8-1973

An Examination of Countervailing Forces in Canadian Foreign Policy

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AN EXAMINATION OF COUNTERVAILING FORCES IN CANADIAN FOREIGN POLICY

by

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A Thesis
Submitted to the
Faculty of The Graduate College
in partial fulfillment
of the
Degree of Master of Arts

Western Michigan University
Kalamazoo, Michigan
August, 1973

ACKNOWLEDGEMENTS

In preparing and completing this thesis, the advice, criticisms, and encouragement of Professors Thompson, Plano, Hanson, and especially Professor Rossi, proved invaluable. The assistance of these gentlemen and many others at Western Michigan University have made this effort possible. I offer a humble thank you.

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PREFACE

Prime Minister Pierre Trudeau pointed out in 1968 that some seventy percent of Canadian foreign policy is directly affected by the relationship of Canada and the United States. Trudeau expressed hope that ways could be found to derive maximum independence from the remaining thirty percent. At the same time, Trudeau pointed out the need to decrease the presence of the United States in Canada's foreign policy. One of the ways Trudeau proposed to meet these objectives was the expanded use of countervailing forces. Since the time of this statement, Trudeau has turned words to actions, seeking a wider diversification of Canada's contacts.

This paper will examine the use of the countervailing force as a political concept in Canadian foreign policy. The hypothesis to be evaluated contends that Canada attempts to use countervailing forces against the influence and pressure of the United States, and by doing so, expands its ability to pursue its own distinct foreign policy.

Several questions must be answered. How extensive is the influence of the U.S. on Canadian policy-making? What forms and structures do U.S. influences assume to have an effect on Canadian politics? What are the countervailing forces implemented by Canada? How, as political and economic concepts, are they functional? Do they serve their purpose?

The relationship of Canada and the United States is a particularly well-suited ground on which to observe the operation of this concept. The U.S. and Canada share many projects and cooperative efforts, but

the size and greater human resources clearly conspire to make the U.S. the dominant partner in any cooperative venture. The economic power of the United States further buttresses the preponderance of the U.S. in a very extensive economic relationship with Canada.

The larger, more advanced military establishment and the assumption of global responsibilities contribute further to enhancing the preponderance of the U.S., not only vis-a-vis Canada, but the Western Hemisphere as well.

Canada, more than any other nation in the Western hemisphere, feels the effects of living next door to a giant. Canada has a common border with the U.S. of about four thousand miles and both nations speak, for the most part, the same language.

Since 1867, questions have been repeated raised as to whether Canada is sovereign in some aspects. One of the major catalysts for this questioning is the economic relationship between the two nations. As industrialization proceeded in the U.S., the economic web between the U.S. and Canada was spun, thus subjecting Canada to economic links with the U.S. Since this time, about 1880, Canadians have searched for ways to minimize the greater influence of the United States so that decision-making in Canadian foreign policy might reflect more the goals and aspirations of the Canadian people.

To make a complete and extensive analysis, several methodologies will be implemented. Through a historical survey of U.S.-Canadian relations within the global context, persistant characteristics of the relationship will be identified and related to the hypothesis. Specifically, these characteristics will stem from the pressure of the

U.S., the Canadian response, and those global developments which have foisted change upon the U.S. and Canadian political systems.

The study will also direct itself to those forces within Canada which tend to lessen the influence of the U.S. The existence of a large French speaking group in Canada frustrates the English influence of the U.S., for example. Canada's use of counterweights in specific areas of the world will constitute the final analysis of the study. The counterweight policy, its intention, and a measure of its success will be discussed. From the accumulation of data, a conclusion as to the validity of the hypothesis will be drawn.

The primary source material used consists of the Trudeau administration's review of foreign policy published by the Department of External Affairs. Other data comes from the Canadian-American Committee and the Canadian Embassy in Washington, D.C. The secondary source material are scholarly works and studies available at Waldo Library at Western Michigan University, the University of Michigan Library, the University of Windsor Library, and the Algoma College Library.

CHAPTER I

Themes of Canadian Foreign Policy

A significant theme in Canadian history is the pressure the divided provinces felt from their dynamic neighbor to the south, the United States. From the time of the American Revolution, Canadians were a threatened populace. Resisting American invasions in the Revolutionary War and the War of 1812, the Canadian people learned early in their national existence to keep a wary eye on the activities of the U.S. Pressure from the U.S. and its constant clamoring for annexation of the Canadian provinces lent impetus to those in Canada who wished for a unification of the provinces under one government.

A Canadian historian, Mason Wade notes[1] four instances between 1837 and 1859 when border incidents nearly led to armed conflict between the Canadian provinces and the U.S. American sympathizers had interferred in a series of Canadian rebellions in 1837-38. Aroostock County in Maine was the scene of clashes involving ax-wielding lumberjacks from New Brunswick and Maine. Drawing a boundary in Oregon in 1846 brought out heated discussions and threats between the two principals. The Fenians, a group of Irish-Americans, carried out raids from New England on the Canadian provinces as a means of striking at Great Britain for not granting Irish independence. The

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[1] Mason, Wade, "The Roots of the Relationship", The United States and Canada, Edited by John Sloan Dickey, (Englewood Cliffs, N.J.: Prentice-Hall Inc., 1964), p. 40.

Fenians were active through the Civil War and they were not wholeheartedly restrained by the American government. In the post-Civil War era, there was an outcry in the U.S. for an invasion of the Canadian provinces to punish Britain for its role in assisting the rebellious southern states. These demands blended into a chorus of American voices proclaiming their "manifest destiny" to extend their control over the North American continent. The statements and actions of public officials lent a great deal of credibility to the American threat in the minds of Canadians.

In 1867, the year of Canadian confederation, the U.S. Secretary of State, William H. Seward, a longtime advocate of annexation, told a Boston audience that, "Nature designs that this whole continent shall be sooner or later within the magic circle of the American Union."[2] Just one year prior to the establishment of the Canadian confederation, U.S. Senator from Michigan, Zachariah Chandler, and U.S. Representative N.P. Banks, Chairman of the House Foreign Affairs Committee, sponsored a bill which would have allowed for the Canadian provinces to join the American Union upon request.

In 1867, Canadians were sufficiently impressed with the American threat to forget those differences which kept them divided. They agreed to consolidate into a federal government. The move for federation of the Canadian provinces was led by a group of people interested in avoiding political union with the United States. The actual federation was proclaimed by the British Parliament, through

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[2] Seward's remarks are quoted by Mason Wade, ibid.

the passage of the British North American Act which defined the working of the Canadian political system. The British North American Act subsequently became the constitution of Canada. The Treaty of Paris, signed by the U.S. in 1871, acknowledged the ties of Canada to Great Britain and recognized the fact that the majority of the Canadian people were opposed to annexation or political union with their southern neightbor. Thus, Canadian survival in these early days was guaranteed by the maintenance of the imperial connection with Britain. Mildred Swartz points out the intentions of the Canadian founding fathers in regard to Britain and the United States:

> Canada was a conscious rebuff to the American experience and a deliberate continuation of the British connection and its political traditions.[3]

By uniting themselves and solidifying their ties with England, the Canadians began the use of counterweights as a new nation.

This marks the first phase. Canada sought her survival by becoming an intricate part of the British security system. Canada's role within the British security system mandated her contributions of men and materials to the Allies in World War I. The war also made allies of the United States and Canada. Despite this, Canada remained under the British security umbrella, carrying out a foreign policy through British offices.

In 1931, the British Parliament passed the Statute of Westminster

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[3] Mildred Swartz, "American Influence on the Conduct of Canadian Politics," from The Influence of the United States on Canadian Development, Edited by Richard Preston, (Durham: Duke Un. Press, 1972), p. 99.

which extended full diplomatic freedom to the Canadian policy. The act in effect recognized Canada as an equal to Britain, capable of carrying out its own activities. At the same time, the Statute of Westminster assured that Canada would continue a close association with Britain through the Commonwealth. This watershed in Canadian British relations ended the very close association and cooperation that had underwritten Canadian survival.

In the years 1936-38, Canada, responding to President Franklin Roosevelt's "Good Neighbor Policy," entered into a series of defense talks with the United States. Basically, the two leaders, Mackenzie King and Roosevelt committed themselves to mutual defense in the face of the rising Nazi threat. At the outbreak of World War II, Canada again followed Britain's lead into the war, rather than the U.S. which decided to remain officially neutral in the early days of the war.

In the aftermath of World War II, Canada emerged as an influential member of the world community. The traditional great powers of Europe lay in war-devastated ruins as did the Asian power, Japan. Canada entered this period with high hopes for international cooperation for peace. This marks the beginning of a second phase in Canadian foreign policy: that of internationalism. The foundations for this phase was laid by the destruction of Europe and the rise of the so-called Third World nations, which emerged from the crumbled colonial empires. Canada used her influence to speak for the emerging nations. This role was well-suited for Canada because there was no record of imperialism or colonialism.

Of particular interest to the Canadian internationalist position was the idea of developing a strong, viable United Nations, capable of dealing effectively and efficiently with global problems. Because of her bilingual nature, Canada was able to maintain communications with the English speaking Commonwealth and French speaking developing nations. In the internationalist phase, Canada perceived her purpose as trying to organize the world community with full international participation and cooperation. Canada's initiatives in this endeavor drew largely on the philosophy of one of her leading diplomats, Lester B. Pearson. Pearson's work on behalf of the U.N. is strongly characterized by diligence, patient understanding, and a stunning anticipation of developments in international politics. Pearson, for example, opposed the veto power of the powerful nations in the Security Council of the U.N., pointing out that the veto potentially could cripple the Council from effective action. He sought to strengthen the General Assembly by involving the Third World nations to reflect a more universal view of policy-making. Pearson also strongly believed in the use of peacekeeping forces, and Canada maintains a portion of her military for this purpose.

Canada's idealism and high hopes for global cooperation received a stunning blow by the outbreak of the Cold War. The threats, conflicts, and jockeying for power in the Cold War helped bring about the end of Canada's internationalist approach. Another factor working toward the same end was the decline in Canadian influence due to the reviving European nations and Japan. The initial blows, however, to Canada's idealism stemmed directly from the outbreak of the Cold War.

Several incidents contributed to Canada's changing outlook. After the U.N. conferences in San Francisco, Soviet pressure on East Europe steadily mounted, with several East European nations succumbing to the pressure and falling behind the Iron Curtain. Canada was anxious for the recovery of the West European markets so that the beneficial economic ties could be restored and so that the traditional European counterweight to the U.S. might stand intact. The recovery was frustrated by European Communist parties under the direction of the Kremlin. In 1945, the defection of Igor Gouzenko, a cypher clerk in the Soviet embassy in Ottawa brought the Cold War into Canada. Gouzenko turned over evidence of a Soviet spy ring operating in Canada. This disheartening development was complemented by a strong anti-Communist stand taken by the Roman Catholic Church. Canada's Catholic population was concentrated in French Quebec, and the premier of Quebec, Maurice Duplesses frequently charged the federal government with being soft on Communism.

Clearly, by 1947, the attitudes of the Canadian leadership had changed. A statement by Louis St. Laurent, the Prime Minister, gives ample testimony to the charge:

> If theory crazed totalitarian groups persist much longer in their policies of futility and frustration, we will not very much longer allow them to prevent us from using our obvious advantages to improve the conditions of those who wish to cooperate with us and thereby overcome the difficulties we ourselves are experiencing and the normal exchange of specialized services between nations and their respective peoples.[4]

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[4]Premier St. Laurent's statement is quoted by F.H. Soward and Edwar McInnis, in Canada and the United Nations, (New York: Manhatten Publishing Co., 1956), p. 55.

Such a statement was indicative of the growing consensus for an alliance based upon collective security among the Western European and North American nations to meet and blunt Soviet pressure. By 1949 the organization became a reality in the form of the North Atlantic Treaty Organization. The alliance was well-suited for Canada, for it saw Canada's parent nations, Britain and France unified in the same effort. Thus, NATO was useful in promoting consensus in foreign policy among Canada's two main ethnic groups. The entrance into NATO saw Canada take a step back from the internationalist phase and turn in the direction of a more regionalist approach. But defense, and a consensus at home were not the only reasons why Canada embraced NATO membership. Thomson and Swanson of the Center for Canadian Studies at John Hopkins University made note of a third reason:

> The prospect of a North Atlantic alliance was of more interest to Canada than merely to stem Communist expansion; it held the hope of forming an Atlantic Community. During World War II and afterward, the concept of the British Empire and subsequently, the Commonwealth, as a counterweight to American influence gave way to that of an Atlantic Community. . .[5]

The reasons mentioned enabled Canada's support of NATO to be most enthusiastic. In the first eight years of NATO, Canada contributed nearly 13 billion, an armored brigade of 6500 men, 20 air squadrons, and training for thousands of airmen from other member nations.

Canada participated in the Korean War and the Suez Crisis through

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[5] D.C. Thomson and R.F. Swanson, Canadian Foreign Policy: Options and Perspectives, (Toronto: McGraw-Hill Ryerson Ltd. 1971), p. 27.

the contributions of troops to peacekeeping forces, but her regional approach was becoming more pronounced as she entered into a series of cooperative defense projects with the U.S. Among these was the North American Air Defense agreement.

Defense cooperation with the United States was helpful to the Canadian nation, but it also carried the threat of the diminution of Canadian sovereignty due to her participation with the world's most dynamic and influential nation. In addition, Canada was beset by a domestic crisis in the early 1960's in which the status of Quebec was to set off constitutional debates over the power of the Canadian provinces vis-a-vis the federal government. The traditional fear of the U.S. and the domestic crisis turned Canadians inward. They began to question their national purpose and to assess their capabilities. The election of Pierre Trudeau brought a more nationalist phase into Canada's relations with the world in general and the United States in particular. The stage had been set in the 1960's and now the Trudeau government showed definite signs of reflecting a nationalist approach to international affairs. Such a policy did not completely obliterate the characteristics of the internationalist or regionalist phase, since Canada retained strong commitments in both approaches. The Trudeau government carried out an extensive review of Canadian foreign policy and articulated the aims of a more nationalist approach:

> Much of Canada's effort internationally will be directed to bringing about the kinds of situations, developments, and relationships, which will be most favorable to the furtherance of Canadian interests

and values.[6]

Implicit within this nationalist approach was the continuing need to minimize the threat of U.S. influence to Canadian sovereignty. By reflecting the concerns and aspirations of Canadians in their foreign policy content, the differences from the United States would become more sharply defined.

Canada's foreign policy, as it progresses in this phase, will come to reflect more and more a relevance to domestic interests and beliefs. The attempts of Ottawa in the 1960's to strengthen the links with the French speaking nations of the world is an excellent illustration of Canadian foreign policy responding to domestic realities. The bilingual nature of the Canadian nation will be reflected through contacts with the Commonwealth and Francophonie groupings, both of which may serve as multilateral countervailing forces to the U.S. presence and influence.

Another reality appearing in the formulation of policy is the fear of the diminution of Canadian sovereignty through cultural and economic instrusions into Canada on the part of the U.S. In an array of influences emanating back and forth across the border, Canadians are particularly susceptible as Canadian sociologist Everett C. Hughes points out:

> When at home the average Canadian appears to live about 50 miles from the endless border. The average American citizen lives hundreds of miles from it. One-fifth of

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[6] The Department of External Affairs, Foreign Policy for Canadians, (Ottawa: Queen's Printer for Canada, 1970), p. 11.

> all Canadians live in Montreal and Toronto, which are almost on the border; add Vancouver, Winnipeg, Windsor, and Hamilton--all close to the border--and one has caught over 5 million of the Canadians, between one-third and one quarter of all of them.[7]

A Canadian assessment of themselves brings to the forefront their differences from the U.S. as a polity and a people. If a more nationalist line is to be followed, then quite clearly Canadian foreign policy will reflect a divergence from the U.S. in as much as it takes to reflect the domestic determinants of Canadian foreign policy. The nationalist view then rallies to the protection of Canadian independence. As the analysis will later attempt to show, this nationalist phase answers to the growing sentiments of the Canadian people. Canadian assessments of their position vis-a-vis the United States will become a part of domestic and foreign policy.

In the summary of the Canadian responses to the U.S. and the world community, there are roughly four identifiable phases: the British imperial connection, which afforded security for the infant Canadian nation, the internationalist phase, the regional phase, and finally the nationalist phase which is the current expression. Canada continues to keep a watchful eye southward and can be counted upon to adjust to the pressures of the U.S. in a way that will serve Canadian interests, and to a lesser extent, the greater world

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[7] Everett C. Hughes, "A Sociologist's View", from The United States and Canada , Edited by John Sloan Dickey and the American Assemly (Englewood Cliffs, N.J.: Prentice-Hall Inc., 1964), p. 12.

community, but evolution has brought Canadian national interest and expression to the forefront of policy.

CHAPTER II

Factors Which Tend to Make Canada Dependent on the United States

This chapter will identify and evaluate those factors which have increased Canada's dependence upon the United States. Some factors may decrease the independence of Canada, but this analysis assumes both to be the same.

Defense

The outbreak of World War II was a major factor in the passing of Canada from the British to the American security system. By 1940, the continental European nations were at the mercy of Hitler's war machine, while Britain alone prepared to make her stand against the Nazis. Canada had shored up British defenses with a steady flow of war material to the besieged island. Canada was also able to act as a funnel to Britain for American assistance as well. Both North American nations rose to the occasion when it became clear that Britain would not be able to stand alone. An ominous implication in the North American geopolitical situation was that the fall of Britain would definitely pose a Nazi threat to the North America.

