ROBERT ARMSTRONG

Expo '86 : CANADA July '81.



COMPTON

PERSONAL

File JAIATFP



10 DOWNING STREET

From the Private Secretary

SIR ROBERT ARMSTRONG

I am looking into whether it is feasible for the Prime Minister to pay a very brief visit to British Day at EXPO 86 in Vancouver next July.

You may recall that in the past British Airways have offered to make Concorde available for the Prime Minister. The last occasion was, I think, for CHOGM. It was never quite clear whether the offer was in effect of a charter, or whether the aircraft would be made available without charge. The Chief Concorde pilot has more recently been to dinner at No.10 and urged the Prime Minister to find an opportunity to fly in Concorde making clear that in his view British Airways would make no charge.

The only conceivable way which the Prime Minister could be persuaded to go to Vancouver in July - if at all - would be by Concorde (because of the time-saving). Equally I am sure that she would not want the Government to incur the additional expense.

My question therefore is: do you think it would be proper for the Prime Minister to make use of Concorde for this purpose if British Airways were to offer it free of charge to the Government?

CHARLES POWELL
11 December 1985

PERSONAL

CPW

Ross visit to Expo '86
Vancouver



10 DOWNING STREET

From the Private Secretary

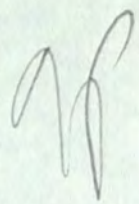
5 December 1985

Thank you for your letter of 30 November about the possibility of Mrs. Thatcher addressing a Fraser Institute gathering on the occasion of her visit to the World's Transportation Fair in Vancouver in 1986.

I am afraid that you are misinformed, in the sense that it is not yet clear whether or not the Prime Minister will be able to visit Vancouver, and no decision on this has been taken. I shall certainly get in touch with you once the Prime Minister's plans are clear.

Charles Powell

Mr. Michael A. Walker



NT GK
CF?

THE FRASER INSTITUTE

HEAD OFFICE: 626 Bute Street, Vancouver, British Columbia V6E 3M1 Canada ☐ ☐ ☐ (604) 688-0221

November 30, 1985

Mr. C.D. Powell
Private Secretary to the Prime Minister
10 Downing Street
London, SW1, England

Dear Mr. Powell:

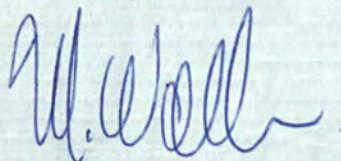
On May 10, 1985 I wrote at the suggestion of Sir Alan Walters to enquire about the possibility of having Prime Minister Thatcher speak to a Fraser Institute gathering on the occasion of her visit to the World's Transportation Fair in Vancouver in 1986. That letter, of course, was predicated on the suggestion, but then uncertainty, that she would visit Vancouver. Now that the visit has been confirmed, I would be grateful if you would bring forward our request once again.

Should you require any further information about the Fraser Institute, we would be pleased to provide it and, of course, you may want to speak to Sir Alan Walters who has been a member of our Editorial Advisory Board since 1975.

If it is not possible for us to host a speaking engagement for Mrs. Thatcher during her stop in Vancouver (which we understand to be on July 8, 1986) then a brief visit to the Fraser Institute would be appreciated.

Thank you again for considering our request.

Sincerely,



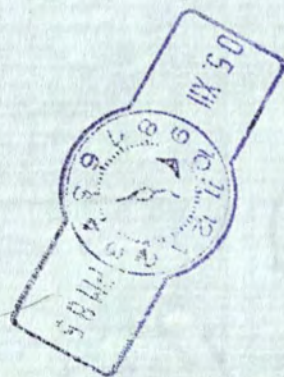
Michael A. Walker
Director

MAW:lb

cc: Sir Alan Walters

Canada 7/81

TRANSP0/EXPO 86





Mr Fowler (NAD) CONFIDENTIAL

PS
PS/Lady Young
PS/PJS
Sir W. Harding
Mr David Thomas

© Please file
Possible Visit
to Vancouver
cm.

BRITISH HIGH COMMISSION
80 ELGIN STREET
OTTAWA K1P 5K7

The Rt Hon Sir Geoffrey Howe, QC MP
Secretary of State for Foreign and
Commonwealth Affairs

FCO
LONDON

29 November 1985

Al Budd

3/12

Advice please.

New Secretary of State.

