

2. THE PRESSURES FOR SUCCESS

It is now less than eight weeks before the leaders of the world's seven largest industrial democracies and the European Community fly into Toronto for their three-day summit. With last week's meeting of their trade ministers in British Columbia, and the previous week's meeting of their finance ministers and personal representatives in Washington, D. C., the leaders are now entering the final stage of their preparations for the event. As the summit's opening date of June 19 begins to loom up large on their horizons, there are several pressures at work which promise to transform the "wait-and-see" summit most observers expect into the "do-something" summit the citizens of the summit countries want and need. Indeed, with the right blend of political will, outside pressure and careful preparation now in evidence, the Toronto gathering is starting to shape up as one of the most successful seven-power summits of the decade.

For Canadians, long accustomed to look to U. S. Presidents, British Prime Ministers, or French

statesmen for leadership in international affairs, the vital ingredient of political will would seem to be in short supply. But it does exist in abundance in unfamiliar but important places. The first is the person of U. S. Secretary of the Treasury James Baker. For the past two and a half years, Baker has been consciously and seriously engaged in a far-reaching, and thus far remarkably successful effort to replace the reigning summit ideology of laissez-faire "Ronald Thatcherism" with sophisticated mechanisms for effective international economic policy co-ordination and management in the fields of exchange rates, debt and trade. With major challenges in these three fields awaiting, with a larger role for himself in a future Bush administration in prospect, and with his dominance in U. S. economic policymaking now secure, there is every chance he will provide the needed element of U. S. leadership at the Toronto summit.

Among the leaders themselves, Baker could well have help from two immensely powerful, but hitherto rather

reticent, figures - Japanese Prime Minister Noboru Takeshita and West German Chancellor Helmut Kohl. Takeshita's first appearance as a leader at the summit marks the return to the elected leader's table of a former finance minister. And with several summit appearances as Japanese finance minister already under his belt, Takeshita knows how to work the forum to good effect. Add in his skillful, consensus-seeking style, his impressive command of the Japanese political situation back home, and the major progress Japan has made over the past year in accepting its international economic responsibilities, and there is some chance that this will be the sunrise summit for visible leadership from across the Pacific.

Over the Atlantic, the often underestimated Helmut Kohl may be another source of strength. His skill at managing his coalition government, his strong if unspectacular leadership, and his powerful but underperforming economy all give him considerable room for manoeuver. During the spring he has demonstrated his willingness to use it in the larger international

interest, by standing up to his Christian Democratic farm voters over agricultural subsidies at the last European Community summit, and offering to consider the formation of a European Central bank at the next. At Toronto this larger sense of responsibility should be in full force, as Kohl will be holding the Presidency of the European Community and thus speaking, along with EC Commission President Jacques Delors, on all of Europe's behalf. Moreover, to help translate his ideas into effective initiatives, Kohl will be bringing with him, in the person of foreign minister Hans Dietrich Genscher, the individual who has more summit experience to his credit than any other participant past or present.

For the other leaders at the table, incentives for cooperation could come from electoral pressures back home. Ronald Reagan knows that U. S. Vice-Presidents in close Presidential races need help to win the big prize, knows that an active, engaged American presidential presence is necessary for a successful

summit, and thus knows that sleepwalking through the Toronto summit will harm the chances of giving Reaganism four more years back home. If French President Francois Mitterrand wins big on May 8, and decides against quick parliamentary elections, he will have both the mandate and the political breathing space to take historic steps on otherwise overwhelming problems such as agricultural subsidies. Finally, Brian Mulroney badly needs to display some effective leadership to Canadian voters, and knows, from his triumph at the Nassau Commonwealth summit a few years ago, how summit forums can be mobilized by skillful mediators and committed leaders to deliver the goods.

Reinforcing political will are the outside economic pressures that rose up with a vengeance over the past two weeks. The April 14 plunge in the stock market, caused by the release of a monthly U. S. trade figures showing a larger than expected deficit, reminded everyone of the spectre of the October 19th meltdown, and of the fact that the unsustainable imbalances in

the U. S. trade and budget accounts remain. Compounding the nervousness are the rising interest rates, inflationary forces, and new pressure on the dollar's exchange rate that have come in April 14th's wake. Completing the sense of threat is the return of real protectionism in the United States, as Reagan confront's the Catch-22 offered him by an unruly Congress in the omnibus trade bill. A Presidential veto will deprive him of the negotiating authority he needs to inject real energy into the Uruguay Round of multilateral trade negotiations, and enrage his Congress, while a signature will threaten the hitherto co-operative Japanese in ways that may breed retaliation.

In the political arena as well, the past week has done much to destroy the self-confident complacency of the winter and spring. U. S. Secretary of States George Shultz's unsuccessful mission to Moscow, and the accompanying rumours of a Kremlin shakeup suggest that a strategic arms control reduction treaty is slipping

from the superpowers' grasp. The flare up in the war in the Gulf, and the de facto entry of U. S. military forces in it on the side of Iraq raise old fears about the wisdom of unilateral U. S. leadership in this regional security sphere. And in Israel and the occupied territories, the prospects for peace continue to erode.

While political will and outside pressure combine to confront these major economic and political uncertainties, careful preparation can generate forward movement in two vital fields. The first is the beleaguered process of multilateral trade liberalization. U. S. Treasury Secretary Baker's complaint to Prime Minister Mulroney in Ottawa last week about Air Canada's plans to purchase the subsidized European Airbus at the expense of U. S.-produced planes showed that the summit titans are still quite capable of generating a spiralling, protectionist trade war. But the quadrilateral meeting of the summit's trade ministers last week, and the gathering

of a larger group at Lake Constance last month showed that carefully constructed multilateral ceasefires are still possible in this election-charged field, and that bolder initiatives to strengthen the multilateral trade policy system are within reach.

Finally, even on the intractable issue of Southern Africa, some movement seems possible. Speaking in the Council Chambers of Toronto's City Hall last week, U. S. Deputy Secretary of State John Whitehead made it clear that Ronald Reagan has finally lost all patience with the racist South African regime. The Americans now seem prepared to have a serious discussion of the South African issue at the summit, and to use the communique to send a strong message to Pretoria to change its ways. With the Japanese and German attitude moving in the same direction, and South Africa itself showing signs, however faint, of responding to outside pressure, the Toronto summit could make a major contribution in this vital area.

In the weeks ahead, the challenge to Brian Mulroney, as the summit host, is to mobilize these new sources of leadership and outside pressure, meld them into a workable consensus, and provide the practical proposals that will permit the leaders to pull together during their three days in Toronto in June.