

ATTITUDES OF  
MAJOR CANADIAN POLITICAL PARTIES  
TO BRITAIN

AN EXAMINATION OF THE ATTITUDES OF  
THE CANADIAN CONSERVATIVE AND LIBERAL PARTIES  
TOWARDS BRITAIN FROM 1956 TO 1963

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# I

## INTRODUCTION

The basic similarity of the general outlook and policies of the Canadian Liberal and Conservative parties is often stressed by students of politics.<sup>1</sup> Various factors are thought to be responsible for this similarity, and may conveniently be isolated by comparing the Canadian party system with that of Britain.

The British party system is often (and perhaps mistakenly) regarded as a model of how political parties should mobilise support. In that country "there are relatively marked differences between parties [although] . . . none is so deep as to threaten the maintenance of the system."<sup>2</sup> Generally, the Conservative and Labour parties may be identified with the "right" and "left", respectively, and the incidence of class voting remains an important feature in the system.

It must be noted, however, that certain other characteristics make this "right-left" orientation a workable feature. Politics, in Britain, is characterised by the absence of major cleavages along the lines of race, ethnic groups, language or religion. Furthermore, geography and

immigration are relatively unimportant influences in the political system.<sup>3</sup>

In Canada, however, all these factors are significant; indeed some of them have a crucial influence upon the political system.

Canada is composed of five major regions. . . . Each of these regions possesses different political traditions and each contends with rather different social and economic problems. Our heterogeneous population is divided not only into segments of rural and urban, rich and poor, United Empire Loyalists and recent immigrants, but also and most important into a dualistic pattern of English and French. These cleavages make Canada an exceedingly difficult nation to govern. . . . Further political polarization into radical and conservative camps seems to be a luxury which Canadians have been unable to afford. . . . The parties compete not for the political right or left but for the centre.<sup>4</sup>

Even those scholars who do emphasize the presence of a significant "right-left" ideological division within Canadian politics conclude that the major parties endeavour to present themselves as "centre" parties, stressing conciliation. Professor Gad Horowitz, in a recent study of Conservatism, Liberalism, and Socialism, has suggested that there is a "touch" of toryism within the Canadian Conservative party, which in turn has led to the growth of a "touch" of socialism within the C.C.F.-N.D.P. movement. He does not deny, however, that regional and religious-ethnic factors predominate over class aspects of Canadian politics, although he suggests that it is not entirely because these factors are "objectively" stronger, but also that Mackenzie King Liberalism, in em-

phasizing such factors and avoiding class symbols, has made regional-religious-ethnic symbols stronger. Horowitz believes that the enormous success of the Liberal party during the King era has led the other parties to emulate the Liberals by presenting images of themselves as centre parties.<sup>5</sup>

Commentators may differ in their explanations as to why both the Conservatives and Liberals avoid class images and present themselves as centre parties, but they do not differ in their conclusions that the parties do in fact find it expedient to present themselves in this light. Consequently, a similarity in the policies and pronouncements of these two parties, may be expected.

If similarity is regarded, by observers, as the relevant word in describing the Conservative and Liberal parties, the parties themselves, and their apologists, are careful to distinguish themselves from each other on certain attitudes and policies. One attitude upon which they regard themselves as differing is in their attitude towards the role of the "British connection" in Canadian politics. This is the subject of this study.

Conservative ideologist George Hogan stresses the Conservative version of this difference. Hogan states that the Conservatives have had, historically, a "natural affection for the British connection and British heritage" and have further valued the connection to reinforce Canada's in-



dependence from the United States.<sup>6</sup> He contrasts this attitude with that of the Liberals, who, he believes, have traditionally "troubled themselves about symbols of sovereignty" without being "aware of the realities of independence." The Liberal party had, at the same time, always tried to weaken ties with Britain and the Commonwealth and had exhibited such strong anti-British tendencies, particularly during World War II, that Hogan considers that MacKenzie King may have been more frightened of Churchill than Hitler!<sup>7</sup> The Conservative version of Canada, and the role of the British connection, has been developed further, and derided, by Professor Underhill.<sup>8</sup>

John W. Pickersgill offers the Liberal summary of the historical attitudes of the two parties towards the British connection. The Liberal party, he believes, has made a special contribution towards gaining full Canadian independence from Britain, often in the face of fierce opposition from Canadian Conservatives.<sup>9</sup> The Liberal party, in fact, credits itself with the origin of the notion of the Commonwealth consisting of equal and free nations.<sup>10</sup> Professor Donald Creighton has termed this attitude "the great fable of nationality versus imperialism."<sup>11</sup>

The whole history of the attitudes of the Conservative and Liberal parties, towards the British connection, is not under review in this study. The period selected is relatively brief and relatively recent. The study begins in 1956 and

ends in 1963. The limits of the inquiry have not been drawn arbitrarily. The period encompasses three important issues which brought Canadian relations with Britain into sharp focus. In 1956, British involvement in the Suez Canal Zone provided the Conservatives and Liberals with an opportunity to assess their notions of what form Canada's relations with Britain should take. The debate continued in the next years because of important pronouncements by the new Conservative Government with regard to Anglo-Canadian trade. Later, Britain's decision to seek entry into the European Economic Community again provided the two Canadian parties with an opportunity to discuss the role and relevance of the British connection for Canada. The study ends, in 1963, when the question of British entry into Europe was placed temporarily into abeyance.

A detailed introduction to the particular issues involved, within the period, is unnecessary here, as all the background, which is relevant to the issues, is provided in the text.

Although the study is concerned with Canada and Britain, the policies and attitudes of the United States occupy an important place. The very existence of such a vast power within the English-speaking community may be thought a sufficient justification for its inclusion. The particular approaches taken by the Conservative and Liberal parties, particularly

the former, render a discussion of United States policies and attitudes crucial, as we shall see.

At the beginning of the period under review, in 1956, Professor Eayrs stated that many Canadians view the essential history of the modern Commonwealth as an Anglo-Canadian conflict "wherein the forces of darkness in Downing Street are vanquished by the forces of light in the East Block during its Liberal tenancies."<sup>12</sup> In a later edition of the same journal, A. Vixen thought that the reflex actions of the Conservative party were "automatically British," and that the tragedy of that party was "its inherent Anglo-Saxon personality."<sup>13</sup> We may conveniently begin our study at this point.

## II

### THE SUEZ CRISIS

The Suez Crisis of 1956 was responsible for one of the most serious post-war divisions in the Canadian Parliament, and in the country at large. An historian observed at the time, that not for fifty years had Canada been so bitterly divided about a matter that was so completely external.<sup>1</sup> This division was largely a result of the conflicting positions adopted by the Liberal and Progressive Conservative parties with respect to British policy during the crisis.

Before describing and analysing those positions, it is necessary to review the policies of Britain and the United States. Since Canada's Liberal Government played a major diplomatic role in the settlement of the dispute, that role will also be recounted.

With much encouragement from the United States,<sup>2</sup> Britain decided to withdraw its garrison from Egypt in 1954. Two years later this task was completed. British interests in the Suez Canal, the important route for oil supplies and an important trade link with the East, were protected by the terms of the withdrawal treaty, at least until 1968.

Colonel Abdul Gamel Nasser, the Egyptian leader and

the embodiment of nationalism in Egypt, was promised aid by Britain and the United States to finance the construction of a High Dam at Aswan. This was conditional on his retaining the confidence of the West. By the middle of 1956, however, Nasser had apparently forfeited this confidence because John Foster Dulles, the United States Secretary of State, decided that the aid would be withdrawn. During the previous twelve months, Nasser had negotiated purchase of arms from Czechoslovakia and had also widely advertised a counter offer, by the Soviet Union, to build the Dam. Dulles had decided, at this stage, to "call the bluff" of the Soviet Union and chastise Nasser. The United States withdrawal was followed by a similar decision by Britain. According to Sir Anthony Eden, the decision to withdraw the aid was essentially an American one, although Eden indicated no disagreement with the decision.<sup>3</sup>

The decision must have been a profound shock to Colonel Nasser. The psychological and economic importance of the Dam project to the Egyptians is well illustrated by Erskine Childers.<sup>4</sup> Within one week, on July 26, Nasser had made his reply to the West: the Suez Canal Company would be nationalised; the Company assets and the Canal tolls would help finance the Aswan Dam construction.

Nasser's decision mobilised all the usual paraphernalia of crisis in Britain: a Cabinet meeting was called; a telegram was dispatched to the United States President;

Commonwealth representatives were informed; and the Prime Minister informed the House of Commons. From all this there emerged a decision, by the Cabinet, to authorize the military to prepare a plan, in collaboration with the French, to occupy the Canal Zone. Testimony that such a plan was initiated at this stage is given by Eden himself.<sup>5</sup>

Discussions took place among Ministers of Britain, France and the United States and, acting on United States initiative, a meeting of twenty-four principal users of the Canal was organised. Egypt was invited but declined to send representations. This larger body met and a majority endorsed yet another United States proposal to draw up a new Convention to ensure the international control of the Canal. The Soviet Union, India, Indonesia and Ceylon dissented.

On September 4, Dulles informed the British Ambassador in Washington that the new Convention proposed by the eighteen Powers was unnecessary and he outlined his new plan which became known as the Users' Club. The "Club" would operate the Canal and tolls would be paid to it. Against French advice the British decided to accept the scheme, to retain harmony with the United States.<sup>6</sup>

The fact that Eden believed that force would be the ultimate weapon is made clear in his speech to the House of Commons on September 12.<sup>7</sup> That Dulles did not share this view became equally obvious a day later, when he informed

press correspondents that the United States did not intend to use force and that United States vessels would sail round the Cape, if Nasser would not comply.<sup>8</sup> The rift between British and United States policy, forecast by some politicians<sup>9</sup> as early as August 8, was now apparent to all. Dulles' latest stand, according to Eden, left the British with "a choice of parting, or a master and vassal relationship in foreign policy."<sup>10</sup>

On October 30, the British and French Governments, in response to an invasion of Egypt by Israeli forces, issued an ultimatum to both countries, demanding that hostilities cease. If the demand was not complied with, the British and French would occupy the Canal Zone temporarily, ostensibly to ensure that the Canal remained open for shipping. The deadline came and went, so the British and French operation commenced. There was much speculation of collusion between the European powers and Israel. A powerful argument suggesting such collusion has been marshalled by Erskine Childers.<sup>11</sup>

Following Soviet threats, United States pressure, and United Nations condemnation, the British and French forces ceased hostilities on November 6. A United Nations Emergency Force was to replace the British and French to stabilise the area, and the European powers would withdraw.