We spoke briefly about EXPO '86 during your visit here at the end of September. I had a meeting in Vancouver recently with all concerned about the plans for British participation. I am reasonably reassured about the nature and extent of our effort. Our pavilion should provide an interesting and impressive display of British achievement and potential in Transport and Communications, the theme of EXPO. We shall also be making a significant contribution to the related cultural festivities.

2. There are however one or two areas where we should try to make an even greater impact if we are to capitalise effectively on the commercial opportunities provided by EXPO and to counter the major and well-financed efforts being made by our commercial competitors.

3. EXPO '86 is going to be a fairly cut-throat competition. I am most anxious to ensure that we do not let the opposition steal a march on us. To achieve this, we need:

a. the highest possible British representation at the British Day/Week;

b. a significant overall British presence during that week, and other high profile activities throughout the EXPO period.

4. I will not burden this letter with details. These are set out in the enclosed note. What I very much hope is that:

a. it will after all be possible for the Prime Minister to attend the British Day which could, if necessary, be moved from July 8 to Saturday, July 12;

b. the Ministry of Defence will consider further and sympathetically, proposals for the involvement of the Armed Services in EXPO '86. We need Ceremonial Trumpeters for the British Day, a major Naval presence at some stage, and the Red Arrows if they can possibly be spared.



5. I know only too well the limitations on our resources. I hope nevertheless that you might feel able to put in a word for us with No 10 and with Mr Heseltine. We do need a push in both quarters if we are to get the most out of EXPO and to achieve an appropriate commercial return on our substantial financial investment.

Yours ever,
D M Day
D M Day



EXPO '86: BRITISH PARTICIPATION

The commercial background

1. EXPO '86 in Vancouver will be the major event in Canada and on the Western seaboard of North America in 1986. Forty-seven countries, including the UK, will have pavilions on the EXPO site. All participants will be seeking to project a favourable image of their country. The theme of EXPO is 'Transport and Communications'. EXPO is developing into a major commercial competition between the participating governments. All those involved will be out to capture markets not only in British Columbia and elsewhere in Canada, but throughout the United States (the States of Washington, Oregon and California, with a combined population of 32 million, are contiguous with British Columbia), and also in the Far East and South East Asia.
2. Our commercial competitors are mounting a major effort at EXPO '86. They are investing substantially more money in their participation than we are. The Japanese are believed to have a budget of £5 million, the French of £2.4 million. HMG are spending some £1.5 million and the FRG also around the £2.4 million mark. The Province of Ontario has a budget of £6 million.
3. The British pavilion is designed to make a major impact both politically and commercially. We will be displaying British achievements in transport and communications. We will be concentrating on today and tomorrow rather than on the past. Our pavilion will be a showcase for advanced British technology.
4. BREL/Leyland will be promoting their rail bus at EXPO '86. There is potential for significant sales in North America. The Canadian Government are already interested: they are financing winter trials in Canada to the tune of a quarter of a million dollars. Jaguar will be launching their new Cabriolet at EXPO '86.
5. To coincide with EXPO '86, a major store promotion programme is planned. Most of the BOTB store promotion budget for North America for 1986 is being dedicated to this programme. There will be special promotions of British goods during the British Week. These will be concentrated in British Columbia, but similar promotions will be taking place elsewhere in Canada at the same time. Firm orders for new business already exceed \$3 million and are expected soon to reach \$5 million or more.



Representation at the British Day

6. The British Day is tentatively fixed for Tuesday, July 8. The remainder of that week has been set aside for activities with a specifically British flavour. The British Day (as all other National Days), will commence with a formal ceremony on the EXPO site at which the British representative will be welcomed and appropriate speeches made. We are planning to incorporate in the opening ceremony a number of events to attract attention and commercial interest, eg fashion displays, demonstration of motor vehicles, etc. There will also be appropriate British musical and choral representation.
7. The presence of the Prime Minister in Vancouver for British Day would make a major political impact. It would be the first visit of a British Prime Minister to British Columbia for 10 years. The visit would be warmly welcomed by both the Federal and the Provincial Government. It would heighten the prestige of the UK and HMG in the Province, and more widely in Canada. It would undoubtedly attract interest on the West Coast of the United States. It would provide a clear demonstration of the United Kingdom's continuing involvement and interest in Canada. It would also counterbalance, if not outweigh, the impact of visits that may be made by other national leaders to Vancouver during EXPO.
8. Furthermore, a Prime Ministerial visit would give tremendous impetus to our commercial activities during EXPO. It could encourage others to join in with special displays (and purchase) of British goods. It would, more than anything else, reinforce our existing efforts to 'sell Britain' at EXPO '86.
9. July 8 has been chosen as British Day as it coincides with the opening night of performances by the Royal Ballet. If an alternative date in July would be more convenient for the Prime Minister, British Day could probably be fixed for Saturday, July 12. On that evening, the Royal Ballet will be giving the world premiere of a new ballet. The Prime Minister's presence would add lustre to the occasion.
10. A British Day on July 12 would perhaps permit the Prime Minister to fly from London to Vancouver by Concorde on Friday, July 11, spending July 12 and part of July 13 in Vancouver, returning overnight on July 13 to arrive back in London early on Monday, July 14. Arrival and departure by Concorde would stimulate additional interest, and be extremely appropriate, given the theme of EXPO '86.

