

EXCURSUS 1

Trevor Fishlock on CANADA LOOKING SOUTH

Mackenzie King and Franklin Roosevelt got along well, and King once kissed Roosevelt on the forehead when taking his leave. John Kennedy never hit it off with John Diefenbaker, although he liked Lester Pearson. Lyndon Johnson, though, according to the story, once grasped Mr. Pearson by the lapels and snarled at him for making a speech in the United States critical of American involvement in Vietnam. Pierre Trudeau, who characterized Canada's relationship with the United States as being in bed with an elephant, did not get on at all well with Ronald Reagan.

It is curious that such a conservative, orderly, and understated people should have been led for as long as sixteen years by Trudeau, a man who cut against the grain—an arrogant, impulsive, bullying, charismatic, sensual personality. He polarized, and there were Canadians who hated him and those who loved him. His achievements were many. Under his leadership Canadians confronted and accepted the important French ingredient of their uniqueness, the French fact of Canada. And the constitution was patriated, a long-sought objective, giving Canadians the opportunity to make their own rules and be more truly their independent selves.

Internationally, Trudeau helped establish a Canadian identity and independence. Canadians like to be seen as the different North Americans, the un-Americans; it is part of the enduring enigma of a small country inside a big one. Canadians are sensitive to the fact that in the minds of their

giant neighbor Canada has been for a long time a terra incognita, a white space on most American maps; and its history, geography, and politics are equally a blank.

Trudeau made Washington feel uncomfortable. He seemed too independent-minded, unpredictable. American business did not like his interventionist economic policies and trade and investment barriers.

Brian Mulroney, whose Conservatives won a landslide victory over the Liberals in the general election last September, always made it plain that he wanted a closer relationship with the United States. He is the most pro-American prime minister Canada has ever had. When the Trudeau government was saying it regretted America's action in Grenada, Mr. Mulroney said it was "high time Canada confirms who its friends are." After he was elected, he dashed to Washington and promised that "super relations with the United States will be the cornerstone of our foreign policy." From this meeting flowed the recent summit meeting in Quebec City.

Under the Conservatives, Canada marches in step with the United States. The summit produced agreements on trade, the removal of those commerce and investment barriers that had irked American business, and—particularly pleasing to Mr. Reagan—a closer partnership on defense. Mr. Mulroney is strengthening Canada's contribution to NATO and has agreed to the construction of the North Warning System, a chain of fifty-two radar stations across the high north to provide warning of bomber and cruise missile attack. The United States will pay three-fifths of the \$1.3 billion cost. Important as all these arrangements are, the Americans are also pleased with the new ethos: Mr. Mulroney has established a pattern of predictability and reliability in his dealings with them that was lacking in the Trudeau years.

In return, Mr. Mulroney had hoped for Mr. Reagan's help



"It's not fair—the rich get richer, the poor get poorer, but we don't get any royaler."

in dealing with acid rain—the fallout from American industries that floats to Canada and does severe damage to forests and lakes. Canadians feel very strongly about this, and it was the first topic Mr. Mulroney raised with the president. Mr. Reagan sidestepped the issue. Evidently, it is not a pressing problem for him, and there is the tangled question of paying for a clean-up.

Mr. Mulroney's election victory and the Quebec summit defined the nature of the political debate in Canada for many years to come. First, the Conservatives are going to have a long tenure. The Liberals, who have managed Canada for much of this century, are devastated, and there must be doubt about their survival as a political force of any consequence. Second, the Conservatives are staking all on building a stronger free enterprise system and riding the American economic boom as a way out of their formidable troubles.

Some Canadians think that, in embracing Mr. Reagan, Mr. Mulroney has given up some foreign policy independence, and they regret this. A newspaper cartoon showed Mr. Mulroney being transported, Sinbad-fashion, in the talons of the American eagle. But others feel that Canada has not lost its sovereignty, even if some of its independence has been surrendered—that it can retain its differences and that Canada can go on playing its "middle power" role.