The whole purpose of the British-French operation, ostensibly, had been to safeguard the Canal route. In this

they were not successful; the Canal had been blocked by the Egyptians. As the weeks went by, the British Government began to defend its intervention on broader grounds. The large quantities of arms found in Egypt, which had been manufactured behind the Iron Curtain, provided Britain with a new explanation, after the events. On December 3, Mr. Selwyn Lloyd told the House, "By our timely action, we . . . forestalled the development of a general war [and] . . . the Russian designs have been exposed and dislocated."<sup>12</sup>

American pressure on Britain did not terminate with the cease-fire. At the end of November, the United States supported an Afro-Asian resolution urging Britain and France to withdraw completely, although, in fact, withdrawals had already begun. This hostility was only the latest of a series of United States actions which had caused, since the beginning of the crisis, considerable perplexity to the statesmen of Britain and France.

After Nasser had seized the Canal, Dulles apparently told Eden that the Egyptian President must be made to "disgorge" the Canal.<sup>13</sup> From this time, Eden felt fairly confident that the ultimate sanctions of the various American proposals would be force. Yet the American view of the Canal was very different from that of the British and French. The Canal meant relatively less to the United States in terms of trade. Furthermore, Dulles, in sympathy with a considerable body of



Congressional and public opinion, played the role of anti-colonialist. This explained American pressure on Britain to leave Egypt in 1954. Within weeks, the Republicans would be offering their "President of Peace" for a further term in the White House. Although Dulles had no high regard for Nasser and his neutralism, supporters of a "President of Peace" could hardly risk a conflagration over a Canal identified with European colonialism.

Finally, although Dulles had been prepared for an economic showdown with the Soviet Union in the Middle East, the region was only then becoming a primary theatre in the Cold War. It is interesting to note, however, that American policy rapidly changed within two months after the Suez Crisis ended, with the promulgation of the Eisenhower Doctrine.

For a combination of reasons, then, Britain and France did not obtain American support, although the vacillations of Mr. Dulles concealed this until September 13, as we have already seen. After this time there could be little doubt. Here, Dulles' insistence that Britain and France should not appeal to the Security Council fits into context. If Britain and France went there and were met by a Soviet veto, (as subsequently occurred) force might be justified by the two countries in the light of United Nations impotence.<sup>14</sup>

Whether or not the United States policy was clear, or its motives noble, what emerged most starkly from the

venture was the reality of its power in the Western Alliance and the impotence of unilateral action by other nations within that Alliance, unless the United States tacitly approved of such action. Furthermore, the behaviour of the United States at the United Nations and the pressure exerted by American bankers against Sterling<sup>15</sup> indicated the kind of treatment which junior partners might expect, if they acted without American consent on such a serious issue as this.

Notwithstanding this conclusion, however, Mr. Dulles' vacillations and his confusing tactics invite agreement with Lester Pearson, that Britain and France endured the "frustrating sequels to what undoubtedly comprised the worst chapter in Dulles' diplomatic career."<sup>16</sup>

The crisis provided the context for what has been generally regarded as Canada's most successful diplomatic contribution, at least since the Second World War, and, although it reflected, in part, the attitude of the Liberal party towards Britain, it will be described here because it was an essential part of the crisis.

During the crisis, the United Nations employed the Uniting for Peace procedure, a move which met with Canada's support. A resolution was passed by the General Assembly demanding cessation of hostilities and withdrawal of British, French and Israeli troops. The Canadian delegation, led by Lester Pearson, abstained on this resolution. Pearson then

proposed a further resolution, to set up "with the consent of the nations concerned, . . . an emergency international United Nations force to secure and supervise the cessation of hostilities."<sup>17</sup>

After intense diplomatic activity, the necessary support was mustered and the resolution was passed. Later, Canada voted in favour of a resolution, proposed by the Afro-Asian group, which demanded a cease-fire. This resolution represented even more pressure upon Britain and France than the first resolution on which Canada had abstained. Two weeks later, Canada abstained on an Indian resolution demanding immediate withdrawal of United Kingdom and French troops from Suez, and instead supported a Belgian amendment worded in a manner less offensive to Britain.

The concept of the United Nations Emergency Force captured the imaginations of many who were beginning to doubt the effectiveness of the United Nations Organisation. Further testimony that the concept was popular is suggested by the fact that pride of its authorship was claimed on behalf of Mr. St. Laurent, Mr. Diefenbaker and Sir Anthony Eden!<sup>18</sup>

In 1957, Lester Pearson was awarded the Nobel Peace Prize chiefly for his efforts in regard to the United Nations Emergency Force and for his successful diplomacy in organising the necessary support for it during the Suez Crisis.

The Liberal Government's policy came under vigorous attack from the Conservative Opposition which claimed that the Government had pursued an anti-British policy. The policies and positions of both parties will now be examined and since the issue was of some substance in the General Election campaign of 1957, the relevant parts of that campaign will also be discussed.

#### The Liberal Position Towards Britain

When the Suez Canal Company was nationalised, Sir Anthony Eden requested the Liberal Government's support for the position which Britain had adopted. In his reply, Mr. St. Laurent omitted any mention of support.<sup>19</sup>

Initially, a public statement was issued by Mr. Pearson, indicating that any interference with "the efficient and non-discriminatory operation" of the Canal would be regretted by Canada.<sup>20</sup> On August 1, Pearson informed the House that, if possible, the dispute should be "settled under the aegis of the United Nations."<sup>21</sup> On the same day, Pearson, referring to one of the Asian countries of the Commonwealth, stated, "The feeling in that country on this matter [is] quite different indeed from that which exists in Canada or in certain other parts of the Commonwealth."<sup>22</sup> Interest and caution at Ottawa were matched by ministerial disinterest at Vancouver. There, on August 3, Mr. Campney, the Minister of Defence, announced, "This is primarily a European matter. It is not a

matter which particularly concerns Canada. We have no oil there. We don't use the Canal for shipping."<sup>23</sup>

In September, at the N.A.T.O. Council meeting which had been called to discuss the crisis, Pearson outlined the position of the Liberal Government. Although recognising the importance of the Canal to European nations, he warned:

We must rule out the use of force except as a last resort and use it only in accordance with the principles we have accepted in the N.A.T.O. pact and in the United Nations charter.<sup>24</sup>

He indicated further that, even if the matter were vetoed in the Security Council, (by the Soviet Union) a majority of favourable opinion "might be an important and valuable support for subsequent negotiations or action."<sup>25</sup>

When the Anglo-French intervention began, Eden again urged the Liberal Government to support the British position and St. Laurent replied that no such support would be forthcoming.<sup>26</sup> On November 4, the Liberal Prime Minister stated that the Canadian Government "could not but regret . . . that at a time when the United Nations Security Council was seized of the matter, the United Kingdom and France felt it necessary to intervene with force."<sup>27</sup>

Three weeks later, the Canadian Parliament was called into special session to authorize the necessary expenditures for the Canadian contingent of the Emergency Force. During the session, St. Laurent was more explicit than he had been earlier in his position towards Britain. Referring to one

of the United Nations resolutions, he stated that it had "been construed, . . . and rightly so, as placing some blame on . . . the British for having taken the law into their own hands when what had to be dealt with was already before the Security Council of the United Nations." He continued:

I have been scandalised more than once by the attitude of the larger powers . . . who have all too frequently treated the charter of the United Nations as an instrument with which to regiment the smaller nations and as an instrument which did not have to be considered when their own so called vital interests were at stake.

. . . . .  
The era when the supermen of Europe could govern the whole world has and is coming pretty close to an end.<sup>28</sup>

Mr. Pearson had the full responsibility of explaining the Liberal party's position towards British policy. In more moderate tones than those of his superior, he explained that the Government had not been able to support Britain and France all the time although they had tried, "as Canadians should and as a Canadian delegation should, to give the most friendly consideration to the United Kingdom and French position."<sup>29</sup>

As Pearson explained the Government's position, it became clear he believed that to have given even a qualified support to Britain's position would have prejudiced the success of three vital aspects of Liberal policy during the crisis. These were, settlement through United Nations, the necessity of maintaining the Western Alliance (particularly

the Anglo-American aspects) and the responsibility to act as a "bridge" between the "White" and Asian parts of the Commonwealth. Although these precluded full support of Britain's position, Pearson believed that successful execution of these policies had been helpful to Britain.

The Liberals had urged settlement through the United Nations from the outset of the crisis and, during the Special Session, Pearson reminded the House of this:

Our attitude was that this question should be brought as quickly as possible to the United Nations and a solution attempted there, . . . and that there should be no action by anybody which could not be justified by the United Nations Charter.

. . . . .  
Our policy . . . was to get the United Nations into the matter at once; to seek . . . a solution which would be satisfactory to all sides.<sup>30</sup>

According to Pearson, an indication of support for Britain would have lost the Canadian Government "any influence which it . . . had at the time and which . . . it may have hoped to use later on for constructive purposes."<sup>31</sup>

The "constructive purposes" to which Pearson referred were, the proposal of the resolution to form the Emergency Force, the mustering of support to ensure passage of the resolution, and assisting the Secretary General to form the Force without delay. To ensure support for his resolution, Pearson made an agreement with the Indian delegate by the terms of which the Canadian delegation and its associates agreed to support an Afro-Asian resolution which was hostile

to Britain and France.<sup>32</sup>

Had the Liberals supported the British position earlier, they would not have been in a position to make such an agreement with the Afro-Asian group. Because the agreement was made, Pearson was not only able to obtain the necessary votes for his resolution, but he and the Secretary General were also able to secure Afro-Asian cooperation in establishing the Force without delay. Pearson stressed, to the House, that the resolutions and provisions for the formation of the Emergency Force "helped the United Kingdom and France in accepting the cease-fire,"<sup>33</sup> and that these Canadian policies at the United Nations had been appreciated by Britain.<sup>34</sup>

The second aspect of Liberal policy was the desire to maintain cooperation within the Western Alliance and particularly between Britain and the United States. The Liberals believed that the success of this policy depended on their withholding support for Britain's position.

The aim of the Government throughout the crisis, according to Mr. Pearson, was "that there should be no division of opinion, no division of policy, between Washington and London and Paris."<sup>35</sup> Once such a division had occurred then the purpose of the Liberal Government's policy was to restore cooperation.

It appears that the Canadian Government acted as a "bridge" between London and Washington at various stages



during the crisis. At the outset, according to Terence Robertson, Canadian officials were asked by Mr. Dulles to approach the British Government and urge caution upon them.