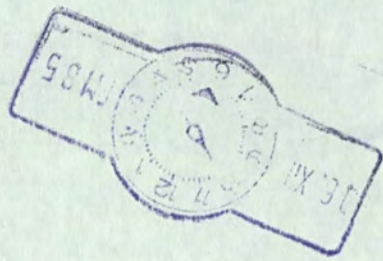
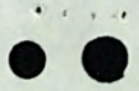
/Participation



Participation by the Armed Services

11. The Ministry of Defence have already agreed that the Band of the Queen's Lancashire Regiment, which will be in Canada at the time, may appear in Vancouver on the British Day. The additional costs involved are coming out of our EXPO '86 budget.
12. The Royal Navy hope to arrange for a visit to Vancouver from 23-28 May 1986 by a new type 42 destroyer and an RFA tanker. A full or half Royal Marine band is expected to be embarked.
13. We have been discussing with the Ministry of Defence possible additional involvement in EXPO '86. Suggestions that have been made include:
- a. the presence of the Red Arrows team at the Abbotsford air show near Vancouver, which will be an integral part of EXPO '86;
 - b. a visit to Vancouver by a naval task force including HMS 'Illustrious' which is visiting the West Coast of the United States during the period of EXPO. The presence of 'Illustrious' with Harriers embarked, would make a major impact, and would provide the opportunity to demonstrate the remarkable qualities of the Harrier aircraft.
14. The presence of the Red Arrows or HMS 'Illustrious' (preferably both) would add enormously to the impact we wish to make at EXPO. There has been no major Naval visit to the West Coast of Canada since 1978. Canada's naval traditions are still firmly British. We are hoping to play a major part in the construction programme of the new Canadian submarines (value to the UK c. \$1/2 billion. A major naval visit would help to preserve the relationship and further our commercial cause. Nor, as far as we are aware, have the Red Arrows been seen in Western Canada. Their presence would provide exciting evidence of British technical, manufacturing and individual excellence.
15. It is strongly hoped that it might therefore still be possible for the Red Arrows and HMS 'Illustrious' to include Vancouver in their programme for 1986.
16. The British Day celebrations would also be much enhanced by the presence of the State Trumpeters from the UK or some similar group of trumpeters, eg those of the King's Troop Royal Horse Artillery. Furthermore, we could make effective use of any other Service team that could be made available, for example, one of the Service's motor cycle display teams, the Royal Air Force Queen's Colour Party, or the like.

CANADA : Expo 80 : July 1981



file

SIR ALAN WALTERS

10-585
Caroline Ryder has shown me the letter you have received from Michael Walker, Director of the Fraser Institute.

It is far from certain that the Prime Minister will get to Vancouver for Expo 86. The British week is in mid-July which you will remember is not the best time for Prime Ministers to be absent.

There is, however, some talk of the Commonwealth Heads of Government Meeting being held in Vancouver in 1987.

All I can say is that we shall certainly bear the Institute in mind for the Prime Minister's programme if - a big if - she goes to Vancouver.

CHARLES POWELL

6 November 1985

Nov 8th 85

Caroline EDP

Can you deal a
few. A.W. CR

The Fraser Institute is the
IEA of Canada and Mike
Walker is the Ralph Harris.
Walker, with justification, regards
the Prime Minister (Mulroney) as
the Ted Heath of Canada.

If the Prime Minister can
see her way to paying even the
shortest visit to the Institute,
Walker would be much fortified.

AW.

ARLAN WALTERS

010

cc PC



Foreign and Commonwealth Office

London SW1A 2AH

4 December 1985

CDP
5/12/85

Dear Charles,

Expo '86

WITH CDP

Thank you for your letter of 25 November about the letter the Prime Minister has received from the Premier of British Columbia inviting her to Expo '86.

