

Gotlieb and Kinsman, revised the Third Option almost out of existence in their 1981 article in *International Perspectives* to which reference has already been made. They first paid their respects to the official strategy by arguing disingenuously, first, that it had been cruelly misunderstood by critics who imagined that it was intended to direct Canada away from the United States, when all that had really been intended was to strengthen ties to other countries, and second, that some some useful progress had been made on implementing the strategy despite the economic downturn, the problems with national unity, and the opposition of "special interests" in the United States.

Having praised the Option, they attempted to bury it by saying that it "remains a valid assumption of Canadian foreign policy even if *it no longer needs to be cited as a constant point of reference*" (emphasis added). They then went on in their article to offer an analysis of the Canada-US relationship markedly different from that in Sharp's famous article.

The bilateral relationship, wrote Gotlieb and Kinsman, was already one of the most complex in the world, and would become even more so in future. In other words, Canada was becoming more rather than less involved with the United States. They added:

Things have changed from a decade or two ago, because the societies have changed in both countries. There is less concern now with US interference in Canadian affairs. It is recognized that this is not the issue, as it sometimes seemed to be in the sixties, after the notion of a perfectly harmonious "special relationship" of identical interests has ceded to the obvious differences in development needs in the two countries.

Today, US interference in Canada is not the issue. On the other hand, there are vital connections between the two economies which give decisions in one country great importance over the other — and it is a fact of life that these links are central to Canadian development. Trade policy objectives need to recognize this as a basic given. There is interdependence involved which is the basically important identity of interest.

Gotlieb and Kinsman urged that Canada had to seek to manage this interdependence in such a way as to advance toward its own national development goals. As tools of this management, they contemplated political attention "at the highest level" to major development decisions of importance to both countries: new joint bodies to deal with continuing issues; "closer arrangements" in some sectors of the economy; and diplomatic attempts to persuade US leaders to see issues with Canada not as single problems, but in the context of the broad relationship and the national interests involved.

The embrace tightens

Even if it was not always crystal clear what Gotlieb and Kinsman had in mind, theirs was not a prescription for increasing Canadian independence by removing Canada from the US orbit. They recognized that increasing interdependence required closer cooperation between the two governments. Presumably the government agreed because

Gotlieb was soon appointed Ambassador in Washington, and Kinsman became his political adviser. Prime Minister Trudeau added his own view of the relationship in an interview with James Reston.⁷ Talking in his philosophical way about the need for more international cooperation to solve economic problems, Trudeau replied to a question about the possibility of a North American common market of Canada, the United States and Mexico by saying:

I don't think that should be the first stage of our thinking. I think we should be doing more to create a commonality of views of North American countries first and perhaps eventually in the hemisphere. We haven't addressed ourselves to that and it is because of my thinking on that that I have suggested and even promoted with Presidents Portillo and Reagan trilateral meetings."

This was hardly the language of a Prime Minister intending to weaken continental ties.

In *Canadian Trade Policy for the 1980s, A Discussion Paper*, published in 1983, the government backed even further away from the Third Option, saying:

Growing interdependence between states has meant that the realization of domestic priorities and objectives for many countries is becoming more and more closely related to constraints and opportunities flowing from the international economic environment. It has become a fact of life that the decisions and actions of one country increasingly affect those of others. As a result, the economic component of foreign policy has been enhanced, and the management of trade relations will tend increasingly to be dominated by the interrelationship between foreign and domestic policies, both as the international environment influences domestic policies and as domestic interests have to be reflected in foreign policy objectives and priorities.

Looking specifically at trade with the United States, the Discussion Paper reviewed the case for full free trade, found it unconvincing — in part because of the political difficulties — and then proposed instead the exploration with the United States of free trade in selected sectors of the economy.

But if the Liberal government quietly shelved the Third Option and accepted the reality of increasing economic interdependence, it never admitted as much or set out in a careful way an alternative strategy for managing the relationship with the United States. Rather, it drifted toward Sharp's First Option, which was "to maintain more or less our present relationship with the United States with a minimum of policy adjustments." This meant that the government would adapt over time to the private sector movement toward integration of the two economies and, consequently, of the two societies. There would be no overall strategy or political leadership. The new Conservative government is in danger of following in the same drift.

Far preferable would be the proclamation, in effect, of Sharp's Second Option: to move deliberately toward closer integration with the United States. That would not mean that Canadians would haul down the Maple Leaf and run up the Stars and Stripes. Nor would it mean that they would