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Foreign and Commonwealth Office

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London SWIA 2AH

17 January 1989

Dear Chances,

Call on the Prime Minister by Premier Robert Bourassa of Quebec: 5.00 pm, 19 January

M. Bourassa will be visiting the UK from 18-20 January as part of a European tour. He will also call on Chancellor Kohl and M. Mitterrand, and attend the Davos World Economic Forum. His programme in the United Kingdom, and a personality note are attached.

M. Bourassa was disappointed that it was not possible to see the Prime Minister during his last visit to London, early in 1987. He regards this call as the highlight of his European tour. He will be accompanied by the Canadian High Commissioner, Mr Donald Macdonald.

M. Bourassa's main objectives in making this tour are to attract inward investment to Quebec; and to demonstrate to his electorate that Quebec, under his leadership, commands external influence and respect (he has to go to the polls before spring 1990 and may call an election as early as May this year). During his call on the Prime Minister, M. Bourassa will probably wish to discuss the prospects for 1992 in Europe and Anglo/Quebec trade. He has spent some time in Brussels studying the workings of the European Community.

M. Bourassa strongly supports the US/Canada Free Trade Agreement and, despite being the Leader of a Liberal Government, supported Mr Mulroney during the recent federal election campaign. He played an important role in drafting, with the Federal Government, the Meech Lake Accord, which will bring Quebec in the Constitution for the first time since the patriation of the latter in 1981, and at the same time meet Quebec's desire for recognition of her distinctive society.

1992 and Uruguay Round: Canadian fears of "Fortress Europe" are similar to those in the US. The Prime Minister may recall the welcome given by the Toronto Economic Summit to the US/Canada Free Trade Agreement, alongside the Single European Market. She may like to say that both must be open to third

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countries and contribute to the global liberalisation we are seeking through the GATT Uruguay Round. The Rhodes Council Declaration on the Community's international role committed the EC to this.

Anglo/Quebec Trade/Investment: The present Quebec Government wish in a pragmatic way to foster the development of the private sector. M. Bourassa cut tax rates in his last provincial budget, is attacking the provincial deficit and has privatised several provincially owned corporations. Quebec's economy, as a result, has become more dynamic, with growth well above the Canadian average. GDP rose by 5% in real terms in 1987. There is a new generation of French-Canadian entrepreneurs. Anglo-Quebec trading links are also increasing. British exports to Quebec in 1987 were worth approximately £1 billion (8% of Quebec's total imports), a 31% increase over 1986. Quebec exports to the UK in 1987 were worth over £300 million. The UK is the second largest outside investor, after the US. A recent major contract (for Airbus worth £200 million) for Canadair from British Aerospace should lead to closer UK/Quebec collaboration in this field. Some 15 UK companies have been alerted to the second phase of the James Bay Hydroelectric scheme. Some will, we hope, already have made contact.

Since 1978 Canada has had a cooperation agreement with the European Space Agency (ESA), which allows access to the main ESA organs and optional programmes. At the ESA Council Meeting on 15/16 December, the Director-General was authorised to sign a new cooperation agreement covering the next ten years.

Should the question of the sale of Trafalgar to the Canadians arise, the Prime Minister might reaffirm her view that ours is the best boat for the Canadians. It fully meets their requirements and is superior to the French submarine: it is faster, quieter and has shown it can surface through the ice. It is a proven design.

Because the Foreign Secretary is not returning from Vienna until late on 18 January, he will not be able to see this letter in draft. If he disagrees with any points, we shall telephone you early on 19 January.

(R H T Gozney) Private Secretary

Jons wer,

C D Powell Esq 10 Downing Street

Bourassa led his party to a landslide victory over the Parti Quebecois in December 1985.

More of a technocrat than a politician by nature, he has made himself a politician by application. He is now a good political tactician and respected. His performance since 1985 demonstrates that he has learned a lot. He gives his Ministers a greater share of the limelight. His heart lies in promoting the economic advancement of Quebec and he played a key role in the Seventies in authorising work on the James Bay hydro-electric project. He announced some months ago that work would begin soon on the second phase of the project.

He is intelligent, well informed, and follows events in the UK with a keen and sympathetic interest. He has no consuming interests outside work.

Married to Andrée Simard of the wealthy Quebec shipbuilding family. Two children.

M BOURASSA'S PROGRAMME IN THE UNITED KINGDOM

Wednesday 18 January

1700 - Arrive airport. Met by Agent-General for Quebec.

1930 - Dinner at Savoy with representatives from British Aerospace and Bombadier.

Thursday 19 January

1100 - Meeting with two senior industrialists who have projects in Quebec.

1245-1430 - Lunch hosted by Warburgs (Sir David Scholey).

1500-1530 - Meeting with Secretary of State for Foreign and Commonwealth Affairs, Sir Geoffrey Howe.

1700 - Meeting with the Prime Minister.

2000 - Dinner at the Berkeley Hotel hosted by the Ouebec Government (50 - 75 guests).

Friday 20 January

1100 - Meeting with businessmen who have projects in Quebec.

1245 - Lunch at the High Commission for journalists.

1430 - Meeting with journalist from The Financial Times.

1630 - Meet staff of the Quebec delegation in London.

1800 - Reception hosted by the Agent-General for financiers, Foreign Office representatives, bankers, businessmen and foreign trade advisers.

1930 - Depart for Paris.

Gouvernement du Québec Délégation générale Londres

Le délégué général



Government of Quebec Délégation Générale London

The Agent General

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January 9th, 1989

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The Rt Hon. Mrs Thatcher, MP Prime Minister, First Lord of the Treasury and Minister for the Civil Service No. 10 Downing Street London SW1

Dear Prime Minister,

The Premier of Quebec, Mr Robert Bourassa, wishes me to express his thanks to you for agreeing to meet with him on Thursday, January 19th, at 5.00 pm at No. 10 Downing Street. It is understood that the Premier will be accompanied by the Canadian High Commissioner.

The counsellor at our Delegation responsible for the Premier's visit is Mr Marc Boucher. He has already been in touch with certain members of your staff and they should feel free to communicate with him at any time with instructions or comments which will help to ensure the success of this visit.

May I personally take this opportunity to wish you a very satisfying New Year.

Yours faithfully

Reed Scowen