It was the first time /Robertson commented/ that the diplomatic bridge Pearson had striven for some ten years to build between North America and Europe as the key structure of Canadian foreign policy was formally used by the United States for a specific purpose.<sup>36</sup>

After the Anglo-French invasion began, there was a complete severance of communication between Britain and the United States. Ottawa then became the only means of communication between the two countries. At this time, Mr. St. Laurent and Mr. Pearson acted as a link between the two capitals, suggesting to both governments the concept of the Emergency Force, and conveying impressions from one side to the other. A Canadian official was used to convey Mr. Dulles' conditions to the British Government.<sup>37</sup> After the cease-fire, Pearson again attempted to accelerate reconciliation when the United States was applying economic pressures on Britain.<sup>38</sup>

In the House, the Liberals claimed that the very nature of their policy, at the United Nations, in assisting in the cessation of hostilities, had helped reconciliation between the United States and Britain. Since they believed that the success of the United Nations policy had depended upon their decision not to support the British position, then it is not surprising that the Liberals believed that their independent position had proved essential in promoting normal relations

between Britain and the United States. Pearson argued in this vein:

If we had not taken the position we did take on these matters towards Britain at the United Nations we would not have been in a position where we would have performed what I think to be a constructive role . . . of bringing the United States, the British and the French closer together again.<sup>39</sup>

The Liberals defended themselves against Conservative accusations that they had followed the policies of the United States. Pearson denied these accusations and criticised some aspects of United States policy. He criticised them for their hasty proposal of the cease-fire resolution at the United Nations and for their support of the Afro-Asian resolution, two weeks later, which urged immediate withdrawal of British and French troops, when in fact withdrawal had already begun.<sup>40</sup> The Liberals, it is recalled, abstained on both of these resolutions. The Liberals also pointed out that when they had voted with the United States, two-thirds of the assembly had voted in like manner.<sup>41</sup>

At the outset of the Anglo-French operation, Pearson had informed Dulles that the Canadian delegation was "interested in helping Britain and France", that they would like to make it possible for them to withdraw "with as little loss of face as possible, and bring them back into realignment with the United States."<sup>42</sup> Pearson's explanations to the House regarding the Western Alliance, indicated that he believed that those objectives had been accomplished.

The third aspect of Liberal policy which precluded support for Britain was the desire to act as a "bridge" between the "White" and Asian Commonwealth. During the crisis, India, Pakistan and Ceylon had been particularly hostile to Britain and there was some speculation as to whether or not the three countries would remain in the Commonwealth.<sup>43</sup> We noted earlier that the Liberal Government had been aware of the position of the Asian members from the outset of the crisis.

The Liberals again argued that their decision not to support Britain had enabled them to pursue policies which had helped "to heal divisions . . . within the Commonwealth."<sup>44</sup>

The Liberals claimed then, that each of their policies had helped Britain although they had not been able to support the British position. They believed that their position had been based on "a Canadian and independent attitude."<sup>45</sup>

#### The Conservative Position Towards Britain

In sharp contrast to the Liberal Government, the Conservatives indicated full support for Britain's stand at the time of Nasser's action in nationalising the Canal. On July 28, the Opposition spokesman for Foreign Affairs, John Diefenbaker, suggested, "In view of the unprecedented and shocking behaviour of the Nasser Government . . . , Canada should join in with Britain in condemnation of what has taken place."<sup>46</sup>

During the next few days, Diefenbaker continually urged the Government to support Britain, and sensing that the Tripartite meetings in London were not producing unanimity, he asked the Minister for External Affairs if Canada would follow Britain and France or the United States. Undeterred by the reply that no such division existed, Diefenbaker later stated:

Canada should not be a mere tail on the American kite but should, as a senior nation of the Commonwealth, give to the government of the United Kingdom moral support and encouragement. . . . Canada's relationship with Britain at this time should be one of the closest cooperation.<sup>47</sup>

The Conservatives maintained their support of Britain's actions throughout the Anglo-French intervention and defended their position at the Special Session of Parliament. The Conservatives were led, during this period, by Earl Rowe, and his most vocal colleagues were Donald Fleming, Howard Green and John Diefenbaker.

The party indicated its general approval of Canadian participation in the United Nations Emergency Force and did not divide the House on the Throne speech. Instead they added an amendment in four parts, two of which are relevant here. Earl Rowe moved that the following be added to the address:

That this house regrets that Your Excellency's advisers (1) have followed a course of gratuitous condemnation of the action of the United Kingdom and France which was designed to prevent a major war in the Suez area; (2) have meekly followed the unrealistic policies of the United States of America.<sup>48</sup>

In discussing these two parts of their amendment, the Conservatives explained their reasons for supporting Britain. The first of these was based on principle and tradition. Outside the House, Arthur Meighen had already responded in this vein. Meighen urged Canada, as a part of the Commonwealth, to support Eden who was endeavouring, he said, to "maintain Britain's honour and . . . place in world affairs."<sup>49</sup>

While not so forthright as Meighen, the Conservatives in Parliament emphasized tradition and sentiment in their support of Britain's position. Replying to the Address, Earl Rowe stated:

For many years the most intimate alliance as far as we are concerned has been that of Great Britain and the British Commonwealth. That more or less recognized unwritten unity has . . . often prevented trouble. Such alliances have been based on mutual trust. . . . It would have been unheard of in years past for one ally to make a public statement against the action taken by another for its own security. It would indeed have been unheard of for a Canadian Prime Minister or a Canadian cabinet minister to repudiate the British in public for action taken which in this instance has now been generally justified.<sup>50</sup>

Many Conservatives made appeals to the House which were obviously designed to foster sentiment and loyalty towards Britain. This was particularly in evidence when the party was chastising Mr. St. Laurent for his "supermen" reference. Mr. Diefenbaker reminded the Liberals that Britain and France were the "motherlands" of Canada and that those two countries "have for generations preserved freedom."<sup>51</sup> In like manner, Mr. Green recalled that "at the Somme the very

flower of the United Kingdom was wiped out in order to preserve the democratic way of life."<sup>52</sup>

For those who remained unimpressed by these traditional and sentimental calls to the Mother Country, the Conservatives offered more pragmatic reasons for supporting the British position. It was argued that Britain, in fact, had been right in its joint action with the French in the Middle East. Mr. Rowe argued this in the House:

The Prime Minister of Great Britain, has said that the British-French invasion of Egypt, has blocked a communist plot in the Middle East, a plot which would have led to 'the loss of countless lives and more other evils than we can even estimate.' The record of the last few years truly gives us more reason to trust the Prime Minister of Britain than President Nasser of Egypt.<sup>53</sup>

He went on to state that the armaments which were discovered in Egypt were "really serving Russia's devious plan", and that the mistakes of the United States Government "finally left the United Kingdom and French governments with no alternative but to bring force to bear in the Middle East."<sup>54</sup>

These views were reiterated by Howard Green who added, "The United Kingdom and French by their action . . . prevented a major war. The United Nations could never have done it."<sup>55</sup>

The prompt action of the British and French was also appreciated by another Conservative member, who used Sir Anthony Eden's analogy between Nasser and Hitler. Mr. Hamilton suggested that had such prompt action, as that of the British and French, been taken twenty years before, then the Second

World War might have been prevented.<sup>56</sup>

The Conservatives laid much emphasis on the fact that Anglo-French action was designed to meet Soviet infiltration in the Middle East. Mr. Donald Fleming summed up the position well for the Conservatives. He thought that British intervention had produced three positive results. He stated, "It did head off . . . any Soviet Russian action. . . . It may well have avoided a third world war. . . . The United Nations Assembly has been moved to establish a police force."<sup>57</sup>

The Conservatives were extremely critical of the Liberal Government's role as a "bridge" between Britain and the United States. They argued that the Liberals had prejudiced their ability to play that role because they had followed the policies of the United States. Mr. Rowe argued that the Government had "been influenced almost exclusively by the administration in Washington, both in its comments and in its actions."<sup>58</sup>

Howard Green criticised both the aims and the conduct of the American Government.<sup>59</sup> He then went on to attack the Liberals who, he believed, had followed the United States policies towards Britain. He stated that the Government's policy on the Suez issue was "in line with the stand [that they had] been taking for the last ten years."<sup>60</sup> Green attacked the Government's voting record at the United Nations in like manner. He alleged, "In the last ten years this

government [has] been currying favour with the United States," Therefore even when they did not vote with the United States, "they carefully did not vote against them."<sup>61</sup>

Donald Fleming also attacked the Government for failing to discharge its responsibility to act as a "bridge" between Britain and the United States. It had failed, according to Fleming, because it had "taken sides . . . and must bear the responsibility for widening the breach between Great Britain and the United States." Accusing the Liberal Government of following United States policies, he added:

It has not come about suddenly. This is something that has been developing for a long time, and we are now seeing the fruits of a policy on the part of this government opposite of associating itself too closely with the political and economic policies of the United States.<sup>62</sup>

Thus the Conservatives' wholehearted support of Britain's position, in the Suez Crisis, was accompanied by condemnation of the Liberals whom, they alleged, followed too readily, the position of the United States.

The Conservatives also attacked the Commonwealth policies of the Liberals during the crisis. They interpreted the Liberals' policies as being of an anti-Commonwealth nature. Conservative spokesmen informed the members of the House that they were not surprised at this because the Liberals had been neglecting the Commonwealth for many years. Mr. Fleming alleged that the Prime Minister "never was an enthusiast for the commonwealth."<sup>63</sup> Mr. Hamilton was more explicit. He



said, "I cannot help but think that over the last twenty years the planned program of this government has cut us off completely from the Commonwealth."<sup>64</sup>

Mr. Churchill criticised the Government's voting record at the United Nations, indicating that he would have voted against the cease-fire resolution "along with the members of the Commonwealth."<sup>65</sup> Another member, Mr. Dinsdale, criticised the Government for following the United States, but believed that the Government was now "swinging back towards the commonwealth viewpoint."<sup>66</sup>

Even after the Special Session of Parliament had ended, the Suez Crisis remained an issue between the parties especially during the General Election campaign, six months later. Let us review, therefore, the positions of the parties during that campaign.

#### Aftermath - The Election Campaign of 1957

Before the general election of 1948, a prominent Ontario newspaper prefaced its support for Mr. St. Laurent with the front page headlines:

KEEP CANADA BRITISH

GOD SAVE THE KING<sup>67</sup>

The purpose of this, of course, was to draw attention to the alliance between Mr. Drew and Mr. Duplessis. It was ironical that in the 1957 election campaign, the Liberals had to face a charge of being anti-British during the Suez Crisis.

