

CONSERVATIVE & UNIONIST CENTRAL OFFICE,
32 SMITH SQUARE,
WESTMINSTER, SW1P 3HH,

From

THE VICE CHAIRMAN OF THE PARTY
The Lord Fanshawe of Richmond, K.C.M.G.

Telephone: 01-222 9000

The Rt. Hon. Michael Alison,
No. 10 Downing Street,
London SW1

8 November 1983

Dear Michael,

We have received requests from two party leaders - who are close friends of ours, to meet the Prime Minister.

iso -
The first is from Dr. Francisco Lucas Pires, the leader of the CDS Party of Portugal (and currently leader of the opposition). The attached copy of a telex provides the background. Chancellor Kohl, and the Dutch and Belgian Prime Ministers have agreed to meet him. He would be very grateful if our Prime Minister could spare a few minutes to see him on the 24th, 25th or 28th November next.

Yes but check
The second is from Mr Brian Mulroney, leader of the Canadian Progressive Conservative Party, who will be paying his first visit to London as leader on 17th February next. He would be grateful for a meeting that morning.

Since I shall be abroad for the next few days, perhaps you could let Scott Hamilton know whether these meetings would be possible.

I am copying this to Geoffrey Howe's office.

Yuan
T. S. -

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LISBON, 3, 11. 1983

ATT: INTERNATIONAL OFFICE
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1. THE CDS HAS ALWAYS MAINTAINED THAT PORTUGAL'S ACCESSION TO THE E.E.C. IS A QUESTION OF FIRST PRIORITY IN THE CONTEXT OF PORTUGUESE FOREIGN POLICY.
2. THE EUROPEAN CHRISTIAN DEMOCRATIC AND CONSERVATIVE PARTIES HAVE ALWAYS INDICATED THAT PORTUGAL'S ACCESSION TO THE EEC IS ESSENTIAL IF AN EUROPEAN POLITICAL DESIGN IS TO TAKE SHAPE.
3. NEGOTIATIONS BETWEEN PORTUGAL AND THE EEC ARE MEETING NOWADAYS WITH DOUBTS AND OBSTACLES ORIGINATING ESPECIALLY FROM SOME GOVERNMENTS HAVING A SOCIALIST PARTY BASIS.
4. THE CDS BELIEVES THAT PORTUGAL'S DESTINY IS CLOSELY LINKED WITH THE QUESTION OF EEC'S ENLARGEMENT. THE CDS CONSIDERS THEREFORE THAT OUR ACCESSION TO THE EEC IS INDEED A NATIONAL QUESTION CALLING FOR WIDE COOPERATION BETWEEN THE VARIOUS POLITICAL, SOCIAL AND ECONOMIC INSTITUTIONS.
5. FOLLOWING A SUGGESTION MADE BY OUR PARTY, THE PORTUGUESE PRIME MINISTER, MARIO SOARES MET YESTERDAY WITH THE CDS LEADER, FRANCISCO LUCAS PIRES, AND PROPOSED THAT COMMON ACTIONS SHOULD BE UNDERTAKEN BY ALL WITH A VIEW TO SPEEDING UP THE PROCEEDINGS OF PORTUGAL'S ACCESSION TO THE EEC AND OVERTAKING PRESENT OBSTACLES, HAVING IN MIND THE NEXT SUMMIT MEETING IN ATHENS (THE COMMUNIQUE'S ISSUED BY THE PRIME MINISTER'S OFFICE AND THE CDS LEADER ARE TRANSCRIBED BELOW).
6. THE CD DEEMS IT EXTREMELY IMPORTANT THAT PORTUGUESE DEMOCRATIC PARTIES SHOULD EMBARK ON SUCH COOPERATIVE EFFORTS, WHICH MAY IN THE FUTURE ENCOMPASS OTHER QUESTIONS OF COMMON INTEREST IN THE INTERNATIONAL FIELD. AND IT IS ALSO SIGNIFICANT THAT PORTUGUESE PUBLIC OPINION SHOULD FULLY REALIZE THE WEIGHT OF THE CHRISTIAN DEMOCRATIC AND CONSERVATIVE IDEALS THROUGHOUT EUROPE. THE SUCCESS OF THE ACTION THUS TAKEN BY OUR PARTY WILL BE VERY IMPORTANT BOTH FOR PORTUGAL AND THE CDS.
7. DR. LUCAS PIRES WILL BE IN ROME FOR THE UEDC/PPE MEETING OF THE 9TH. TO 11TH. NOVEMBER, WHEN THE WHOLE QUESTION WILL NO DOUBT BE DISCUSSED.

