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Foreign and Commonwealth Office

London SW1A 2AH

21 November 1985

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Dear Charles,

Prime Minister
CDP
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Governor-General of Canada

Thank you for your letter of 19 November. The Canadian High Commission have confirmed that 1800 hours on 22 November would be convenient for the Governor-General to call on the Prime Minister. Madame Sauvé is expected to be accompanied only by her ADC, Captain Pierre Richard.

The High Commission have also confirmed that this call is only to renew Madame Sauvé's personal acquaintance with the Prime Minister. They last met during Mrs Thatcher's visit to Ottawa in 1983, when Madame Sauvé was Speaker in the Canadian House of Commons. They had earlier met when Mrs Thatcher was Minister for Education and Madame Sauvé was Minister of State for Science and Technology.

I enclose as background a copy of the visit programme for Madame and M. Sauvé. The visit will include luncheons with HM The Queen and with the Canada/United Kingdom Chamber of Commerce. Madame and M. Sauvé will also be guests of honour at a reception to inaugurate the official Residence of the Canadian High Commissioner, Mr Roy McMurtry.

No formal briefing seems required but I enclose also a short background note on the current political and economic scene in Canada.

Yours ever,

Colin Budd

(C R Budd)
Private Secretary

C D Powell Esq
10 Downing Street

PROGRAM FOR A VISIT BY THEIR EXCELLENCIES THE GOVERNOR
GENERAL AND M. SAUVE TO LONDON, FRIDAY NOVEMBER 22 - THURSDAY
NOVEMBER 28, 1985.

TRAVELLING PARTY:

THEIR EXCELLENCIES the Governor General and M. Sauve
Captain Pierre Richard
Inspector Yves Beaulieu
M. Chevrier

M. Leopold and Mme. Amyot
Mr. and Mrs. Anthony Smyth, Deputy Secretary, Government House
M. Jean Noel Tremblay, Cultural Attache, Government House
Maj. Colin Sangster, Director of Visits and Security, Government
House
Mlle. Marie Bender, Government House Press Secretary
Mr. Vaughan Martin, Assistant Chief of Protocol, Department of
External Affairs

PROGRAMME:

Friday, November 22nd

ARRIVAL - LONDON

09:30 hours Arrive London (Gatwick) Airport. Greeted by
The Hon. Roland Roy McMurtry QC., Canadian
High Commissioner, and Mrs. McMurtry,
Mr. Louis Delvoie, Deputy High Commissioner;
Brigadier General Chris Snider, Commander,
Canadian Defence Liaison Staff, and
Mr. John Schram, Head, Political Section,
Canadian High Commission (Phone 629-9492,
Ext.370; Home - 652-2055).

Clear Customs and Immigration

10:00 hours Leave by car for Claridge's Hotel (Motorcade
No.2: Daimler - Her Excellency, High Commissioner,
Scotland Yard. High Commissioner's car -
Mrs. McMurtry, His Excellency. Deputy High
Commissioner's car - Mr. and Mrs. Amyot,
Mr. Louis Delvoie. Minibus - Balance of party
including Mr. Schram).

11.15 hours Arrive Claridge's Hotel.

11.45 hours Their Excellencies depart Claridge's for the
High Commissioner's residence, 3 Grosvenor Square.

12:00 hours Call by Baroness-in-Waiting to the Queen,
the Baroness Hooper.

12:30 hours Baroness Hooper departs.

12:35 hours Private lunch with the High Commissioner and
Mrs. McMurtry.

14:00 hours Their Excellencies return to Claridge's.

Remainder of day - Free. (Daimler at the disposal of Their Excellencies).

Saturday, November 23rd

Saturday morning: Their Excellencies may wish to visit Portobello Market.

Saturday is early closing day, but features antiques. (A car will be at Their Excellencies' disposal).

Afternoon - Their Excellencies may wish to visit the Silver Vaults in Holborn.

(A car will be at Their Excellencies' disposal).

Sunday, November 24th

Sunday morning: Their Excellencies may wish to attend Mass at Farm Street Church. (The Daimler will be at their disposal, but if weather permits, Their Excellencies may wish to walk via Grosvenor Street, Carlos Place and the small park, entering the church through the rear door opening into the park. Mass begins at 0830 or 10:00 hours. Sung Mass at 11:00 hours.

Sunday afternoon: Their Excellencies will lunch privately. (A car will be at Their Excellencies' disposal).

Monday, November 25th

Daytime: No commitments.

INAUGURATION OF OFFICIAL RESIDENCE

Dress: Lounge Suit

17.45 hours Their Excellencies will leave Claridge's Hotel for the High Commissioner's residence, 3, Grosvenor Square. (The Daimler and two High Commission cars will be available for the party's use, if they should not wish to walk).

18:00 hours Their Excellencies attend, as Guests of Honour, a reception to inaugurate the Official Residence of Canada's High Commissioner. (Their Excellencies' full party will attend).

20:00 hours Their Excellencies will leave the High Commissioner's residence for Claridge's Hotel. (The Daimler will be at their disposal).

Tuesday, November 26th

LUNCHEON AT BUCKINGHAM PALACE

Dress: Afternoon Dress,
Lounge Suit

12.40 hours Their Excellencies will depart Claridge's Hotel for Buckingham Palace.
M. and Mme. Amyot will depart Claridge's Hotel for Buckingham Palace.

(The Daimler will be available for Their Excellencies; a High Commission car will be available for M. and Mme. Amyot).

13:00 hours Their Excellencies will attend a luncheon with Her Majesty the Queen at Buckingham Palace.