The Conservatives concentrated almost exclusively on this theme in their discussion of the Suez Crisis during the campaign, and made ample use of Mr. St. Laurent's "supermen" reference to Britain. In a major campaign address, Mr. Diefenbaker said, "In the tradition of this Party, we did and do resent the British people being castigated and derisively condemned as those 'supermen' whose days are about over."<sup>68</sup> He reminded another audience that the Conservative party believed "that those 'supermen' still had . . . a great contribution to make if freedom was . . . to be maintained."<sup>69</sup> On another occasion, he informed his listeners that although the Liberals had been quick to criticise the British position at Suez, they did not display a similar vigour in condemning United States wheat policies!<sup>70</sup> During the campaign, the Conservatives also reaffirmed their belief that the Liberals had neglected the Commonwealth during their years of office and particularly during the Suez Crisis.

The Liberals defended their Middle East policies using similar arguments to those which they had used during the Special Session. They also vigorously defended themselves against the accusation that they had weakened the Commonwealth. Replying to these accusations, Mr. St. Laurent stated, "It was because Canada values the Commonwealth, because the world needed the Commonwealth, and because we wanted no nation to leave this association that Canada was so con-

cerned last November at the time of the Suez Crisis."<sup>71</sup>

### Assessment and Summary

There has been a tendency to regard the policy of the Liberal Government, on the Suez issue, as the highpoint in Canadian foreign policy during the post-war era, and a reciprocal tendency to view the Conservative position as rancorous and irresponsible. James Eayrs, commenting on the Conservative position, said:

Twenty-two years in opposition, its rank and file dwindling, a succession of leaders cast aside, a woeful lack of expertise, all had combined to produce an outlook upon the world full of quirks and dangerous distortions.<sup>72</sup>

It is true that many of the positions that the Conservatives adopted in supporting Britain appeared to be irresponsible, and by comparison, Liberal policies appeared much more sophisticated. The Conservatives, it is recalled, based much of their argument for supporting Britain on the fact that the intervention had uncovered and postponed Soviet plans for domination of the whole region. When this explanation is compared with the original reason with which the British justified their intervention, it is clear that Canadian Conservatives felt that more secure grounds were advisable to give support to Britain than they originally put forward. In fact, they used the broader grounds which Eden's Government pleaded after the cease-fire.

Furthermore, the Conservative contention that the

Liberals had weakened the Commonwealth was absurd. The Commonwealth was already divided with Australia and New Zealand supporting Britain, and the three Asian Commonwealth countries vehemently opposing her. The Liberals could claim, with some justification, that their policies in urging and assisting the cease-fire proposals had permitted dialogue between "White" and Asian Commonwealth countries to resume.

What emerges clearly, is that when the Conservatives referred to Commonwealth relations, they often meant relations with Britain. James Eayrs had noticed this tendency in 1955, with reference to the Commonwealth and trade.<sup>73</sup> A close examination of the Conservative references to the Commonwealth during the Suez Crisis, which were outlined earlier, justifies the belief that this notion was still current. The Liberals, on the other hand, were particularly eager to accept the Commonwealth in its full implications since they believed that through this wider association they could act as a "bridge" between East and West.

It is easy, then, to conclude that the Conservative position was a rationalization of sentiment and traditional loyalty to Britain plus, perhaps, an acute discomfort at seeing the Liberal Government performing on a world stage and receiving almost universal praise. Such conclusions, though, conceal an important difference between the two parties; a differing interpretation of the role of the British connec-

tion in contemporary Canadian politics.

It is obvious that a traditional fondness for the British connection existed in the Conservative party. After all, an essential part of conservatism is to preserve and conserve sentiments which are thought no less valuable because they are rooted in history, or because they do not conform to current notions of progress. Yet, as we have already seen, the Conservatives believed that the connection with Britain had a more practical significance. They believed that a close relationship with Britain was still necessary, if a significant degree of independence was to be preserved for Canada, in a continent dominated by the United States.

The Liberals, on the other hand, interpreted the role of Canada as a "bridge or connection" between the Atlantic partners (within the Western Alliance) urging maximum co-operation within the Alliance. When this aspect of Liberal policy during the Suez Crisis is recalled, and the Conservative reaction to it, their respective positions emerge.

During the periods when communication between London and Washington broke down, the Liberals, as was shown, tried to repair the relationship. They also defended their United Nations policy by claiming that because of these policies, communication was eventually restored. They claimed that they had maintained an independent position and that this independence had been essential when endeavouring to repair Anglo-

American relations.

The Conservatives, we recall, had alleged that the Government's policy was not independent and that the Government was "currying favour" with the United States. Mr. Fleming stated that the Government had prejudiced its role as a mediator in the dispute, because it had not remained independent. When Fleming's plea for independence is placed alongside the Conservatives' (and his own) wholehearted support for the British position, it becomes clear that there is a serious inconsistency in the Conservative approach. It is equally clear that what the Conservatives meant by independence was, in fact, independence from United States influence in foreign policy when a conflict existed between Britain and the United States.

Although it is not claimed here that the Liberals "blindly" followed the United States, it is necessary to examine the limits of their independence during the crisis. The Liberals, it is recalled, claimed that their role of mediator had been made possible by their independent approach at the United Nations. When this is examined, however, it becomes clear that what made any approach at the United Nations possible was the Liberals' success in associating themselves with the position of the United States. The failure of the British venture was due to the fact that it was not supported by the United States, which, on this occasion,

was willing to let the United Nations take up the issue.

The action of the British and French bore some recognisable resemblance to that of the United States in Guatemala in 1954. In that case, however, effective steps were taken to stop discussion of the matter at the United Nations.<sup>74</sup> Furthermore, in 1957 the joint actions by the United States and the United Kingdom, in Jordan and the Lebanon, did not merit any undue concern on the part of the Liberals. It appeared then, even within the Western Alliance, that the Liberals knew the limits of international action, as George Grant has pointed out.<sup>75</sup>

Pearson obviously realised the limits upon British international activity. His comments at the N.A.T.O. Council meetings, before the intervention, indicated that he saw the necessity of obtaining American consent (either through N.A.T.O., or through the Security Council at the United Nations) for any unilateral action by Western Nations.

Pearson's role was not so much that of a mediator. He was, it is recalled, "interested in bringing Britain back into alignment with the United States of America." Mediation implies mutual concessions. The Americans set the conditions and made no concessions to their wayward allies.

The good offices of the Canadian Government soon became unnecessary. By March 1957, Mr. Macmillan had repaired the Alliance on American terms. As Coral Bell points out,

"The philosophical acceptance of conflict and defeat within an alliance is at least a way of establishing its non-frangible quality, if a somewhat painful one for British sensibilities."<sup>76</sup>

The Liberals regarded Britain and the United States as essential partners in the Western Alliance. This Alliance formed only a basis of what the Liberals hoped would develop into a full Atlantic community. Anglo-American cooperation would be even more important in this type of organisation, as we shall see later. The Liberals believed that Canada had the essential qualities to act as a "bridge" between these two countries. For nearly twenty years Anglo-American relations had been such that there were no problems. When the Suez issues led to a conflict between Britain and the United States, it produced what Lester Pearson has termed, "a great dilemma in Canadian foreign policy."<sup>77</sup> A Canadian Government which wished to pursue a policy in reconciling the two could take only one course having regard to the preponderance of United States power within the Alliance. This course presented no problems to the Liberals; they had won their battle for independence at Whitehall years earlier.

The Conservatives, on the other hand, were convinced that, during the post-war years, freedom of action in the political and economic spheres was being unnecessarily limited by the Government's overattention to Washington. The Suez debate did not take place in a vacuum, in Canada. The period



was one in which Conservatives were concerned about the increasing economic and political reliance by Canada upon the United States. We noted that Mr. Fleming indicated this in his speech. The policies carried out by the Government, during the Suez Crisis, were seen as another manifestation of this.

The Party's sentimental attachment to the British connection could be expected to be a factor of sufficient magnitude to ensure Conservative support for Britain in an international crisis. Where the United States and Britain were ranged on opposite sides in such a crisis, then the Conservatives believed that they had an added justification for supporting Britain; that of demonstrating their independence from the United States.

In subsequent chapters the way in which the Conservatives tried to use the British connection to reduce Canada's growing economic dependence on the United States, and the Liberals' reaction to that attempt, are examined.

### III

#### BRITAIN AND TRADE

As a result of the General Election on June 10, 1957, John Diefenbaker was able to form Canada's first Conservative Government in twenty-two years. Immediately on attaining office, the Conservatives indicated that one of their objectives was to strengthen Anglo-Canadian trading relations. During their first year of office, the Conservatives made pronouncements and indicated policies to that end.

Although the issues were apparently concerned with trade and economics, we shall see that the Conservatives, in advocating their objectives, were also influenced by political considerations. This also applied to the Liberal party in its criticisms of Conservative trade policies.

Before describing and discussing the position of the two parties on trading relations with Britain, it is necessary to outline some relevant aspects of the Canadian economy and also to review the pronouncements and policies of the Conservatives in 1957 and 1958 with regard to Anglo-Canadian trade.