The industrial potential and the population of the United States made it the logical leader of the Western world's defense effort. This situation, in conjunction with the possible domination of Europe by the Nazis was recognized before the war by the Canadian and American governments. Franklin Roosevelt and Mackenzie King met in

1938 to discuss a cooperative defense effort. As John Holmes points out:

> The principles of the new relationship can be traced to Mr. Roosevelt's statement in 1938 that the United States would not stand idly by if Canada were threatened and Mr. King's reciprocal pledge that the United States was not attacked through or across Canadian soil.[1]

When efforts were undertaken to channel assistance to Britain, Canada and the United States jointly created the Permanent Joint Board on Defense in 1940. The Board pertained to the defense of the North American continent and provided for high level steady consultations between the two nations. This development was followed, a year later, by an agreement between Canada and the United States to coordinate production of war materials in 1941. Thus, Canada passed from the British security system to a stage where she coordinated her efforts with those of the United States. Holmes notes that the relationship was voluntary:

> The defense partnership was never forced on an unwilling Canada and in the field of defense production, it was we (Canadians) who always took the initiative because it has always been to our economic advantage to do so.[2]

The cooperative relationship changed to an integrative relationship with the creation of the North Atlantic Treaty Organization

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[1] John Holmes, "Canada and the United States: Political and Security Issues", Atlantic Community Quarterly, Vol. 8, No. 3, (1970), p. 400.

[2] Ibid.

in 1949. Within NATO, Canadian troops were to be commanded by an American general. The integration of the armed forces was further facilitated by the outbreak of the Korean war.

A Canadian Colonel, C.P. Stacey points out:

> The prolonged Korean crisis of 1950-53 was something of a turning point in Canadian-American military relations. In the course of it, indeed, the Canadian army seems to have come close to being completely Americanized. Late, in 1950, the Department of National Defense announced the army was to adopt armaments and vehicles of the United States type in order to facilitate industrial mobilization on the basis of North American-made equipment.[3]

Thus, with NATO there was an integration of command and personnel, but the Korean war saw an integration of equipment.

In 1958, the air defenses of Canada and the United States were integrated in the North American Air Defense agreement. The air defenses of both nations were integrated into a cooperative scheme commanded by an American or by a Deputy Canadian who assumes total control in the absence of the American commander. The U.S. assumed approximately 90 percent of the costs of the NORAD arrangements and there was evidence that Canada's industrial commitment by be overwhelmed by the American presence.

In 1959, the Canadians had perfected what they believed to be an efficient military fighter aircraft, the CF Arrow. Indeed, they believed the jet fighter was the best in its class. The United States,

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[3] C.P. Stacey, "Twenty-one Years of Canadian-American Military Cooperation, 1940-61", In Canada-United States Treaty Relation, Edited by David R. Deener (Denham: Duke University Press, 1963), pp. 113-114.

however, would not consider a place for the CF Arrow, thus causing the Canadian Government to cancel the contract. The effects of the cancellation were most disgruntling, as Colonel Stacey notes:

> The cancellation of the contract threw 14,000 people out of work and newspaper reports said that the final number affected might be as many as thirty thousand. . . This dramatic affair made it painfully clear to the Canadian public that in the future, Canada whether she liked it or not was likely to be militarily dependent on the United States to an extent unknown.[4]

The situation was futher irritated when as John Holmes observes:

> Production (of the CF Arrow) was stopped and hundreds of Canada's best technical experts left for California. It was a traumatic experience and a mood of hopelessness about Canada's industrial and military prospects settled on the land.[5]

Thus, Canada, when unable to continue without U.S. support, was forced to cancel a project which provided employment to thousands and gave a sense of purpose not only to technical and military experts but to the nation as a whole. It led to observations by a former minister of defense that the cost of developing independent weapons systems prohibited Canada from providing her own share.

A remedy designed to restore Canada's confidence and participation was then conceived by the two governments. A 1959 agreement was called the Defense Production Sharing Agreement, and was designed to increase Canadian participation in defense production. However, it

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[4] Ibid., p. 116.

[5] John Holmes, "Canada in Search of It's Role", Foreign Affairs, Vol. 41, (July 1963), pp. 661-662.

also integrated Canada even further into North American defense. Peter C. Dobell, who served sixteen years as a Canadian diplomat, points out the details of the new agreement:

> The United States agreed to waive customs duties and the application of the Buy American Act to Canada, giving Canadian manufacturers an equal chance to bid against U.S. domestic producers for military contracts.[6]

The defense production program has been remarkably successful from the Canadian point of view. Since 1959, when the program first went into effect, more than 300 Canadian firms have done over $605 million in defense production most of which was made possible by the agreement.[7]

Thus, in a period of over twenty-five years, developments have conspired to integrate Canada into the North America Defense scheme. In a three phase process, passing from the British security system, coordination with American efforts, and finally integration with American efforts, the Canadian military establishment has become very dependent upon the dominant American partner. The political implications of this integration are recognized by more and more Canadians as a threat to Canadian sovereignty. Colonel Stacey notes the dilemma faced by Canadians today:

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[6] Peter C. Dobell, Canada's Search for New Roles, (London: The Royal Institute of International Affairs and Oxford University Press, 1972), p. 79.

[7] James Eayrs, "Sharing a Continent: The Hard Issues", from The United States and Canada, Edited by John Slonn Pickey and the American Assembly. (Englewood Cliffs, N.J.: Prentice-Hall Inc. 1964), p. 68.

> She (Canada) is sympathetic to Uncle Sam's international aims and in all circumstances the military alliance between the two was probably inevitable. But today, she finds that alliance tending to become more and more constricting at a time when Canada herself is in a more and more independent mood.[8]

Due to the highly integrated defense structure and Canada's dependence upon it, purely independent military action by Canada seems out of the question without some form of prior consultation with the United States. The dependence provides the U.S. With instruments with which Canada can be persuaded to follow a certain policy, as in the case of China.[9]

The situation thus centers on the willingness of the U.S. to see Canada pursue an independent military policy. The means for domination rest in the hands of the U.S. and to those means, Canada must pay considerable attention in the formulation of foreign policy.

The problem of the Canadian dilemma was articulated by D.C. Thomson and R.F. Swanson of the Center for Canadian Studies at John Hopkins University. The two scholars point out that:

> The challenge is to devise a military policy between these two extreme positions (military integration and military independence) that will assure national security against a threat from outside North America and maximize national sovereignty within it.[10]

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[8] C.P. Stacey, "Twenty-one Years of Canadian-American Military Cooperation, 1940-61" from Canada-United States Treaty Relations, Edited by David R. Deener (Durham: Duke University Press, 1963), p. 120.

[9] See Chapter IV

[10] D.C. Thomson and R.F. Swanson, op. cit., p. 134.

Economic Affairs

As in the case of military security, the war devastated island of Great Britain was unable to administer its empire economically. As Table I shows, from 1930 to the present the United States filled the vacuum left by Britain. In the years 1959-63 the table shows an increase of $4,662 million of U.S. dollars pouring into Canada while the British increase is $132 million. In 1970, sixty-five percent of Canada's exports went to the U.S. while seventy-two percent came from the U.S. Thomson and Swanson note that in addition to trading patterns, U.S. investment in Canada is tremendous as well.

> The economic development of Canada over the past thirty years has been achieved in large part because of American investments which make up 82 percent of foreign owned capital in Canada or over 34 billion dollars.[11]

Such a high degree of economical interdependence has a great many implications for the economic and political relationships between the United States and Canada. These implications will continue to develop as the increase of the U.S. in Canadian economic life continues. The Department of External affairs affirms this view in the document, Foreign Policy for Canadians:

> This ascendancy will continue to have heavy impact on Canada with political, economic and social implications. The dependence of Canadian private industry and some government programs on United States techniques and equipment (not to mention capital) will continue to be a

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[11] D.C. Thomson and R.F. Swanson, op. cit., p. 135.

fact of life.[12]

One such implication is the direction of Canadian trade. Trade can be a very useful way of maintaining communication with other nations, especially these nations with whom reconcilation or detente is sought. Trade for Canada, as was noted earlier, is largely with the U.S. due to the high degree of economic interdependence. A government study of the economic interdependence notes the following in regard to Canadian-American trade:

> Foreign control seems to influence the formulation of trade policy in three ways. First, because of the propensity for intra-affiliate trade to grow relative to arm's length trade it seems to influence trade pattern. It seems to re-enforce the already strong trend toward North-South trade. If foreign direct investment in Canada were more diversified, trade patterns would probably be more diversified. Secondly, foreign control has an influence on the freedom of subsidiaries to procure and export. Finally, of course, careful attention is given to the representatives of domestic industry in formulating trade strategy. Many of the firms are subsidiaries. Their views are either based on the position of their parents or at least consistent with it.[15]

Canadian trade strategy is consequently so oriented to the extensive economic relationships with the United States, Canada's freedom to re-orient trade patterns seems to be clearly in doubt.

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[12] Honorable Mitchell Sharp and Department of External Affairs, Foreign Policy for Canadians, (Ottawa: Queen's Printer for Canada 1970), p. 23.

[13] Honorable Herbert Gray, "Domestic Control of the National Economic Environment", in Canadian Forum, Vol. LI, No. 611, (1971), p. 34.

TABLE I

Foreign Capital Invested in Canada[13]
(Millions of Dollars)

	1930	1945	1951	1959	1963
U.S.	4,660	4,990	7,259	15,826	20,488
Britain	2,766	1,750	1,778	3,199	3,331
Others	188	352	440	1.832	2,384

[13] G. Craig, The United States and Canada, (Cambridge: Harvard UN. Press, 1968), p. 462.

TABLE II

Control of Selected Canadian Industries, 1963[14]

Industry	Percentage Controlled By--- Canada	The U.S.	Other
Beverages	83	17	0
Rubber	3	90	7
Textiles	80	13	7
Pulp and Paper	53	35	12
Agricultural Machinery	50	50	0
Automobiles and Parts	3	97	0
Transportation Equipment	22	33	45
Iron and Steel Mills	86	2	12
Electrical Apparatus	23	66	11
Chemicals	22	54	24
Petroleum and Natural Gas	26	62	12
Smelting and Refining of non-ferrous ores	49	51	0
Other mining	38	52	7
Total	36	52	12

[14]John Redekop (Ed.) The Star Spangled Beaver, (Toronto: Peter Martin Associates, Ltd.1971), p. 168.

What is the extent of American control of Canadian industry? Table II shows that U.S. firms control more than half of what may be termed important industries such as the automobile industry, chemicals, mining, minerals, and smelting industries. The table shows the U.S. firms controlling 52% of the total industries listed. Since that figure constitutes over half of the Canadian basic industries, the position of American business becomes paramount in Canadian economic planning. Peter Newman notes that this situation will continue and probably intensify due to the fact that the U.S. has poured $3 billion into Canada since 1945[16], reducing Canadians in Newman's words, "to holding squatters rights in most industrial categories."[17]

Clearly then, a great deal of Canada's basic industries are controlled by American business firms. This has been made largely possible due to the development of the multinational corporation. A typical multinational corporation of the United States has its main headquarters located within the United States and its subsidiaries in whatever countries its area of manufacturing or production is suitable. The importance of this type of economic penetration was recognized in the foreign policy review when it observed that the "internationalization of industry largely in the form of multinational corporation appears a firm feature of the future economic scene. . ."[18]

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[16] Peter Newman, "The Thawing of Canada", Atlantic Community Quarterly, Vol. 9, No. 2(1971), p. 223.

[17] Ibid.

[18] Department of External Affairs, Foreign Policy for Canadian's, (Ottawa: Queen's Printer for Canada), 1970, p. 24.

The most outstanding implication of the multinational corporation is that the parent company exercises control over the subsidiary. What regulations restrain the parent company may also regulate the subsidiary regardless of whether or not those regulations are relevant. The essential question is how do multinational corporations and the large degree of United States ownership affect Canadian policymaking?

There are numerous investigations by the Canadian government attempting to discern the extent of American ownership and the impact this ownership has on policymaking. The impact on Canada does not lend itself to defined concepts or precise figures. Instead, the committees have found that American ownership shapes the environment and in specific policies, may cause an alteration or cancellation of some policies. The Gray Report, investigating control of Canada's national economic environment, notes the effects of U.S. direct investment.

> Nonetheless, U.S. investment has been on influential factor in shaping the general environment within Canada--the environment within which national identity and interests have been perceived and articulated and more particularly, in which foreign policy has been formulated.[19]

The report goes on to note more specific ways in which Canadian policymaking can be affected:

> The impact of foreign business control on the conduct of Canadian foreign relations is both direct and indirect. Direct influence is felt generally in the implementation of foreign economic policy. The impact of foreign direct

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[19] Honorable Herbert Gray, "Domestic Control of the National Economic Environment", Canadian Forum, Vol. LI, No. 611, (1971), p. 34.

> investment is also indicated through the image of Canada abroad and views that others have of this country in the degree and concentration of foreign ownership of Canadian industry. This image affects the position other countries adopt toward Canada in negotiations and accordingly the Canadian capacity to realize policy obligations.[20]

So, Canada's image becomes directly affected by foreign ownership. But other means of influence exist as well. The most striking example of the U.S. affecting Canadian through the highly interdependent economic relationship is the extraterritorial application of U.S. trading law and policy to American firms operating in Canada. Specifically, this has involved the United States Trading with the Enemy Act of 1917. This act allows the President or his nominee to investigate and if necessary, to bring charges against an offending company. An example of this act being applied to Great Britain, where U.S. investment is considerably less than in Canada and thus when U.S. control would be expected to be less effective, comes from C.S. Burchill:

> In December, 1961, six Viscount airliners were sold by a British firm for delivery in China. Part of the navigational equipment of these machines was manufactured by Standard Telephone and Cabbs, a British firm owned and controlled by International Telephone and Telegraph of New York. Although the equipment had been designed and produced in a British factory and not under any U.S. patent or license, the U.S. Holding Company, under pressure from the State Department forbade its British subsidiary to provide

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[20] Ibid, p. 34.

> any equipment for any aircraft destined for China.[21]

In a situation where U.S. investment, ownership, and control is significantly lower, the power of the multinational corporation prevailed over British trading policy.

In Canada's case, where U.S. investment, ownership and control is significant, the application of the U.S. Trading with the Enemy Act has been frequent. The Gray Report gives several examples:

> There are a number of individual examples where U.S. export Control Regulations have impeded Canadian exports--eg. sale of an oil gathering system to the USSR; sale of a heavy water plant to Reumania; the sale of a microwave system to Czechoslavakia.[22]

Further examples come from a study by I.A. Litvak and C.J. Maule, who cited three examples; one, the prohibiting of a deal between Ford of Canada and China in which vehicles were to be sold to the Chinese. Two, the Aluminum Company of Canada, declined a one million dollar deal with the Chinese due to fears of U.S. protectionist sentiments. Three, in January 1959, B.F. Goodrich was restrained from carrying out a conveyer belt deal with the Chinese.[23]

After the Ford deal, President Eisenhower affirmed that Canadian law shall govern and Canadian wishes shall be inspected. But another example comes to attention a few years later, this time the deal is

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[21] C.S. Burchill, "Multinational Corporations", Queen's Quarterly, Vol. LXXVVI, No. 1, (1970), p. 8.

[22] Department of External Affairs, op. cit., p. 26.

[23] I.A. Litvak and C.J. Maule, "Conflict Resolution and Extra-territoriality", Journal of Conflict Resolution, Vol. 13, No. 3, (1969) p. 394.

again with China and again the U.S. successfully obstructs a Canadian-Chinese wheat deal. Former Prime Minister John Diefenbacher, who was closely associated with the experience, recounts:

> . . .when the Canadian Government decided to approve the sale of wheat to Communist China on credit terms, so strong was the opposition to Canada's policy that the Kennedy administration endeavoured to prevent a Canadian corporation whose parent company was in the United States from supplying Canada with the necessary leaders so that the wheat could be shipped to Communist China.[24]

The economic preponderance of the United States, then, limits Canada's independence in trade and thus in foreign policy in general, for trade is a stepping stone to closer relations.

The U.S. has, for some time, imposed economic and strategic embargoes on those nations considered to be enemies. Michael Barkway points out how the Canadian people diverge from this point of view, but nonetheless remained trapped by their economic dependence on the U.S.:

> Economic embargoes based on idealogical differences appear to Canadians of every political persuasion to be a sterile and ultimately self defeating instrument of policy. Along with every other NATO country except the U.S., Canada extends this policy in respect of nonstrategic goods to mainland China and Cuba. But Canada's writ does not run with the 45 percent of its manufacturing industry, nor the 51 percent of its mining and smelting which is controlled by U.S. corporations. Unless exempted on an

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[24] John Diefenbacker, "Across the Border", in The Star Spangel Beaver, Edited by John Redekop, (Toronto: Peter Martin Associates Ltd.), 1971, p. 45.

> individual case basis, they are subject to the U.S. Trading with the Enemy Act and if the Canadian subsidiary conforms with Canadian policy its U.S. parent in the absence of a waiver is liable to prosecution in the U.S.[25]

Canada is, therefore, limited in trade policy by considerations involving the United States. The aforementioned relationship allows for the U.S. to influence Canada's political climate and image abroad through the trade patterns and foreign investment patterns as established by multinational corporations.

