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TO IMMEDIATE FCO

TELNO 323

OF 232210Z MAY 90

INFO PRIORITY MONTREAL, TORONTO, EDMONTON, VANCOUVER  
INFO ROUTINE WASHINGTON

MY TELNO 321: CANADIAN POLITICAL SCENE

## SUMMARY

1. GOVERNMENT CAUCUS RALLIES AROUND MULRONEY FOR NOW. MIXED SIGNALS ON MEECH LAKE, THOUGH LITTLE OPTIMISM.

## DETAIL

2. MULRONEY HAS MOVED QUICKLY TO MINIMISE THE DAMAGE CAUSED BY THE DEPARTURE FROM THE CAUCUS OF BOUCHARD AND GILBERT CHARTRUN (BACKBENCH MP FOR VERDUN). HE SAW HIS REMAINING QUEBEC MINISTERS ON 22 MAY SEMICOLON SPEEKING AFTER THE MEETING, MINISTER OF TRANSPORT BENOIT BOUCHARD (WHOSE HEART IS VERY MUCH IN QUEBEC) SAID THAT HE HAD LONG AGO MADE A COMMITMENT TO STAND BY THE GOVERNMENT UNTIL THE END OF THE MEECH LAKE PROCESS, AND THAT HE INTENDED TO DO SO. WHAT HE WOULD DO AFTERWARDS DEPENDED ON THE OUTCOME OF THE MEECH LAKE DISCUSSIONS. PIERRE BLAIS, MINISTER OF CONSUMER AND CORPORATE AFFAIRS, SAID THAT HE BELIEVED LUCIEN BOUCHARD HAD BEEN MISTAKEN IN HIS DECISION TO LEAVE THE GOVERNMENT AND THE CAUCUS NOW, AND THAT HE (BLAIS) WOULD NOT FOLLOW SUIT AT THIS STAGE. THIS LINE APPEARS TO HAVE BEEN REPEATED LATER IN THE DAY WHEN MULRONEY MET HIS QUEBEC BACKBENCH CAUCUS, AND RECEIVED A STANDING OVATION. MINISTERS AND SENIOR CONSERVATIVE MPS AT JOE CLARK'S DINNER ON 22 MAY FOR THE GOVERNOR OF HONG KONG, WHILE ACKNOWLEDGING THAT THE GOVERNMENT FACED DIFFICULTIES, WERE RELATIVELY RELAXED AND DID NOT (NOT) GIVE THE IMPRESSION THAT THEY ANTICIPATED AN IMMINENT MAJOR CRISIS. CLARK HOWEVER COMMENTED THAT THINGS WOULD GET WORSE BEFORE THEY GOT BETTER.

3. IT IS TOO EARLY TO SAY WITH CERTAINTY THAT MULRONEY WILL NOT LOSE ANOTHER ONE OR TWO MEMBERS OF THE QUEBEC CAUCUS OVER THE NEXT FEW DAYS, BUT IT IS BEGINNING TO LOOK AS THOUGH THERE WILL NOT BE A MAJOR HAEMORRHAGE, AT LEAST IN THE SHORT TERM. A CONSERVATIVE BACKBENCHER TOLD US AFTER A FULL CAUCUS MEETING ON 23 MAY THAT THE FIRE WAS OUT FOR THE MOMENT AND THAT QUEBEC MPS HAD SAID THEY WOULD REMAIN IN THE PARTY UNTIL AT LEAST 23 JUNE. BUT THE GOVERNMENT ARE BY NO MEANS OUT OF THE WOODS. FAILURE TO SECURE THE PASSAGE OF THE MEECH LAKE ACCORD BY THE 23 JUNE DEADLINE WOULD ALMOST CERTAINLY RESULT IN THE

DEPARTURE FROM THE GOVERNMENT RANKS (AND POSSIBLY FROM PARLIAMENT) OF FURTHER QUEBEC MPS.

