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Foreign and Commonwealth Office

London SW1A 2AH

4 May 1988

OTD
Dear Andy,^{ps/s/s}

Canary Wharf

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As I mentioned to you on the telephone, I enclose an extract from a recent teletype from our High Commissioner in Ottawa to the FCO, in case it is of interest as you prepare briefing for the Prime Minister's attendance at the Canary Wharf ceremony.

Yours sincerely,

(L Parker)
Private Secretary

A Bearpark Esq
PS/No 10 Downing Street

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CANARY WHARF

1. AT THE RISK OF TELLING YOU SOMETHING YOU ALREADY KNOW, I SHOULD PERHAPS REPORT THAT WHEN I CALLED ON ALBERT REICHMANN IN TORONTO ON 28 APRIL HE REFERRED TO THE LAYING THE FOUNDATION STONE/ CUTTING TURF CEREMONY WHICH IS TO TAKE PLACE AT CANARY WHARF ON 11 MAY AND AT WHICH I UNDERSTAND THAT BOTH HE AND HIS BROTHER PAUL ARE TO BE PRESENT (ALBERT IS IN FACT FLYING OVER TO LONDON ON 7 MAY). THE PRIME MINISTER IS APPARENTLY TO ATTEND THE CEREMONY AND LAY THE STONE OR WHATEVER SEMI-COLON THE PLAN IS THAT SHE WILL THEREAFTER GO BACK WITH THE REICHMANNS TO THE OLYMPIA AND YORK OFFICE IN THE CITY FOR A CELEBRATION.
2. THIS IS OF COURSE BY FAR THE MOST PRESTIGIOUS AND LARGE CANADIAN PROJECT IN THE UK: INDEED IT IS THE LARGEST CITY DEVELOPMENT OF ITS KIND IN THE WORLD. AS YOU MAY HAVE SEEN, THE REICHMANN BROTHERS HAVE HAD VERY FLATTERING THINGS TO SAY PUBLICLY ABOUT THE UK ECONOMY AND THEIR REASONS FOR A CONFIDENCE IN LAUNCHING SUCH A VAST PROJECT IN LONDON AT THIS TIME. ALL THIS WAS AMPLY REINFORCED TO ME BY ALBERT REICHMANN IN PRIVATE, WHEN HE REMARKED ON THE COMPLETE CHANGE OF ATMOSPHERE WHICH HAD OCCURRED IN THE UK OVER THE LAST DECADE AND WHICH HAD MADE IT POSSIBLE FOR THE REICHMANNS TO GO AHEAD WITH THIS PROJECT (WHEREAS AN EARLIER ATTEMPT AT A SIMILAR PROJECT IN THE 1970S HAD BEEN DROPPED BY THEM BECAUSE OF THE MANY DIFFICULTIES THEY HAD ENCOUNTERED ALONG THE ROUTE). HE PARTICULARLY UNDERLINED THE COOPERATIVE ATTITUDE HE HAD FOUND AMONG MINISTERS, CITY PLANNERS AND EVEN THE LOCAL BOROUGH COUNCIL WHO, DESPITE LEFTWARD TENDENCIES, HAD DONE EVERYTHING THEY COULD TO MAKE THINGS EASY. FOR HIS PART, ALBERT SAID HE WAS DETERMINED TO KEEP THINGS THIS WAY AND TO SPARE NO PAINS TO HAVE THE PLANNING AND OTHER AUTHORITIES ON SIDE.
3. I ASKED HIM WHETHER IT WAS POSSIBLE TO COME TO ANY ESTIMATE

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OF THE LIKELY SIZE OF THE DIRECT CANADIAN FINANCIAL INVESTMENT CANARY WHARF REPRESENTED. THIS LED HIM TO EXPOUND AT SOME LENGTH ON PRESENT DAY METHODS OF FINANCING SUCH MEGA-PROJECTS. HE CLAIMED THAT, FOR EXAMPLE, HE HAD NO IDEA HOW MUCH CANADIAN (AS DISTINCT FROM JAPANESE, US OR OTHER) MONEY HAD GONE INTO THE CONSTRUCTION OF THE VAST OLYMPIA AND YORK DEVELOPMENTS' TORONTO HEADQUARTERS WHERE WE HELD OUR MEETING. THE SAME WOULD APPLY TO CANARY WHARF. THE FINANCING WOULD COME FROM SO MANY DIFFERENT SOURCES AND BANKS THAT IT WAS REALLY MISLEADING TO SPEAK, AS THE PRESS SOMETIMES DID, OF A POUNDS 3 BILLION CANADIAN INVESTMENT IN THE UK.

4. NONETHELESS, THIS NOT ONLY REPRESENTS A HUGE VOTE OF CONFIDENCE IN BRITAIN BY THE REICHMANNS, BUT ALSO WHAT WILL BE BY FAR THE MOST VISIBLE SYMBOL OF A CANADIAN PRESENCE IN LONDON. WITHOUT THE REICHMANNS, WHOSE EXPERIENCE WITH SIMILAR PROJECTS ELSEWHERE NOTABLY IN NEW YORK TO DRAW ON, IT SEEMS DOUBTFUL WHETHER CANARY WHARF WITH ALL THE OPPORTUNITIES IT OPENS UP FOR FURTHER INVESTMENT AND EMPLOYMENT IN THE UK WOULD HAVE GOT OFF THE GROUND SUCCESSFULLY. IT IS PARTICULARLY GRATIFYING FOR OUR RELATIONS WITH CANADA THAT, FOLLOWING SO SOON AFTER THE QUEEN'S PRESENCE AT THE OPENING OF THE ROYAL BANK OF CANADA'S NEW HEADQUARTERS IN THE CITY, THE PRIME MINISTER SHOULD BE ATTENDING THE CANARY WHARF CEREMONY.