The letter is a circular, and is obviously part of the general advance publicity to encourage more visitors to Expo. Our advice is that you should ignore it.

Yours ever,

Colin Budd

(C R Budd)

C D Powell Esq
10 Downing Street



Mr Powell 8/v

cc/c

COO

1

Foreign and Commonwealth Office

London SW1A 2AH

16 October 1985

Dear Tim,

Possible Visit to Canada by the Prime Minister for Expo '86

Charles Powell's letter of 4 October to Peter Ricketts on the Prime Minister's visit to Korea said we should consider whether the Prime Minister should attend the opening of Expo '86 in Vancouver on 2 May.

The answer I fear is that she will be in no position to do so, given her planned visit to Korea. Vancouver-Seoul involves some 18 hours flying time plus a time zone change of 8 hours. It would therefore be impossible to attend Expo '86 on 2 May and visit Seoul on 3 May.

Yours Sincerely,
Colin Budd

(C R Budd)
Private Secretary

Tim Flesher Esq
10 Downing Street

CANADA ; Rel3 : Pt 6

11-25-73

11-25-73



original filed on
S. KOREA: Relations:
Oct 1979

CONFIDENTIAL

Ech



bc PC

10 DOWNING STREET

From the Private Secretary

4 October 1985

PRIME MINISTER'S VISIT TO KOREA

Thank you for your letter of 3 October about the problem which had arisen over the proximity of the Prime Minister's visit to Korea to one under consideration for the Prince and Princess of Wales.

In the light of the Prince of Wales' decision not to pursue his proposed visit, the Prime Minister agrees that we may now confirm to the Korean Government her plan to pay a short visit before the Tokyo Economic Summit.

BF | We also need to consider whether the Prime Minister should attend the opening of EXPO '86 in Vancouver on the way to Tokyo. I understand that the actual opening will be conducted by the Prince of Wales.

(Charles Powell)

Peter Ricketts, Esq.,
Foreign and Commonwealth Office.

CONFIDENTIAL

Ac

Ref. A085/2149

MR FLESHER

Thank you for your minute of 8 August about the Tokyo Economic Summit.

2. I am sorry that my minute of 7 August had the dates all wrong.
3. I confirm that I have now told the Canadian High Commission that, if the Japanese Prime Minister were now to propose that the Summit should be held from Sunday 4 May to Tuesday 6 May, the Prime Minister would be prepared to accept those dates.
4. When I told the Canadian High Commission that the Canadians had not raised the possibility of the Prime Minister going to the International Exhibition in Vancouver on Friday 2 May, they were covered in confusion. They said that the information which they had given me (to the effect that Mr Mulroney might have asked the Prime Minister to go to the opening) was the result of a "misspeak" in Ottawa, which they were undoubtedly too embarrassed to correct. Mr Mulroney had in fact approached the Prince and Princess of Wales.
5. They hoped that no embarrassment had been caused.
6. I said that I had naturally sought to find out whether the Prime Minister had been approached by Mr Mulroney; but no embarrassment had been caused and the Prime Minister was certainly not looking for an invitation to Vancouver.
7. I am sending copies of this minute to the Private Secretaries to the Foreign and Commonwealth Secretary and the Chancellor of the Exchequer.

RA

ROBERT ARMSTRONG

9 August 1985

ECON POL: Tokyo

Summit: PE20



bc MEA.

10 DOWNING STREET

From the Private Secretary

MR HATFIELD

The Prime Minister has now seen Sir Robert Armstrong's minute of 7 August about the Tokyo Economic Summit. She has agreed that Robert may accept the dates Sunday 4 May to Tuesday 6 May 1986 if the Japanese propose them.

On the question of a possible visit to Vancouver, this has been mentioned informally by the British High Commissioner, Sir Derek Day, to the Prime Minister but not in the context of the Economic Summit. The Canadians themselves have not raised the possibility. The Prime Minister would be prepared to consider such a request but in the light of other diary commitments and other possibilities for a visit on the way to Tokyo.

I am copying this to Mr Ricketts (Foreign and Commonwealth Office) and to Mrs Lomax (HM Treasury).

A handwritten signature in cursive script, appearing to read 'Tim Flesher'.