During the twenty-two years that the Conservatives had been in opposition, there had been significant changes in

the Canadian economy, and even those trends which had been apparent in 1935 had gained enormously in importance. Historically, Britain had been a counterpoise to the United States in the Canadian economy. By 1957 though, it was no longer useful to describe Canada's pattern of trade as triangular in this respect. In 1957, R. Craig McIvor wrote:

Canada's familiar pre World War II triangular pattern of trade is well known. . . . Beginning during World War II, a basic geographic reorientation of Canadian trade has continued during the past decade until today the United States provides markets for more than three-fifths of Canada's exports and the source of three-quarters of her imports.<sup>1</sup>

In 1956, Britain bought less than one-fifth of Canada's exports and provided her with less than one-tenth of her imports.<sup>2</sup>

Canada's reliance upon the United States was not confined to trade. American investments in Canada had increased enormously in postwar years. An adequate summary of American investment in (and ownership of) Canadian industry was provided by Richard A. Preston. Writing in 1959, he stated:

The amount of American investment in Canada in 1945 was \$5 billion. By 1959 it had grown to \$16 billion. Some 76 per cent of the total foreign investment in Canada was owned in the United States. . . . Well over a quarter of Canadian industry was controlled by Americans; half of all Canadian manufacturing firms were owned in the United States; more than half of the mining and processing and three-quarters of the oil and natural gas industries were American owned. And these proportions were growing. Never before in history had the industry of one independent country been owned and controlled to such an extent by the citizens of another.<sup>3</sup>

In the same period, British investments in Canada were about one-eighth the size of American investments there.<sup>4</sup>

Britain's declining influence in the economy of Canada was but a part of a general decline in her economic influence in the world at large. Particularly since the end of World War II, Britain has been constantly faced with serious economic problems. Among the most serious of these was its dollar shortage. This dollar problem was of particular significance to the Canadian Government. Andrew Shonfield has observed, "The hard core of Britain's dollar problem is the unbalanced trade and payments with Canada rather than with the U.S."<sup>5</sup> In 1956, Canada sold to Britain nearly twice as much, in dollar value, as she bought from Britain. The British Government was concerned about this imbalance. The British Prime Minister commented in this vein in 1956.<sup>6</sup>

An important aspect of trading relations between Canada and Britain has been the system of Commonwealth Preference, set up in 1932 at the Ottawa Conference, when the Conservatives were in power in Canada. Britain permitted duty free entry of primary produce from Canada and also gave to Canada margins of Preference over other foreign producers. Through the years, Commonwealth Preference was reduced in importance as both countries agreed to modifications. Only five years after the Ottawa Conference, Canada, wishing to facilitate trade with the United States, modified its 1932

agreement with Britain to serve this end.<sup>7</sup>

Another important factor which tended to limit the effectiveness of Commonwealth Preference was the General Agreements on Tariffs and Trade. The original impetus for the formation of G.A.T.T. was provided by the United States,<sup>8</sup> and the agreements made within G.A.T.T. went a considerable way towards the United States goal in regard to Commonwealth Preference. "It was agreed that no new preferences should be granted and none increased."<sup>9</sup> Both Britain and Canada were participants in G.A.T.T.

The ascendancy of the United States influence in the Canadian economy, the relative decline of Britain's influence in that economy and the changing patterns of trading relations in Canada during the post-war years, provide the important background to the activities of the Conservative Government with regard to Anglo-Canadian trade in 1957 and 1958. We can now review the pronouncements and policies of the Government during those years.

Three weeks after the 1957 General Election, Mr. Diefenbaker attended his first Commonwealth Prime Ministers' Conference. At an airport press conference on his return, he announced that he would like to see a diversion, to Britain, of about fifteen per cent of the purchases which Canada was making in the United States.

During the meeting of Commonwealth Prime Ministers,

Mr. Diefenbaker invited Commonwealth Finance Ministers to meet, in Canada, to discuss matters of general economic interest to Commonwealth members. The Conference took place in September 1957, at Mount Tremblant. At a press conference there, Mr. Peter Thorneycroft, the British Chancellor of the Exchequer, announced that he intended to propose the establishment of a free trade area between Canada and Britain, to be brought about within a period of fifteen to twenty years. Mr. Fleming, the Canadian Minister of Finance, was present at the press conference but refused to comment.<sup>10</sup> The free trade proposal was formally made at a meeting in Ottawa after the Mount Tremblant meeting had ended. Mr. Fleming informed the House of Commons later that both governments had decided that, in view of the long range nature of the proposal, the matter should rest in its present form for the time being. This was the only public reply made by the Canadian Government concerning the British proposal.

Two gestures were made by the Canadian Government to attract British exports to Canada. The Government promised to increase the amount of goods which tourists could bring back from Britain. The second gesture was more important. A trade mission was sent to Britain on November 21, 1957. The mission was sponsored by the Canadian Government and included representatives of business, industry, labour and agriculture. The mission was perhaps the most impressive

ever sent from Canada. Its main purpose was "to provide a favourable climate and to seek specific opportunity for the expansion of British exports to Canada."<sup>11</sup>

Canadian ministers were involved in another important conference in September, 1957. This was held in Washington and was the third of a series of meetings (the first had been held in 1954) between the members of the United States and Canadian Governments. In general, the agenda of the conference was to consider matters affecting the harmonious economic relations of the two countries. Of particular importance to the Canadian delegation was the adverse effect of the American wheat disposal programmes on Canadian wheat sales abroad. According to Mr. Fleming, the Canadian ministers had put forward their case vigorously.<sup>12</sup>

Although this conference was not directly concerned with Anglo-Canadian trade, it was often discussed in that context, as we shall see. Mr. Fleming insisted that the diversion objectives of Mr. Diefenbaker had been reaffirmed in Washington. The Liberals had referred to press reports that the diversion objectives had been minimised by Canadian representatives during the conference.<sup>13</sup>

Three months after the Washington Conference had ended, the American Government reduced, by fifteen per cent, Canadian oil imports. Previously, Canadian oil imports had been exempted when the United States had restricted imports.

This act provoked criticism of the Conservatives by the Liberal Opposition. They argued that the Government had not represented Canada strongly enough at the Washington Conference and, further, that Mr. Diefenbaker's statement about diverting Canadian imports from the United States to Britain had influenced the United States. We shall refer to this later when the Liberal position on Anglo-Canadian trade is described.

In 1958, a Commonwealth Trade and Economic Conference was held in Montreal. Plans to hold the conference had been made at the Mount Tremblant Conference and the Conservatives believed that they had been an important influence in initiating the conference. There was no reference to the diversion schemes of Mr. Diefenbaker or to the British free trade proposals in the communique issued after the conference.

Discussion of the statements and policies of the Government provided both the Liberals and Conservatives with many opportunities to indicate their general position on Anglo-Canadian trade.

#### The Conservative Position Towards Anglo-Canadian Trade

The trends already referred to in the Canadian economy presented a disquieting picture to the Conservative Opposition before 1957. Conservatives frequently criticised the Government because of the increasing influence of the United States in trade and investment in Canada. In 1956, Mr. Fulton informed the House of Commons "that economic



domination, if not resisted, if not altered, inevitably leads by a process of absorption to ultimate political domination as well."<sup>14</sup> Mr. Diefenbaker was more forthright in his comments. He said, "If the St. Laurent Government is re-elected, Canada will become a virtual forty-ninth economic state in the American Union."<sup>15</sup>

The Conservatives believed that the increasing dependence on trade with the United States had led to a neglect of trade with Britain. It is recalled that Mr. Fleming, in criticising the Liberal Government's Suez policy, asserted that Canada's increasing economic dependence upon the United States was a cause of the Government's refusal to support Britain.

A few months later, the Conservative party, during its National Convention, promised to call a Commonwealth trade conference "in order to re-establish Canada's traditional Commonwealth markets for agricultural, primary products and manufactured goods."<sup>16</sup> During the election campaign, the Conservatives, in a pamphlet concerning trade, criticised the Liberals for having allowed "trade with the United Kingdom . . . to decline while Canada's dependence on the United States had increased alarmingly and out of all proportions."<sup>17</sup>

Once elected, the Conservatives appeared to move quickly to restore Anglo-Canadian trade and divert Canadian

imports from the United States to Britain. We recall that Mr. Diefenbaker made a statement to this effect soon after he became Prime Minister when he indicated that he would welcome a fifteen per cent diversion in Canadian imports. This general proposal became accepted Government policy.<sup>18</sup> Twelve months later, the Conservatives denied that their diversion proposal was a specific policy, or that fifteen per cent was a figure mentioned.<sup>19</sup> During those twelve months, repeated references had been made to a "fifteen per cent proposal" in reputable journals and by members of the Government in Canada and Britain,<sup>20</sup> but the Government did nothing for many months to correct this apparent misconception.

The Conservative restatement on the matter put the proposition more generally. They argued that they had no precise figure in mind but only a general aim to divert some imports to the United Kingdom away from the United States.<sup>21</sup>

In October 1957, the Conservatives outlined their position on diversion. The purpose of such diversion, according to Mr. Fleming, was to redress a trade situation which seriously concerned many Canadians.<sup>22</sup> The diversion proposal had been made, he stated, because of the deficit in Canadian trade with the United States<sup>23</sup> and also because of the "extent to which Canadian trading eggs were . . . being laid in one basket."<sup>24</sup>

Some months later, the Minister of Trade and Com-

merce, Mr. Churchill, in stating the Conservative position on Anglo-Canadian trade, indicated the long range aspirations of the Government. He said:

Our trade with the United States of America /is/ . . . of paramount importance - it has been so for generations and will continue to be so - but on the other hand over the last fifteen years we have felt that trade has got out of balance. We are buying from the United States over \$1 billion more each year than we sell to them.

. . . . .  
That is the situation. Fifteen years ago Britain's share in the Canadian market was much higher than it is today and we suggested to them that here was an opportunity for them to re-establish their position in Canada's import market and get back to what was considered years ago to be a good pattern of trade - the triangular trade of Canada, the United Kingdom and the United States. . . . That is our policy.<sup>25</sup>

The British proposal, in 1957, for an Anglo-Canadian free trade area, was not met with any enthusiasm by the Canadian Government. The Conservatives appeared concerned at the way in which the proposal had been announced. We recall that, although the proposal was formally made in Ottawa after the Mount Tremblant meeting, Mr. Thorneycroft's first public reference to it was at a press conference at which Mr. Fleming was present. Mr. Fleming offered no comment to the press at this time. He explained in the House later:

I was invited to state the attitude of the Canadian government with respect to that proposal. Obviously it would have been improper of me . . . under the circumstances. The proposal had not yet been submitted. Obviously it had not been before the Canadian government.<sup>26</sup>

Mr. Fleming's concern for diplomatic propriety appeared as less

than adequate motive for his reticence, however, when he admitted that Canadian ministers already knew, before the Mount Tremblant Conference, that their British counterparts were considering the proposal of a free trade area. The British Minister of Food, visiting Canada in early September, had "touched very lightly on the possibility that the United Kingdom ministers, when they came here later on, might be putting forward some suggestion of a free trade area." (Mr. Fleming's own words)<sup>27</sup>

The Canadian Government gave no indication that it had responded in any positive way to the British proposal. The Conservatives were criticised because of this by the Liberals, who asserted that such an attitude made the Conservatives' supposed aims (to promote Anglo-Canadian trade) seem hypocritical.

The Conservatives stated their position on this. Mr. Fleming reminded the House that Mr. Diefenbaker's proposal was to divert, to Britain, purchases which the Canadian Government was making, from the United States. A free trade proposal "introduced a new dimension" into the issue: A free trade area might involve the buying of British goods by Canadians, instead of those produced by Canadians.<sup>28</sup>

In general, the Conservatives congratulated themselves on the initiatives they had taken towards stimulating interest in the economic and trading aspects of the Common-

wealth. They were particularly enthusiastic about the measures they had initiated in regard to closer Anglo-Canadian relations. They believed that their enthusiasm provided a marked contrast to the apathy of the Liberal Government towards stimulating trade with Britain and other Commonwealth countries.

