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 percent 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 percent; 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.

Trevor Fishlock, a frequent contributor to Worldview, is New York Bureau Chief of The Times, London.

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
place.

"An illusion of harmony," the subtitle of a new book on Venezuela, captures a good deal of truth. Venezuela's oil wealth has served to lubricate social frictions, giving rise to a tranquil and satisfied society. Absent is an old landed aristocracy, such as one finds dominating many Latin American countries. Ethnic and racial distinctions are unimportant; and with a population that is mostly Roman Catholic (although Church officials estimate that mass draws fewer than one in seven Venezuelans each Sunday), religion is not a divisive issue. Even the traditional urban-rural split is missing: With government spending concentrated in the urban areas, three of four Venezuelans live in cities of over twenty thousand, and large sections of the countryside are simply empty.

Oil money has permitted a high level of social spending. Almost all children of primary school age attend school, and next year mandatory education will be extended through the ninth grade. The number of university students has increased thirteenfold over two decades. Between 1979 and 1983, the number of public libraries almost doubled, Venezuela boasts one physician for every 930 inhabitants, half again the average for Latin America. To provide employment and economic development, nearly four hundred state-owned companies are involved in every aspect of the economy, from production of paper to ownership of major tourist hotels. Nearly a million Venezuelans, a fourth of the workforce, have government jobs.

The oil boom brought in a steady stream of immigrants from Colombia and Europe and gave a broad segment of the population access to the good life. An estimated 98 per cent of Caracas households own television sets, thousands of Caraqueños have condominiums in Miami, and even the poor dress well. Oil money has also given Venezuelans an abiding faith in their government's ability to solve problems and make things better. "If government says people should do something, most people here will do it," observes a sociologist in Caracas. "People tend to believe that the government is here to help them, that it's looking out for them."

The social consensus carries over into politics. The major political parties, the ostensibly social democratic Acción Democratica (AD)'s union connections, or ideological differences; one joins a party because of family ties, A.D.'s union connections, or COPEI's traditional links with the Catholic Church, not ideology. Politics are rarely the subject of conversation in Venezuela, in part because there is not a great deal to say. Real disagreement, real conflict, is hard to find.

It is the end of this broad social and political consensus, more than anything else, that scares Venezuelans. As President Lusinchi warned in January: "The type of growth based on growing petroleum revenues is reaching its end, and with that we are also entering a stage of exhaustion of the money-collector state we have known. This circumstance makes it not only desirable but also imperative to design a new means of existing in society, a new state, and a new relationship between the state and civil society."

The petroleum industry, nationalized in 1976, has been the sole source of the glitter and glamor evident in the office towers and shopping malls of Caracas. Before oil, Venezuela was among the poorest countries in Latin America, a country where 75 per cent of the population was illiterate and where, as late as 1934, one of every three citizens was debilitated by malaria. It was oil that built the welfare state; in the 1970s, Venezuela borrowed heavily against future oil revenues, and its foreign debt grew at a rate of 28 per cent a year. But with the decline of OPEC's bargaining power in 1981 and the pressure of debt service, Venezuela ran into trouble. In 1982, an estimated $9 billion fled the country, forcing an unprecedented government intervention in the currency markets. On February 18, 1983, the convertibility of the bolivar, the national currency, was suspended for several days, causing panic among Miami merchants living off a Venezuelan clientele. When currency trading resumed, Venezuela's traditionally free exchange system was replaced by a complicated multilevel currency market in which private Venezuelans must spend 13 bolívares to buy a dollar—less than a third of what their once-strong currency commanded for decades. All of a sudden trips to Miami became luxury items.

For the wealthy, the bloom is off the rose, and for the poor, the welfare state is badly tarnished. The voluntary austerity program adopted two years ago to please foreign creditors has prolonged a painful recession. The official unemployment rate is 15 per cent, and an estimated one in five Venezuelans is actually out of work. The gross national product—at over $4,000 per person, Latin America's highest—dropped by 4.8 per cent in 1983 and 1.7 per cent in 1984, and no economic growth is expected in 1985. Inflation, never a Venezuelan problem, has now become chronic, topping 15 per cent in 1984. Income, more equally distributed during the six democratic administrations that followed the overthrow of the brutal dictatorship of Marcos Pérez Jiménez in 1958, is now becoming less so. The infant mortality rate, which had fallen sharply for decades, has actually risen since 1980.

An estimated seven million citizens, nearly half the population, live in the 2,500 barrios that have sprung up on the edges of the towns, and it is there that the crisis is being felt most acutely. Venezuela's barrios look prosperous compared to those in other countries. Most houses are built of brick rather than of corrugated tin, streets are generally paved, and government social services are available in prefabricated modules erected in many neighborhoods. But the working-class residents may earn as little as $1.50 a month, and where, as late as 1983, one of every three citizens was

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Despite attempts to diversify, petroleum and basic petrochemicals still account for 90 per cent of Venezuela's exports; and iron, steel, and aluminum account for two-thirds of the remainder. Less than 5 per cent of exports are produced by private industry. The government is now promoting nontraditional exports to service a foreign debt of over $34 billion, but the country has little to sell—a $5 million export deal is big news—and Venezuelan entrepreneurs are traditionally reluctant to seek customers abroad. Uncertainty about the future value of the bolivar discourages investments aimed at exporting. While exporters have had to deal with a sea of red tape, Venezuelan consumers have had easy access to a broad array of imported goods, from Scottish tweed jackets to Apple computers.