IM WE ARE READY TO HAVE A MEMBER OF OUR INTERNATIONAL RELATIONS COMMITTEE TRAVEL TO YOUR COUNTRY AND VISIT YOUR PARTY IN ORDER AND VISIT YOUR PARTY IN ORDER TO FULLY EXPLAIN THE IMPORTANCE WE LEND TO THIS INITIATIVE, AS WELL AS THE DEMARCHES NOW BEING MADE CONCERNING A VISIT TO YOUR COUNTRY BY THE CDS LEADER AT THE HEAD OF A DELEGATION OFFICIALLY RECOGNIZED BY THE PORTUGUESE GOVERNMENT AND SPONSORED BY THE MINISTER OF FOREIGN AFFAIRS, TO MEET AT THE HIGHEST LEVEL WITH BOTH YOUR GOVERNMENT AND PARTY.

CDS INTERNATIONAL RELATIONS COMMITTEE
TEXT OF THE ISSUED BY THE PRIME MINISTER'S OFFICE

THE PRIME MINISTER MET TODAY AT HIS OFFICE WITH THE PRESIDENT OF THE CDS POLITICAL COMMITTEE, DR. LUCAS PIRES, TO WHOM HE PROPOSED, FOLLOWING AN OFFER MADE BY THE CDS DURING THE DEBATE THAT TOOK PLACE IN THE PARLIAMENTARY COMMISSION FOR EUROPEAN INTEGRATION, THAT COMMON ACTIONS SHOULD BE UNDERTAKEN WITH A VIEW TO SPEEDING UP THE PROCEEDINGS OF PORTUGAL'S ACCESSION TO THE EEC AND OVERTAKING EXISTING OBSTACLES, HAVING IN MIND THE NEXT SUMMIT MEETING IN ATHENS.

THE PROPOSAL MADE BY THE PRIME MINISTER WAS ACCEPTED IN PRINCIPLE, IN THE FRAME OF A GLOBAL AGREEMENT ABOUT THE WHOLE QUESTION OF EUROPEAN INTEGRATION, AND ON THE UNDERSTANDING THAT THIS IS INDEED A NATIONAL QUESTION CALLING FOR WIDE INSTITUTIONAL COOPERATION.

IT WAS AGREED THAT FURTHER MEETINGS SHOULD TAKE PLACE WITH A VIEW TO PREPARING A SET OF INTERNATIONAL INITIATIVES THAT ARE NECESSARY AND PRESSEING. IT WAS ALSO AGREED THAT IT WILL BE APPROPRIATE TO HAVE SOCIAL FORCES, AS REPRESENTED BY THEIR RESPECTIVE ORGANIZATIONS, TAKE AN INTEREST IN THE INTERNATIONAL DEMARCHES TO BE MADE.

TEXT OF THE COMMUNIQUE ISSUED BY THE OFFICE OF THE PRESIDENT OF THE CDS POLITICAL COMMITTEE.

THE PRESIDENT OF THE CDS POLITICAL COMMITTEE MET TODAY WITH THE PRIME MINISTER. FOOLOWING AN OFFER MADE BY THE CDS DURING THE DEBATE THAT TOOK PLACE IN THE PARLIAMENTARY COMMISSION FOR EUROPEAN INTEGRATION, THE PRIME MINISTER PROPOSED THAT COMMON ACTIONS SHOULD BE UNDERTAKEN WITH A VIEW TO SPEEDING UP THE PROCEEDINGS OF PORTUGAL'S ACCESSION TO THE EEC AND OVERTAKING EXISTING OBSTACLES, HAVING IN MIND THE NEXT SUMIT MEETING IN ATHENS.