A third factor which has been alluded to is the simple threat of U.S. economic retaliation upon Canada should Canada adopt policies of a radical divergence from the U.S. Many Canadian statesmen have created metaphors in which Canadian vulnerability is expressed. One says that when the U.S. sneezes, Canada catches cold. An oft-repeated metaphor, that of Trudeau; points out that living next to the U.S. is like sharing a bed with an elephant; Canada is affected by every twitch and grunt. However, Canadian vulnerability is perceived more clearly than any threats of retaliation coming from the U.S. The U.S. has expressed concern that Canada should not radically diverge from the U.S. in policymaking but no actual threats have been issued. What worries Canadians, though, is that they are vulnerable to U.S. economic retaliation and this has the potential effect of restricting Canada's independence.

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[25] Michael Barkway, "United States Investment in Canada", from Neighbors Taken for Granted, Edited by Livingston Merchant, (New York: Frederick A. Praeger Inc.), 1966, pp. 74-75.

Canadian vulnerability was dramatically demonstrated by the imposition of the import surcharge by the Nixon administration in 1971. Peter Dobell made the following observation:

> The Nixon measures made the Canadian government sharply aware of the extent of Canadian vulnerability to economic and fiscal measures taken by Washington for legitimate internal reasons.[26]

Dobell also calculated the possible long-range effects of the surcharge:

> Rough calculations suggested that 40,000-100,000 workers would lose their jobs if the surcharge remained in effect for a year which would have meant up to 1 percent increase in the already high level of unemployment.[27]

Canada finds herself adversely affected by American economic measures. A concerted attempt on the part of Canada to alter significantly its foreign policy content might bring threats and even action from an angered U.S. John Holmes argued this same contention when he pointed out:

> Whether we like it or not--and we do not--we are vulnerable to American displeasure. This displeasure is not likely to take the form of punitive action or crude reprisal; we would feel it rather in the drying up of the good will which restrains the U.S. from exploiting the economic and military power it has to do us damage.[28]

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[26] Peter C. Dobell, op. cit., p. 85.

[27] Ibid. p. 83.

[28] John Holmes, "Growing Independence in Canadian-American Relations", Foreign Affairs, Vol. 46, No. 1, (1967), p. 165.

Whether direct action, as in the extraterritorial application of U.S. trading laws or the adoption of other actions, Canada's independence in economic affairs is limited by economic integration and interdependence. H.G. Thorburn notes the obvious problem:

> The result of this (foreign investment) is to tie the Canadian economy closely to the American and to shift much of the decision-making to the United States; an erosion of national independence.[29]

The Canadian government has made some moves to lessen their extreme dependence and limited area for action. Litvok and Maule pointed out that the Canadian government. . . ." as a result of U.S. guidelines (Extraterritorial Application of Trading Law), had to introduce countermeasures or face the prospect of having Canada's future shaped in Washington."[30]

However, because of the high degree of interdependence, trading laws and Canadian vulnerability, Canada faces the prospect of further integration and influence. Otherwise, she must adopt measures to restrain U.S. penetration if that is possible. In addition to growing U.S. investment, other developments may conspire to keep Canada closely integrated with the U.S. Joint developmental schemes in Canada's north in addition to joint ecological plans promise to keep the relationship close. The government review of foreign policy recognizes as a challenge to all Canadians:

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[29] H.G. Thornburn, "Mr. Gordon's Questions Answered", Canadian Forum, Vol. XLVII, No. 566, (1968), p. 269.

[30] I.A. Litvak and C.J. Maule, op. cit., p. 307.

> --the erosive effect on separate identity and independence of international activities and influences, mainly under American inspiration and direction, in the economic field (multinational corporations international trade unions). Such activities and influences have yielded many practical benefits, but the degree of restriction they impose on national freedom of action must be constantly and carefully gauged if sovereignty, national unity, and separate identity are to be safeguarded.[31]

In closing this consideration, trading patterns, direct investment, Canada's vulnerability to U.S. economic measures, and U.S. influence all have an inhibitive effect upon Canada's freedom to pursue her own desired policies.

Cultural Affairs

No less than economics, there has been a strong cultural influence exerted on the Canadian people by the United States. Both Canada and the U.S. share a frontier tradition and both have grown up side by side with an array of cultural influences emanating back and forth across the border. In addition, there is virtually free travel across the borders allowing the Canadian and American people to mingle freely and exchange ideas and traditions. Moreover, both nations are receptive cultures. Since most Canadians live near the border and since there are greater numbers of media facilities in the U.S., Canada again becomes the threatened partner in the relationship. Specifically, it is contended that a massive influx of cultural influences via the media shapes and molds the general political culture

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[31] Department of External Affairs, Foreign Policy for Canadian's, (Ottawa: Queen's Printer for Canada, 1970), p. 30.

of a given nation. This was noted in the government review of foreign policy which stated:

> The cultural influence of the United States is powerful and pervasive. American periodicals and television blanket English-speaking Canada and penetrate deeply into French-speaking Canada. Cultural attitudes in the United States are imported into Canada particularly by the younger generation.

The Gray Report examined book publishing and movies, noting the high degree of foreign control:

> There is high foreign control in industries which have considerable cultural impact, such as book publishing and in industries which are responsible for the dissemination of culture, such as film and book distribution. Foreign control and U.S. control in particular, is high in those industries in which taste information, produce innovation and differentiation are crucial, such as automobiles, pharmaceuticals and electrical products.[33]

Greater resources in media and the closeness of the Canadian people to the border already render American influence as predominant, but in marketing media, American firms have another advantage--that of greater capital for wider and more extensive exposure of their product. A Brief to the Royal Commission on Book Publishing explained the reason why:

> The Canadian Trade publisher serves a smaller market, produces at a higher cost than his American counterpart. But the prices he can obtain for his product are prices determined by the American market; not the Canadian. As a result, he operates in an environment of

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[32] Department of External Affairs, Foreign Policy for Canadians, (Ottawa: Queen's Printer for Canada, 1970), p. 14.

[33] Honorable Herbert Gray, op. cit., p. 17.

> high risk and low return. Since money managers are disinclined to put patriotism ahead of profit, it is hardly surprising that Canadian publishers can't find the capital they need to survive.[34]

The ability of American firms to effectively market their products has been reflected in the competition with Canadian firms. The harm for Canadians lies in the viewpoint that they so often are exposed to. The viewpoint expressed is not indigenous and often does not take into account the factors that are relevent or pertinent to the Canadian people. A lobbyist group provided the following figures:

> In 1959, we bought 147 million copies of American magazines. Ten years later the total had declined to 130.5 million copies. But the decline for Canadian magazines has been ever steeper. In 1959, we bought 45 million copies of Canadian magazines. In 1969, we bought 33.8 million copies.[35]

Paul Audrey buttresses the contention of the Senate committee with his similar observation:

> In 1969, only 25 percent of the books published in Canada were Canadian publications and 80 percent of these publications were the products of foreign-controlled companies.[36]

Further evidence suggests that many Canadians listen to American television and radio. Everett Hughs observes:

> Whatever some Canadians may think of United States programs, a very large number of

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[34] Peter Martin, Brief to the Royal Commission on Book Publishing, (Toronto: Peter Martin Associates Ltd., March, 1971).

[35] Report of the Special Senate Committee on the Mass Media, Vol. I (Ottawa: Queen's Printer for Canada, 1970), p. 156.

[36] Paul Audrey, "Publishing", Canadian Forum, Vol. LII, No. 626, (1973), p. 3.

> Canadians hear and view them in a big way. In November 1963, three Buffalo affiliates of United States networks took 43 percent of the total viewing audience during peak evening hours in Toronto. United States stations, presumably those of Seattle took 37 percent of the Vancouver audience in the same period.[37]

In addition to these media influences, Canada is a particularly well-suited nation for influence due to the lack of a strong national identity as the Gray Report points out:

> The lack of a strong national identity and a distinctive culture tend to create. . . a vacuum and a greater receptivity to foreign influence and investment. On this fertile ground, foreign investment has a relatively easy task in shaping and influencing the Canadian environment.[38]

Canada's receptivity to foreign influence is then increased because she has not developed a strong national identity. This is attributed to ethnic divisions and the Canadian mosaic of ethnic groups.

Education also permits and sometimes encourages U.S. influence to shape the Canadian environment. Use of American textbooks in Canada is still widespread. In Edmonton, Alberta, a teacher asked her third graders to do the following assignment:

> Write these sentences as a paragraph. We think our flag is beautiful. It has seven red stripes and six white ones. It has a field of blue in the corner.

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[37] Everett Hughes, "A Sociologists View" in The United States and Canada, Edited by John Sloan Dickey and the American Assembly, (Englewood Cliffs, New Jersey, Prentice-Hall Inc., 1964), p. 28.

[38] Honorable Herbert Gray, op. cit., p. 17.

On this field are fifty stars.
Do you know what the flag is
called?[39]

This is only one example of Canadian school children receiving an American education with its potential effects.

In a summary, this chapter has explored in three areas, how Canada is receptive and vulnerable to U.S. influence. In the area of defense, Canada's military is closely integrated with the United States, depending upon the U.S. for equipment and U.S. support of defense programs. In the area of economics, Canada's extreme economic interdependence was demonstrated, showing how trade patterns orient Canada even closer to the U.S. and how extraterritorial application of U.S. trading law limited Canadian freedom to trade with certain other nations. Furthermore, in the area of economics, Canada's vulnerability to U.S. economic policies was shown giving credence to the idea that the threat of U.S. economic retaliation could be sufficient in influencing Canadian political climate. In the area of cultural influences, Canadian vulnerability was again noted against greater U.S. resources and capabilities for influence.

In the political climate, one must assume that Canada's dependence upon the United States is a formidable factor. In most cases, Canada's freedom may be directly related to U.S. discretion and will. Such an arrangement is not conducive to a more independent Canada. As long as Canadian dependence remains at such a high level, must of their sovereignty depends upon the flexibility of the United States.

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[39] Gary Blonston, "Canada's Agony--Made in U.S.A.", Detroit Free Press, February 25, 1973, p. 40.

CHAPTER III

Factors Which Tend to Make Canada Independent of the United States

Different Political Development

The history of two separate political entities developing side by side is bound to similarities, just as it is bound to differences. While Canada and the United States may be similar in their North American pragmatism, their development as people certainly followed different courses.

The different development of Canadian and American political systems engenders a need for different means and different goals. Americans were born of a violent revolution and then developed a flair for expansion. A Counselor for Cultural Affairs at the Canadian Embassy in Washington D.C. notes the difference in national attitudes and feelings:

> There thus developed from earliest times in the American psyche a spirit of 'taking things into one's own hands,' a spirit of adventure and individual initiative, and a readiness to resort to violence when it seemed necessary for individual or national ends."[1]

The governmental systems are quite different. The Parliamentary government emphasizes cooperation between the branches of government as in Canada, while the Presidential system of the U.S. functions in a distinctly different manner due to separation of powers and the

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[1] George A. Cowley, "Is Canada Really or For That Matter, Are Canadians?", Social Education, Vol. 35, No. 6, (1971), p 559-61).

existence of checks and balances, both of which, tend to isolate the various branches or arms of government.

The developments of the two systems have seen different approaches to foreign affairs as well. Canadians tend to emphasize compromise rather than confrontation. It should be noted that when anti-Communist feeling gave a hard line to American foreign policy, Canadians repeatedly attempted to seek a relaxation of world tensions through a concilitory approach. Looking at the developments and assessing the differences, Paul Martin concluded:

> There has emerged a Canadian way of life allied to yet distinct from that of the United States. There is a Canadian identity in areas of culture and tradition and in concepts of sovereignty.[2]

The different developments, perceptions, and approaches then, tend to reinforce the separate national personalities of both nations and to lay the basis for different roles and aspirations.

The French-Canadian Presence

Canada, like the United States, is a multi-national entity, composed mainly of Europeans. Canada's outstanding characteristic of a strong concentration of French speaking Canadians. In a nation of over 20 million, the French account for at least 30 percent of the population, leading Norman Smith to conclude:

> This shapes our destiny, whether in terms of religion, education, foreign policy, social welfare, national economy, art,

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[2] Paul Martin, "The American Impact on Canada", The Star Spangled Beaver, Ed. by John Redekop, (Toronto: Peter Martin Associates Ltd., 1971), p. 34.

> literature, character, or national pride. Everything we do or do not do has felt the impression of our dualism.[3]

As an uncompromising foe of the Quebec secessionist movement, Pierre Trudeau has pointed out that the French dimension to the Canadian personality is the essential element in obstructing the gravitation of Canada toward the United States.

Many media influences of the United States are not as likely to penetrate French Canada as English Canada. A more aggressive French-Canadian nationalism has demanded and received French radio and television broadcasts, through satellite communication as a means of an overall reaffirmation of the French language and tradition.

A more assertive and at the same time, impatient Quebec has enticed the federal government to adopt and develop official bilingual policies domestically as well as in international policy. This has not been entirely unwelcome as John Holmes notes:

> Give the present relations of Paris with Washington, this trend has had in it the possibility of alienation from the U.S. and it has been particularly welcomed by those French and English Canadians who would like Canada to adopt a more Gaullist style toward the U.S.[4]

There is evidence, however, that the French presence is not the blessing that Trudeau made of it. Two themes have seemed to dominate

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[3] Norman Smith, "Canadian Sense of Destiny" in Neighbor Taken For Granted, Edited by Livingston Merchant, (New York, Frederick A. Praeger Inc., 1966), p. 60.

[4] John Holmes, "Growing Independence in Canadian-American Relations", Foreign Affairs, Vol. 46, No. 1, (1967), p. 159.

Quebec affairs in the past decade. One is the recognition that Quebec should develop to the extent that other provinces have developed and the other is the campaign for greater independence from Ottawa. This may allow for the Quebec leadership to use Ottawa and Washington against each other to obtain greater independence vis-a-vis the other provinces. During Quebec'a period of rapid development in the mid-1960's, known as the Quiet Revolution, the newly developed technical and managerial class has recognized the need for investment. Robert Gilpin notes in regard to this:

> At the same time that English-Canadians stress the importance of unity against the threat of American Domination, French-Canadians seek to increase American investment and their independence to Ottawa.[5]

Such an influx of American investment is likely to introduce the same influential factors that the rest of Canada has experience. However, the prodominant usage of French is likely to obstruct American penetration.

If the balance between French language and traditions and a U.S. investment influx can be maintained so as to promote the French fact as an intricate part of the Canadian nationality, then the existence of the French-Canadians will continue to frustrate the gravitation of English Canada to the American orbit.

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[5] Robert Gilpin, "American Direct Investment and Canada's Two Nationalisms", The Influence of the U.S. on Canadian Development, Edited by Richard Priston, (Durham: Duke University Press, 1972), p. 125.

Canadian Nationalism

Canada has never developed a spirit of national feeling in the same way as have other nations. Undoubtedly, a great deal of potential national feeling has been squandered in the ethnic difficulties Canada has experienced. As people come to recognize the dualist character of the Canadian personality, perhaps ethnic nationalism will be translated to the energy of purely nationalist feeling. Canadian nationalism may be furthered by the presence of the United States, which by virtue of its size and influence, may serve as the rally point for both of Canada's main nationalisms. The increasing presence of the United States has engendered a nationalist feeling that shows a great promise of continuity. As Thomson and Swanson observed, the U.S. is the main target:

> Inevitably, nationalism adopts some negative characteristics, and indeed, it was one of the principal causes of the two World Wars. It is usually directed against the most easily perceived external force, and in the case of Canada, that is clearly the United States.[6]

The Canadian political system, like the American, functions by and is legitimized in part by public opinion. All elected officials must keep constant vigilance on the direction of public opinion. The Canadian leadership, today is facing greater public demands for distinct, policymaking reflecting a souvereign nation. Again from Thomson and Swanson:

> . . .the vast majority of them still espouse

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[6] D.C. Thomson and R.F. Swanson, op. cit., p. 18.

> the goal of the Fathers of Confederation, a separate national entity on the northern portion of the continent. And a distinctive foreign policy is considered generally an inherent part of that separate national identity.[7]

The Committee agitates for a more independent acting Canada, especially vis-a-vis the United States. It has proposed many solutions to Canada's dependence upon the United States, which, if they have not been taken seriously, have served to ignite a nationwide discussion on those solutions to their number one problem, the overwhelming presence of the U.S.

Canadians have shown themselves as willing to rally to nationalist pleas especially when the United States has been a factor. John Diefenbacher and his Progressive Conservative Party won a landslide victory in 1957; partially attributable to the identification of the opposition Liberal party with the Americans and Diefenbacher's charge that if the Liberal government would be reelected, Canada would become America's virtual forty-ninth state in 1957. Diefenbacher himself assessed the Canadian nationalist mood in this way:

> Canadians however are determined to strive for the preservation of their distinctive characteristics and above all for the right to determine Canada's destiny in Canada and by Canadians.[8]

The parting of ways in policy content has been a frequent index in recent years of Canadian nationalist fervor. The role of Canada

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[7] Op. Cit., p. 128.

[8] John Diefenbacher, op. cit., p. 37.

within NATO has come under criticism, according to some observers, as a reflection of U.S. desires. Peter C. Dobell notes one recent policy which have galvanized Canadian national feeling:

> The extent and persistence of public pressure on the government to pursue an active disarmament policy was graphically demonstrated by the remarkably public response to the U.S. decision to explode a five migration nuclear device at an underground testing site on Amchitka in November 1971. This isolated Alaskan Island is 1,500 miles from the closest point on the West coast of Canada. Yet in the weeks preceding the test, there was a groundswell of protest by the Canadian public from coast to coast.[9]

Dobell goes on to contend that the Amchitka explosion served as a catalyst bringing many grievances into the open among Canadians.