Tim Flesher
8 August 1985

CONFIDENTIAL

* The Exhibition has
been suggested by ~~the~~
high Commissioner but not
in the context of the Economic

Ref. A085/2102 Summit

MR FLESHER

Prime Minister:

This shifts the Economic
Summit one day forward
and would mean missing a
Questions: but that was likely
anyway. We have no trace
of you having been invited to
Vancouver. Has Mr Mulroney
Tokyo Economic Summit mentioned it? * No.

J 7/8 MF

With the Prime Minister's agreement (Mr Powell's minute of
12 July 1985) I informed the Japanese Prime Minister's Personal
Representative that the Prime Minister could attend the Economic
Summit from ~~Thursday~~ ^{Saturday} 3 to ~~Saturday~~ ^{Monday} 5 May 1986.

2. The Canadian High Commission have rung to say that it would
be difficult for Mr Mulroney to arrive in time to start on the
evening of ~~Thursday~~ ^{Saturday} 3 May, because he is due to open an
International Exhibition in Vancouver on ~~Wednesday~~ ^{Friday} 2 May
(Vancouver is 18 hours behind Tokyo). Mr Mulroney is therefore
disposed to ask that the Summit should be from ~~Friday~~ ^{Sunday} 4 May to
~~Sunday~~ ^{Tuesday} 6 May. The Canadian High Commission have been instructed
to find out whether the Prime Minister could manage these dates,
24 hours later from those proposed by the Japanese. They also
suggested that Mr Mulroney might have asked the Prime Minister
to join him for the opening of the Exhibition in Vancouver on 2
May.

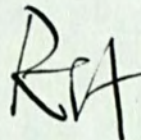
3. I should be grateful if you could let me know whether I may
tell the Canadians that the dates ~~Friday~~ ^{Saturday} 4 to ~~Sunday~~ ^{Tuesday} 6 May would
be possible for the Prime Minister, if the Japanese Prime
Minister proposed them; and whether the Prime Minister is
intending to go to Tokyo via Vancouver and attend the opening of
the Exhibition on ~~Wednesday~~ ^{Friday} 2 May.

=

Assuming that
the written (not-typed)
dates are correct and

Subject to looking at the
... will depend on Vancouver ...

4. I am sending copies of this minute to the Private Secretaries to the Foreign and Commonwealth Secretary and the Chancellor of the Exchequer.

A handwritten signature in black ink, consisting of the letters 'R' and 'A' in a stylized, cursive font.

ROBERT ARMSTRONG

7 August 1985



ec Fco (35)
HC, Ottawa

CF
Would you be
prepared to keep
this? No problem
if not. JWS

10 DOWNING STREET

From the Private Secretary

13 May 1985

The Prime Minister has asked me to thank you most warmly for the invitation conveyed to her in your letter of 10 May to speak to the Fraser Institute in Vancouver.

The Prime Minister does not at present have any plans to visit Vancouver. But should that change, I am sure that the Prime Minister will wish to consider your kind invitation. May we perhaps leave it on the basis that the invitation remains open?

The Prime Minister has asked me to send you her best wishes.

(C.D. Powell)

Mr. Michael A. Walker

er

THE FRASER INSTITUTE

HEAD OFFICE: 626 Bute Street, Vancouver, British Columbia V6E 3M1 Canada ☐ ☐ ☐ (604) 688-0221

May 10, 1985

Sir Alan Walters
American Enterprise Institute
1150 Seventeenth Street N.W.
Washington, DC 20036
U.S.A.

London

Dear Alan:

Thank you very much for the outtake from Essays in Contemporary Economic Problems which I have read with interest and respect, particularly in observing the changed performance of the PSBR following 1981 -- now, I wonder what could possibly explain that development!

I want also to thank you for being willing to intercede on our behalf around No. 10 Downing Street about the possibility of having Mrs. Thatcher address a large or a small Fraser Institute gathering during her visit the World's Fair in 1986 should such a visit materialize. Actually, we would be grateful for anything, even a visit to the Institute of a few minutes duration would be of enormous benefit to us in the intellectual battle, as I am sure you are aware.

Let me take this opportunity to again thank you for your various efforts to assist the cause in the frozen north. With recent developments, we need all the help we can get. I am astonished at the extent to which our conservative parties here are awash with 'wets' and the extent to which our Prime Minister is raising ideological infidelity to the stature of a national virtue. Even those who we have been able to get 'inside' seem to be having very little effect. I know, for example, that Bill Mackness (whom you have been so kind and generous in 'coaching' in a number of ways) is quite disillusioned with the extent to which he has been able to inject an amount of sensibility into the activities of our Finance Department. There apparently is virtually no support around the Cabinet table for the kind of actions that are desperately necessary. Even more so than in the United Kingdom, as a matter of fact.

