

Reviving the Third Option

by Allan Gotlieb and Jeremy Kinsman

Canadian foreign policy is determined by a view of the world shaped by national interests. There is strong emphasis on the need to find solutions for the great, global problems of the North/South dialogue and the growing tension between East and West. But the greatest foreign policy challenge is the relationship with the United States. It always has been.

The United States is the only country where the importance of the relationship is imposed on us. We do not have to work to promote the content of the relations. The interaction between the two countries is vast and complex. The management of border questions alone is sufficient to make relations with the United States a priority with any sovereign Canadian government.

The mere mention of three current border issues is enough to demonstrate the truth of this statement — fish, the environment, communications. Each of these raise complex questions that defy easy solution.

— Whose fishermen will catch what, where and when? Canada has argued for the joint management of this vital resource. That call has been resisted by East Coast fishermen in the United States. They would prefer to take a risk with the future. Canadian fishermen cannot afford to take that risk.

— Environmental issues are becoming critical. Acid rain is the subject of current headlines, but the range of difficulties is as wide as the border itself. A roster of geographical place names is enough to call serious environmental problems to mind — Garrison, Eastport, Juan de Fuca, the Great Lakes.

— Communications problems multiply with the growth of technology. Where is the border for air waves? Who owns the content of broadcast material? What controls are needed?

There is a host of such issues of direct day-to-day impact on the Canadian public. Many of them, such as the three mentioned above, are irritants to the relationship. The careful and continuous management they require presents a challenge to administrators. But they are not the whole relationship between the two governments. If they were, Canada-U.S. relations would be one constant day-to-day struggle.

The relationship goes far beyond these conflicts and irritants over border issues. It encompasses the

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deepest structures of the Canadian economic system and of the continent itself. The interests of the two countries are not always the same on these large questions, but this is compensated by a recognition of both sides of the sense of long-term interdependence of the two countries which gives the complex relationship a much deeper character.

Long-term strategy

This depth calls for more than a day-to-day approach to the management of the relationship. It requires a long-term strategy, though not an adversarial strategy. The two countries are not adversaries. They are deeply and fundamentally very friendly to one another. The type of strategy that is needed is one that provides for the realization of Canadian economic development objectives. This does not mean a document or a White Paper that declares this objective. It means a coherent approach on the part of the government in pursuing Canadian interests vis-à-vis the United States. It also means ensuring that Canadian planning is done on the basis of valid assumptions.

This is not a call for a dirigiste approach or for undue emphasis on interventionism. The economic dynamics are those of the private sector and they are the basis of the relationship. Much of the substance of economic cooperation and interchange between the private sectors of the two countries takes place on its own terms. Nor does a coherent approach mean a fully comprehensive examination of all aspects of the relationship. But it does mean that relations with the U.S. must be considered in terms of Canada's own economic development and with a view to providing a more secure framework for private sector activity.

Government is responsible for the general health of the economy, and for its sound future development. There are two main areas of application in any view of Canadian economic development to meet the opportunities and challenges of the 80s: resource development in the West, and the Maritimes, as a basis for social and industrial development; and structural adjustment and development in Central Canada. Since the U.S. is crucial to both areas of endeavour, Canadians have to assess the implications of two basic facts: the U.S. takes 70 percent of our exports and U.S. ownership capital has a predominant place in our economy. In other words the terms of access to the U.S. market are vital to Canada and many basic investment and other decisions in the Canadian economy are taken by managers of U.S. based corporations. Thus Canadian