> This vigorous outburst by the Canadian public to the Amchitka episode reflects a variety of concerns: broad interest in environmental questions, a growing scepticism that the U.S. really needed to improve on its already devastating nuclear capacity, a carry-over of opposition to U.S. involvement in Vietnam, the persisting Canadian advocacy of detente and disarmament, and more subtly perhaps, a national reaction to apparent American indifference to the effect of Nixon's tariff barriers on Canada.[10]

In another matter, the Trudeau government was compelled to take action by a public outcry on the retaining of sovereignty over Canada's Arctic shortly after a U.S. ship, the Manhattan, had journeyed through

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[9] Peter C. Dobell, Canada's Search for New Roles, (Toronto: Royal Institute of International Affairs and Oxford University Press, 1972),p. 33.

[10] Op. Cit., p. 35.

those waters. And after the restrictive legislation was introduced in parliament, polls indicated Trudeau's party had captured the public's support.

The recent expressions of national feeling in Canada provide the government with convenient excuses in bilateral relations with the U.S. but they also raise a difficulty. It is difficult to sell a policy to the public in which the interests of the United States and Canada coincides. Blanket anti-Americanism would have several harmful effects, so the Canadian people must exercise good judgement and perhaps, some restraint. The challenge lies in maintaining a healthy degree; not too much nor too little as John Holmes points out:

> There is a relationship between nationalism and independence. One of the requisites for Canada playing any distinctive role other than that of satellites, is the maintenance of a considerable degree of independence.[11]

Traditional Contacts with Europe

Great Britain has, for the greater part of Canadian history, served as an effective counterweight to the U.S. Britain's readiness to protect the Canadian provinces up to the British North America Act in 1867 and shortly thereafter probably helped to ensure Canada's survival. The traditional links with Europe, especially Great Britain,

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[11] John W. Holmes, The Better Part of Valour: Essays on Canadian Diplomacy, (Toronto: McClellard and Stewart Ltd., 1970), p. 38.

have been emphasized in Canadian policy as a means of resisting the array of influences and pressures emanating from south of the border.

A newly independent Canada could have bargained for complete independence from Britain and. . . "it would undoubtedly been accorded to them but they saw in the imperial connection, a precious lifeline to the mother country and a source of security against their dynamic neighbor."[18]

The foreign policy review of the Trudeau government took note of this policy and announced a continuation:

> Nevertheless Canada seeks to strengthen its ties with Europe, not as an anti-American measure but to create a more healthy balance within the North American community and to reinforce Canadian independence.[19]

Canada's traditional link with Europe takes on a more effective character when all three areas are combined into a multilateral framework such as NATO. Multilateralism involving a community of nations, takes Canada out of the pressure of bilateral content of her relations with the U.S. R.J. Sutherland noted that this reasoning was paramount in Canada's avid support of NATO:

> The idea of an opening toward Europe as an offset to excessive American

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[18] D.C. Thomson and R.F. Swonson, Op. Cit., p. 21.

[19] Honorable Mitchell Sharp and Department of External Affairs, Foreign Policy for Canadian's Europe, (Ottawa: Queen's Printer for Canada, 1970), p. 14.

> influence was a powerful factor in Canada's enthusiastic support for NATO.[20]

A former Canadian Defense Minister observed that with fifteen people in bed, one is less likely to be raped.

At least two other results flow from Canada's participation in multilateral settings. As was suggested before, a combination with other countries allows for Canada to resist the policies of the U.S. John Holmes provides several examples of the success of this policy:

> An examination of the Canadian record in the United Nations, from the ending of the Korean War to the present Canadian opposition is the Geneva Disarament Commission to the U.S.-Soviet proposals on demilitarization of the diabed suggests that combination with other countries is the effective way of resisting American policies.[21]

Another effect of multilateral participation is influence on U.S. policy. Many Canadian nationalists in recent times have come to believe that Canada possesses an influence on policy-making in the United States, even when Canadian interests come into play as in the Cuban Missile Crisis. Many Canadian statesmen have espoused the policy of Quiet Diplomacy which involves a degree of behind the scenes consultations between U.S. and Canadian diplomats. The degree to which this has been successful has come under critical scrutiny.

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[20] R.J. Sutherland, "A Defense Strategist Examines the Realities", in Canadian Foreign Policy since 1945: Middle Power or Satellite?, Edited by J.L. Granatstein, (Toronto: Copp Clark Publishing Co., 1969), p. 25.

[21] John Holmes, "Canada and United States: Political and Security Issues", Atlantic Community Quarterly, Vol. 8, No. 3, (1966), p. 412.

particularly from the Canadian point of view.

Influence on U.S. policies takes on added weight when presented within a multilateral context. John Holmes points this contention out:

> Multilateralism is important in the diplomacy of NATO where the combination with lesser powers has been more effective in affecting U.S. policy than has Canadian influence alone.[22]

The traditional links updated by association through NATO, with Europe, then enabled the young Canadian policy to survive its early years and more recently they have served as counterweights to U.S. pressure, allowing for Canada to resist U.S. policy and to influence U.S. policy through the multilateral setting. All of these effects serve to increase Canada's independence vis-a-vis the United States. The multilateral setting has turned Canadian attention elsewhere in an attempt to introduce the same setting into its other international contacts, particularly in Asia as the study will note later.

Defense

The Defense relationship was discussed earlier as a means that serve to increase Canadian dependence upon the United States. With regard to the whole of the North American continent, this contention remains supportable in the total sense. That nation which threatens the United States also threatens Canada.

When the cooperative extent of the North American Defense relationship is examined, it becomes evident that there is another side

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[22] John Holmes, op. cit., p. 403.

to the coin.

The North American Air Defense Agreement, for example, was established to defend North America from Soviet intercontinental bombers in the 1950's. Today, the threat is composed of inter-continental ballistic missiles and nuclear powered submarines. Today, the prospect of anti-ballistic missiles and their limited deployment within the U.S. contributes to the archaic nature of their Bomarc system shared with Canada. The North American defense effort also included an anti-submarine warfare network. The network was established during the short-lived era of diesel submarines. The new Soviet nuclear subs are too sophisticated to be affected by the obsolete system tracking of diesel powered subs. David A. Baldwin points out in regard to these obsolete agreements that ". . .as the space age evolves and satellites multiply, the strategic significance of Canada's geographic location will continue to shrink."[23]

Thus, there remains the commitment of both nations to continental defense, however, advancing technology has rendered some tracking and weapons systems obsolete. Thus, the infrastructure for continental defense is in doubt and nationalist pressures in Canada against the renewal and renovation of these agreements may give Canada cause for a closer look at U.S. proposals.

This chapter has attempted to identify and evaluate those concepts which have worked to increase Canada's independence of the United

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[23] David A. Baldwin, "Canadian-American Relations: Myth and Reality", International Studies Quarterly, Vol. 12, No. 2, (1971), p. 130.

States. The role of different histories and political systems were discussed and the different policy approaches that were engendered were contrasted. The role of the French-Canadian as an obstacle to Canadian gravitation to U.S. was surveyed with some doubt cast on the effectiveness of this role in continuity as Quebec continues to develop.

Rising nationalism which manifested anti-American sentiment was also discussed with its effects on the political climate being mentioned.

The traditional links of Canada to Europe and the multilateral setting were also identified as providing possibilities for a more independent Canadian policy.

Finally, the defense relationships revealed a coin with two sides, with one side emphasizing U.S.-Canadian cooperation which increases Canada's dependence and the existence of outmoded technological defense systems, from which Canada can extricate herself to increase some independence.

CHAPTER IV

Countervailing Forces in Canadian Foreign Policy

Introduction

This chapter will attempt to relate the role of countervailing forces to Canadian foreign policy. There exists no scholarly or official consensus as to the precise role that countervailing forces play.

The concept of power balance comes into play in this consideration. Actually, as W.W. Kulski has noted, "balance" is a poor description, for power is not distributed equally. Kulski prefers a "distribution of power" characterization.[1] If a regional distribution of power witnesses one nation accumulating the predominant store of power, the other nations fall under the power projections of the predominant force. Such is clearly the case in the Western Hemisphere. Canada, Mexico, and the rest of the Western Hemispheric nations fall under the influence of the United States. The power projections of the United States clearly render the Western Hemisphere as an American sphere of influence. Although the exceptions are numerous, the geopolitical realities of the Western Hemisphere condition similarities in the policies of the member

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[1] W.W. Kulski, International Politics in a Revolutionary Age, (New York: J. B. Lippincott Company, 1968), p. 43.

nations. Policies are similar enough among the nations of the Western Hemisphere to support and legitimize the existence of the Organization of American States. Thus, a relationship between a sphere of influence and an alliance exists in the Western Hemisphere. Ivo D. Duchacek noted the relationship:

> Today, it seems that a sphere of influence is usually coextensive with the alliance system that one of the superpowers succeeded in establishing or imposing on that area and to which it has the overwhelming capability of denying the opposite power politic-military access.[2]

The obvious exception to the situation in the West is Cuba. Cuba's economic and political survival depends on the willingness of the Soviet Union to continue to support the Castro regime.

It is the dominant presence of the United States, however, that is the cohesive force in the Western Hemisphere and the OAS. The U.S. has established its dominant position in the Western Hemisphere through a variety of methods. The U.S. has intervened in those nations with military might when it has found its security or interests threatened by a sudden change of government in this hemisphere or the intrusion of a power not indigenous to the Western Hemisphere. U.S. troops have intervened in Mexico frequently in earlier times. More recently, Guatamala, Cuba, and the Dominican Republic have been the objects of U.S. military intervention in varying forms.

Another way in which the U.S. has maintained its sphere of influence has been the application of embargoes and economic barriers

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[2] Ivo D. Duchacek, Nations and Men, (New York: Holt, Rinehart, and Winston Inc., 1971), p. 486.

on a dissenting nation. Cuba continues to be the object of a U.S.-led and OAS sponsored embargo.

A third way in which the U.S. maintains its influence is through persuasion. High level consultations are the grounds on which persuasion may best be exercised. K. J. Holsti buttresses this point:

> Persuasion may include threats, rewards, and actual punishments, but we mean here situations in which a government simply initiates or discusses a proposal with another and elicits a favorable response without explicitly holding out the possibility of rewards or punishments.[3]

Persuasion seems best suited as a method in the U.S.-Canadian relationship, due to the continuous high level consultations. On the other hand, the word, "punishment" is not adequate or even proper to use within the context of Canadian-American relations. The U.S. and Canada are perhaps the best of allies, united in many cooperative projects and ventures, but there are means within the U.S., due to the extensive economic relationship, for inflicting serious economic dislocations upon the Canadian people. While the U.S. has never used any of these means and very likely never will, they do exist and their existence and Canadian vulnerability to them are precisely the concepts that Canadian nationalists find to be unnerving.

The crucial point in regard to U.S. and Canadian policy divergences lends itself to the fundamental differences of national interest.

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[3] K. J. Holsti, International Politics: A Framework for Analysis, (Englewood Cliffs, N.J.: Prentice-Hall Inc. 1967), p. 204.

It has been contended in an earlier chapter that the U.S. and Canadian political systems have evolved differently, giving rise to different policies in regard to the problems of the global community. Often, these policies differ only in the intensity of feeling or in the means to the end. The close nature of the Canadian-American relationship is interrupted infrequently by the clash of national interests. For example, President Nixon's imposition of an import surcharge was primarily intended to ameliorate American economic difficulties. In no way was the import surcharge designed to punish Canada. And yet, as an earlier chapter demonstrates, Canada was hurt by the surcharge and faced the danger of even greater economic problems. The national interest of the United States called for decisive economic action to remedy the continuing problems of the American economy. The national interest of Canada dictates that there be free and continuing trade between the U.S. and Canada. The disruptive force was the import surcharge.

The ability of the U.S. to inflict such effects upon Canada unnerves Canadian policy-makers and nationalists alike, despite the fact that there is no basis, past or present, for contending that the U.S. has or will ever punish Canada. Therefore, it cannot be accurate to contend that the U.S. has, does, or will punish Canada for policy divergences. The existence of means within the U.S. to produce economic effects within Canada, good or bad, contribute to an image of the threat of U.S. punishment of Canada for a radical policy divergence. Reluctance on the part of the U.S. to punish Canada detracts a great deal from this image, but the existence of means within

the U.S. forms an image of the potential threat of the U.S. to Canadian policy-makers and nationalists.

An examination of the uses of punishments or the threat of punishments, used by the U.S. as a fourth means of maintaining its sphere of influence, will provide further illumination of how punishment is not an applicable term to Canada, but is a means used for some other nations within the Western Hemisphere. Holsti notes the variety of ways the threat of punishment may be able to coerce behavior:

> Threats of punishment may be further subdivided into two types: (a) positive threats, where, for example, state A threatens to increase tariffs, institute a boycott or embargo against trade with B or use force, (b) threats of deprivation where A threatens to withdraw foreign aid or in other ways withhold rewards or other advantages that it already grants to B.[4]

Thus, the U.S. has employed a variety of strategies in the attempt to maintain the sphere of influence. On Cuba, for example, both types of threats and ultimately actual physical pressure were exercised. Mexico has been subjected to invasion when her national interest was at odds with that of the U.S. In 1965, the national interest of the U.S. could not accept a sudden change of government in the Dominican Republic. It was felt that the new government might follow the course of Castro's Cuba and thus, represent another crack in the Western Hemisphere as the U.S. sphere of influence.

U.S. security has been defined in terms of its ability to prevent penetration of the Western Hemisphere by an outside power. This

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[4] Ibid.

puts restraints, to an extent, on the contacts of nations of this hemisphere with nations of the other hemisphere. Although it would be more accurate to portray this argument within a regional context, the Western Hemisphere is the geographical sector that this analysis has to examine.

If the nations within the U.S. sphere of influence are restricted to the extent that they cannot pursue their own distinct policies, they will attempt to find ways in which the influence and pressure of the dominant nation can be offset. In order for a nation to adequately pursue its own distinct policy, even to the point of being opposition to the U.S., that nation must increase its power capacity vis-a-vis the U.S. in the Western Hemisphere's power distribution. Frederick Hartmann lists four techniques used by states to increase the power capacity. Hartmann's list refers to a bipolar balance of power system. This analysis will apply the strategies to the multilateral distribution of power system. Hartmann's ideas remain sound when examined in this context, however, the vocabulary may need alteration. Hartmann's list of strategies are as follows:

> They are: (1) The acquisition of allies, (2) The acquisition of territories, (3) The erection of buffer states, (4) The undermining of the potential (or actual) enemy's strength.[5]

It is not accurate to use the word ally against the U.S. In more recent times, allies have come to mean a partner on a more permanent basis, such as the Allies who stopped Hitler or the Allies

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[5] Frederick Hartmann, The Relations of Nations, (New York: Macmillian Co., 1967), p. 320.

who have resisted the Soviet threat. Nor is it proper for the word "enemy" to be used in referring to the U.S. from a Canadian viewpoint. Perhaps even the most ardent Canadian nationalists would balk at referring to the U.S. as an enemy. The U.S. is not an enemy of Canada, but a good friend. In Hartmann's context, "enemy" refers to a nemesis. The U.S. might be more appropriately labeled an obstacle to Canada. The U.S. is an obstacle to Canadian pursuance of a distinct foreign policy or independent national policy because of the general restraints of the U.S. sphere of influence and the more specific restraints of the Canadian-American relationship.

Every strategy listed by Hartmann cannot be employed by any nation in order to increase its own power capacity and thus, pursue its own independent policy. The circumstances of the situation render a given strategy effective or ineffective. The acquisition of territories is, for example, purely out of the question for Canada, Mexico, and the rest of the Western Hemisphere in the event of opposition to the U.S.

Canada is left with the first strategy, that of acquiring limited alignments with other nations or matters, developments, and issues where there is a coincidence of national interests and policies. This strategy works as one way of offsetting the influence and pressure of the U.S. The limited alignments are the counterweights Canada needs and seeks to pursue her own distinct policy apart from the U.S. Canada may seek to enlist the aid of other nations through multilateral settings or to bring other nations directly to bear against the position of the U.S.

The attempts of Canada and other nations of the Western Hemisphere to employ offsetting strategies against the predominant influence of the U.S. This observation is based upon the notion that the policies of the U.S. and the policies of the other nations do not always coincide.

It seems that a general objective of a functioning political unit is the pursuance of policy as dictated by the goals, aspirations, mechanics of the government, and other realities of the given nation-state, without the interference of the U.S. in the Western Hemisphere.

Canada, on several occasions has had the U.S. interfere with certain policies, but for the most part, the extensive relationship with the U.S. subjects Canada to a great deal of influence. In order to minimize this influence, Canada has sought wider contacts with other nations.

Prime Minister Pierre Trudeau, in calling for the government's foreign policy review, admitted that some seventy percent of Canadian foreign policy was made under the influence or in the shadow of the U.S. Trudeau believed that an objective of the foreign policy review would be to find ways in which the independence of the remaining thirty percent could be maximized.