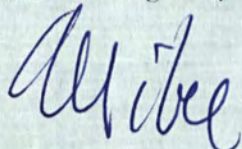
Canada now ranks second only to Italy in terms of having a desperate debt -- interest payment problem. The Prime Minister, meanwhile, is absolutely absorbed in reading public opinion polls and policy shifts with every change in the second decimal place of the party standings in popularity.

Ah well, this will all be familiar stuff to you except, of course, Mrs. Thatcher has had a resolve that we badly need and any exposure that we can give to Mrs. Thatcher's courageous outlook will be of some assistance in Canada. During her last visit to Canada I think she had a profound effect on people's perceptions of our local politicians if only because of the shining standard that she established. But people's memories are short and we need a refresher.

Page 2

Again, Alan, thank you very much for your various efforts on our behalf. If there is ever anything I can do to repay you, please don't hesitate to ask.

Kindest regards,



Michael A. Walker,
Director

MAW:lb

THE FRASER INSTITUTE

HEAD OFFICE: 626 Bute Street, Vancouver, British Columbia V6E 3M1 Canada ☐ ☐ ☐ (604) 688-0221

May 10, 1985



Mr. Robin Butler
Principal Secretary to the Prime Minister
10 Downing Street
London, SW1, England

Dear Mr. Butler:

I am writing to you at the suggestion of Sir Alan Walters about the possibility of having Prime Minister Thatcher speak to a Fraser Institute gathering on the occasion of her visit to the World's Transportation Fair in Vancouver in 1986 should she decide to make such a trip.

The Fraser Institute is an economic research organization comparable to the Institute of Economic Affairs in the United Kingdom and, in fact, has been patterned independently but quite closely after the IEA model. Our Advisory Board includes Sir Alan Walters and Friedrich von Hayek as well as a large number of other eminent scholars.

We would, of course, be delighted if Mrs. Thatcher would make such an occasion the opportunity to discuss the progress of economic policy in the United Kingdom during the course of her government and can assure a large, distinguished, and raptly attentive audience for such an occasion. If, on the other hand, a public display is not desired or wanted, then we would be more than happy to assemble a smaller audience particularly of individuals with potential or actual investment interest in the United Kingdom. If neither of those possibilities seem attractive, we would, at the very least, like to extend a warm welcome to the Prime Minister to visit, however briefly, with us here at the Fraser Institute.

Alan Walters has indicated a willingness to discuss this matter with you and to share with you more information about the Fraser Institute if you so desire.

In a real sense, Prime Minister Thatcher is a champion in the intellectual battle which the Fraser Institute wages on an ongoing basis. It is my sincere hope that if Prime Minister Thatcher does decide to visit Vancouver during the World's Fair in 1986 that we will be given some opportunity to celebrate our champion. Apart from anything else, our manifold conservative parties in Canada awash with 'wets' need a tonic of the kind that only she can provide.

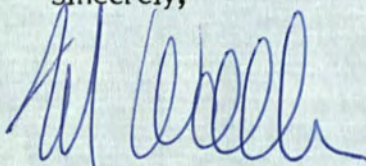
THE FRASER INSTITUTE

Page 2

For your information, I enclose the Institute's most recent annual report.

Thank you very much for considering our request. I look forward to an encouraging reply.

Sincerely,



Michael A. Walker
Director

MAW:lb
Enclosure

International
Commitments: Dec 1983

CEP
4



BRITISH HIGH COMMISSION
80 ELGIN STREET
OTTAWA K1P 5K7

From the High Commissioner
Sir Derek Day KCMG

Prime Minister
You may like to bear
in mind this possibility

Charles Powell Esq
Prime Minister's Office
No 10 Downing Street
London SW1

3 May 1985
When you come to
consider next year's

Dear Charles,

my programme. CDP

I mentioned to you my hope that the Prime Minister might be able to visit Canada in 1986. Here are my reasons.

i. We could and should do more trade with Canada. Our sales in 1984 totalled Cdn \$2.3 billion (equivalent to £1.37 billion at current exchange rates). This is an increase of 28% over 1983. But some of our competitors have done even better: France up 45%, Germany up 38%, Japan up 29.4%. There are commercial opportunities in Canada, big and small, for the energetic and enterprising British exporter. A visit by the Prime Minister would give encouragement to those already active in the field and an impetus to others.