The trade mission to Britain, in November 1957, was highly praised by Conservatives and they regarded it as evidence of their interest in stimulating Anglo-Canadian trade. Mr. Fleming described the mission as, "the most important which [had] , . . ever gone out of the country."<sup>29</sup> Mr. Diefenbaker described it as "the first of its kind, [and] . . . imaginative in its concept."<sup>30</sup> Mr. Churchill also described it in glowing terms when reporting its progress during November.<sup>31</sup>

The Conservatives were very enthusiastic about the Montreal Conference which was held in 1958. They believed that the conference was called because of the initiative of the Prime Minister. Mr. Green claimed this<sup>32</sup> and Mr. Diefenbaker himself had previously stated, "We have already laid the foundations for the Montreal Conference."<sup>33</sup>

As we have already stated, the Conservatives were convinced of their own enthusiasm for promoting Commonwealth trade and increasing imports from Britain. They contrasted their own attitude with that of the Liberals who (Conserva-

tives believed) had been antagonistic to these ideals when in office. Reminding the House of this, Mr. Fleming stated:

The hon. gentlemen opposite have sought at every opportunity to jeer at this decision to hold a commonwealth trade and economic conference. It is not merely that we have done something that they could not do, it is because we have done something that they made no effort to do and in which they do not believe. . . . They do not like the commonwealth. . . . How they jeer at the declared policy of this government to seek, by reasonable means, to divert to the United Kingdom and commonwealth sources purchases now made in the United States.<sup>34</sup>

After the budget of 1958, the Conservatives believed that their policy with regard to diversion was showing signs of success. On July 17, Mr. Churchill informed the House:

Our pattern of trade has undergone some changes. In the more recent period we have been selling more to the United Kingdom and the commonwealth countries and somewhat less to the United States. . . . In the same period imports from Great Britain rose . . . by two per cent, and imports from the United States . . . fell by seventeen per cent. A certain measure of diversification and expansion has taken place leading to a better balance in our trade pattern.<sup>35</sup>

The Liberals, of course, interpreted the trade figures differently and also had some comments to make about another Canadian policy announced during the Budget speech. This was a measure to reduce imports of British woollen goods, into Canada, by tariff manipulations.

#### The Liberal Position Towards Anglo-Canadian Trade

The Liberals were pleased with their post-war economic policies. In general, they did not share the concern felt by the Conservatives about American investment. During the

General Election campaign, Mr. St. Laurent argued that foreign investment had assisted the development of the Canadian economy and enabled Canada to buy more from the United States. Mr. St. Laurent also argued that the twelve per cent rise in Canadian exports, during 1956, had been a long term result of American investment.<sup>36</sup>

During their last few years in office, the Liberals had been concerned to improve Anglo-Canadian trade but their efforts there had been in the direction of stimulating Canadian exports to Britain. To this end they had tried to persuade the British Government to reduce its quota restrictions on dollar imports. Gains were made in 1955 when Britain eased restrictions on imports from Canada.<sup>37</sup>

Commenting upon the increase of goods coming from the United States to Canada, Mr. Pearson stated that the increase in the export of goods had inevitably followed the increasing United States investment in Canada. He also stated that without such imports from the United States, Canadian economic development would not have been so successful.<sup>38</sup>

In 1957 and 1958, the Liberals criticised the new Government's Anglo-Canadian trade position on a number of grounds. The Liberals suggested that Conservative decisions were being made without recourse to expert advice and serious planning. Mr. St. Laurent implied that this was a reason why the British free trade proposals had been lightly dismissed.<sup>39</sup>

Mr. Martin felt that he was justified in believing that Mr. Diefenbaker's diversion proposal had the "quality of the spectacular" but was not a result of careful planning.<sup>40</sup>

The Liberal leaders indicated approval, in principle, with the Government's diversion policy but were always fearful of retaliations by the United States. Mr. Pearson demonstrated this in his first comments on the Government's objectives.

I think he said this is one of the most careless assertions ever made by any head of a Canadian government. In saying that I do not for one minute suggest that if it could be done by the right way, and without doing this country any harm in other ways, it would not be a good thing to do.<sup>41</sup>

Pointing to some of the difficulties involved in the proposals, Mr. Pearson reminded the House of the activities of interest groups in the United States. He said that such groups might succeed in forcing the United States Government to retaliate by protective measures if Canada gave any indication of discriminatory measures against American goods.<sup>42</sup>

By December 1957, the Liberals thought that their fears had been justified. We recall that the United States took discriminatory action against Canadian oil. Referring to the Conservative policies to divert imports from the United States, Mr. Martin said, "Such a deliberate policy on the part of one friendly government with regard to another may be considered as one of the reasons why the United States has deliberately resorted, at this time to a fifteen per cent cut



in oil imports from this country."<sup>43</sup>

As time went by, the Liberals became more convinced that imbalances of trade with the United States and with Britain should be corrected by expansion of trade rather than by diversion policies. They also became more emphatic about the desirability of maintaining the status quo in relation to American economic influence. Mr. Pearson made this clear when, on January 7, 1958, he said, "I think that we should be very foolish and very short-sighted if we in any way brought about an atmosphere which would discourage the participation of American investment in the future development of this country."<sup>44</sup> Four months later, he warned that "diversion of trade [was] . . . neither a wise nor a beneficial principal to introduce into . . . foreign economic policy" and went on to warn the House of the possibility of further American retaliation.<sup>45</sup>

The Liberals accused the Conservatives of disturbing Canadian-American economic relations but at the same time they were not indisposed (when it suited their purpose) to accusing them of appearing weak when negotiating with the United States. The Liberals, seizing upon newspaper reports and a chance remark by one of the American delegation, accused the Conservatives of telling the Americans to ignore Mr. Diefenbaker's diversion proposals.<sup>46</sup> According to the Liberals, then, the Conservatives had minimised their diversion objectives when

meeting with the United States officials at Washington, and yet had provoked that country into retaliatory measures because of their policies.

The Liberals believed that the Conservatives had ignored the only constructive possibility for improving trade between Britain and Canada, namely the British free trade proposal. Mr. Pearson believed that the proposals made by the Conservative Government - to improve tourists' allowances and send a trade mission to Britain - were insufficient to divert the necessary \$600 million worth of trade from the United States to the United Kingdom. Another way of achieving the diversion would be by tariffs against American goods but Mr. Pearson believed that this was unthinkable and, in any case, would contravene G.A.T.T. The only possibility for the increase in trade with Britain was by the Thorneycroft proposal which, according to Mr. Pearson, the Conservatives had ignored. The free trade area could be set up within the framework of G.A.T.T.<sup>47</sup>

The Liberals' attitude towards Mr. Thorneycroft's proposal was of crucial importance. Here, the Liberals declared their general views on Western economic and political cooperation. Referring to the free trade proposal, the Liberals stated that they would have taken the proposal much more seriously than had the Conservatives and would have started discussions with the British Government. They would have done

this for a far more important reason than merely promoting Anglo-Canadian trade. Mr. Pearson made this clear.

While it is very important indeed [he said] to work out bilateral relationships of that kind which increase trade between countries . . . it is of even greater importance to expand this area of freer trade beyond two countries. I would have suggested that perhaps the British proposal could have been discussed within the context of Atlantic freer trade so that all this talk about economic interdependence in N.A.T.O. might eventually result in some action towards economic interdependence.<sup>48</sup>

This aspect of the free trade area proposal had already been mentioned by Mr. Martin.<sup>49</sup> In the next few months, Mr. Pearson frequently reminded the House of the importance of the development of an Atlantic community. He stressed that such a development was of paramount importance "both for political and economic reasons."<sup>50</sup> Pearson reminded the House of Commons that Britain, at that time, was interested in free trade possibilities in Europe. If Canada could become associated with the European free trade movement through Britain, then perhaps the Canadian Government could help to bring about "freer trade in the whole Atlantic area, including the U.S.A." The alternative for Canada would be isolation, which he thought impossible, or North American continentalism, which he thought "bad".<sup>51</sup>

In the Supply Debate, in July 1958, Mr. Pearson recognised the difficulties of bringing about freer trade within an Atlantic framework which included Britain, Europe, Canada and the United States. Yet he stressed the importance of such a

"vision". He concluded:

I do not know of any more important or any greater vision, apart from building up our own country, than trying to build up the Atlantic area as a free trade, politically cooperating and defence area. Surely there could be no more important Canadian policy at this time, political or economic, than to take the initiative in that regard.<sup>52</sup>

The Liberal interpretation of the trade figures which were issued in 1958, was not the same as that of the Conservatives. It is recalled that the Conservatives believed that the success of their diversion objective was reflected in the figures which showed a seventeen per cent reduction in imports from the United States and a two per cent rise in imports from Britain. The Liberals believed that the recession in the Canadian economy had been responsible for reduced imports from the United States, and that the recession had been of such a nature that imports from Britain were not affected.<sup>53</sup> Some Liberals also referred to the apparent contradiction between the Conservative object of increasing imports from Britain and the policy of restricting the volume of British textiles coming into Canada.<sup>54</sup>

#### Assessment and Summary

The positions adopted by the Conservative and Liberal parties, during the discussion of Anglo-Canadian trade and related matters, have a twofold importance. In addition to viewing the parties' positions on the specific issues, we are able to gain some insights into their respective attitudes

towards general economic and political trends in the post-war world. Both of these aspects are considered here.

It is recalled that the Conservative Government hoped for a diversion of Canadian imports from the United States to the United Kingdom, for economic and political reasons. There were good economic reasons why such a diversion should take place. If it were successful, the massive imbalance with the United States would be adjusted, and at the same time, those in Britain who were concerned about the Anglo-Canadian trade situation would be satisfied. Correction of the imbalance with Britain might have enabled Canadian exporters to the British market to increase their business. The Conservatives, as we observed, were also concerned about the political implications of the trading deficit and American investment, although they had less to say about this after they had obtained office in 1957.

The Conservatives made few proposals to correct the imbalance. The concessions made to Canadian tourists making visits to Britain may be summarily dismissed. The "High Level" Trade Mission was only a larger version of previous Canadian trading missions, although its purposes were somewhat different, as we observed above. While such missions undoubtedly have their uses, they are quite unsatisfactory as a means of producing or even initiating such a drastic re-orientation of Canadian foreign economic policy as was re-

quired to rectify the huge imbalance.

