Debating free trade Third Option defended

Sharp on Westell

by Mitchell Sharp

The previous issue of International Perspectives contained a single item — an article by Anthony Westell of Carleton University, Ottawa, entitled "Economic integration with the USA." The article favored closer ties with the US, especially economic ones, and much of it was concerned in a critical way with the "Third Option" proposed by Mitchell Sharp as Secretary of State for External Affairs in a special issue of International Perspectives in 1972. This is Mr. Sharp's response to Anthony Westell's article.

iven the renewed interest that has been widely expressed in recent years with respect to our economic and other relationships with the United States, it is entirely appropriate that a review should be undertaken of the three options I spelled out in the fall of 1972 — particularly the Third Option that I supported.

Early on in his article, Mr. Westell stated that the "significance of the Third Option has to be found in its context, in the underlying purpose of the strategy." Subsequently, he maintained: "It would be an exaggeration to describe the strategy as outright nationalism, but it certainly inclined the government in that direction." Unfortunately, Mr. Westell has either not understood or was unable to convey to the reader the context in which the Third Option was presented or the underlying purpose of the strategy. In the narrow sense in which he uses the term, to describe the strategy of the Third Option as being "outright nationalism" is to misrepresent not only the fundamental objective of the approach proposed, but also my basic approach to national issues over a lifetime of public service. I am a nationalist only in the sense of supporting those policies that over the long term I consider will best serve Canada's national interests.

I recognize, of course, that the manner in which the Third Option was represented in the media created the impression that the approach I was advocating was highly nationalistic in its narrowest sense. On examination, however, the paper did not alarm the Americans, the provincial governments, or the Canadian business community. It did, however, disappoint the more ardent "economic nationalists" in this country.

What I proposed some twelve years ago was a series of moderate, carefully-crafted policies aimed at stemming the prevailing tide of continentalism, recognizing the growing interdependence of all nations — and particularly the growing interdependence of Canada and the United States. It was, I believe, realistic in its aims and its methods. With some modifications to take account of the passage of time, it still represents a valid basis for Canada-United States relations, although it is admittedly difficult to implement. It is certainly not a prescription for self-defeating policies of excessive economic nationalism. It would be quite out of character for me, as I have already indicated, to have been associated with anything of that kind, which Mr. Westell has every reason to know. I was the one, he may recall, who led the fight against the Canadian economic nationalists at the 1966 Liberal Party Convention.

When the content of the Third Option obviously does not fit the structure of his argument, Mr. Westell gets around the difficulty by talking about "policies implicit in the Third Option," or by referring to the strategy of the Third Option, which is undefined and can encompass anything that Mr. Westell dislikes. The Foreign Investment Review Agency (FIRA) and the National Energy Policy (NEP), according to Mr. Westell, flowed from the Third Option. As one who sat around the Cabinet table for thirteen years and knew my Liberal colleagues well, I can assert confidently that there would have been a FIRA and an NEP if I had never written a word of the Third Option paper. When he discovers apparent contradictions in the Third Option — and, of course, there are some — he marks this down, not as honest recognition of the inevitable conflicts that arise between the objectives of policy, but as confusion.

What Mr. Westell has done tempts me to reply in kind by asserting that the "underlying purpose of the strategy" of economic integration with the United States is really political union, regardless of what he professes the goal to be. The drawing of such an inference would no doubt be rejected by my friend, but no more strongly than I reject his characterization of the Third Option. It would, however, be unfair to Mr. Westell and to the arguments for integration to cast the issue in this light because it deserves to be considered on its merits just as does my Third Option.

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