ii. Canada has come back into the Alliance fold after the lean-ish Trudeau years. Mulroney deserves credit for this. It is not a risk-free policy for him. He will be sniped at from both left and right, the latter fearful of a diminution of Canadian sovereignty and independence. We need to encourage him to remain on course. A visit of the Prime Minister would greatly help to reinforce the current favourable trends in Canada's international policy.

iii. EXPO 86 is being held in Vancouver next year. This is the major international exhibition of the year. All our political and commercial rivals will be there in strength (eg the Soviet Union and Eastern European countries, the US, France, Germany, Japan). We will have a substantial UK Pavilion. The theme of EXPO 86 is Communication and Transport. This will be

/an



an important opportunity to display our high technological achievements in this sector. A visit by the Prime Minister to coincide with, if possible, the British Day on 8 July would make an enormous impact. An arrival by Concorde (which could then put on a show over the city and EXPO site) would provide icing on the cake. And the whole thing is happening in British Columbia.

I realise only too well the competing claims on the Prime Minister's time. I hope nevertheless that it might be possible to fit in a visit which, at a pinch, need be no more than one full day in Vancouver and one day in Ottawa.

Yours ever.

DM Day

D M Day

P.S. It was good to see you
 earlier this week. Thanks for all
 your help over the visit.

)



Canada

NBPM
WR
44

Foreign and Commonwealth Office

London SW1A 2AH

5 August 1981

Dear Willie,

Vancouver Transportation Exposition 1986

I wrote to you on 8 July, suggesting that, during her visit to Ottawa for the Economic Summit, the Prime Minister might mention to Mr Trudeau that the United Kingdom accepted in principle the Canadian Government's invitation to participate in the 1986 Transportation Exposition at Vancouver. Michael Alexander replied on 10 July. In the event, I understand that the Prime Minister did not have the opportunity to speak to Mr Trudeau on this subject.

We have therefore informed the Canadian authorities of our acceptance and this will be announced to the UK and Canadian press on 6 August.

Yours ever

Roderic Lyne

(R M J Lyne)
Private Secretary

William Rickett Esq
10 Downing Street
LONDON
SW1

FOR THE DIRECTOR GENERAL OF THE

INTERNATIONAL TELEGRAPHIC UNION



- 4 AUG 1991



RESTRICTED



*Prime Minister
was briefed to raise this*

la.

*Print
- 23/4*

~~Private Secretary to the Prime Minister~~

The Foreign and Commonwealth Office have informed us by telegram that it has been decided in principle that the United Kingdom will participate in the Vancouver Transportation Exposition 1986 and that the Prime Minister has agreed to tell Mr Trudeau about the decision during her visit to Canada. They say that there was not time to include a brief on this subject in the Prime Minister's papers before she left. We have therefore been asked to provide you with a brief. This I attach.

Moran

Moran

17 July 1981

cc: B J P Fall Esq
Private Secretary to the Secretary of State

RESTRICTED



TRANSPO 86 - 1986 WORLD EXPOSITION ON TRANSPORTATION

Point to Make

We have decided that the United Kingdom should participate in the 1986 World Exposition on Transportation to be held in Vancouver.

BackgroundTranspo 86

The 1986 World Exposition on Transportation will take place in Vancouver, British Columbia, from 2 May to 13 October 1986. It will be Vancouver's Centennial Year. The Exposition will be organised by a Crown Corporation of the Province of British Columbia with support from the Government of Canada, which has written to all governments represented in Ottawa asking them to participate. The theme of this exposition will be "Man in Motion", and it will seek to illustrate the importance of transport in society, the economy and for technology.

The United Kingdom decision to participate was taken in light of the importance of Canada/UK relations and Canada's membership of the Commonwealth and the Western Alliance. No decision has yet been made about the level of UK participation.



JS

10 DOWNING STREET

From the Private Secretary

10 July 1981

Dear Roderic,

*with PM
for Ottawa*

VANCOUVER TRANSPORTATION EXPOSITION 1986

The Prime Minister has seen your letter of 8 July to Willie Rickett on this subject. She has agreed that we should proceed as you propose.

Yours ever

Nahiel Alexander

Roderic Lyne, Esq.,
Foreign and Commonwealth Office.



