



CP Photo

U.S. Vice-President Walter Mondale visited Canada in January of this year. He is shown here with Mrs Mondale and with Deputy Prime Minister Allan MacEachen following his arrival in Ottawa. From Ottawa the Vice-President continued to Alberta for meetings with provincial leaders.

advance basic Canadian goals and develop a more confident sense of national identity.

From 1972 onward, Canada took a number of actions to implement the Third Option. An Investment Review Act passed Parliament and set up a screening process for all new foreign investment in Canada to insure that it would have a significant benefit for the country's economy. After the Arab oil embargo in 1973, Canada raised the price of oil exported to the United States to keep pace with the international price rise and announced that it would phase-out the export of crude oil. Ottawa antagonized American cattle-breeders by imposing stringent inspection standards on U.S. beef exports. Canada also showed a reluctance to enter into agreements with the United States to transport natural gas across Canada from the Arctic to the American Middle West, which began to experience fuel shortages in the mid-1970s. In sum, Americans were aware that Canada had adopted a tougher attitude in its economic relations with the United States, particularly in matters of energy policy. It was also apparent to some Americans that anti-Americanism was on the rise in certain parts of Canada, principally in Ontario — the province that had seemed to be the most like the United States, where economic relations

had been closest since the end of the Second World War.

Ottawa had clearly made progress between 1971 and 1976 towards achieving Mitchell Sharp's basic aim — "to lessen the vulnerability of the Canadian economy to external factors". But what about the second aim — "to strengthen our capacity to advance basic Canadian goals and develop a more confident sense of national identity"? Here the picture is not so clear; the Canadian economy has not done well in the past few years, and both unemployment and inflation are running higher than in the United States. Canada has not been as successful as it had hoped in opening the European Economic Community to Canadian exports, and the rate of foreign investment in Canada has slowed. More visible evidence of Canada's economic problems is the more than 10 percent decline in the Canadian dollar's value in relation to its American counterpart during the past two years.

Quebec election

A more basic reason why the object of developing "a more confident sense of national identity" was not achieved had nothing to do with the United States or any other external influence — it resulted from unexpected political developments in Quebec