The introduction of one factor to balance or resist another factor is generally a deliberate policy formulation. This appears to be what Trudeau seeks to expand. One such way, as Thomson and Swanson point out, is the diversification of contacts:

> First, he (Trudeau) was concerned like a growing number of Canadians, by the limitations imposed on the country's

> Canadians have clung to their ties with Europe for a variety of reasons--as a reaction against the rigours of the new continent, from nostalgia for a traditional way of life, for purposes of trade, and as a counterweight to the natural pressures of the United States. [8]

Under Trudeau, the search for counterweights has reached new areas. In terms of policy-making, Canada has recently developed an awareness of herself as a Pacific and Western Hemispheric nation. The worldwide trends toward regional organization have opened Canada's eyes to the Latin American nations and the possibilities they offer as potential markets and more importantly, as counterweights to the U.S. If the U.S. serves as the predominant force in the Western Hemisphere's distribution of power, then the nations under the spell of U.S. power and pressure all have one thing in common. The influence of the U.S. is felt by all and all seek ways to minimize that influence. The government's review of foreign policy made note of the trends toward regional organization and Canada's task:

> The trend toward regionalism, on the other hand, poses problems for Canada because its geographical region is dominated by the United States; and because excessive regionalism in other areas complicates Canada's effort to establish effective counterweights to the United States. Nevertheless, the government sees no alternative to finding such countervailing influences and this will be reflected in the new policy emphasis on geographical diversification of Canada's interests--more attention to the Pacific and to Latin America, for example---while taking fully

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[8] Thomson and Swanson, op. cit., p. 10.

> into account new multilateral arrangements in Europe.[9]

Thus, Canada's search for ways to maximize her freedom in policy-making is to be greatly expanded. The government's belief in the success of counterweights is manifested by its desire to increase their usage.

The analysis will proceed then to those specific policy areas, attempt to find the countervailing force, define its role, and assess its usefulness to Canadian foreign policy.

Europe

Canada's ties with Europe have been ethnic, economic, and political. Today, her ties can be even stronger and the community of interest between Canada and Europe expands into new areas. The foreign policy review points this out:

> The maintenance of an adequate measure of economic and political independence in the face of American power and influence is a problem Canada shares with the European nations, and in dealing with this problem there is at once an identity of interest and an opportunity for fruitful cooperation. Nevertheless Canada seeks to strengthen its ties with Europe, not as an anti-American measure but to create a more healthy balance within the North Atlantic Community and to reinforce Canadian independence.[10]

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[9] The Department of External Affairs, Foreign Policy for Canadians, (Ottawa: Queen's Printer for Canada, 1970), p. 29.

[10] Ibid, p. 14.

The association with Great Britain has been far and away Canada's strongest tie with Europe. Maintenance of economic and political ties with Britain has been a traditional premise of Canadian foreign policy. Since World War II, this relationship has deteriorated due to several reasons. The two most relevant are the decline of Britain in the international community as a major economic, political, and military power, and the corresponding rise of the United States. The decline in Britain's status has forced it to seek admission to the highly successful European Economic Community. Such a development is bound to have disruptive implications for Canada. Even before British intentions became known, the flow of British-Canadian trade had slowed. Although the Canadian government has tried to stimulate the sagging flow of trade, not much success has resulted. Dobell illustrates one such attempt:

> Although Diefenbacker came to power in 1957 with the declared intention of restoring British trade to its prewar level of relative importance. Britain's share of the Canadian market actually fell during his years in office.[11]

John Diefenbacker was well known as a concerned Canadian nationalist, but his declared intention, whether more campaign rhetoric or not, was never realized, as British trade did decline and trade with the U.S. increased. Although the initial British attempts to gain access to the EEC were frustrated, the gravity of the situation compelled the Canadians to seek alternative markets. Any retention of economic

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[11] Peter C. Dobell, op. cit., p. 89.

independence would have to be insured through the opening of other European markets. Ivan Head, Trudeau's top foreign policy advisor, recognized the danger of the loss of British trade:

> A reduction in the level of Canadian exports to Britain, if of relatively minor significance to the country's total trade position would still further erode the policy of maintaining overseas markets as an offset to the economic influence of the U.S.[12]

Thus, even if trade with Britain is unimportant economically, Canadians would still wish to retain a portion to offset the growing trade patterns with the U.S. Many people in Canada have argued for a new, more dynamic trade policy to allow for the decline of British ties and to serve as a counterweight. Such a proposal is now becoming a reality due to Britain's entry into the EEC.

A new expanded trade policy with Europe as a means of offsetting the preponderance of the U.S. in Canadian economic life raises the question of the role of countervailing forces in economic policy. The acquisition of limited alignments in trade and investment will accomplish two objectives of Canadian policy. One, a reduction of U.S. control of Canadian industries is an objective the Canadians seek so that they will not be so vulnerable to the U.S. The second objective is the reduction of U.S. influence in the Canadian political climate. Limited alignments in Canadian economic life with other nations will place Canadian vulnerability in a diversification of sources and will dilute U.S. influence to some extent. The same policy is applied to Japan and will be treated later.

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[12] Ivan Head, "Canada, Britain, and the Common Market, " in The World Today, Vol. 18, No. 2, (1962), p. 53.

The citations from the Gray Report in an earlier chapter[13] of this study have shown the types of strong ties spawned by an extensive economic relationship such as shared by the U.S. and Canada. The Canadian policy seeks diversification and dilution in its economic policy vis-a-vis the United States. Diversification of Canada's economic partners will accomplish dilution of U.S. influence, particularly U.S. economic influence Canadian political life. A wider diversification of Canada's foreign investment sources could have conceivably allowed Canada to escape the immediate restrictions on her abilities to overcome extraterritorial application of U.S. Trading law.

The idea of a dynamic trade policy became wedded to the idea of trade expansion. John Holmes points out that British desires to join the EEC pushed the Canadians in these directions:

> By the end of 1962, however, Canada was adjusting itself to Britain's entry and looking to the trade expansion program as a means of establishing acceptable relations with a united Europe.[14]

The trade expansion program has seen a rise in trade with Europe. Table III shows only minimal increases of exports from West Germany and France. Italy doubled her exports in the four year period. The table shows a significant gain on the part of Japan. Trade with the Soviet Union dropped off because the Soviets refrained from buying

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[13] See Chapter II, pages 22,24.

[14] John Holmes, "Canada in Search of Its Role," Foreign Affairs, Vol. 41, No. 4, (1963), p. 661.

TABLE III

Exports by Leading Nations to Canada, 1964-1968[15]
(Thousands of Dollars)

	1964	1965	1966	1967	1968
United States	4,271,059	4,840,456	6,027,722	7,079,396	8,891,998
Britain	1,199,779	1,174,309	1,122,574	1,169,053	1,209,592
Japan	330,234	316,187	393,892	572,156	606,787
West Germany	211,360	189,493	176,800	177,955	228,870
China	136,263	105,131	184,879	91,306	163,243
Italy	62,236	92,223	114,787	141,439	131,210
Belgium and Luxembourg	100,535	128,011	117,505	100,800	127,380
U.S.S.R.	315,943	197,362	320,605	128,663	88,569
France	79,433	87,273	84,541	80,608	81,384

[15] Dominion Bureau of Statistics, Canada 1970, (Ottawa: Queen's Printer for Canada, 1969), p. 246.

Canadian grain during the period reported.

Table IV shows about a forty percent increase in imports by West Germany, France, and Italy. The Netherlands and Japan both showed significant increases. The table indicates that Canadians, during the four year period, were able to increase their sales abroad, particularly in Europe, significantly.

Both tables show, at the same time, the continuing growth of the U.S. in economic affairs pertaining to Canada. U.S. growth rivals the fastest growth by any other nation represented by the table. The significant increases on the part of Canada's trading partners across the Atlantic and Pacific Oceans bear testimony to the Canadian effort to diversify and increase her contacts with other nations, as a means of offsetting the prepoderance of the U.S. However, the rapid growth of the exports and imports of the U.S. to and from Canada have simply nullified the gains expected by the Canadians in the expansion of their economic ties to the European continent.

Despite this setback, the European continent continues to be an area of promise to the Canadian plans to compensate for the decline of the British role and to assure Canada of economic counterbalance to the U.S. Peter C. Dobell assesses the initiatives with some optimism:

> In objective terms, the countries of Western Europe, including Britain, jointly represent the one area of the world with which Canada has a range and breadth of relationships which could to some degree serve to offset the weight of the United States. Apart from trading relations which have already been detailed, Europe has become in the last decade a substantial source of equity investment and more

TABLE IV

Imports by Leading Countries, 1964-1968[16]
(Thousands of dollars)

Country	1964	1965	1966	1967	1968
United States	5,164,285	6,044,831	7,135,611	8,016,341	9,057,100
Britain	573,995	619,058	644,741	673,050	696,085
Japan	174,388	230,144	253,051	304,768	360,180
West Germany	170,392	209,517	235,207	256,879	298,869
France	68,687	96,103	106,651	130,080	121,647
Italy	67,462	80,279	86,718	110,269	114,492
Netherlands	39,933	56,274	60,489	64,783	69,052
Belgium and Luxembourg	59,198	72,027	61,555	64,620	57,520

[16] Op. Cit.p , 247

> recently, of medium-term financing, all of which reduces Canadian dependency on U.S. sources of finance.[17]

Canada must find ways in which her contacts with Europe can be increased while holding the rate of growth on the part of the U.S. at a steady level. Whether or not the Canadian plans to achieve this objective have been made is not clear, it is certain, however, that U.S. gains which have nullified trade expansion effects with Europe, have not dampened Canadian enthusiasm for greater contacts with Europe.

Not only does Canada seek economic diversification from Europe, but political contacts are expected to continue to increase to achieve the political effect of offsetting the U.S. The government's review of foreign policy noted the following:

> While there will be disadvantages and problems of adjustment for Canada arising out of the movement toward European integration, there is also likely to be some longer-term benefits, in particular greater stability and prosperity in Europe and a better balance within the Atlantic world.
>
> Both these results could be very beneficial to Canada in its continuing search for countervailing factors to offset the pressure of its complex involvement with the United States.[18]

Apart from economics, Canada finds value in the European continent as a political counterweight to U.S. influence. It has already been

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[17] Peter C. Dobell, op. cit., p. 96.

[18] The Department of External Affairs, Foreign Policy for Canadians, (Ottawa: Queen's Printer for Canada, 1970), p. 19.

noted how Canada through a combination with other countries in a multilateral arrangement can pursue a more independent approach, particularly if it is an approach shared by the group in general. Canada, through the same multilateral agreements, can find strength in the numbers and thus is able to exercise a greater influence on the direction of U.S. policy.

The concept of the Atlantic Community, framed within an arrangement of constant consultations and policy coordination, is very attractive to Canada as a counterweight to the U.S. Canada's membership in the North Atlantic Treaty Organization appears to be well-suited for the attainment of Canadian objectives. NATO allows for some Canadian participation in political decisions made by European defense planners and the larger Atlantic Community. Even though the Trudeau government has reduced and withdrawn a portion of the Canadian commitment to NATO, Canada retains a political commitment to the organization and has proposed an expansion of NATO to include social and cultural contacts. Canada also wishes to see NATO updated to meet the different challenge of the 1970's.

Canada believes NATO serves two important objectives of Canadian foreign policy. One, it serves as a counterweightto U.S. political influence through the benefits of multilateralism and policy coordination. Two, NATO has recently become more of a diplomatic rather than a military alliance and Canada sees the transformation as useful toward easing East-West tensions through mutual force reductions and similar initiatives. Commenting on a statement by Mitchell Sharp who proclaimed

multilateralism as the basic principle of Canadian foreign policy, Thomson and Swanson point out:

> Clearly the attempt to diversify Canadian contacts abroad and to unfreeze the Cold War were part of the same strategy.[19]

In regard to the attempt to diversify Canadian contacts abroad, the same two Canadian Studies scholars note:

> . . .the Canadians were increasingly engaged in a quest for countervailing forces to American influence, and Europe, particularly a united Europe, appeared to offer the greatest hope in that regard. In that sense, the tide of pro-European thinking was running stronger again.[20]

The promotion of detente in Europe assures Canada that the roles of seeking detente and diversification of contacts are symbiotic objectives. This continues to warrant Canada's participation in NATO, as the government's review of foreign policy points out:

> One of the compelling reasons for Canada to remain a member of NATO is the important political role that NATO is playing and that Canada is playing within NATO in reducing and removing the underlying causes of potential conflict by negotiation, reconciliation, and settlement.[21]

A relaxation in East-West tensions will undoubtedly condition a more flexible approach to U.S. foreign policy, thus lessening the number of possible conflicts and restraints on Canada engendered by U.S. foreign

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[19] Thomson and Swanson, op. cit., p. 71.

[20] Op. Cit. p. 34.

[21] The Department of External Affairs, Foreign Policy for Canadians: Europe, (Ottawa: Queen's Printer for Canada, 1970), p. 24.

policy. The seeking of detente involves the promotion of polycentrism in the Eastern as well as the Western bloc. As such, increased contacts hold the promise or at least the possibility of increased counterweights to the U.S. Thus, Canadian enthusiasm for detente is primarily justified by the diversification of contacts.

In the East, the Soviet Union has become a prime factor in Canada's search for countervailing forces. Both the Soviet Union and Canada are bordered on their north by the mineral rich Arctic seas and islands. The Canadians were awakened to their northern borders by a campaign pledge by John Diefenbacker and by the emplacement of defense installations in that area. Thomson and Swanson note a third reason:

> . . .the attention of Canadian policy planners has been turned toward the Arctic Basin as a source of strength to reduce the asymmetry between Canada and the United States.[22]

The following incident clearly indicates the attempt of Canada to strengthen her position within the U.S. dominated distribution of power setting in the Western Hemisphere through the attempted acquisition of an ally.

Within the U.S. sphere of influence, Canada is relatively powerless, especially vis-a-vis the United States. Thus, when Canada and the U.S. disagreed over the use of the Arctic waters, Canada was thrust into a bilateral setting with the dominant power, the U.S. Canada attempted to balance the dominance of the U.S. by involving the Soviet Union.

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[22] Thomson and Swanson, op. cit., p. 11.

The U.S. steamship-tanker Manhatten navigated its way through icy Arctic seas in 1969 in search of a feasible route for the transportation of Alaskan oil to the continental United States. When the Manhatten made its journey, it did so in waters that the Canadian people assumed to be their own. The Trudeau government was alarmed at the voyage and immediately introduced legislation to restrict the passage of vessels in the waters north of Canada's land mass. On April 22, 1970, the House of Commons unanimously passed legislation, which authorized the establishment of exclusive Canadian fisheries in certain areas beyond the normal twelve miles, and establishing shipping safety control zones, extending one hundred miles from shore.[23] The Arctic Waters Pollution Bill, enacted in August of 1970, in effect, subjected the Northwest Passage to Canadian control for the purpose of pollution control.

Such legislation put Canada and the United States on opposite sides of the debate over the use of territorial and international waters. The Canadian position supported territorial interests while the United States supported the maritime bloc. Territorial nations claim a distance of the seas, which they believe to be necessary to their interests. The maritime nations believe in the use of international uniform standards and regulations to apply to all nations.

When the legislation was passed, Canada received a protest from the U.S., claiming that Canada had no right to control pollution in Arctic waters outside the territorial limits. Canada rejected the

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[23] Thomason and Swanson, op. cit., p. 70.

protest and sought the assistance of other nations in supporting the Canadian action. The Canadian government turned to multilateral action as a way of standing fast against the U.S. The closest possible ally for the Canadian side was another nation which had laid extensive claims to the Arctic area and like Canada, had a long Arctic border. That nation was the Soviet Union. In regard to this policy disagreement, many Canadians were inclined to regard the Soviets as allies and the U.S. as an enemy.

The Soviets have had vast experience in the Arctic area. John Reschetar reports[24] that when the Soviets seized power, territorial waters were one of their first concerns. Two successive decrees defined the control of the Arctic. The first decree was issued by the Soviets on May 24, 1921, and claimed the twelve mile limit on all waters.[25] The Soviets exercised control in the airspace above as well. Reschetar asserts that, "in practice, the Soviet Union has extended territorial waters well beyond the twelve mile limit."[26]

On April 15, 1926, the Soviets again issued a decree specifying territorial waters to include all islands in the Arctic sector. The decree specifies the claim as not including the Arctic Sea, but laying claim to the Kara, Laptev, East Siberian, and Chukchi Seas.[27]

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[24] John S. Reschetar, The Soviet Policy, (New York: Dodd, Mead, and Co. Inc., 1971) p. 306.

[25] Ibid.

[26] Ibid.

[27] Ibid.

Since the Soviet regime had experiences similar intrusions into their Arctic, the Canadian government believed that the Soviets would be interested in a solution to the problem.

In 1963, for example, the United States Coast Guard icebreaker, Northwind, carried out an oceanographic survey itinerary which included journeys into the Bering Sea to Cape Cheliuskin and the Vil'kitskii Straits. In 1965, the Northwind carried out similar activities in the Kara Sea. On both occasions the Northwind was kept under constant surveillance, but was not harassed by the Soviets. In 1967, two U.S. icebreakers were prevented from passage through the Vil'kitskii Straits.[28] In response to an official U.S. protest, the Soviet foreign ministry declared that the straits were within territorial waters and passage through would be a violation of Soviet territorial waters. With this type of experience in common, the Canadians thought that the Soviets would be prime candidates to turn bilateral negotiations into a multilateral setting in which Canada could articulate her view behind the protection of numbers and common sentiments.

The Soviets were, however, reluctant to get involved. Several possible explanations exist to explain the Soviet reluctance. One, their own claims in the Arctic area are vast and the Russians evidently feared the possibility of these claims coming under critical international scrutiny. Thomson and Swanson supported this contention by noting:

> . . . .the Soviet authorites were not anxious to get involved in the United States-Canada quarrel since it might

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[28] Ibid.