The Conservatives did not appear to consider the British free trade proposal with any great care. Although the Conservatives did not publicly criticise the proposal, their reservations appeared to go further than a mere concern about the manner in which the proposal was delivered. The Conservatives, we recall, explained that free trade between Canada and Britain might lead to a situation whereby Canadian produced goods would be replaced by British imports. Clearly, the Conservatives were determined to avoid any potential disruption in the domestic economy. The extent to which they were concerned by the possibility of such disruption is indicated by the fact that after proclaiming their interest in improving Canadian imports from Britain, the Conservatives succumbed to the pleas of the textile industry and reduced imports of British woollen goods.

The Conservatives stated that, in the future, they would like to restore the triangular pattern of trade which had existed in the pre-war years. They believed that such a situation would reduce Canada's dependence upon the United States. It is important here to notice that when the Conservatives interpreted economic conditions in Canada as a threat to political and economic independence, they made gestures to the traditional economic connection with Britain.

The Conservatives, however, offered no effective policies to achieve this triangular pattern of trade (even

if such a reversal of Canadian trading patterns were possible). Measures designed to reduce American influence in the Canadian economy would probably affect standards of living drastically. The supersensitivity of the Conservatives to the electorate, as demonstrated by the tariff changes for woollen goods, showed that the Conservatives would not pursue policies which might produce economic difficulties for the public, and electoral difficulties for themselves.

The enthusiasm for the trade mission and the Montreal Conference may be viewed similarly. Although these were of little practical value in increasing British imports into Canada, the Conservatives lost no opportunity to demonstrate their enthusiasm for Britain and the Commonwealth. We recall that they contrasted this enthusiasm with the apathy of the Liberals towards British and Commonwealth trade.

These enthusiastic gestures towards Britain and the Commonwealth were not sufficient to produce any long term changes in patterns of Canadian trade during 1957 and 1958. Nevertheless, during these years, Conservative appeals to the British connection, based on tradition and the desire to preserve national identity on the North American continent, remained a significant feature of the party.

The Liberals did not indicate any great degree of concern about American influence on the Canadian economy. We recall that they valued this influence greatly. In fact,

one of their main criticisms of the Conservative policies was due to their fear that those policies might disrupt American trade with (and investment in) Canada.

Mr. Thorneycroft's proposal had a greater appeal to the Liberals. They believed that such a proposal might help to correct the imbalance of trade between Canada and Britain without affecting trade with the United States. Such a view of the British free trade proposal conflicts with that of Andrew Shonfield. He believed that the value of the proposal, for Canada, lay in the fact that successful implementation of the proposal necessitated the raising of high tariff barriers against the United States. He stated that these measures would be necessary because, otherwise, Canada would be merely an entrepot for American goods which would enter Britain, through Canada, without tariff and would avoid the high British duties.<sup>55</sup>

Had the Liberals interpreted the proposal in this way they would not have been interested in it as a measure to reduce the imbalance of trade between Canada and Britain. Substantial discrimination against trade with the United States was unthinkable to them, as we have already seen.

The Liberals were also interested in Mr. Thorneycroft's proposals for a more important reason than as a measure to balance Anglo-Canadian trade. One of the most important objectives of the Liberal party was, and still is, to broaden the basis of the Western Alliance. They hoped that on the



military framework of N.A.T.O., an Atlantic community might be established within which there would be a good deal of economic and political cooperation. The Liberals frequently referred to this, as we saw earlier.

We recall that the Liberals were aware that Britain was interested in the possibility of a free trade area with some European countries. They urged that Canadians should be doing all that they could to associate Canada with the venture and they believed that some kind of free trading association between Canada and Britain might be a way in which Canada could maintain an interest. Canada, according to the Liberals, might then make a significant contribution towards an Atlantic free trade area by encouraging the United States to become associated. Thus Canada's special relationship both with Britain and the United States could be of great value in any movement towards an Atlantic community.

According to the Liberals, it was of tremendous importance for Canada to maintain close economic and political ties with the United States. It was equally important for Canada, the United States and Britain to have a maximum of cooperation and agreement with each other. A degree of closer association between Canada and Britain which furthered the above ends was welcomed by the Liberals.

Thus the discussions on Anglo-Canadian trade relations indicated that there was a significant difference in

the way in which Liberals and Conservatives viewed the British connection. This is further illustrated by the attitude of the two parties towards Britain's proposed entry into the European Economic Community.

#### IV

#### THE EUROPEAN ECONOMIC COMMUNITY

In 1960 and 1961, the discussion of Anglo-Canadian relations was revived by Conservatives and Liberals. The impetus was provided by Britain's decision to consider entry into the European Economic Community. The position adopted by the Conservative Government in Canada was significantly different from the position adopted by the Liberals. Before these positions are described and assessed, let us consider events which had been taking place in Europe in the post-war years. We shall also review the part played by the Canadian Government in official discussions with other Commonwealth members, concerning British entry.

Proposals for promoting unity among Western European nations have been made by reformers since the fourteenth century.<sup>1</sup> After 1945, the notion was given considerable momentum by a number of people. They were probably influenced, in part, by the fact that a divided Europe had twice torn itself apart in the previous thirty years. Addressing a Canadian audience in 1962, Lord Amery attributed the trend towards European unity to Sir Winston Churchill's influence.<sup>2</sup> In fact, during the post-war years, the inspiration to develop European cooperation had come, not from Britain, but from Continental

Europe - from such men as Jean Monnet.

After 1945, some ambitious schemes to effect cooperation among European states were attempted, but failed, the most notable of these being the European Defence Community. Attempts at cooperation in the economic sphere proved more successful. Such attempts were Benelux, the Organisation for European Economic Cooperation, the European Payments Union and the European Coal and Steel Community. The latter was the prototype for the European Economic Community.<sup>3</sup>

The European Economic Community (or Common Market) was established under the Treaty of Rome and became effective in January, 1958. It was an economic association of six nations, Germany, France, Italy, Belgium, the Netherlands and Luxembourg. One of the main aims of the Community was gradually to eliminate all tariffs among its members and to establish a common external tariff. It is, however, more than a customs union. Article Two of the Treaty stresses the alignment of general economic policies to promote economic growth and stability, and the strengthening of relations among members. Furthermore, although the Community is essentially an economic association, its broader objectives should not be overlooked. Emile Benoit states, "In the minds of the Treaty's most vigorous proponents the ultimate objective is undoubtedly the attainment of political unification."<sup>4</sup>

The Community is almost as populous as the United

States and has nearly a half of the productive output of that country. To importers it offers the largest market in the world.

European cooperation, if it is to be successful, must have as its base, "a reversal of the thousand year feud between Teuton and Gaul" (to recall Sir Winston Churchill's resounding phrase). The fact that Franco-German cooperation is the basis of the Common Market, is stressed by Walter Lippmann who comments, "It /The Common Market/ is a bargain between French agriculture and German industry. . . . At bottom the Common Market enables France to sell the bulk of the basic food, . . . protected against Canada, Australia, New Zealand" and others.<sup>5</sup> This, of course, is of crucial importance when British entry into the Common Market, and the subsequent fate of Commonwealth Preference, are considered.

In the decade after World War II, both Labour and Conservative Governments in Britain remained aloof from the mainstream of the "European Movement". As the European Economic Community became a reality, however, Britain became more and more concerned at the economic and political consequences of cutting herself off from such important developments on the Continent.<sup>6</sup> Therefore, while still rejecting membership, Britain proposed a "loose link with the Common Market in the form of a free trade area which could be joined by other European countries that preferred to stay out of the Common Market but nevertheless wished to participate to some

extent in the Common Market's program for the liberalization and expansion of European trade."<sup>7</sup> After protracted and difficult negotiations, attempts to forge the link between the E.E.C. countries and those countries interested in the free trade area, broke down.

Those countries of like mind with Britain formed a European Free Trade Association (E.F.T.A.). This association comprised the United Kingdom, Sweden, Norway, Denmark, Switzerland, Austria and Portugal. One important difference between the European Economic Community and the European Free Trade Association was that while the former was protected by a common external tariff, the latter permitted its members to retain their own tariff structures for imports originating outside the association. Britain could thus maintain its system of Commonwealth Preference. It was generally thought that the formation of the European Free Trade Association was an attempt, by participating countries, to enhance future bargaining power with the European Economic Community, in any future negotiations.<sup>8</sup>

By July 1961, the British Government had decided to open negotiations with the European Economic Community to establish conditions under which Britain might join it. The British Prime Minister, Mr. Macmillan, announcing the proposed measure to the House of Commons, stressed the economic and political implications.

Although the Treaty of Rome [he said] is concerned with economic matters it has an important political objective, namely to promote unity and stability in Europe which is so essential a factor in the struggle for freedom and progress throughout the world. . . . I believe it is both our duty and our interest to contribute towards that strength by securing the closest possible unity within Europe.<sup>9</sup>

He emphasized that he did not believe that British entry into the Common Market would adversely affect the Commonwealth. In fact, he stressed that Britain's contribution to the Commonwealth would be greater if Britain entered the Community.<sup>10</sup> Government speakers emphasized that a primary aim of the proposed negotiations was to make satisfactory arrangements for the Commonwealth countries, particularly in the economic field. Both Mr. Macmillan<sup>11</sup> and Mr. Sandys<sup>12</sup>, the Commonwealth Secretary, stressed this.

It was significant, however, that the Government did not offer to the House any guarantee that Commonwealth Preference would remain unchanged. In fact, Mr. Macmillan stated that while the system of free entry and Preference had been of great importance in the past to all the members of the Commonwealth, patterns of trade had changed in recent years. He further stated that the difficulties arising from those changes would have to be dealt with whether or not Britain joined the Common Market.<sup>13</sup>

When we recall the nature of the European Economic Community and the important position of French agriculture within that Community, it appears obvious that the system of

Commonwealth Preference would have to be changed radically, if Britain became a member. When the British Government promised to protect "Commonwealth interests", they presumably meant negotiating new arrangements, on behalf of the Commonwealth, which would recover losses suffered by the abolition or modification of Commonwealth Preference.