M. and Mme. Amyot to be presented to Her Majesty and attend a luncheon with the Royal Household.

60th ANNIVERSARY CONCERT AND RECEPTION

Dress: Cocktail Dress
Lounge Suit

18.10 hours (Approx) Their Excellencies, Capt. Richard, Inspector Beaulieu, M. and Mme. Amyot, M. Tremblay, Mme. Bender will depart Claridge's Hotel for Canada House, Trafalgar Square. (Daimler and two High Commission cars will be available).

18:30 hours Their Excellencies will attend the 60th Anniversary Concert at Canada House. A reception will follow the concert; Her Excellency will receive, on behalf of the Canadian people, a gift of a lithograph by Canadian artist David Blackwood, to mark the 60th Anniversary of Canada House.

20:30 hours Farewells. Leave for Claridge's Hotel.

Wednesday, November 27th

CANADA/UNITED KINGDOM CHAMBER OF COMMERCE LUNCHEON

Dress: Afternoon Dress
Lounge Suit

12:00 hours Their Excellencies depart Claridge's for The Inn on The Park, Park Lane. (Daimler, High Commission Car). Their Excellencies will be accompanied by Captain Richard, Inspector Beaulieu, M. and Mme. Amyot, M. Tremblay, Major Sangster, and Mme. Bender.

- 12:15 hours Their Excellencies arrive at The Inn on the Park to be met by Mr. and Mrs. Wain, President, Canada/United Kingdom Chamber of Commerce, and High Commissioner and Mrs. McMurtry.
- 12:30 hours Reception Line.
- 13:00 hours Luncheon begins.
- 14:00 hours Her Excellency will address the membership and guests.
- 14:30 hours Farewells. Leave for Claridge's Hotel.

DINNER AT THE RESIDENCE OF THE HIGH COMMISSIONER

Dress: Cocktail Dress,
Black Tie.

Evening - The High Commissioner will hold a dinner in Their Excellencies' honour. Their Excellencies will be accompanied by M. and Mme. Amyot.

Thursday, November 28th

DEPARTURE LONDON

- 10:00 hours Baggage vehicle leaves for the airport.
- 11:00 hours Their Excellencies and party leave Claridge's Hotel for Heathrow Airport, South side Lounge. Their Excellencies are accompanied by Captain Richard, Inspector Beaulieu, Mr. and Mrs. Smyth, M. Tremblay, Mme. Bender, Major Sangster, Deputy High Commissioner Mr. Delvoie, and Head Political Section, John Schram.
- 12:15 hours Arrive South side Lounge. Farewell by Lady-in-Waiting to the Queen. Board the aircraft.
- 12:30 hours Depart London by CF Dash-7 for Paris.

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CANADA: POLITICAL AND ECONOMIC

1. Mr Mulroney's Progressive Conservative government has recently completed its first year in office. Despite its huge (140) majority and some sensible policies the government has recently been on the defensive. On the credit side it has reversed Mr Trudeau's nationalistic barriers to foreign investment; improved Federal/Provincial relations; largely freed oil and gas prices and is trying to stem the threat of US protectionism by moves to improve relations (Shamrock Summit) and for freer US/Canada trade. Mr Mulroney's own poll ratings remain good. Against this there have been patronage and other scandals and ministerial reshuffles and Mr Mulroney's failure to take strong action to curb the high federal deficit (7.5% of GNP) has been criticised.
2. The Canadians remain solid on the main Atlantic issues and have taken several steps to improve their contribution to NATO, including strengthening their Brigade in the FRG, despite pressures arising from the budget deficit. On SDI Mr Mulroney announced on 7 September that companies and universities would be free to bid for contracts although the government would not itself participate.
3. The Prince and Princess of Wales will open Expo '86 at Vancouver on 2 May. No decision has yet been reached on the British 'eminent personality' to attend as guest of honour at the 'British Day' on 8 July. The theme of this major exposition is Transport and Communications. £1.5 million of FCO funds have gone into the British pavilion.
4. Federal/Provincial relations remain good. In the last few months, there have been major changes in provincial politics. In Quebec Mr Pierre-Marc Johnson has succeeded Mr Lévesque as leader of the Parti Québécois. Elections are to be held on 2 December. Although the PQ currently trail the Quebec Liberal Party in the polls, it is possible that Mr Johnson's personal appeal may be greater than that of the Liberal leader, Mr Bourassa. In the provincial elections in Ontario in May, the Progressive Conservatives were returned with a reduced majority, and after losing a vote of confidence were replaced (after 40 years in power)

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by a Liberal Government with New Democratic Party support. Premier Lougheed of Alberta has also resigned: his successor, Don Getty, a businessman and former provincial Minister, was chosen on 13 October. The Progressive Conservatives hold 75 of the 79 seats in the Provincial Legislature.

5. The economy continues to grow between 3% and 4%. Inflation is 3.8%. Unemployment has decreased to 10.4% nationally (provincial figures vary). Exports are 75% to the US with which Canada has a massive trade surplus. Imports from the UK for the first six months of 1985 are 3.5% up on the corresponding period in 1984. The restrictive Foreign Investment Review Agency was finally interred on 2 July. A campaign is being launched to attract overseas investment, focussing particularly on the United States, the European Community countries, Japan and Hong Kong. By a 31 October Agreement between the Federal Government and the gas producing provinces Canada will move to a fully market oriented pricing regime for both domestic and exported natural gas.

North America Department
Foreign and Commonwealth Office
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