

ERIC MARGOLIS



Salvage job

The Canadian Titanic is steaming toward the sharp icebergs of economic reality. On its bridge, the three great helmsmen, Messrs. Mulroney, Turner and Broadbent have responded to this danger by ordering up more speed, more champagne and more music.

The campaign through which we have just suffered centred on the burning national issues of bum-patting, maternity leave, pensions for hausfraus and, of course, who could offer to spend more. The culmination of this was the Great Canadian Election Auction, won by the Liberals with a final bid to overspend by \$5 billion to the PC's overspending offer of a paltry \$4.3 billion.

Aside from all this blue smoke and mirrors, the campaign was distinguished by what it did not address: Defence, foreign affairs and, of course, any remote reference to cutting spending.

Canada's allies are fed up with Ottawa's shirking of its defence responsibilities. The next U.S. administration — and you can bet it will be Reagan again — may tell Ottawa that if it will not defend Canadian territory the Americans will do it for us.

We will shortly need a new navy and a total reconstruction of our air-defence system to counter new Soviet bombers and missiles. What have our leaders had to say about this vital issue?

Brian Mulroney, to his faint credit, at least mentioned defence. He promised to spend another \$190 million; some will go for new, separate uniforms for each service — an excellent idea. The rest will buy us about five F-18 fighters. Hardly what one would call rearming Canada.

John Turner said erroneously last week that we were spending 5% of our gross national product on defence; as PM, whose key function is to assure our security, he should know better. The correct figure is only a measly 2%. We know the Liberals have never been defence minded but such unawareness is, shall we say, rather surprising.

Lovely downtown Gorky

The NDP solution to defence is simplicity itself: Pull out of NATO, disarm and take sanctuary in United Church buildings. Good idea, Ed. You win a free, fully loaded Lada and two weeks paid vacation in lovely downtown Gorky.

Now to foreign affairs. Mulroney gave us relief by saying aloud what many Canadians had only dared whisper during Trudeau's reign: Let's be friends again with the U.S.

This point is important. I recall a political dinner in Toronto for Mulroney; his speech drew polite applause until he called on Canada to start acting again like a good neighbor. He received the first and only passionate applause of the evening. Many people here are clearly tired of trying to be odd man out of the NATO alliance.

John Turner appears equally set on improving relations but I noticed in his campaign commercials big red letters warning us of "foreign ownership" of our oil industry — rather like the poison warnings you see on bottles of drain cleaner. The old Liberal message was still there: Beware those wicked Yankee capitalists. Which way is it to be?

Then there was the Turner peace initiative. As things turned sour for the Liberals old Svengali Davey pulled the peace crusade out of his bag of tricks. Now, do we think anyone anywhere is going to take Turner's mid-election peace crusade seriously? How debased a currency has become Canadian peacemaking.

What about the rest of the world. Did our candidates debate policy toward Tanzania, India or Japan? Did they argue over Jamaica, Guyana or Argentina? Not a peep. Obviously neither the candidates nor the electorate give a hoot about the rest of the world unless the nation in question has beach resorts.

Dishing out millions

Why then do we maintain an elaborate department of external affairs? Why are we sending Eugene Whelan to eat ravioli in Rome? Why are we dishing out millions each year in aid to remote places that no one considers sufficiently important to discuss? Perhaps it is for the best that we worry only about our own affairs. At least we avoid looking like the fatuous, unbearably pompous Swedes who make Chile and South Africa a part of their election campaigns.

If we don't care about foreign affairs we should at least give some thought to finance. In recent years, most industrial nations of the West have had at least one candidate in each election who has promised to cut spending. Such a platform is, in our own land, quite unknown.

Unless government spending is cut by at least 25%, and preferably 35%, we will likely experience double-digit inflation, an ever-weakening dollar and negative growth in coming years. Ottawa is absorbing national productive capacity like a giant sponge. Spending by our leaders is clearly out of control.

Our next prime minister will preside over the accelerating economic decline of Canada. As deficits mount, interest rates will rise over the long term, productivity will fall and one day, perhaps soon, we will be faced with that terrible moment of reckoning. One morning we will wake up and find that our country, like Brazil, Argentina or Israel, has simply run out of credit. In two decades we will have gone from wealth to poverty.

Do not believe all the flimflam we have heard about an improving economy or more efficiencies eliminating the monster deficit. When you vote today, think to yourself, which leader and which party can best manage to salvage our Titanic when we hit the onrushing economic icebergs.

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