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TO PRIORITY FCO

TELEGRAM NUMBER 52 OF 24 JANUARY

INFO SAYING TO UKDEL NATO, OTHER NATO POSTS; UKMIS NEW YORK AND CANADIAN CONSULAR POSTS

THE CANADIAN POLITICAL SCENE

1. 1984 IS LIKELY TO BE AN ELECTION YEAR: THE GOVT. MUST GO TO THE COUNTRY BEFORE THE SPRING OF 1985. THERE IS INTENSE SPECULATION ABOUT THE TIMING, ABOUT WHO WILL LEAD THE LIBERAL PARTY AND ABOUT WHO WILL WIN.
2. CANADIANS ARE TIRED OF MR TRUDEAU. ALTHOUGH THEY RECOGNISE THAT LIBERAL ECONOMIC POLICIES HAVE LATTERLY BEEN REASONABLY EFFECTIVE AND GIVE MR TRUDEAU CREDIT FOR TRYING TO REDUCE EAST/WEST TENSION, THEY WANT A CHANGE AND IF HE HANGS ON AND TAKES THE PARTY INTO AN ELECTION HE WILL ALMOST CERTAINLY BE HEAVILY DEFEATED. THIS WOULD BE AN IGNOMINIOUS END TO HIS CAREER, SO IT IS THOUGHT HE WILL RETIRE SOON. THE LIBERAL CAUCUS ARE BECOMING INCREASINGLY RESTIVE. BUT HE WILL FIRST WANT TO COMPLETE HIS PEACE INITIATIVE BY SEEING ANDROPOV IN MOSCOW. MADDENINGLY FOR HIM, ANDROPOV HAS MERELY SUGGESTED A MEETING IN THE 'NOT TOO DISTANT FUTURE' AND HAS DISCOURAGED ONE WITH ANYONE ELSE, SO THE TIMING IS STILL IN DOUBT. I THINK MR TRUDEAU IS HIMSELF LARGELY INDIFFERENT TO THE FATE OF THE LIBERAL PARTY, AND TAKES THE LINE OF 'APRES MOI LE DELUGE'. BUT HE WANTS TO ROUND OFF HIS CAREER TIDILY.
3. TIME IS RUNNING OUT. AN ELECTION CANNOT WELL BE HELD WHEN THE QUEEN IS HERE (14-27 JULY) OR DURING THE POPE'S VISIT (9-19 SEPT-EMBER) OR IN AUGUST WHEN THE PEOPLE ARE AWAY. AN ELECTION CAMPAIGN HERE LASTS FOR 51 DAYS. MR MULRONEY TOLD ME LAST WEEK THAT, IF THE LIBERALS LEAVE IT TILL THE LAST MOMENT THEY MAY BE WIPED OUT. HE SAID TO ME THAT AGAINST ALL THE ODDS TRUDEAU MIGHT HANG ON AND FIGHT AN ELECTION IN JUNE. THAT MAY HOWEVER BE WISFUL THINKING.
4. IF TRUDEAU DOES DECIDE TO GO, A LEADERSHIP CONVENTION WOULD TAKE AT LEAST THREE MONTHS TO ORGANISE. THE ONLY LIBERAL WHO NOW, IN MY VIEW, STANDS ANY CHANCE OF WINNING AN ELECTION IS JOHN TURNER, A FORMER MINISTER OF FINANCE WHO FELL OUT WITH TRUDEAU AND HAS SINCE BEEN WORKING AS A CORPORATION LAWYER IN TORONTO. IF THERE IS A CONVENTION I BELIEVE HE WILL RUN AND WIN THE PARTY LEADERSHIP, THOUGH OTHER LIBERALS ARE DISPLAYING LEADERSHIP AMBITIONS. TURNER MIGHT THEREAFTER DECIDE TO GO STRAIGHT INTO AN ELECTION, CAPITALISING ON THE PUBLIC EXPOSURE DURING THE CAMPAIGN AND THE CONVENTION, OR TRY TO GIVE A NEW IMAGE TO THE LIBERAL PARTY BY BRINGING IN A DRAMATIC NEW BUDGET AND MAKING NEW APPOINTMENTS. HE WOULD HAVE AN OUTSIDE CHANCE OF WINNING. IF MULRONEY WON BUT THEN (AS IS CONCEIVABLE) DID VERY BADLY AS PRIME MINISTER, TURNER WOULD BE WELL PLACED TO REVIVE LIBERAL FORTUNES.

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5. A CHANGE WOULD BE GOOD FOR THE COUNTRY. I BELIEVE MYSELF THAT MR TRUDEAU HAS , DESPITE HIS ACHIEVEMENT IN GETTING THE UPPER HAND OF QUEBEC SEPARATISM, STAYED TOO LONG FOR CANADA'S GOOD, AND THAT HE HAS BEEN BAD IN MANY WAYS FOR HER STANDING IN THE ALLIANCE. A CHANGE IS OVERDUE. MULRONEY WOULD INCREASE CONSERVATIVE SUPPORT IN QUEBEC AND TURNER LIBERAL SUPPORT IN THE WEST, WHICH WOULD HELP TO MAKE BOTH PARTIES MORE NATIONAL (AT PRESENT THE LIBERALS DEPEND OVERWHELMINGLY ON QUEBEC AND THE CONSERVATIVES ON THE WEST). BOTH MEN SEEM WELL-DISPOSED TO US.

6. PLEASE PASS COPIES TO COLES, NO.10 DOWNING STREET, SIR ROBERT ARMSTRONG, SIR PHILIP MOORE AND SIR ANTHONY RAWLINSON DTI.

FCO PLEASE PASS SAYING TO ALL EXCEPT CANADIAN CONSULAR POSTS.

MORAN

REPEATED AS REQUESTED

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NAD
MR J THOMAS

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