

7. PERSONALITIES AND PERFORMANCE

As host of the 1988 Toronto summit, Canadian Prime Minister Brian Mulroney will have the ultimate responsibility for mobilizing personal friendships, and transcending longstanding antagonisms among the participants, to forge the deals that will make the summit a success.

His ability to do so received an important boost last week during his pre-summit tour of Europe. In visiting a majority of the summit's leaders in the space of a single week, the Prime Minister proved he was committed to generating the type of personal understanding required to get the leaders pulling together on subjects which concern them all. In singling out, and pressing for progress, on the difficult but vital issue of agricultural trade subsidies, he demonstrated his conviction that the Toronto summit must move beyond self-congratulation and stock-taking to produce meaningful forward movement on critical questions.

Most importantly, in his private dialogues with his summit counterparts, Brian Mulroney generated the personal rapport he will need to get otherwise reluctant individuals to acquiesce in important compromises at Toronto. In Rome, for his first meeting ever with Italian Prime Minister Ciriaco De Mita, he established a warm relationship with a fellow conservative in need of a summit success. In Paris, with his longstanding associate Francois Mitterrand, he was able to assess the freshly-elected President's personal aspirations for his next term, ensure that recent bilateral disputes over fishing boundaries would not distract the summit's discussions, and reassure everyone that the bitterness created by that dispute would not poison the atmosphere for multilateral dialogue. And, in a bit of a breakthrough, he was able to penetrate the usually cold exterior and stubborn character of West German Chancellor Helmut Kohl, and generate a mutually sympathetic relationship.

With these recently-forged friendships, there is some chance that Brian Mulroney can mobilize a new, more modern and more progressive conservative coalition to replace the once-rampant but now aging "Ronald Thatcherism" that led to the do-nothing summits of the early 1980's in the economic sphere. If Prime Minister Mulroney can also develop an equally intimate dialogue with the reserved but potentially powerful Prime Minister of Japan, Noboru Takeshita, he could well establish the political momentum, and define the policy direction, to re-invigorate the summit for its third round.

If this happy future is to unfold, personal rapport will have to be converted into policy results at Toronto on at least a few central issues. The first is multilateral trade, where the badly-bogged down Uruguay Round negotiations are in urgent need of resuscitation. Stopping the incipient transatlantic trade war, and providing the momentum required to make the Montreal December mid-term review of the Uruguay Round a success

will require definite summit action. Mulroney also needs such action for domestic reasons, if he is to convince a skeptical Canadian electorate that his bilateral trade deal with the U. S is really a catalyst for, rather than a contradiction of, the multilateralism that Canadians care most about.

To secure such action, Mulroney's first challenge will be to capture the attention of, and inspire some energetic initiative from, his closest friend, Ronald Reagan. While multilateral trade is far more in the national interest of the United States than bilateral deals, Reagan's essentially isolationist world view makes it easy for him to rest content with a handful of special deals with his two partners in fortress North America, and with such select allies as Israel in the dangerous world beyond.

After Reagan, the next target is Prime Minister Takeshita. Japan's consummate skill at managing its bilateral trade relationship with the United States must now be transferred to the larger multilateral

process on which the Japanese, as an emerging first-rank economy, increasingly depend.

Within Europe, where the advent of the internal market of the European Community in 1992 offers a seductive continental alternative to global trade liberalization, the task is even more complex. With Britain, the incentive for meaningful multilateralism will come not from Mulroney's charms but from Margaret Thatcher's reluctance to see her once globally competitive economy retreat into nothing more than a poor second sister in a single nearby continent. Mulroney's personal successes of last week will, however, be important in moving France, which considers itself the guardian of European Community primacy and which dragged its feet in launching the Uruguay Round in the first place. It will also be useful with Italy, where the booming black market-fuelled economy and the lure of cheap exports into a more open Europe currently provide the focus for a hoped for happy future.

The biggest payoff, however, will come from Germany. It has a trade dependent economy like Canada, and its citizens have gloomily watched its markets in North America and elsewhere beyond Europe melt away as the Deutschmark's exchange value has soared against a sinking U. S. dollar over the past few years. Moreover, it is currently headed by a Chancellor who places his transatlantic affiliations, and his commitment to the global United Nations-based system, ahead of the Europe-first alternatives that prevail elsewhere on the continent. It is with Chancellor Kohl - doubly important as he currently holds the Presidency of the Council of the European Community - that Prime Minister Mulroney's pre-summit tour will reap its richest rewards.

If a skeptical public is to regard it as an unqualified success, however, he will have to produce results on the one economic summit issue the Prime Minister has made his own - stopping the proliferation of budget deficits and the competitive bankruptcy of national

treasuries fuelled by ever higher agricultural subsidies in the summit countries. All the summiteers now know the dismal record of their subsidies performance over the past year. All understand that the competition is a classic, and frighteningly expensive all-lose game. They are simply waiting for some other country to take the first step to disarm.

These are precisely the situations in which the summit can do the most good, by forging the high level deals that reward all. Takeshita, whose country subsidizes mightily at home but is not involved in the export game, is available to assist Mulroney in mediating between the Europeans and the Americans who launched the subsidies war. President Reagan's Congress will find it difficult to do much in an election year. But a visionary President not facing re-election can secure gains in deficit reduction, cut hated government spending, and do something visible for his farmers and his campaigning Vice-President by bringing home a ceasefire and staged withdrawal. Margaret Thatcher,

with fewer farmers to protect and equal ideological fervour to deploy, will cheer him on, whether Mulroney encourages her or not. But she will again run head on into Francois Mitterrand of France and his Italian allies, who have traditionally been reluctant to build-down.

Here Mulroney's new personal relationships can make a difference. For Mitterrand will be through his parliamentary elections by the time of the summit and both the French and Italians face the prospect of future European subsidies going increasingly to the new, poorer Community members to the south. The ultimate test of Mulroney's professional skill as a politician, and personal charm will come in convincing Chancellor Kohl that the votes of his Bavarian farmers for his coalition partner led by the colourful Franz-Josef Strauss are less important than his emerging position as the real leader of an outward-looking, globally-influential Europe.