

Business and US made respectable

States and more free enterprise, both Canadian and foreign — represent less a clearly specified policy objective than a decision to “go with the flow” — the flow in this case being multinational, primarily American, business.

Loss of independence?

One of the striking features of the Mulroney Doctrine is that it is not, in the first instance, foreign policy at all: it is domestic economic policy with major foreign policy implications. And its success or failure will depend largely on the domestic economic results, measured in terms of rising income, output and employment, and stable or declining prices. If it does not succeed economically, both the new policy and the new government may be short-lived. However it is not the purpose of this paper to evaluate the policy but rather to point out its down-side risk; namely a real or perceived loss of Canadian independence.

Certainly at first glance the Mulroney Doctrine looks like a prescription for Canada's becoming a pale northern shadow of the United States. Canada will adopt the Reagan administration's economic philosophy and move closer into the embrace of the US economy. Can there be any doubt that this will mean progressively greater constraints on Canada's ability to remain an independent country with its own foreign policy?

There is a school of thought in Canada which denies any direct link between economic integration and political dependence. For example, the Canadian Senate's Foreign Affairs Committee, in a 1982 report on Canada-US economic relations, concluded that Canada had no practical choice but to pursue free trade with the US. It argued that fears of loss of Canadian sovereignty were based on “myths.” “Free trade areas do not tend to become customs unions; they do not become politically integrated” it held. The Committee went on to warn that “a far more potent threat to Canada's political and social strength would come from a continued weakening of its industrial performance and a decline of its economic stability in the face of the challenge of the 1980s and 1990s.” This argument has been picked up and amplified by the new Secretary of State for External Affairs, Joe Clark, who said in one of his earlier speeches that “closer economic relations with the United States, if played right, can enhance our voice and influence in international affairs.”

Worth the risk

The arguments that economic integration could actually enhance, and at worst would not diminish, Canadian independence run as follows:

First, a richer Canada is a more influential one and a better trading partner with all other countries than is a poorer Canada. The way to a richer Canada is through increased free trade with the USA.

Second, as economic integration increases, the United States and many US companies acquire important stakes in Canada. The Canadian government can trade on these stakes to exert influence in Washington and yet maintain independence.

Third, there is no necessary link between economic integration and political integration. The

countries of Europe have maintained their independence in the Common Market and EFTA. So can Canada vis-à-vis the USA.

What these arguments boil down to is a single proposition: Canada-US economic ties do not by themselves necessarily entail a loss of Canadian independence. Neither do such ties do anything to maintain our independence. That depends, as it always has, on the skill, energy and political determination of Canadians, not least in fashioning an effective and independent foreign policy. We would argue, however, that it is especially important at this particular moment in history — when Canada is exploring closer economic ties with its neighbor — that the government reaffirm and develop Canada's independent role in the world.

Canada and the world

It goes without saying that the first priority of any government in the nuclear age must be to do whatever it can to minimize the risk of an atomic holocaust. We do not need to be reminded that one of the reasons Canada is so important to the US is that we lie directly in the path of any intercontinental missile exchange between the two super-powers. Nor do we need to be reminded that we are as vulnerable to nuclear war as any country on earth. And, as Joe Clark pointed out in his September 1984 speech to the UN General Assembly, Canadians treat this danger with the utmost seriousness and are committed to efforts at East-West mediation. Progress in arms control and in reducing East-West tension, Mr. Clark said, will be a “constant, consistent, dominant priority of Canadian foreign policy.”

In acknowledging and attempting to deal with the nuclear threat, however, Canada must not ignore the immediate and long-term needs of the poorest two-thirds of the world's population. Unfortunately the North-South dialogue, which sputtered along for a decade, is now virtually dead in the water as a result of the economic turbulence and ideological divisions of the 1980s. It is essential that this dialogue be revived. While our attention is focused elsewhere, economic and social disintegration proceeds in major sections of the Third World. The recent human suffering so graphically depicted and transmitted to us by television from Africa has helped to remind us of this human imperative.

Compelling economic and political arguments underline the importance of North-South development issues for the open and vulnerable Canadian political economy. There is a clear and positive relationship between international economic development and progress in reducing stagflation and unemployment. The contribution of expanded trade to postwar prosperity is fundamental and well established. On political grounds, a genuine willingness to discuss the complex and interrelated social, economic and political problems of the Third World cannot but help but contribute to global harmony. Conversely a failure to incorporate developing country concerns into our foreign policy (and a similar failure by other industrialized countries) will fuel the fires of inward-looking nationalism in the Third World, contribute to another generation of poverty and misery, and increase the likelihood that the festering sores of social injustice will become infected with