

"Finally, we have a long history of partnership in protecting our mutual security. Today that partnership is projected abroad as we join together to confront the threat posed by terrorists and their supporters . . . Mr. Prime Minister, we were truly heartened by your eloquent words this past January when you said, 'Those who murder and maim innocent people, those who bring anarchy to civilized society, can have no sanctuary, no comfort, no indulgence.' And . . . you backed your words with specific actions to make it clear that Libyan support for terrorism would not go unanswered and Canada would not continue doing business as usual with an international outlaw."

The Prime Minister replied:

"We are inheritors of the vision of the new world, protectors of its faith in equality, guardians of its promise of opportunity. We share a joint commitment to liberty. No one has ever had to build a wall around the United States or Canada to keep people in."

Fish and Lumber on Capitol Hill

After lunch Mr. Mulroney met with the Senate Foreign Relations Committee in the Franklin Room on the ground floor of the Senate wing of the Capitol.

The Capitol's painted walls and ceilings are perfectly preserved examples of the high tide of American rococo, with medallion portraits engulfed by vivid, multi-coloured, opulent, intricate, symmetrical, interlocking designs as involved as 10th-century Celtic illuminated manuscripts. They furnished a strikingly contrasting background for the blinding lights and the utilitarian instruments of the attending TV camera crews.

The meeting lasted an hour and the Prime Minister emerged, beaming, followed by Senators Pell (Democrat of Rhode Island), Evans (Republican of Washington), and Lugar (Republican of Indiana).

Each plays a key role in international trade relations. Senator Lugar is chairman of the Foreign Relations Committee, Senator Pell is particularly concerned with fish, and Senator Evans with lumber.

Canadian-United States trade, the largest in the world, involves an exchange of some (U.S.) \$116 billion a year. Irritants (as Secretary Shultz had pointed out) are inevitable, and fish and lumber are among the current ones.



Pete Souza, The White House

The fishermen of New England and Canada's Atlantic provinces compete for the same markets. Canada has many fishermen and far fewer domestic customers, and in 1985 it exported around \$1 billion worth of fish to the U.S., of which some \$100 million was in fresh groundfish. American fishing interests have charged that exports of groundfish have been subsidized by the government.

The lumber dispute has a similar basis. Canada has vast forests and a relatively small population, and exports of lumber are a considerable part of the national product. Canadian lumber, generally speaking, costs less than the similar species produced in the U.S., and this has generated efforts by the American industry to limit the size of the

imports by quota or by the imposition of duties.

It seemed a shining omen after the meeting when Senators Pell and Evans announced their support for broad-term trade negotiations, with no strings attached.

Senator Evans said he was "anxious that trade negotiations not be encumbered by present irritants."

(The glow of harmony would prove to be a silver lining attached to a considerable cloud. Twelve members of the Senate Finance Committee would later cite their concern with specific trade problems and ask President Reagan to withdraw his initiative for full-scale negotiations to begin this spring.)