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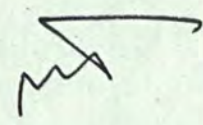
IT WAS AGREED BY THE PRIME MINISTER AND THE PRESIDENT OF THE CDS POLITICAL COMMITTEE THAT FURTHER MEETINGS SHOULD TAKE PLACE WITH A VIEW TO PREPARING A SET OF INTERNATIONAL INITIATIVES THAT ARE NECESSARY AND PRESSING. IT WAS ALSO AGREED THAT IT WILL BE APPROPRIATE TO HAVE SOCIAL FORCES, AS REPRESENTED BY THEIR RESPECTIVE ORGANIZATIONS, TAKE AN INTEREST IN THE INTERNATIONAL DEMARCHES TO BE MADE.

THE DISCUSSION OF THIS QUESTION WILL COMMENCE DURING THE WEEKLY MEETING OF THE CDS STEERING COMMITTEE.

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LEADERSHIP OF PROGRESSIVE CONSERVATIVE PARTY

1. SUMMARY. BRIAN MULRONEY, A BILINGUAL QUEBEC LAWYER AND BUSINESSMAN WITH NO PARLIAMENTARY EXPERIENCE HAS BEEN ELECTED LEADER OF THE PROGRESSIVE CONSERVATIVE (PC) PARTY.

DETAIL

2. THE PC LEADERSHIP CONVENTION MET IN OTTAWA FROM 8-12 JUNE. THE LEADERSHIP HAD BEEN VACANT SINCE JOE CLARK RESIGNED AFTER 33% OF THE DELEGATES TO THE NATIONAL CONVENTION IN WINNIPEG IN JANUARY CALLED FOR A LEADERSHIP REVIEW. TWO LEADING CONSERVATIVES, THE PREMIERS OF ONTARIO (DAVIS) AND ALBERTA (LOUGHEED) EFFECTIVELY BLOCKED EACH OTHER AND NEITHER ENTERED THE RACE.

3. VOTING TOOK PLACE ON 11 JUNE. CLARK LED ON THE FIRST THREE BALLOTS, BUT MULRONEY'S VOTE INCREASED STEADILY AS THE OTHERS, NOTABLY JOHN CROSBIE (FORMER FINANCE MINISTER) DROPPED OUT, AND MULRONEY ENDED WITH 1584 VOTES TO CLARK'S 1325 ON THE FOURTH AND FINAL BALLOT.

4. THE NEED TO WIN SEATS IN THE LIBERAL'S STRONGHOLD IN QUEBEC PLAYED AN IMPORTANT ROLE IN DELEGATES' DECISIONS, AND SEVERLY HANDICAPPED THE EXPERIENCED BUT UNILINGUAL CROSBIE. CLARK HAS WORKED HARD TO LEARN FRENCH AND TO STRENGTHEN THE PARTY IN QUEBEC, AND HE INSPIRES LOYALTY IN HIS OWN SUPPORTERS : BUT HE HAS FAILED TO UNITE THE PARTY SINCE HIS MINORITY GOVERNMENT WAS DEFEATED IN 1979 AND LOST THE SUBSEQUENT ELECTION, AND MANY FEARED HE MIGHT LOSE AGAIN. MULRONEY IS NOT ONLY BILINGUAL BUT ALSO THE FIRST QUEBECKER CHOSEN TO LEAD THE PARTY. HE COMES FROM IRISH STOCK.