Mr. Mulroney, of course, is pragmatic and has accepted the realities of Canada's position. In emphasizing the country's strong economic links with the United States, he stated the obvious: It already does 76 per cent of its business with its neighbor.

The problem, of course, is that despite an already close and large involvement with America, Canada's economy is in an unhappy state. Unemployment is 11 per cent; the deficit is far larger, relatively speaking, than the one over which Mr. Reagan presides; productivity is poor; and the economy is lopsided—resource-based, weak in manufacturing. Still, Mr. Mulroney believes the modern American approach is the right one for Canada to take. His policies will sweep away the sort of interventionism and hamstringing of small business and foreign investment he believes eroded Canada's dynamism. From his closer ties to the United States, and his freeing of the economy, he is looking for a fast payoff in jobs and growth. Of course, were the United States, with its monstrous deficits, to have a recession, Canada would get chilled too. And Canadians are not Americans: They like their social welfare programs. Mr. Mulroney would run into major political trouble if he tried to cut them.

Still, he has time. He is politically secure. The Tories have vast territory in the mainstream and on the Right, and the opposition is weak and fragmented. Canada's Liberals face the immense difficulty of deciding what they should be. Their party was not only associated with the recession of 1981-82 and the unpopular aspects of Trudeauism, but, more important, saw their power base in Quebec collapse at the election. The long-term ruler of Canada and unifier of French and English Canada is wrecked and purposeless. The New Democrats, whose socialism is pretty vague, may benefit from the Liberals' plight, but they too have an identity problem.

Mr. Mulroney, then, has most of the cards. He is a bilingual Quebecer, and it was a shrewd move to have the summit in Quebec: It showed that separatism is a closed chapter, and it put Quebec in the international limelight. He has an

affable and fluent manner and a strong instinct for the theatrical aspects of modern leadership, visible in the show-business corniness of some of the summit. He has the confidence to put good men in his cabinet. The federal-provincial relationship, always troublesome in Canada, is much improved these days.

Brian Mulroney is certainly Canada's most conservative leader for half a century. But he is not hard Right; and, while there may be some similarities, he is no Reagan or Thatcher. His style is conciliatory, not confrontationist. He is a builder rather than a breaker. As a company executive he took pride in his skill at negotiating with unions, and much of his political life has been based on settling differences. When his former defense minister made rude remarks about Canada's peace movement, Mr. Mulroney rebuked him. "I have the highest regard for those in the movement," he said. "Their work is honorable and their motives beyond reproach."

The new government in Ottawa feels that the Quebec summit demonstrates Canada's more outward-looking attitude. Canadians certainly feel that they have reached one of history's turning points. But they are waiting for the distinctive lurch of a ship changing course. Mr. Mulroney has raised expectations, and Canadians are looking to him for something substantial.

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EXCURSUS 2

Marc Levinson on VENEZUELA: IS THERE LIFE AFTER OIL?

Caracas

In this cosmopolitan capital there's trouble in the air. After more than a half-century the miracle of oil is coming to an end and Venezuela isn't sure where to turn.

It's not that the oil is running out. Far from it: Venezuela's proven oil reserves of 25 billion barrels and probable reserves of 17 billion more give it 6 per cent of the world's oil, and there's an additional supply of exploitable heavy oil beneath the jungles of the Orinoco. For decades to come, Venezuela will be floating on crude. But in the fat years of OPEC, Venezuela did little to ensure against the day when oil revenues would fall. The lean years, heralded by falling petroleum prices, have arrived.

The signs of crisis are not evident on the capital's still tranquil streets. Crime is relatively low, and the swarms of beggars that characterize most Latin American capitals aren't in evidence. Even a shoeshine boy can be hard to find. At lunchtime, restaurants are jammed with office workers able to spend the equivalent of \$4 or \$5 for a midday meal. Massive skyscrapers under construction loom over the city's ever-worsening traffic jams. A sparkling new hospital attests to Venezuela's concern for the infirm, and an extension of the subway system will provide fast, comfortable transportation to residents of working-class neighborhoods in the southwestern part of town. It is, on the surface, a prosperous