4. THE PROSPECTS FOR THE MEECH LAKE ACCORD IN THE IMMEDIATE AFTERMATH OF THE BOUCHARD RESIGNATION AND SENATOR LOWELL MURRAY'S RECENT ROUND OF DISCUSSIONS WITH PROVINCIAL PREMIERS LOOK DIM, BUT IT IS TOO SOON TO SAY THAT THE PROCESS IS DEAD. MURRAY, THE FEDERAL MINISTER FOR FEDERAL/PROVINCIAL RELATIONS, HAS VISITED ALL TEN PROVINCIAL PREMIERS SINCE 18 MAY, TO TRY TO IDENTIFY COMMON GROUND IN THE LIGHT OF THE CHAREST COMMITTEE REPORT WHICH MIGHT FORM THE BASIS OF A FIRST MINISTERS' CONFERENCE. HE HAS REPORTED TO THE PRIME MINISTER, AND BOTH MEN HAVE EXPRESSED PESSIMISM. MURRAY SAID THAT IN HIS VIEW HIS PEREGRINATIONS HAD NOT (NOT) IDENTIFIED ENOUGH COMMON GROUND TO JUSTIFY CALLING FIRST MINISTERS TOGETHER.

5. CONVERSELY, HOWEVER, IN PUBLIC STATEMENTS THE MAJORITY OF PREMIERS HAVE SAID THAT THEY BELIEVE IT IS TIME FOR THEM TO MEET. CLYDE WELLS OF NEWFOUNDLAND, LONG THE ACCORD'S MOST INTRANSIGENT OPPONENT, IS REPORTED IN TODAY'S PRESS AS SAYING THAT HE BELIEVES THAT HOPE EXISTS FOR A COMPROMISE. HE CALLED FOR THE FIRST MINISTERS TO MEET IMMEDIATELY, USING THE CHAREST COMMITTEE REPORT AS A STARTING POINT FOR DISCUSSIONS. PREMIER FILMON OF MANITOBA HAS SAID THAT BOUCHARD'S RESIGNATION CLOUDS THE (MEECH LAKE) ISSUE BUT DOES NOT END THE POSSIBILITY OF ACHIEVING A SUCCESSFUL CONCLUSION. IN RESPONSE TO BOUCHARD'S CALL (DURING HIS RESIGNATION SPEECH IN THE COMMONS) TO REFUSE TO ATTEND A FIRST MINISTERS' MEETING TO DISCUSS THE CHAREST COMMITTEE REPORT, PREMIER BOURASSA OF QUEBEC SAID ON 22 MAY THAT HE COULD NOT SEE HOW REFUSING TO ATTEND THE FIRST MINISTERS CONFERENCE WOULD SERVE QUEBEC'S INTERESTS. HE WAS NOT AN AMATEUR AND WAS WILLING TO DEFEND HIS CASE AT A FIRST MINISTERS' CONFERENCE. THE QUEBEC GOVERNMENT HAVE HOWEVER CONTINUED TO MAKE IT CLEAR THEIR UNHAPPINESS WITH THE CHAREST RECOMMENDATIONS. BUT WITHOUT FURTHER SIGNIFICANT SHIFTS IN PROVINCIAL POSITIONS, IT REMAINS DIFFICULT TO SEE HOW A COMPROMISE CAN BE REACHED WHICH WILL AT THE SAME TIME SATISFY WELLS AND BE POLITICALLY ACCEPTABLE TO BOURASSA.

6. IT IS UNCLEAR HOW FAR THESE STATEMENTS REFLECT POSTURING BY ALL SIDES SEMICOLON NO-ONE AT THIS CRITICAL STAGE WANTS TO BE SEEN AS THE ONE FOR HAMMERING THE LAST NAIL INTO THE MEECH LAKE COFFIN. IT MAY BE THAT THE SAME MOTIVES WILL PROMPT MULRONEY INTO CALLING THE FIRST MINISTERS TOGETHER, THOUGH TACTICALLY HE MAY PREFER TO DELAY DOING SO FOR A LITTLE LONGER, THEREBY ALLOWING PRESSURE FROM THE PREMIERS TO BUILD TO THE POINT WHERE THEY RATHER THAN HE BECOME THE DEMANDEURS. BEFORE ANY MEETING IS CALLED TOGETHER, HOWEVER, IT WILL

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BE IMPORTANT FOR ALL PARTICIPANTS TO BE CLEAR WHETHER THEIR AIM IS TO TRY AND SALVAGE THE ACCORD, OR WHETHER IT IS TO LIMIT THE DAMAGE CAUSED BY FAILURE.

7. SEE MIFT.

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