5. MULRONEY HAS NEVER STOOD FOR ELECTORAL OFFICE, EXCEPT FOR AN UNSUCCESSFUL BID FOR THE LEADERSHIP IN 1976, AND IS THUS DEVOID OF PARLIAMENTARY EXPERIENCE. HE FIRST CAME TO PROMINENCE IN 1974 AS A LAWYER ON A ROYAL COMMISSION ENQUIRING INTO VIOLENCE IN THE QUEBEC CONSTRUCTION INDUSTRY. SINCE 1977 HE HAS BEEN PRESIDENT OF THE IRON ORE COMPANY OF CANADA.

6. IN CHOOSING MULRONEY THE PARTY ARE GAMBLING. THEY HAVE DISCARDED AN ESTABLISHED AND EFFECTIVE PARLIAMENTARIAN WHO HAS LOST FOR SOMEONE WITH WHAT THEY HOPE WILL BE A VOTE-CATCHING IMAGE. MULRONEY HAS THE ABILITY TO GENERATE POPULAR ENTHUSIASM, BUT HIS INEXPERIENCE WILL BE RUTHLESSLY EXPLOITED BY THE LIBERALS. HE GIVES THE IMPRESSION OF A MACHINE POLITICIAN WITH MORE MOTIVATION THAN PRINCIPLE. THERS IS

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SOMETHING OF TAMMANY HALL AND PROSPECTIVE PATRONAGE ABOUT THE WAY HIS OPERATION HAS LOOKED, AND HE WILL ALSO HAVE TO LIVE DOWN A REPUTATION FOR SLICKNESS. THE PACKAGE HAS BEEN CAREFULLY PREPARED, BUT ONLY TIME AND FURTHER EXPERIENCE WILL SHOW WHETHER IT CONTAINS RECOGNISABLE PRIME MINISTERIAL MATERIAL.

7. THE CAMPAIGN HAS GENERATED FURTHER BITTERNESS IN THE PARTY, AND MULRONEY'S TASK OF UNITING IT WILL NOT BE EASY. BUT HE WILL BE HELPED BY THE SUPPORT CLARK HAS ALREADY OFFERED, AND BY THE RECOGNITION THAT UNITY IS A PRECONDITION FOR VICTORY. THE PARTY HAS BEEN RIDING HIGH IN THE POLLS, AND IT IS HUNGRY FOR POWER.

MORAN

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[Cull]
REF: ECO 090/1

FM Ottawa

To FCO telno Saving 17 of 20 December 1982.

Copied for information to Washington.

CANADIAN ECONOMY

1. Federal and provincial Finance Ministers met at Meech Lake, Quebec on 16 December to discuss the state of the Canadian economy. There was no formal statement at the end of the meeting, but there appears to have been general agreement on the need to combat unemployment through capital investment by both levels of government. The eleven governments will prepare a list of specific projects over the next two to three weeks.
2. The meeting was notable for its cordial atmosphere and the confluence of views of those present. This is in stark contrast to the First Ministers Conference of February 1982 (my telno 73 to the FCO). The conclusions of the Meech Lake meeting were anticipated by Minister of Finance, Mr Lalonde, who said in the House of Commons on 13 December that his government planned to do everything it could to bring down the level of unemployment and that provincial and federal governments must use all their resources to stimulate the Canadian economy over the next year.
3. In their comments to the press, the Finance Ministers made no mention of the need to continue the fight against inflation, and only the Alberta Finance Minister referred to the value of low interest rates. All other Ministers appeared convinced that the way out of recession lay with countercyclical spending by government, and were prepared to accept the increases in already large deficits that would result.
4. The outcome of the Meech Lake meeting reflects the governments' growing anxiety at five consecutive quarters of declining GNP and steadily rising unemployment. No figures for capital spending were mentioned and it may be that the sense of common purpose will evaporate when each government considers the effect of stimulatory policies on its own finances. On the personal level, the apparent success of the meeting was another feather in the cap of Mr Lalonde, who is quickly establishing a reputation as a strong and purposeful Finance Minister.
5. FCO please pass copies to HM Treasury, Department of Trade and Bank of England.

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THIS TELEGRAM
WAS NOT
ADVANCED
[PASSED] AS REQUESTED