> bring into question their own position in the Arctic Basin.[29]

Secondly, the Soviets might unhappily witness the restriction of the activities of her trawler fleet due to an adoption of new international maritime standards. Three, the Soviets, like the Americans, draw the line at getting involved in a dispute in what one may regard as the other's sphere of influence.

Thus, the Canadians have acted largely on their own. One and a half years later, on his visit to the U.S.S.R., Trudeau again asked for help, but the Soviets preferred to remain aloof. Though the attempt of the Canadian government to establish the Soviets as a countervailing force as a means to attain sovereignty in the Arctic was unsuccessful, remarks by Trudeau, during his visit to the U.S.S.R., indicated that the Canadian government was not going to abandon contact with the Soviet regime. Trudeau gave a clear perspective to the search for counterweights when he noted:

> Everyone knows that Canadians feel rather dominated by the American presence, not only economically, but also culturally, socially, etc. and it is important for us to have other contacts.[30]

Trudeau's search for other contacts stretches beyond Western Europe and has opened up the possibility of contact on a greater scale with Eastern Europe. Several trade agreements have already been carried out with East Europe. In addition, to diversifying contacts,

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[29] Thomson and Swanson, Op. Cit., p. 70.

[30] Quoted by Bruce Thordarson, Trudeau and Foreign Policy, (Toronto: Oxford Un. Press, 1972), p. 77.

the trade arrangements with Eastern Europe have been beneficial to the Canadian economy. Trade with the Soviets and East Europe has brought a new vitality to the grain producing western provinces. Charles Hanley notes as well:

> These sales have also brought about a substantial reduction in our balance of payments problem.[31]

The economic realm is complemented by a political contact as well. As noted earlier, Canadians are seeking to make use of NATO as a diplomatic instrument to help bring about a lessening of tensions in Europe. Consultations with the Warsaw Pact nations are intricate to the attaining of this objective. If a lessening of tensions is to be achieved, there will be a new flexibility in U.S. foreign policy, which will allow the Canadians greater freedom. Greater contact with Eastern Europe will also help the government to realize its objective of maintaining an European counterweight to the U.S.

This study has shown the decline of Britain as Canada's principal counterweight to the U.S. A decline in the contact with Britain was made even more likely by the British decision to gain entry to the European Economic Community. Canadians have responded with a larger more dynamic trade policy with more European nations which Canada hopes will compensate for the loss of close ties with Britain. The use of the European Community as a counterweight clearly assumes the form of the means to protect and reinforce Canadian sovereignty by

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[31] Charles Hanley, "The Ethics of Independence," in An Independent Foreign Policy for Canada? Edited by Stephen Clarkson (Toronto: McClelland and Stewart Ltd. 1968), p. 21.

preventing gravitation to the American orbit.

The territorial waters dispute was examined involving the United States and Canada. An attempt to enlist the aid of the Soviets was made by the Canadian government, to counter-balance the pressure of the U.S., but the Soviets preferred to remain aloof from the conflict.

Latin America

Traditionally, Canada has been so Europe-oriented that she has devoted little contact to other areas of the world, particularly Latin America. As the conflict between the East and the West is becoming replaced by the conflict between haves and have not nations, Latin America is clearly growing in its importance to the Western Hemisphere. Citing the conflict between the rich and poor nations, Trudeau sent the largest ministerial mission to Latin America in 1969 of any previous Canadian administration.

The possibility for cooperation between Canada and Latin America is strong as the government's review of foreign policy noted:

> . . . .there are expanding possibilities for mutual benefits, especially in terms of economic growth, enhancement of the quality of life, and the promotion of social justice between different parts of the hemisphere.[32]

Most central to Canada's interest in Latin America is the debate over whether or not Canada should take on full membership in the

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[32] The Department of External Affairs, Foreign Policy for Canadians: Latin America, (Ottawa: Queen's Printer for Canada, 1970), p. 30.

Organization of American States. The pressure has been on Canada from many Western Hemisphere nations to give serious consideration to membership. The government has seemed satisfied, however, with the role of an observer within the OAS circles. Many factors are now entering the debate although the government refuses to take the big step. Two scholars who argue for Canada to join the OAS condemn the present policy:

> These ostrich-like attitudes and policies make no sense in a world increasingly shrunken by advances in transportation and communication. Latin America is not far beyond our doorstep and we cannot afford to close our eyes to the undercurrent of crisis simmering just below the surface.[33]

Condemnations have come from the U.S. and some Latin American nations as well. Trudeau has remained steadfast, advancing several arguments against joining the organization. One, he believes that membership will restrict Canada's freedom in development assistance matters. Through the OAS, developmental assistance is designed by the Inter-American Development bank. The bank pre-empts the government's freedom to assist any nation it may wish. The bank also regulates amounts of assistance as well. Trudeau sees the Canadians as inhibited by this provision of the OAS. Secondly, Trudeau has noted with distaste the low priority assigned by the OAS to cultural exchange programmes with Latin American nations. Thirdly, and

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[33] Irving and Richard Brecher, "Canada and Latin America", Queens Quarterly, Vol. LXXIV, No. 3, (1967), p. 465.

perhaps the provision the Canadians would find most restictive is the application of sanctions and embargoes on a country such as Cuba. The foreign policy review reiterates Trudeau's contention:

> . . .the potential obligation to apply political and economic sanctions against another country by virtue of an affirmative vote of two-thirds of the members is a difficult feature of the OAS from the Canadian point of view. This could limit the Canadian government's freedom of action with regard to a future security crisis in the hemisphere.[34]

It is questionable how much restriction or restraint would be placed on the Canadian government's freedom of action if it did joint the OAS. The OAS boycott was successfully resisted by Mexico, even though Mexico was a full member of the OAS. John Holmes notes the danger for Canada when placed in a similar situation:

> Canada would certainly have backed Mexico in opposing the OAS boycott. It is hard to see, therefore, how Canada could even if it were so disposed, join the OAS until there has been some change in its relations with Cuba. If Canada were to join, it would presumably be obliged to accept rules laid down previously by the club. But if Canada's first act after joining the OAS were a rupture of relations with Cuba, it would confirm the view of those who have always argued that joining the OAS would commit Canada to docile submission to U.S. policy.[35]

Holmes notes that the independence theme was paramount in the mind of Trudeau, when considering the membership in the OAS:

> During the Liberal Party's leadership

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[34] Department of External Affairs, op. cit. p. 21.

[35] John Holmes, The Better Part of Valour: Essays on Canadian Diplomacy, (Toronto: McClelland and Stewart Ltd. 1970), p. 234.

> campaign. Mr. Trudeau pointed out that Canada should enter the OAS, but only when it developed a policy toward Latin America which would permit Canada to make decisions independently from those made by the United States.[36]

Thus, there is that desire to keep an arm's length from the U.S. in policy-making. To join the OAS would put Canada directly in between the U.S. and many OAS nations further south. Canada, in many situations, would inevitably face the doubtful distinction of being tagged a Yank Stooge when she sided with the U.S. and she would, in the case of a split, receive her share of trouble from the U.S. when she sided with other American countries. The Canadians see the OAS as dominated by the U.S. and they see their entrance into the organization as movement into an area of U.S. influence. An entrance into the OAS would seem to work against Canadian purposes of establishing counterweights. The multilateralism that Canada found attractive in NATO does not exist in the same way in the OAS. By remaining outside the OAS, Canada remains outside an area of great U.S. influence. Thus, Canada retains a great deal of freedom with regard to her policies toward Latin America. This freedom to act removes formal reasons for the U.S. to take offense at divergent Canadian policy. In the case of Cuba, the OAS followed a policy distinct from that chosen by Canada. Had Canada been a member of the organization, the pressures on her would have been different.

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[36] J.C.M. Ogelsby, "Canada and the Pan American Union: Twenty One Years On" in International Journal , Vol. XXIV, No. 3, (1969), p. 587.

Canada's request to remain a permanent observer seems compatible with her desire to use her freedom of action toward Latin America by refusing membership and therefore, remaining outside an area of U.S. influence.

Canada's desire to strengthen her relations with Latin America rests in part on the possibility of having a Latin American counter-weight to the U.S. Thomson and Swanson point out the source of unity:

> The factor that draws Canadians and Latin Americans closest together is the same one that separates them in other respects, the presence of the U.S. All are under her influence to some degree and uncomforable in that situation.[37]

The desire to get involved in hemisphere business has stirred the Canadian leadership to embrace membership in the Pan-American Health Organization, the Inter-American Institute of Agricultural Sciences, the Inter-American Indian Institute, the Inter-American Conference on Social Security and the Inter-American Export Center. All of these are non-political in nature. The political involvement of Canada in Latin America has yet to be realized. But she seems certain to stay outside the OAS and any other hemispheric organizations which feel U.S. pressure.

The case of Cuba gives vivid illustration and support to Canadian policy. Fidel Castro had by 1959 effectively replaced the Batista regime. Castro in the early days of power had promised that there would be no confiscation of property by his government. But other developments

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[37] Thomson and Swanson, op. cit., p. 100.

were occurring which the U.S. found unsettling. In May of 1959, it was announced that the Soviets would contribute aid to the Castro regime, bringing on a rush of speculation about the ideological orientation of the Castro regime. In July of 1959, the chief of the Cuban Air Force fled to the U.S., charging that the new regime was Communist. This led to the question of imposing sanctions and embargoes on the Cuban regime. Then, in September, stretching into October, Castro issued a series of decrees which nationalized all banks in Cuba with the exception of two Canadian banks. The two banks eventually were to withdraw due to operating difficulties. Other expropriation measures were taken, but no Canadian assets were seized. It is not clear why Castro chose to leave them alone, but Canada did maintain diplomatic relations with Cuba and this may be a factor. Nonetheless, Canadian interests in Cuba did escape nationalization and as Edward McWhinney noted, Canadian interests were large:

> Canadian owned assets were exempt from the application of the Castro expropriation measures. While no definitive survey has been made of the character and extent of such Canadian assets in Cuba, it is known that Canadian interests in insurance and banking were very large.[38]

For the U.S., the nationalization of the banks was the last straw. Immediate steps were taken by the U.S. to impose a trade embargo on Cuba. Robert Reford states the Canadian reaction:

> What Washington did, of course, was its

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[38] Edward McWhinney, "Canadian-United States Relations and International Law," from Canada-United States Treaty Relations, Edited by David R. Deener, (Durham: Duke Un. Press, 1963), p. 115.

> own business, but Ottawa had no intention of following suit. Objections to an embargo were based on two grounds: the practical commercial one that Canada is a trading nation, looking for markets everywhere including the Communist countries, and the theoretical one that this was the wrong way of protecting your interests and would not achieve its alms.[39]

Thus, Canada set herself on a collision course with the U.S. Diplomatic pressure was exerted on Canada to follow the U.S. line. The most important reason for the U.S. pressuring Canada was noted by Denis Stairs:

> For a number of reasons, the pressure on Canada was particularly intense. Perhaps the most important was the similarity between the Canadian and American economics for no other country could replace so effectively the United States as Cuba'a chief supplier of manufactured goods.[40]

Other sources report of continuing U.S. diplomatic pressure. The Toronto Globe and Mail reported:

> For observers who are not privy to the documents of the Department of External Affairs, it is diffiuclt to determine how severe the American pressure actually was. There can be no doubt, however, that it was considerable.[41]

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[39] Denis Stairs, "Confronting Uncle Sam: Cuba and Korea," An Independent Foreign Policy for Canada? Edited by Stephan Clarkson, (Toronto: McClelland and Stewart Ltd., 1968), p. 59.

[40] ibid.

[41] The Toronto Globe and Mail statements, (December 13, 1960), are quoted by Denis Stairs, op.cit., p. 60.

Despite this, the Canadians stood fast to their trade and their diplomatic relations with Cuba. Even the OAS clamoring for compliance did not dissuade the Canadians. They did, however, take great solace in the fact that Mexico, an OAS nation, also chose to maintain normal diplomatic relations with Castro. Mexico may well have been the key nation in Canada's refusal to follow the U.S. policy line. Mexico was subjected to organizational pressure from the OAS and American pressure as well.

Like Canada, Mexico shares a long border with the U.S. Both nations maintained normal diplomatic activity with Castro in the face of U.S. diplomatic pressure. Reprisals from the U.S. on either dissenting nation would have brought a great deal of international and hemispheric criticism of the U.S. at a time when the U.S. sought to attract support. A second factor aided Canada and Mexico. That was the exercise of restraint on the part of the U.S. which confined its pressure to high level consultations. A third factor may well figure in and that is that Canada simply chose to ignore the embargo as a test of her independence. As was noted earlier, the Canadian people do not subscribe to trade sanctions and embargoes which tend to exacerbate the situation. Thus, they may well have put the national policy on the line. Whatever the reasons, the Canadians, like the Mexicans, continued their exchange with Castro.

The discovery of Soviet offensive missiles in Cuba in October of 1962 added to the Canadian-American disagreement over Cuba. When U.S. armed forces were placed on alert and the quarentine of Cuba imposed,

specific provisions of the NORAD and other continental defense schemes warranted that Canada put her forces on alert as well. Canada instead waited. The provisions had also stated that continental military action would be undertaken as a result of consultations between those nations involved, particularly the U.S. and Canada. The U.S. acted unilaterally, without living up to the accords of the agreements and this probably contributed to the Canadian decision to stall. Robert Reford added two other reasons:

> He (Diefenbacker) based his opposition on two grounds. First, he did not like the idea of automatically acceding to an American request, wishing Canadian policy to be independent and decided in Ottawa. Secondly, he regarded the situation as serious and he did not want to take any action that might aggrevate matters.[42]

As the situation worsened, Diefenbacker halted the Soviet civilian overflights in Canadian airspace as allowed by the International Civil Aviation Organization. As before, though, Diefenbacker refused to put troops on alert. The rest of Canada was rapidly changing its mind as Reford cites:

> Some still thought Canada had been treated shabbily by the President, but they felt it was time to swallow one's pride. With the world apparently poised on the brink of war, there was no alternative to endorsing U.S. action. But Diefenbacker refused to budge.[43]

On October 24, Diefenbacker placed the Canadian armed forces on alert. This was an admission that the crisis had reached such proportions that Canada could no longer afford to stay out. When

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[42] Robert Reford, op. cit., p. 180.

[43] Robert Reford, op. cit., p. 184.

Khrushchev agreed to remove the weapons and the quarentine was relaxed, the Canadians government resumed its trade and diplomatic relations with Cuba.

Peter C. Dobell assessed the crisis and continuing relations with Cuba and observed:

> During the 1960's Canada's continued diplomatic relations assumed a significant symbolic importance as a demonstration of Canadian independence from American influence in foreign policy. Canada has maintained fairly healthy trade relations with Cuba as well although initially Canadian sales were limited to food and drugs in order not to give too much offense to the U.S.[44]

Thus, Canada's decision to continue her relations with Cuba lent considerable credence to her sovereignty in foreign policy. Restraint by the U.S. in dealing with its dissenting allies must be considered within this analysis. Ivan Head supports this same contention:

> Freedom to pursue our own interests without undue interference proves the sincerity of U.S. foreign policy, not so much to Canadians who are in doubt only occasionally but to other countries which may be in the habit of calling that good faith into question.[45]

In regard to Latin American, Canada seeks to expand her contact and communication with those nations of the American hemisphere.

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[44] Peter C. Dobell, Canada's Search for New Roles, (Oxford: Royal Institute of International Affairs and Oxford Un. Press, 1972), p. 119.

[45] Ivan Head, "Foreign Policy of the New Canada", Foreign Affairs, Vol. 50, January, 1972, p. 242.

Canada's refusal to remain outside the OAS stems from her view of the American-dominated organization. By remaining outside the organization, Canada preserved a greater share of freedom in her policy toward Latin America. Canada's role in the Cuban Crisis was examined to determine the interplay of various factors. The role of a countervailing force was minimal. U.S. restraint, Mexico's continued acceptance of the Castro regime, and Canadian resolve to stand firm all indicate the pursuit of an independent foreign policy where counterweights were not that available.

Asia

The Far East represents an area of new possibilities for Canada. Although Canada has always had a Pacific coast, she has traditionally taken very little interest in the Pacific. Prime Minister Trudeau's search for countervailing forces has compelled him to grant greater consideration to the Pacific area. John Holmes sees the area as one that has the promise of helping Canada in her search for counterweights:

> Regardless of the facts, whatever they are, Canadians have been looking hopefully at the wide world for counterbalance. The gesture toward the Pacific should be seen in this context. The countries on the far side of the Pacific are a fascinating area and their vast population and rapid development give promise of counterbalance of proportions adequate to relax Canadian dependence on its one great market and source of investment, the U.S. [46]

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[46] John Holmes, "Canada and the Pacific,", Pacific Affairs, Vol. XLIV, No. 1, (1971), p. 16.

The continuing search for counterweights and the development of the Western provinces have both contributed immensely to Canada's new energies in the direction of the Pacific. Canada's fastest growing port in Vancouver, through which 48 of the 54 principal western commodities passed on their way to Japan. Economic and commercial opportunities abound for Canadian interests in the Pacific. The rapidly developing relationship with Japan is only one such example as Holmes notes:

> It (Japan) has already assumed third place to the U.S. and Britain in Canadian trade and may well rise to second place soon.[47]

Growing Japanese investment in Canada and Japanese trade with Canada has been growing at a rate that seems to challenge the predominance of the U.S. Lorne Kavic has the statistics to bear this contention out:

> The complementary nature of the Canadian and Japanese economics will continue to facilitate two way trade, which could total $2,336 million by 1973 and $3,500 million by 1957. According to these estimates, Canadian exports will rise to $1,532 million by 1973 and $2,200 million by 1975 and imports from Japan will increase to $804 million and $1,300 million respectively.[48]

The rate of investment has in fact alarmed many Canadians, but they do take solace in the knowledge that foreign investment within Canada is being diversified. As a result, Japan's economic ties with Canada are rapidly assuming the proportions needed to offset the pressure and influence of the United States.