[For inclusion
with brief for Summit]

Foreign and Commonwealth Office

London SW1A 2AH

Mr Alexander
For the weekend box, I think

WR
7/7

Yes not

8 July 1981

Primi Minister

Dear Willie,

Agree to proceed as at A?

Primi
9/7

Vancouver Transportation Exposition 1986

The Canadian Government have invited most countries of the world to participate in a major "Special Category" international exposition (the second highest category after the rare universal exhibitions like Montreal's Expo 67) at Vancouver from 2 May to 13 October 1986. Its theme will be transportation in the widest sense of the word and it will be known as 'Transpo 86'. The Canadians have suggested that it would be an excellent gesture if the Prime Minister were to announce HMG's acceptance in principle of this invitation when she is in Ottawa for the Economic Summit. Lord Carrington supports this idea.

Our preliminary analysis of the three Special Category expositions foreshadowed for the mid-eighties suggests that Transpo 86 is the one which we should support the most. We envisage participating prominently, possibly on the scale we are planning for the 1982 Energy Exposition in Knoxville, Tennessee for which COI and FCO funds of some £500,000 have been allocated. Even if, nearer the time, it were thought right to arrange something more modest at Transpo 86, an appropriate UK presence would be easy to mount and would in our view be necessary to ensure that British achievements in this field - and their commercial potential - are properly collected.

A. We therefore think it reasonable to announce our acceptance in principle now. The UK will probably be the first major country to do this, and there are good political grounds for indicating our support of an event which is a good example of Federal/Provincial cooperation.

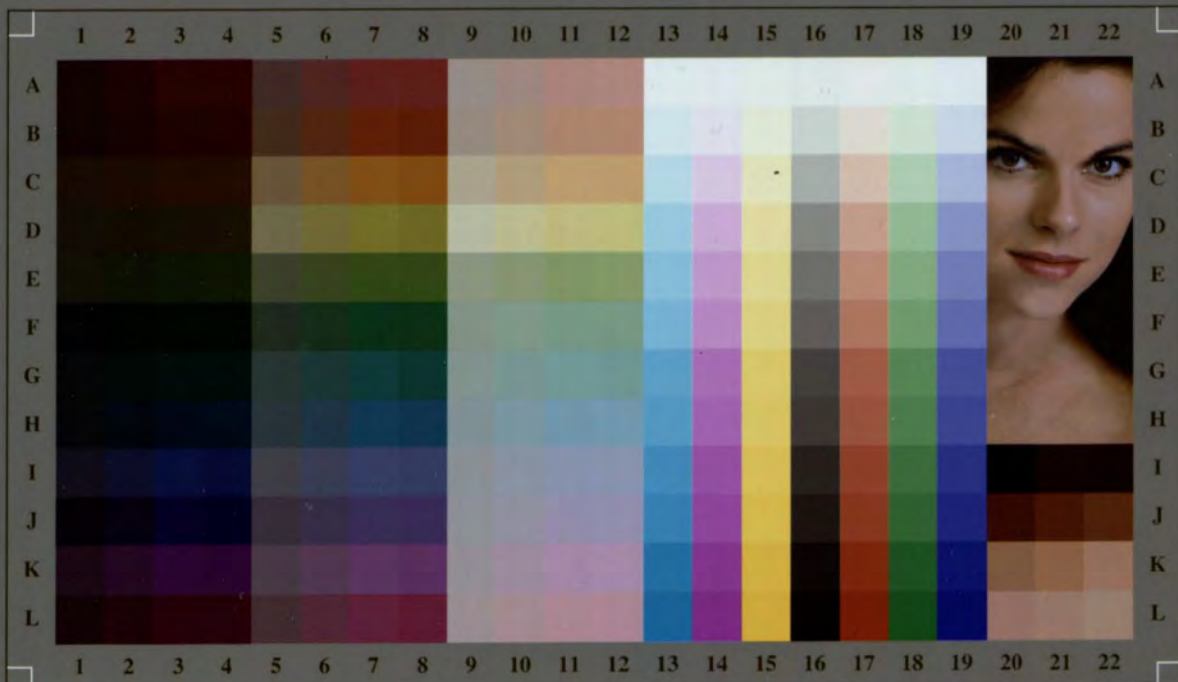
If the Prime Minister agrees, she could mention this to Mr Trudeau at some stage during her visit (he will be well aware of Transpo 86) and our High Commission could then arrange a suitable means of informing the press.

Yours ever
Rodric Lyne
(R M J Lyne)
Private Secretary

W Rickett Esq
10 Downing Street

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