



Prime Minister

Foreign and Commonwealth Office

London SW1A 2AH

3 August 1984

The FCO might have been a bit more inventive on improving relations than simply suggesting that you invite Mr. Turner again. You need something new to say to him!

Dear Charles, Nothing much to be done on students.

Agree that I should write back asking for a more imaginative effort?

Prime Minister's Meeting with the Prime Minister of Canada

You asked for advice on the points the Prime Minister wished to consider following the new Canadian Prime Minister's recent visit to Chequers.

Anglo-Canadian Relations

Mr Turner's staff have assured the High Commission in Ottawa that he did not intend to be critical and that his statement that he would look for ways of boosting the relationship should be taken at face value. So much the better.

Given that the Prime Minister wishes to reciprocate, she may like to consider inviting Mr Turner to pay a visit to Britain. This would be regarded as a return visit for that paid to Canada by Mrs Thatcher in 1983. We clearly should not take any action on this until after the Canadian General Election on 4 September, but it would be useful to know whether the Prime Minister would in principle be in favour of such an initiative. In order to have maximum impact, the visit should take place in the late autumn this year or early next year.

The Foreign Secretary for his part intends to have a meeting with the Canadian Foreign Minister in the margins of the UN General Assembly, and will bear in mind the possibility of tacking a visit to Canada on to one to Washington which he is thinking of for the first half of 1985, in order to make contact with the new US Administration.

Student Fees

The Prime Minister will be aware that the question of fees for overseas students has been a subject of concern to the Canadians for some time. It came up during her own visit to Canada last September, and Peter Ricketts wrote to John Coles on 2 November (copy attached) to follow up some of the points raised. We have used to the full the various special

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programmes described in the letter. It is not easy to see what more could be done to help the Canadians. For example it would be difficult to grant home fee status to Canadian students and exclude the rest of the Commonwealth, particularly as Canada is one of the wealthier Commonwealth countries. Nor could we afford to grant home fee status to all Commonwealth students. The cost would be too high and it would in any case undermine our policy of targetted support instead of indiscriminate subsidy. We continue to pursue the opportunities for exploiting exchanges through institutional links. So far six Canadian universities and six British universities/polytechnics have expressed an interest and are working towards exchanges. There is also the possibility of Canadian students benefiting from private sponsorship and various other schemes, and many Canadian students are encouraged to come here through the work of the Universities Transatlantic Exchanges Committee of which thirty five British university institutions are members. Beyond that we can see no prospect of making a further significant gesture towards Canadian students without a major change in the Government's overall policy on overseas students. We propose to ask our High Commissioner in Ottawa to explain the background to Mr Turner's staff.

*Yours ever,*

*Colin Budd*

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