

flourish independently even in closer proximity to, and connection with, American culture. The Canadian government's distinctive policies are so well entrenched that they will remain attractive and viable even if the two countries are more closely associated. To squander the opportunity for substantial economic benefits, and substantial political influence in Washington, because of an outmoded fear that the Canadian economy and psyche would be too frail to withstand the pressures of the American colossus, would be to live in the past, and to underestimate the strength of modern Canada. For Brian Mulroney, the dangers of closer relations have receded, and the benefits have increased. Hence the attractiveness of the gamble.

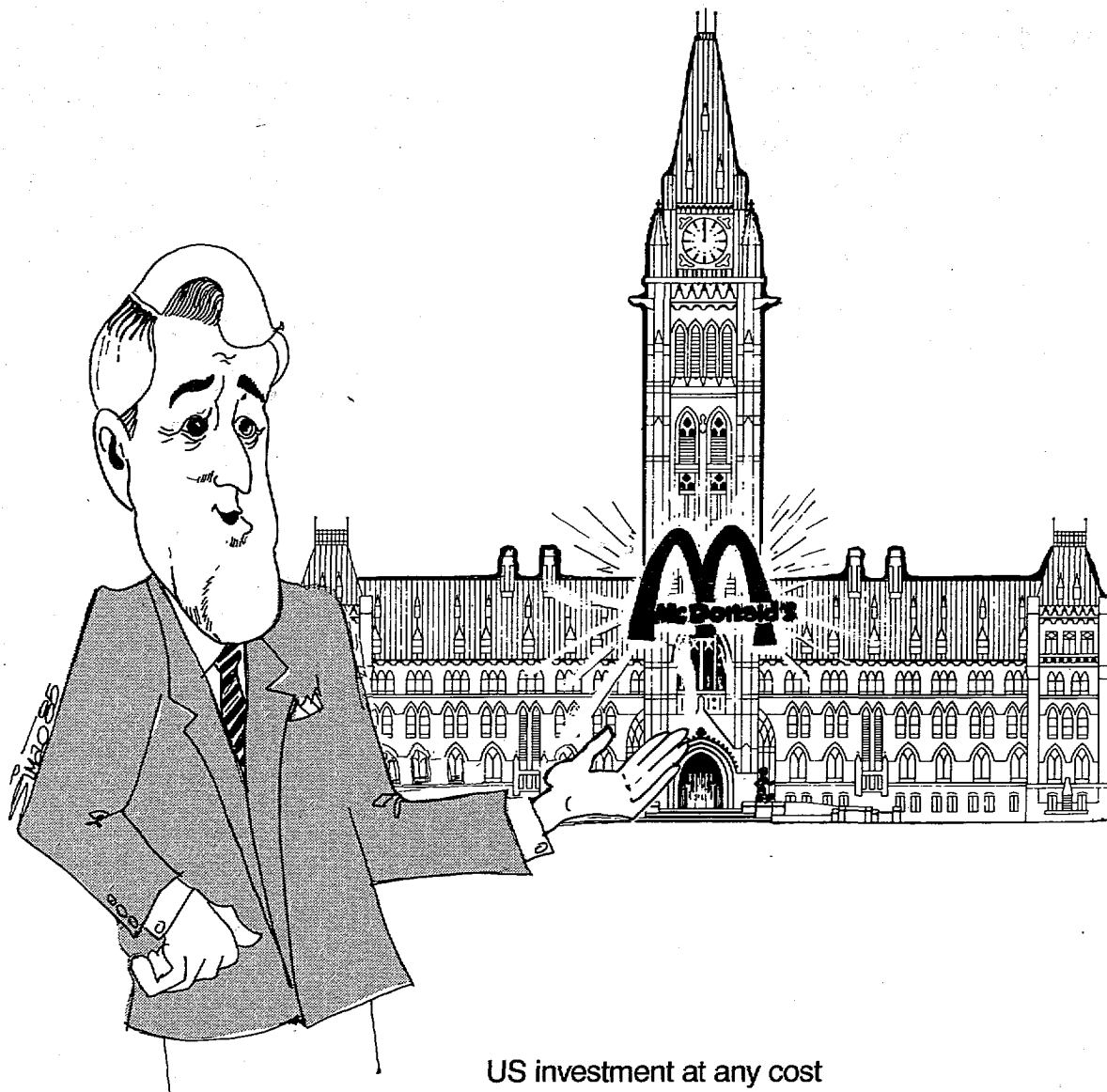
In this gamble, the stakes are high, for Brian Mulroney and his government, for Canada, and for the United States. The gamble will be won or lost in a relatively short period of time. If the Canadian public is not persuaded of success by the middle of 1986, then it is likely to judge the gamble to have failed. Whichever the outcome, the consequences will be far-reaching.

### Three tests of success

For the gamble to be judged a success, three criteria will have to be met. *First*, there must be no substantial worsening of the bilateral relationship. Protectionist legislation now before the US Congress must not seriously reduce Canadian access to the American market. Current pressures on major Canadian exports such as steel or forest products must not result in the loss of hundreds of millions of dollars to the Canadian economy. Whether such restrictions were the result of deliberate legislation or of the quasi-judicial operation of independent regulatory agencies would be irrelevant to the public judgment of the results of the gamble. The interdependence and asymmetry between the two countries make recurrent frictions inevitable, and a constant slate of irritants will always be present. Nevertheless, for the gamble to succeed, things must not get worse.

*Second*, however, things must get better, and visibly so. It will not satisfy anxious Canadians to be told that a trade war has been averted, or some other peril avoided.

SIMON ALVES



US investment at any cost