

FOR PS/NO 10 DOWNING STREET

CONFIDENTIAL  
FM OTTAWA  
TO DESKBY 160800Z FCO  
TELNO 447  
OF 152210Z JUNE 88

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CANADA: INTERNAL POLITICAL SITUATION

## SUMMARY

1. THE GOVERNMENT IS SHOWING SIGNS OF ANXIETY AS IT TRIES TO GET KEY ITEMS OF LEGISLATION ONTO THE STATUTE BOOK BEFORE CALLING AN ELECTION. OBSTRUCTIVE TACTICS BY THE OPPOSITION, UNHELPFUL OPINION POLLS AND THE DIFFICULTIES BEING ENCOUNTERED OVER THE FREE TRADE BILL ARE SAPPING GOVERNMENT MORALE.

## DETAIL

2. THE POLITICAL PICTURE REMAINS BROADLY AS DISCRIBED IN MY TELNO 336. THE MOST WORRYING ELEMENT FOR THE GOVERNMENT IS THAT THEY HAVE SO FAR FAILED TO ACHIEVE THE RECOVERY IN THE PUBLIC OPINION POLLS FOR WHICH THEY HAD BEEN HOPING. INDEED, THE LIBERALS ARE NOW WELL AHEAD OF THE CONSERVATIVES.

3. THE GOVERNMENT HAS BEEN TRYING TO PUSH THROUGH THE FREE TRADE LEGISLATION, SEEKING TO LIMIT THE DEBATE ON THE SECOND READING TO FIVE DAYS, BUT ARE BEING HELD UP BY THE OPPOSITION'S USE OF PROCEDURAL DEVICES. THE MEECH LAKE ACCORD HAS BEEN APPROVED BY TWO MORE PROVINCES (PRINCE EDWARD ISLAND AND NOVA SCOTIA) AND THE HOUSE OF COMMONS HAS CONCLUDED THE SECOND DEBATE ON THE ACCORD WITHOUT CONSIDERING THE SENATE AMENDMENTS. THE FINAL COMMONS VOTE ON THE ACCORD HAS BEEN DEFERRED TO THE AFTERNOON OF 22 JUNE (THE SAME DAY ON WHICH THE PRIME MINISTER ADDRESSES THE HOUSE: HENCE THE CANCELLATION OF CALLS ON HER BY THE LIBERAL AND NDP LEADERS). THE IMPRESSION GIVEN BY THE MEDIA IS THAT THE GOVERNMENT IS TRYING VERY HARD, INDEED PERHAPS TOO HARD, TO REGAIN POPULARITY BUT THAT IT IS MEETING WITH LITTLE SUCCESS.

4. OVER THE LAST FEW DAYS MULRONEY HAS BEEN CAMPAIGNING IN A BY-ELECTION IN QUEBEC PROVINCE IN WHICH HIS NEWLY-APPOINTED SECRETARY OF STATE, BOUCHARD, IS THE CONSERVATIVE CANDIDATE: THE RESULT IS DUE ON 20 JUNE. IF BOUCHARD LOSES, THIS WILL BE SEEN AS A FURTHER HEAVY BLOW FOR MULRONEY PERSONALLY.

5. BOTH JOHN TURNER (LIBERALS) AND ED BROADBENT (NDP) SEEM INCREASINGLY CONFIDENT. TURNER IN PARTICULAR HAS BEEN CRISS-CROSSING THE COUNTRY AND RALLYING THE LIBERAL FAITHFUL, WHO APPEAR TO BE MORE READY TO ACCEPT THAT HE HAS WHAT IT TAKES TO BE PRIME MINISTER. HOWEVER THIS PERCEPTION DOES NOT SEEM TO BE SHARED BY THE GENERAL PUBLIC: THE LATEST POLL GIVES THE LIBERALS 52 PER CENT OF THE VOTE IF THEY WERE UNDER A NEW LEADER, BUT ONLY 39 PER CENT IF TURNER REMAINS.

6. MULRONEY, FOR HIS PART, IS IN TROUBLE OVER AGREEING THE PRIORITY TO BE ACCORDED TO THE 39 OUTSTANDING PARLIAMENTARY BILLS. AS IN THE CASE OF THE FREE TRADE BILL, THE OPPOSITION IS USING PROCEDURAL TACTICS TO DELAY THE INTRODUCTION OF A MOTION TO EXTEND THE CURRENT SESSION BEYOND THE NORMAL ADJOURNMENT DATE (30 JUNE) AND GIVE THE GOVERNMENT DISCRETION TO KEEP PARLIAMENT IN SESSION UNTIL 9 SEPTEMBER IF NECESSARY. THE HOUSE LEADER HAS HINTED THAT IF THE FREE TRADE AND MEECH LAKE BILLS HAVE BEEN CLEARED THROUGH THEIR REMAINING STAGES THE HOUSE MIGHT BE ABLE TO RISE AS EARLY AS MID-JULY.

7. IF THE PARLIAMENTARY SESSION IS UNDULY PROLONGED, IT WILL BE OPEN TO THE CONSERVATIVES TO BLAME THE OPPOSITION FOR HAVING HELD UP DISCUSSION OF SERIOUS LEGISLATION. BUT THERE IS ALSO A WIDESPREAD IMPRESSION. THAT THE GOVERNMENT HAS LARGELY ITSELF TO BLAME BECAUSE IT HAS GROSSLY OVER-LOADED THE LEGISLATIVE PROGRAMME AT THIS LATE STAGE OF THE PRESENT PARLIAMENT, AT A TIME OF YEAR WHEN MOST CANADIANS ARE THINKING INCREASINGLY OF THEIR SUMMER HOLIDAYS AND LAKESIDE COTTAGES.

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