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[47] Op. cit., p. 7.

[48] Lorne Kavic, "Canada-Japan Relations", International Journal, Vol. XXVI, No. 3, (1971), p. 569

The economic attractions and the search for counterweights are then the primary reasons for the new Canadian interest in the Pacific. The potential for diversification of contacts is great in Asia. Canada must cope however with her relationship with the U.S. as she seeks further penetration of the Asian sector. A radical divergence in policy on the part of Canada is not at all impossible as the foreign policy review observed:

> However, much Canada has in common with the U.S., the Canadian outlook is often fundamentally different, reflecting a different historical evolution, different capacities in the international power spectrum, and different interests.[49]

Policy divergences between the U.S. and Canada have been made manifest in the attitude toward China more than anywhere else in Asia. At the outbreak of the Korean War, Canada contributed troops to the U.N. police force bound for Korea. After the successful landing at Inchon and the subsequent route of the North Korean forces, General Douglas MacArthur began to advocate an air, sea, and possible land attack on the People's Republic of China. The Chinese had aided the North Korean attack to an extent and now that the North Koreans were being defeated, the Chinese had threatened to enter the conflict. MacArthur evidently wanted to deal with the Chinese before they became a problem. The Canadian point of view was in disagreement. Lester Pearson, the then Secretary of State for External Affairs noted:

> We had reason to believe that a defensive line could be established across the narrow waist of North Korea and that the two

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[49] *The Department of External Affairs, Foreign Policy for Canadians: Asia, (Ottawa: Queen's Printer for Canada, 1970), p. 12.*

> northern provinces of Korea would be left, for the time being, at least, as a kind of unoccupied frontier area. That scheme seemed sensible to us and we hoped it could be carried out.[50]

In regard to the bombing and blockading of the Chinese mainland, Pearson was also very cautious, always seeming to favor leaving the door open for negotiations. On January 11, 1951, the U.S. was pressing the United Nations for a resolution condemning China as an aggressor. Canada had seen a promising sign and opposed the resolution initially. Pearson pointed out that the Canadian point of view was opposed to the formal condemnation of China:

> We were all loath at that moment to support a formal condemnation of China in the U.N. because we felt that the clarification which had come from Peking afforded some possibility of satisfactory negotiation with that regime.[51]

The entry of China into the war laid the basis for another disagreement between the U.S. and Canada. Earlier, on December 6, 1950, after Chinese troops had been positively identified as taking part in the combat, the U.S. imposed a trade embargo on the Chinese mainland. Three days later, the Canadian government reluctantly followed suit. After the Korean ceasefire was signed, the Canadians wished to relax this embargo, but the U.S. was not so inclined. Several Canadian trade deals with Cina in those early days were thwarted. Robert Reford reports of a shipment of canned shrimps and soya sauce was prevented

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[50] Lester Pearson, "On Crossing the 38th Parallel in Korea", Canadian Foreign Policy 1945-54, Edited by Robert Mackay (Toronto: McClelland and Stewart Ltd, 1970), p. 306.

[51] Lester Pearson, op. cit., p. 307.

from entering Vancouver via the state of Washington.[52] Only some loud complaining by the Canadian authorities eventually gained passage for the shipment. The incident serves to show how inflexible U.S. policy had become and how Canada was restrained by that policy.

The establishing of diplomatic relations with the Peking regime has received the attention of scholars and government officials alike in the annals of Canadian foreign policy. From the time of the seizure of power by Mao Tse-tung until the recognition of the regime in October of 1970, the issue had been a sore spot with Canadian nationalists. Four Canadian Prime Ministers grappled with this problem. After the Communist takeover of the mainland, consideration of the question of recognition was steeped in a high degree of North American anti-communist hysteria, which was manifested in extremes in Canada as well as the U.S. The outbreak of the Korean War and the subsequent Chinese intervention laid the issue aside.

Earlier, though, in 1949, several respectable nations had accorded recognition to the new regime. Canada had been among those giving serious consideration to the idea. Lester Pearson explained the Canadian position:

> We have been asked to recognize the new Communist government in Peking which does in fact control a large part of the country. Recognition, of course, does not imply or signify moral approval, it is simply an acknowledgement of a state of affairs that exists.[53]

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[52] Robert Reford, op. cit., p. 55.

[53] Lester Pearson, "The Communist Takeover of China", In Canadian Foreign Policy 1945-54, Edited by Robert Mackay (Toronto: McClelland and Stewart Ltd., 1970), p. 338.

John Diefenbacker was known to favor recognition of the Peking government, but his mention of merely admitting China to the U.S. caused President Eisenhower to say the U.S. would withdraw from the U.S. should Peking gain admission. Despite the hard line American attitude, Diefenbacker edged the Canadian government closer to the establishment of relations through a series of wheat deals, arranged almost exclusively in Canada, away from U.S. interference.

When he became the Prime Minister, Lester Pearson was inclined toward recognition, but the U.S. remained steadfastly opposed to the move. As U.S. involvement in Vietnam grew, so did its opposition to the recognition of China. Peter C. Dobell sees this contention as supportable:

> In principle, he (Pearson) favored recognition but events conspired against him without the U.S. having to make any overt move. Negotiations with the People's Republic over recognition while the U.S. was becoming increasingly embroiled in Vietnam would have been regarded by the Americans as an unfriendly act.[54]

John Holmes noted that the U.S. government was adament on this issue and "has never failed to express its anxiety that Canada should not step out of line."[55]

Public opinion in Canada was opposed to U.S. involvement in

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[54] Peter C. Dobell, Canada's Search for New Roles, (Oxford: The Royal Institute of International Affairs and Oxford Un. Press, 1972), p. 104.

[55] John Holmes, The Better Part of Valour: Essays on Canadian Diplomacy, (Toronto: McClelland and Stewart Ltd., 1970), p. 215.

Vietnam and John Holmes points out the effect it had on the China question:

> Demands for recognition of China which many Canadians believed was being prevented solely by American pressure were increasing as public displeasure with American policy in Vietnam increased.[56]

As U.S. involvement in Vietnam began to taper off, the inflexible policy of the U.S. toward China began to change. The changing of Canadian administrations and the demands on the part of Canadian nationalists for recognition as a demonstration of independence in foreign policy added new impetus to the movement toward establishing diplomatic relations. It was still no easy task for the government because the reaction of the U.S. still loomed important and no real satisfactory formula for the status of Taiwan had been worked out. Holmes wrote of the former problem, the U.S. reaction:

> Direct pressure from Washington was not so much a factor as Canadian uneasiness about provoking the wrath of the U.S. Congress.[57]

Although the Nixon administration had gone on record as opposing the recognition of China, there was no interference with the Canadians as they began earnest negotiations with the Chinese representatives. Recognition was announced in October of 1970. The reaction of the U.S. was minimal with the exception of public outcry in some areas. The

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[56] Ibid.

[57] John Holmes, "Canada and the Pacific", Pacific Affairs, Vol. XLIV, No. 1, (1971), p. 13.

status of Taiwan was settled when the Canadian government agreed to take note of Peking's claim to the island. Canada favored Peking's entry into the U.N. On the U.S. sponsored Important Questions Resolution which would have required a two-thirds approval on entry, Canada first abstained and later voted against the U.S. In the U.N., Canada's support for the admission of Peking was lost to some extent among the rising chorus clamoring for China's admission.

Thus, Canada's recognition of China has come at a time when U.S. policy toward China had softened considerably. Those who would call the recognition of China the true test of Canadian independence must bear in mind, that the establishment of diplomatic relations has come when the reaction of the U.S. was perceived as harmless to Canada. There was no counterweight. As a result, the circumstances of world politics and the steady U.S. opposition to Peking prevented Canada from doing anything but laying the groundwork for the eventual big step when it became possible.

Since the end of the Chinese Cultural Revolution and the ending of the U.S. policy of isolating China, the foreign policy contacts of Canada to China stand to greatly increase.

In summarizing Asia, the economic importance of Japan was stressed due to a phenomenal growth in Canadian-Japanese economic relations. Japan is seen as an economic counterweight to the U.S. in both trade and investment. On the political plane, there have been no significant developments between Canada and Japan. There is a great potential as Japan could assist Canada on such issues as disarmament and use of the sea and other issues where the U.S. and Canada are in disagreement.

Lorne Kavic also sees a great potential in the Japanese-Canadian relationship:

> Japan seems destined to be the focal actor on the Pacific stage and the development of even closer relations with this dynamic power must be regarded as a first priority for Canadian attention as the nation proceeds to take advantage of its ringside seat on the Pacific.[58]

The issues concerning China were assessed and Canada was found to be very much restrained by inflexibility of the policy of the U.S. Since no countervailing forces were available to help Canada resist diplomatic pressure of the U.S., Canada was confined to laying the groundwork for eventual recognition when U.S. policy softened. In the late 1960's, the U.S. policy did soften toward China and Canada capitalized on that moment to establish diplomatic relations with Peking.

It is not clear what form a Canadian-Chinese relationship will assume. Detente in Southeast Asia and the Asian continent as a whole cannot be achieved without some measure of cooperation from the Chinese giant. Canadian initiatives will probably be based upon this premise. Trade between Canada and China will increase, especially grain deals which benefit Canada's Western provinces. The use of China as a counterweight will most likely come about in the U.S. or some international body. An actual pairing off such as Canada attempted to do with the Soviet Union in Canada's disagreement with the U.S. over the use of the Arctic is a long way off.

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[58] Lorne Kavic, op. cit., p. 581.

Canada's search for detente and diversification of contacts finds the same usefulness in the Pacific that it has found in the Atlantic Community.

The Third World

The so-called Third World nations are caught in the challenge of industrialization and modernization. As such, their impact on global developments is not gauged as significant as yet. There is plenty of potential in the Third World. The potential is in conflict, but it is also in diplomatic strength. The Black African nations, voting together in the U.N. General Assembly as a bloc, represent formidable strength in the U.N.

Canada's enthusiastic acceptance of membership in the Commonwealth and the French-Speaking Association enhance her contacts. In addition, Canada's past enables her to interact with the developing nations without arousing suspision. It is Canada which has a history free of the smudges of imperialism and colonialism. It was Canada who spoke on behalf of the emerging nations at the beginning sessions of the United Nations.

Canada's close contact with the developing nations is further facilitated by her association in the British Commonwealth and her association in the French-speaking counterpart. The Commonwealth has many advantages for Canada, as one analyst noted:

> A Canada that requires external contacts and an interdependent world, if it is to enjoy any room for diplomatic manoeuvering needs the Commonwealth's potential advantages

> to complement those of the United Nations.[59]

Despite the advantages expressed in diplomatic manouvering Canada finds the Commonwealth and the Francophonie too loose and heterogeneous to counterbalance the influence and pressure of the U.S. Since Canada does, however, find herself aligned with many Third World nations on such issues as the use of the sea, disarmament, and developmental assistance, the concept of multilateralism becomes important. Combination with many of the Third World nations on issues in international commissions and forums may enable Canada to resist the pressure of the United States. John Holmes supports the use of this concept.

> An examination of the Canadian record in the U.N., from the ending of the Korean War to the present Canadian opposition in the Geneva Disarmament Commission to the U.S.-Soviet proposals on demilitarization of the seabed suggests that combination with other countries is an effective way of resisting American policies.[60]

The independent view that Canada is able to articulate stems from the multilateral approach.

In the U.N., opposition to the U.S. has been frequent among Third World nations. Canada has often sided with those nations. Examples

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[59] K.A. MacKirdy, "The Commonwealth: Does It Exist?" Canadian Foreign Policy Since 1945: Middle Power or Satellite? Edited by J.L. Granatstein, (Toronto: Copp Clark Publishing Co., 1969), p. 167.

[60] John Holmes, "Canada and the United States: Political and Security Issues", Atlantic Community Quarterly, Vol. 8, No. 3, (1970), p. 412.

are Canada's complete opposition to Aparthied in South Africa, opposition to Portugal's continued colonial policies, and opposition to the Rhodesian minority rule government.[61]

The degree of U.S. and Canadian divergence varies on these issues, but it is known that in the case of South Africa, Rhodesia, and Portugal, U.S. opposition is not as extreme as that of Canada.

Canada's association in the Commonwealth and the Francophonie allows for a symbiotic relationship. Canada may use the strength of multilateral association on objectives that Canada and the respective association may have in common. In addition, common objectives serve to engender common policies. If Canada's distinct policy is in accordance with the association's policy, the strength of multilateral association and thus, numbers, will be enough to allow Canada to pursue her distinct policy, even when it means opposition to the U.S. Canada's recent stand on the admission of The People's Republic of China to the United Nations is an excellent illustration of this point. The two associations can make use of Canada as a mouthpiece to the more affluent Western nations to articulate Third World grievances. Many nations of the Commonwealth and Francophonie are recipients of a rather generous Canadian aid program about two billion dollars in the past twenty years.[62]

Canada's interest in the Third World will also be facilitated

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[61] Roy A. Matthews, "Africa in Canadian Affairs", International Journal, Vol. XXVI, No. 1, (1970-71), pp. 130-31.

[62] Thomson and Swanson, op. cit. p. 94.

by her interest in minimizing the tensions of the conflict between rich and poor nations. The foreign policy review has noted[63] the importance and implications of the rich-poor nation conflict.

Trudeau has called for an expanded aid program on the part of Canada as one means to reduce the tensions of the conflict of the imbalance of rich and poor.

In summary, the experience of Canada in the U.N., the Commonwealth, and the Francophonie suit Canada for continued interaction with the developing nations. It would seem that the strength of numbers gained through multilateral association has allowed Canada to pursue her own distinct policy even if the policy pits Canada in opposition to the U.S. The relationship also allows for Canada to serve several purposes useful to the developing nations.

[63] Department of External Affairs, Foreign Policy for Canadians, (Ottawa: Queen's Printer for Canada, 1970), p. 25.

CHAPTER V

Conclusions

This analysis has attempted to examine the various sectors of Canadian foreign policy in order to determine the role of countervailing forces. To some extent, the forces have been immersed in a host of factors which interact to produce a foreign policy. The study concentrated itself on policy areas where countervailing forces were readily available for examination and on areas where the counterweights were not that available.

The starting point for this analysis was the regional power distribution which finds the U.S. as the predominant force in the Western Hemisphere. All other nations in the Western Hemisphere are subject to the power projections of the United States in varying degrees. This has been the main obstacle to the total realization of Canadian independence and sovereignty. The influence and pressure of the extensive bilateral relationships in economics, defense, and developmental projects are felt by Canadians to a much greater extent than the Americans.

A tracing of the Canadian response to American pressure and world developments showed that Canada's survival depended on constant vigilance. In the early days of the Canadian nation, pressure from the American policy was great and at times, threatening. The Canadian policy was assured of its survival by maintaining the imperial connection to Britain. Close ties to the Mother Land enabled the

British to underwrite Canadian survival. Thus, Canada as Holmes noted, ". . . .learned early to seek security by playing off one great power against another. ."[1]

Growing international trends toward regional organization have begun to limit Canada's access to the European continent. The growing economic relationship with the U.S. subjects Canada to a great deal of U.S. influence. Canada has found that her traditional obstacles to gravitation to the American orbit are not as strong as they once were. The existence of a strong French-speaking community in Quebec has called for American assistance. This certainly cannot lead one to conclude that Canada's bilingual nature is becoming Americanized, but it does subject the French-speaking community to the same pressures that are felt in other parts of Canada where the English-speaking residents allowed easy penetration. As long as French is dominant in Quebec, the American influence will be minimized, but how long this can go on is purely a matter of conjecture.

In the 1960's, a surging nationalism in Canada has shown the greatest promise of protecting sovereignty. Canadian nationalists have called for deliberate policy divergences from the U.S. and have agitated for greater control of foreign---particularly U.S. businesses operating in Canada. Government investigative commissions have found U.S. penetration into Canada in every walk of life to be extensive and they have recommended ways in which Canada can work toward preserving

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[1] John Holmes, The Better Part of Valour: Essays on Canadian Diplomacy, (Toronto: McClelland and Stewart Ltd. 1970), p. 30.

her independence. High level consultations, called for on a constant basis by the Canadian and American ambassadors will help to ameliorate such things as the extraterritorial application of U.S. Trading law to Canadian subsidiaries.

In Europe and particularly Britain, Canada has derived a measure of counterbalance to the U.S. Traditionally, this counterweight has acted as a guarantee of Canadian independence. Use of Britain as a counterweight was the means Canada employed to insure her survival as an independent nation.

As Europe moves toward greater regional organization, such as Britain's entry to the EEC symbolizes, fears have been raised in the minds of Canadians about being left to the North American continent and the dominance of the U.S. The Canadian government had anticipated the events that led to Britain's entry into the EEC and attempted to supplant the presence of Britain with a new expanded trade policy toward Europe, inviting more markets and investment sources. While trade with several European nations increased substantially, it was more than matched by the leaps and bounds that U.S. trade with Canada took during the four year period under examination.

The leadership and many observers continue to be hopeful. Plans for expansion of trade with Europe have not been abandoned and chances are that the Canadians will seek to continue to find ways in which Europe will counterbalance Canada's ties to the U.S.