Acknowledges César Salazar Cuervo, president of the Venezuelan Foreign Trade Institute and the country's highest trade official: "This was a country designed more for imports than for exports."

When oil was $34 a barrel, paying for the imports was no problem. With Venezuela's oil now near $26 a barrel and output reduced to barely a third of its 1970 peak, there are no dollars for either the luxury goods to which Venezuelans have become accustomed or the raw materials Venezuelan industry needs. Reactivating the economy will require imports the country cannot afford and investment funds the country does not have. An estimated $35 billion of private Venezuelan capital is held outside the country. To get it back and to cut the budget deficit, the Lusinchi government plans to put many of the state-owned firms on the auction block. Private enterprise is once again in favor and "administrative reform" is much discussed. Specific proposals, however, have yet to be made.

"Our democracy may be visualized as a great dining room," Venezuelan novelist and playwright Elisa Lerner suggested recently. Indeed, petroleum has enabled almost all Venezuelans to partake of an extraordinary consumer buffet and to help themselves to a democracy that is a model for Latin America. What remains to be seen is how democracy fares now that the party's over.

Marc Levinson, a journalist specializing in business and labor relations, recently spent several months in Latin America.

EXCURSUS 3

Helen Maguire Muller on FIDELISMO Y FEMINISMO

It was fiesta time in the Palacio de las Comunicaciones in Havana. The Fourth Congress of the Federation of Cuban Women was in session. One hundred and thirty-four women from sixty-five countries observed the 1,296 delegates—"federadas"—from the fourteen provinces as they chanted, waved scarves and flowers, and danced in conga lines to the rhythm of bongo drums and tambourines. The syncopated AfroCuban beat recalled carnival time in Cuba, but the date was March 5-8, 1985, and the women were celebrating their newly acquired dignity and equality with men. Behind the front row of officials on the stage was a lush red curtain containing a slogan—"Toda la Fuerza de la Mujer al Servicio de la Revolución (all of woman's power in the service of the revolution)—and a symbol—a dramatic gold number 4 with four mariposas (the national flower) and four AKM rifles. Well-dressed and manicured, the women rose as a mass cheering squad to greet Comandante Fidel as he entered the great hall and took his place beside his sister-in-law, Vilma Espín, president of the Federation of Cuban Women. For three-and-a-half days he attended all the sessions, made extensive notes on questions from the delegates, and answered them in great detail.

In Cuba's new society women are protected by laws defining shared family responsibilities; and job security, maternity benefits, full educational opportunities, and complete health care are assured. The mood of the congress was electric and the debates genuine. If the voting was too unanimous, the participants nevertheless displayed a new confidence. Compañera Fidel was presente! He was there to discuss and solve their grievances. Women are the real winners in this distinctive social revolution, and more relaxed than their counterparts in other Communist nations. Instead of a murky sea of khaki, dull blue, or black-and-white uniforms, this was a spring garden of women in pink, yellow, white, and red clothing.

Themes were introduced by Compañera Vilma and then discussed at length by Fidel. Yes, he admitted, discrimination still exists. Women have less access to jobs than men, and it is a fact that pretty women are hired first. He recognized their agonies but asked that they clarify their problems and show patience in finding solutions. Socialism, he stated, is not a church and cannot give moral guidance. Although the Federation was founded in 1960, open analysis of women's issues has been going on for not much more than a decade. It took the International Year of Women to make the Federation come forth with the Family Code, an assertion of the legal equality of men and women and their joint responsibilities at home.

Such congresses can be dull and routine, but not one with Fidel's participation. A regular on TV screens in Cuban homes for twenty-six years, he knows how to move the compañeras. He cajoles, provokes, and flatters. He can treat delicate issues—early pregnancies or tense relationships between men and women in their private lives—and he condemns the vestiges of a machismo that Cuba's Spanish forefathers inherited from their own Arab conquerors. His knowledge is vast and his humor refreshing. These compañeras trust this father, brother, uncle, godfather, and hero. What other Communist leader can claim such intimacy with his people? Fidel, like him or not, is a one-of-a-kind leader.

The "revolution within a revolution," Vilma's description of the women's movement in Cuba, has made extraordinary progress, and men and women are slowly changing their attitudes toward one another. Without Fidel's genuine support of the aspirations of Cuban women, the great improvements in education and health would not have occurred. His approach to leadership is different from that of other Latin American caudillos. He is deft, open, and available to his people. Is this communism or Fidelismo—Cuba's unique brand of Marxism-Leninism, practiced in a land of gentle