The Canadian leadership hopes that financial arrangements with the European continent will redirect strong trade bonds to Europe and stimulate greater European investment in Canada. Both objectives will

have the effect of reducing the influence and pressure that the U.S. enjoys in Canada. Canadian nationalists hope to end the vulnerability Canada has resulting from the heavy and extreme involvement of the U.S. in Canadian business.

The effects of trade and investment policy when totally realized can lead to trade patterns that will be stronger between Canada and Europe, thus lessening Canada's dependence on the U.S. Dependence assumes a degree of vulnerability and the Canadians wish to reduce both vis-a-vis the U.S. The counterweight of the European community is a means to insure the realization of this objective.

Canada's political interest in Europe continues to be dominated by her membership within NATO. Canada hopes to see a further transformation of the organization from a military to a more diplomatic alliance. Canada hopes to use the obvious advantages of her NATO membership to achieve three objectives. One, she wishes to promote a detente in Europe through the relaxation of tensions, accomplished through mutual force reductions and the initiation of more communication and exchange between the East and West. Canada has already contributed to the new atmosphere, by reducing and withdrawing a portion of her NATO commitment.

Secondly, Canada continues to seek a greater diversification of contacts in Europe which heightens the possibility of new relationships. Canada would hope to find among these new relationships, nations for limited alignment on issues and policy matters where Canada and the United States differ. The Canadian position as a subordinate nation within the Western Hemisphere's power distribution would be enhanced and strengthened by the addition of supportive nations.

Eastern Europe, with its drive toward a liberalized Communism, has a very great potential in Canada's designs. East Europe seeks an expansion of trade with the West. East Europe and particularly the Soviet Union are seeking Western technological techniques and some scientific innovation. On the premise of trade, Canada would hope to expand her relationships with Eastern Europe nations as part of her overall strategy of diversifying Canadian contacts outside of the Western Hemisphere. The record is by no means clear enough for sound predictions and analysis to take place at this point in time.

The third objective sought by Canada is the opportunity for multilateral association with the NATO nations. As discussed earlier, multilateral association allows for Canada to escape the pressure of many of her bilateral associations with the U.S., particularly in regard to defense.

Thus, the European continent represents a great deal of use and potential use for the Canadians in their drive to realize their objectives. The Canadian policy must be coherent and attuned to the needs of Europe as well as the needs of Canada.

Britain has functioned traditionally as the counterweight to the pressures Canada felt from the dominating United States. Today, as Britain is caught up in the trend toward regionalism on the Western European continent, Canada has been moved to expand her contacts with the continent as a whole to continue to enable a part of the Atlantic European community to gain leverage for Canada as she works against the restraints of the Western Hemispheric distribution of power system.

The interest of Canada in the Soviet Union as a counterweight was examined in regard to the conflict of the U.S. and Canada over the use of the Arctic Sea. Canada had believed that vast Soviet claims to the Arctic would give the Soviets a similar interest in defining the use of the Arctic Sea. The Soviets preferred to stay aloof from the conflict. But here is an excellent example of Canada's attempt to alter the distribution of power distribution between herself and the United States by the introduction of a third party into the conflict. Canada very clearly followed the strategy of attempting to acquire another nation as a temporary limited alignment.

Canada's interest in Latin America was examined. The crucial points of Canada's interest in Latin America have been the status of Canada within the Organization of American States and Canada's continuing relations with Castro's Cuba. Despite U.S. opposition, Canada has continued diplomatic and trade exchanges with Castro's Cuba.

Canada opposes taking on membership in the OAS because she sees the organization as dominated by the U.S. Because of that arrangement, Canada remains outside the OAS and enjoys a greater latitude in hemispheric affairs such as developmental assistance and the extension and continuation of protocol with Cuba.

Canada had no counterweights during the Cuban missile crisis and when she was subjected to U.S. diplomatic pressure, she resisted U.S. demands that she alert her troops and join the embargo. This is perhaps the only area where this study has seen an independent policy fully achieved without any counterweights to offset the distribution of

power in the West.

Canada has achieved policy divergences from the U.S. on Latin American matters because of restraint on the part of the U.S. and because of the special circumstances of the Cuban Missile Crisis.

The question of Cuba has become more related to Canada's refusal to join the OAS. Trudeau himself has stated that when Canada sees a change in the hemispheric relationships with Cuba, she will give more favorable consideration to the question of joining the OAS.

Latin America and Canada will find much benefit in enlarging their relations. Perhaps the most benefit will lay in Canada and the Latin American nations finding a way to moderate or reduce the power projections of the U.S. throughout this hemisphere.

Canada's interests in Asia are centered on Japan and China. There are other associations, such as the Commonwealth links to New Zealand and Australia. But the economic and growing political relationship with Japan has occupied a great deal of Canada's attention. Japanese trade is large and growing to the point that it challenges Great Britain as Canada's second largest trading partner. The Japanese investment in Canada is also rapidly growing. Many Canadians take comfort in this rapid growth.

They see it as another diversification of foreign investment, thus diluting the influence of the United States. As an economic counterweight, Japan serves the function of challenging U.S. business in Canada.

In asia, Canada can and is finding a whole new range of opportunities. The use of Japan transends the economic realm. As a supportive nation,

Japan, like Canada, claims a certain part of the sea as territorial waters. Japan has also worked in the forefront for disarmament. In both areas, Canada can find a potential source for limited alignment against the policy of the U.S.

Canada's disagreement with the U.S. over China was examined. The war in Korea found the U.S. and Canada in disagreement over strategy and the economic embargo. The Canadians were once again loath to impose an embargo. U.S. pressure finally convinced the Canadians, during the Korean Conflict, to cut off trade ties with Peking. Shortly after the war until 1963, several trade agreements between Canada and Peking were interrupted by the application of the U.S. Trading with the Enemy Act. Canada was directly affected by the power projections of the U.S. and was restrained from following a desired policy direction.

The issue of recognition of China was examined and it was contended that without the acquisition of a strong ally or a third party to act as a counterweight to U.S. pressure, Canada was restrained from recognizing China until the recent relaxation in the U.S. hardline toward China. At best, Canada was able only to maintain some remnants of communication and lay the groundwork for the time when she would be able to take the step of recognition. Now, Canada is expanding her ties with China.

China's promise to be a political counterweight is not clear. Although China can be expected to oppose the U.S. on many issues, particularly the U.S. presence in Southeast Asia, the issues may not always be the sort with which the U.S. and Canada are in disagreement.

Thus, China's use as a counterweight clearly cannot yet be established.

The government's review of foreign policy anticipated policy divergences from the U.S. on matters pertaining to Asia. If these divergences are of great importance, then the need for counterweights is clearly established. China is a possibility that the Canadians are getting to know; Japan is a probability that Canadians do much business with.

The role of the Third World was seen within the context of Canadian plans. Canada can seek combination with many of the emerging nations in international forums and commissions to influence or resist U.S. policy. There is an incomplete picture of the developing nations at the moment, due to their strong neutrality. Canada's policy toward them must be neighborly if they are to hold any promise for Canada, as political counterweights.

Pierre Trudeau's new energies in seeking countervailing forces to the United States underlies the government's belief in this traditional practice of offsetting the dynamic presence of the U.S. Trudeau has promised a continuation in this direction. Many nations and groups of nations can be considered a potential counterweights, depending on the issues at hand and the circumstances that surround those issues. Canada's practice of constant vigilance is necessary if she is to remain independent and sovereign, a creditable governing unit in the eyes of the world. This time, her vigilance must be geared toward the array of issues and particularly those in which she and the U.S. have strong interests.

In foreign policy, Canada, as evidenced by Trudeau's direction,

continues to embrace the concept of the counterweight to enable Canada to follow her own aspirations. It is the conclusion of this analysis that countervailing forces to American influence are very important to the realization of Canadian objectives---complete sovereignty and independence. But countervailing forces are not, as the study has shown, the only means by which independent policy is pursued. As a useful concept, the countervailing force is only one of an array of factors which enable Canada to pursue its own policy. The cases show that when no counterweight was available, Canada was more susceptible to U.S. influence and restrains as in China. Where no counterweights can enter the situation, Canada is more likely not to diverge too dramatically from the policy of the U.S.

Many of the cases examined found nations with whom Canada is just beginning to develop relations. These can only be regarded as potential countervailing forces. They may in the long run enable Canada to realize one of her own policy objectives through a multilateral setting.

In light of the evidence and data examined, several things become clear about Canada and her attempts to strengthen her sovereignty and independence in the U.S. dominated distribution of power system in the Western Hemisphere. The U.S. power projections are strong enough and effective enough to interrupt Canadian policy or at least subject the Canadians to a great deal of pressure. In many cases, the threat of U.S. retaliation and the degree of Canadian vulnerability take on a relationship basis in the minds of Canadian nationalists.

It seems certain that the U.S. is beyond the stage where she would intervene militarily in Canada unless extreme circumstances prevailed.

Canada need not expect economic embargoes to be applied when she diverges too radically from the U.S., however, the threat of U.S. economic retaliation and the Canadian vulnerability to the U.S. in this area may serve to keep Canada within a realm considered acceptable by the U.S.

Canada, is subjected to a third means of gaining policy compliance and that is persuasion tactics usually employed at high level consultations. In the case of Cuba, persuasion tactics at a high level were the main instruments employed by the U.S. The use of threats also takes on a relevance. Canadian fears of U.S. retaliation can certainly figure into policy-making considerations.

There is not always consensus in the Western Hemisphere. The domineering presence of the U.S. contributes a great deal toward consensus. It must be assumed, however, that different historical developments and different political systems condition different policies and approaches. It is because of this point, that an objective of many subordinate nations in a sphere of influence is the pursuance of a distinct policy as conditioned by goals, aspirations, the political system, and other political realities of the given policy without interference from the dominant power.

In the Western Hemisphere, many of the subordinate nations are not subjected to great degrees of U.S. pressure and influence, but Canada, owing to her special extensive relationship with the U.S. is subjected to the pressures from the U.S. Because of this and Canada's desire to strengthen her sovereignty, Canada must find ways to increase her power vis-a-vis the United States. The Hartmann study showed four such means.

The first was the acquisition of allies which is perhaps the most useful tactic of the Canadian political system. As an ally, Britain has guaranteed the survival of the Canadian state. Today, Canada looks to Europe for continuing counterbalance in the economic and political sphere. Canada also looks to Asia, and particularly Japan for the same assistance. The Trudeau formula has been to diversify Canada's contacts and be in a position to enlist the aid of a third party when introduction of a counterweight to the U.S. is needed.

The second strategy outlined by Hartmann was the acquisition of territories. Within the sphere of influence and distribution of power system, this tactic is cast in doubt. In addition, no territories are available and even if they were, Canada's ability to acquire them is virtually nonexistent. Canada has, in what may seem to be an extreme application, moved to protect her Arctic region from U.S. use as a means of strengthening her sovereignty, particularly in the North.

A third strategy, that of erecting buffer states is clearly out of the question. This strategy of the Hartmann theory can find no application in the distribution of power as it exists within the Western Hemisphere. It is conceivable in power distributions where there are states of roughly the same power competing for the advantage, but that example is far removed from the situation that exists in the Western Hemisphere.

A fourth strategy, that of undermining the strength of the U.S. may be employed by Canada. Perhaps the most loyal ally the U.S. has is Canada. Canada's refusal to support a given U.S. policy may detract from the merits of the policy in question at the onset.

Multilateral opposition to a U.S. policy or strategy is Canada's most effective way of undermining U.S. strength, particularly within the U.S. sphere of influence.

There are several limitations to the Trudeau ideas of seeking greater contacts and diversification of contacts. These limitations will be strong factors in the eventual failure or success of the Canadian political system to achieve its objectives. The first limitation stems directly from the predominant position of the United States in the Western Hemisphere's distribution of power. The overwhelming economic and military power of the United States can serve as the means to compel the acceptable degree of policy compliance. The power distribution of the Western Hemisphere clearly marks the dominant and subordinate nations. Any divergence of a radical nature on policy between the U.S. and the subordinate nations must be defined within the bounds of what the U.S. sees as acceptable. There is no nation in the Western Hemisphere which can completely escape the power projections of the United States.

A second limitation is the degree of support that a nation in a temporary limited alignment can provide Canada. When pitted against the enormous strength of the United States, only the Soviet Union and possibly the People's Republic of China could hope to match raw physical power against the U.S. These two nations have not been willing to get involved in the differences that exist between the U.S. and Canada. The type of support that Canada can hope to obtain is diplomatic support in international forums and multilateral conferences. This support becomes crucial in many world developments, but in matters of direct

confrontation, which admittedly are few and far between, no nation equal to the U.S. in size and strength would be inclined to get involved.

A third limitation involves itself with ownership of Canadian industry and the extensive economic relationship with the U.S. It has been detailed how extensive U.S. ownership of certain Canadian industries actually is. The desire of Canada to seek re-direction in her trade patterns and diversification of her investment sources depends on the willingness of these new sources to promote a constant expansion of the Canadian industrial sector and economy and to eventually outdistance the growth of the economic ties already existing between the U.S. and Canada. Such a commitment would require massive doses of Europe and Japanese money. Canada's ability to attract this investment depends on her attractiveness to European and Japanese markets and investors. Canada is only one-third developed, and very rich in mineral resources. As such, she will become more attractive as other mineral rich areas become depleted or unreliable. It may then depend on the willingness of other nations to compete with the U.S. for Canadian resources.

The successes of the Canadian policy of creating countervailing forces are notable. First of all, Britain as a counterweight enabled Canada to resist union with the U.S. and to develop into a governing unit separate from the U.S. Two, multilateral association allowed Canada to maintain the remnants of a policy toward China, which laid the groundwork for eventual recognition. The strength of numbers in the U.N. allowed for Canadian opposition to the U.S. on the recent

admission of Peking to the U.N.

Third, Canada was able to define and protect her Artic seas from encroachments by the U.S. A temporary limited alignment was sought with the Soviets, but they refused to get involved. Canada's readiness to involve the Soviets is an excellent illustration of limited alignment as a feasible Canadian policy. Canada has promised the U.S. that she will negotiate the problem within a multilateral as opposed to a bilateral setting. Once again, Canada seeks to strengthen her power capacity through the strength of numbers.

Fourth, by remaining outside the OAS, Canada has been able to maintain a diplomatic protocol with Castro's Cuba. The Canadian leadership believes that membership within the OAS would subject Canada to further restraints on her freedom to operate independently within this hemisphere. This action stems from the Canadian premise that the OAS is a U.S.-dominated organization.

Five, Canada has accomplished the beginnings of a diversification of trade patterns and investment sources which will ultimately reduce Canadian vulnerability to U.S. economic measures and will dilute the preponderant influence of the U.S. in Canadian economic and political affairs.

Sixth, the Trudeau idea has opened up new contacts with areas, that Canada has traditionally had little connection with. Diversification of contacts has opened up new relationships with the nations of Latin America, with Japan, and with the Soviet Union. Strong political and economic ties, depending on the area, can further assist Canada in the attaining of her objectives.

A greater array of contacts can widen the Canadian strategy range beyond those power increases described by Hartmann. Canada's preference for multilateral settings is an example of this.

Returning to Hartmann's strategies, the first, that of acquiring limited alignments on political issues and more permanent alignments with Europe and Japan on economic matters, have been successful toward altering the restraints felt by Canada as a subordinate nation within the power distribution. This is the step toward realizing the most important Canadian objective, that of the pursuance of her own distinct independent policy as a sovereign governing entity.

Therefore, Trudeau has taken a correct step in assuming that countervailing forces will allow Canada to pursue her national interest and independent Canadian foreign policy. Trudeau's trips to many different areas of the world have been evidence of his faith in this strategy.

As with many endeavors, future political analysts may look back and proclaim the wisdom or folly of such policies. Canada's final judgment of her current directions resets somewhere well into the future. For the moment, this analysis has demonstrated that she is moving in the right direction if she is to increase her independence from the U.S. and from the restraints of the sphere of influence.

Canada's search and use of countervailing forces takes place in a time which has witnessed the disintegration of the bipolar world into a multipolar community in which polycentrism has been promoted. The evidence seems to indicate that the restraints on subordinate nations

within power distribution systems in a bipolar setting are far more restrictive than the present day. Thus, Canada's policy of seeking counterweights to the U.S. is greatly aided by the drift of the nation-state system to multipolar alignments.

The more restrictive setting of bipolar confrontation such as the world witnessed in the post World war II times placed more restrictions on the movements of subordinate nations. In addition, the congruity of interests between the U.S. and Canada placed more restrictions on Canada during this earlier period.

The world is different now. The great ideological confrontation has, in large measure, passed on. The nation-state community now hosts alignments of Communist, Western, and the so-called Third World nations.

In addition, the economic problems of all three blocs have turned their attention to economic solutions. Cooperation among nations is one way to immediately start on the path to the economic betterment of those nations afflicted.

Thus, the disintegration of the bipolar world, the rise of multipolar alignments, and world wide economic difficulties have turned the nation-state system away from the confrontation politics of the Cold War. Canada seeks to take advantage of the new flexibility to attempt to satisfy the nationalist aspirations of her populace.

It is not wise to lose sight of the great congruity of interests that has bound and continues to bind the U.S. and Canada to their very extensive relationship. These interests will maintain the

relationship, but the Canadian government must take note of those it governs. The aspirations of the people are to maintain and reinforce Canadian sovereignty. If the government of Canada is to survive, it must continue to devise and formulate policy which has as its goal the realization of that objective.

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