It is also interesting to note, in this connection, that economists who favoured British entry into the Common Market often minimised the value of Commonwealth Preference, both to Britain and to the other Commonwealth countries, and maximised the importance of increased trading opportunities in the potentially expanding market of the European Community.<sup>14</sup>

Although the Labour Opposition reserved its opinion on the question of entry into the Common Market (the whole of the party abstained on the motion to seek entry), the Leader of the Opposition, Hugh Gaitskell, stressed that the Government must not do anything which would damage the Commonwealth.<sup>15</sup>

Some individual Members on both sides of the House were far more critical of Government policy. Fears were expressed that British entry into the Common Market might mean the loss of sovereignty, the end of British institutions and the breaking up of the Commonwealth. Furthermore, Members did not overlook the interest of the United States in Euro-



pean unity or a recent meeting between President Kennedy and Mr. Macmillan. Members of the Labour "Left" and the Conservative "Right" made references in this vein. Jennie Lee (Mrs. Aneurin Bevan) was "appalled" that the Government apparently believed that "the combined wisdom of Dr. Adenauer and President Kennedy" was greater than anything that Britain could produce to deal with the post-war situation.<sup>16</sup> Viscount Hinchingsbrooke was more forthright. He described British entry as a "'shotgun marriage' . . . with Europe, ordered by President Kennedy and carried out by . . . the Prime Minister."<sup>17</sup>

These suggestions of interference by the United States probably stemmed from the fact that successive post-war Administrations in Washington had intermittently attempted "to persuade a number of European countries of the advantages to them of a close political and economic integration."<sup>18</sup> The advantages which the United States thought would emanate from an integrated Europe were expressed by President Kennedy, in 1962.

We believe as said that a united Europe will be capable of playing a greater role in the common defense, of responding more generously to the needs of poorer nations, of joining with the United States and others in lowering trade barriers, resolving problems of commerce and commodities and currency, and developing coordinated policies in all economic, political and diplomatic areas.<sup>19</sup>

The United States Government had been unsympathetic to British attempts to broaden the Common Market into a free trade area, and to subsequent attempts by Britain to "build

bridges" between the Common Market and the European Free Trade Association. The reason for this was that the regional trading arrangements proposed by Britain did not provide a basis for political unity whereas the Common Market did. It was this political aspect which most attracted the United States, and therefore they were unlikely to support any substitute arrangements which lacked this feature.<sup>20</sup>

As we have already observed, there were some who felt that Britain's subsequent application for entry into the Common Market could be explained in terms of direct American pressure. Professor Max Beloff does not believe that such an argument can be carried very far. He does state, however, that the British Government may have been influenced by the fact that the United States was unsympathetic to any other arrangements which had been proposed by Britain, and that the new Kennedy Administration was as deeply committed to the success of the Common Market as previous Administrations had been.<sup>21</sup>

The United States Government was very much in favour of British entry into the Common Market, as long as the basic features of that organisation remained unaltered. The reasons for this enthusiasm are well summarised by Professor Beloff, who wrote:

The United States Government was concerned to emphasise that it looked to the United Kingdom to provide an element of stability in European politics, especially in the difficult period which it was thought would follow the passing from the scene of Chancellor Adenauer and General de Gaulle. . . . It was also

felt in Washington that on the great issues of East-west relations, disarmament, and attitudes to the developing countries, the British position might prove nearer to that of the United States than the positions of Western Germany or France, and that Britain's voice would consequently tend to urge the European Community as a whole along lines satisfactory to the United States. Britain might also help to check any tendencies in the Six to become too protectionist and inward. Finally, with Britain in the Community, the pre-eminent significance of the Atlantic alliance was unlikely to be overlooked, and the United States could proceed in its endeavors to construct an 'Atlantic Community'.<sup>22</sup>

The entry of Britain into the Common Market would have inevitably made that Community stronger both economically and politically, but the United States did not seem unduly concerned at its potential as a competitor. Any sacrifices which the United States may have had to make in the economic sphere could presumably be justified by the political benefits resulting from the union of Britain and the Six.<sup>23</sup> Furthermore, by the terms of the Trade Expansion Act of 1962, the President was given the power to negotiate a mutual reduction of tariffs with the Common Market countries. If such a policy proved to be successful, then the strengthened European Economic Community might not have such an adverse effect on United States exports as had been thought initially.

United States policy makers did not appear to view a stronger European Economic Community as a potential political rival either, and so fears that a "Third Force" might emerge in Europe were discounted.<sup>24</sup> After all, Europe and the United States faced a common enemy, and, it was generally believed, they shared the same basic values. Furthermore,

Britain's presence in the Common Market was desired precisely because it was thought, in the United States, that such an addition to the Six would negate any "Third Force" tendencies. Therefore, the United States was well disposed both towards a united Europe and to Britain being part of that unity.

The regional economic developments in Europe were viewed with interest in Canada even before Britain applied to join the Common Market. Any reorganisation of trading patterns in Europe would inevitably affect Canada, especially if Britain modified the system of Commonwealth Preference in any way.

After the Montreal Conference of 1958, the Canadian Conservative Government apparently felt assured that Preference would not be modified in such a way as to affect Canada adversely.<sup>25</sup> The communique issued after that Conference, had stated:

Commonwealth participation in the preferential system has proved to be of mutual benefit and we have no intention of discarding it or weakening it.

. . . . .  
The United Kingdom government confirms its intention of maintaining as an important element in the preferential system the free and unrestricted entry of nearly all goods imported from the Commonwealth.<sup>26</sup>

British proposals to form a free trading area in Europe, and subsequent participation in the European Free Trade Association, did not appear to contradict the statements made at the Montreal Conference because, by the terms

of the E.F.T.A. agreement, Britain was permitted to retain Commonwealth Preference. Although the terms of that agreement may have been sufficient to allay any fears which the Canadian Government may have had about the future of Preference, the possibility of a "trade war" between the European Economic Community and the European Free Trade Association presented a new problem to Canada. Mr. Fleming expressed the fear that such a "trade war" might lead to restrictions on imports of Canadian goods into European markets.<sup>27</sup>

The United States evidently shared these fears in regard to their own exports to Europe, and so initiated discussions which led to the formation of the Organisation for Economic Cooperation and Development. Most of the west European countries joined this organisation along with the United States and Canada. One of the general aims of the Organisation was to "contribute to the expansion of world trade on a multilateral, nondiscriminatory basis in accordance with international obligations."<sup>28</sup>

During 1961 and 1962, the Canadian Government became concerned and apprehensive at the increased possibility of British entry into the Common Market, and during these two years played an important part in consultations with Britain and with other members of the Commonwealth. In April 1961, Mr. Macmillan visited Ottawa and Mr. Diefenbaker informed him of this concern. Later, Diefenbaker told the House of Commons

that the British Prime Minister had left him with a firm impression that every effort would be made to safeguard Canadian interests.<sup>29</sup>

The Commonwealth Economic Consultative Council convened at Accra, in September 1961, and the proposed entry of Britain into the Common Market was one of the topics discussed. Commonwealth countries "expressed grave apprehension and concern regarding the possible results of the initiative taken by the United Kingdom. . . . Most commonwealth countries questioned whether the United Kingdom . . . could possibly secure in the proposed negotiations an agreement which would protect commonwealth interests adequately and effectively."<sup>30</sup>

At the meeting of Commonwealth Prime Ministers, in London later that year, Mr. Diefenbaker made a strong plea on behalf of the Commonwealth. He also suggested, to Britain, an alternative to entry into the Common Market. This will be reviewed later.

In January 1963, General de Gaulle's diktat prevented any further negotiations between Britain and the European Economic Community. The General stated that if Britain entered, "a colossal Atlantic community would emerge under American dependence and control, which would soon swallow up the European Community."<sup>31</sup>

While British Ministers were shocked and disappointed, Lord Beaverbrook, the Canadian born newspaper owner, and a

fervent Empire and Commonwealth supporter, presented a different British viewpoint. His Daily Express greeted General de Gaulle's veto with the headline, "GLORY GLORY HALLELUJAH".<sup>52</sup> There were no such public rejoicings by Conservative Ministers in Canada, but it is quite possible that Lord Beaverbrook's exuberance expressed their sentiments adequately, as we shall see when the Conservative position is described.

#### The Conservative Position Towards British Entry

The Conservative Government in Canada appeared to be concerned at the possible effects of economic reorganisation in Europe even before Britain made application to enter the Common Market. This concern was based on the fear that Canadian goods might suffer restrictions on entry into Continental Europe, and that the proposed regroupings might somehow affect Commonwealth Preference.

We recall that during 1960, Mr. Fleming had voiced his fears about these regional developments. In the same year, he voiced his concern about the possibility of Britain substantially modifying the free access of Canadian goods into its markets.<sup>53</sup> Some time later, in Paris, Mr. Hees stated that Canada would not "stand idly by" and see discrimination against Canadian goods.<sup>54</sup>

When Mr. Macmillan visited Ottawa, in April 1961, he left the impression that, although Britain was seeking entry

into the Common Market, Canadian interests would be carefully considered. Reviewing the bilateral consultations in the House, Mr. Diefenbaker said:

The Prime Minister of the United Kingdom left me with a clear impression that the United Kingdom government intends to make every effort to work out a satisfactory means of participating in the economic organisation of Europe without detriment to Canadian or Commonwealth interests.<sup>35</sup>

These reassurances may have fortified the Conservatives because in the next weeks they appeared less concerned about the possibilities of British entry into Europe. Mr. Gordon Churchill thought that the possibility of British entry was only tentative and also suggested that Britain was not prepared to join the Common Market on the basis of the Treaty of Rome.<sup>36</sup> Mr. Fleming, presenting his budget, stated that the system of Preference was the "keystone of the Commonwealth trading system" and that every effort would be made to protect Canadian interests.<sup>37</sup> Earlier in his speech, however, he stated that "for the present, the situation was . . . much too unsettled to consider seriously a sharp reorientation" in policies concerned with regional trade groupings.<sup>38</sup>

After the British official application for entry into the Common Market had been lodged, the position of Canadian Conservatives solidified considerably. Throughout the period of negotiations between Britain and the Community, the Canadian Government took every opportunity to impress upon the



British Government the serious economic and political implications of entry.

At all times, however, the Canadian Government officially maintained the view that the question of entry into the Common Market was for the British themselves to decide. Mr. Fleming made this clear, stating, "We have always recognised that Britain itself must take its own decision on vital matters and we said so plainly at Accra and on other occasions."<sup>39</sup> Mr. Diefenbaker reaffirmed this at the meeting of Prime Ministers, in London, in 1962.<sup>40</sup>

Even though they felt that Britain had the right to make up her own mind, Canadian Conservatives insisted that they had a right, and a duty, at all times, to point out "the implications, for Canada and the Commonwealth, which British accession to the European Economic Community could entail."<sup>41</sup>

The zeal with which the Conservatives "pointed out the implications" of British entry, often led to criticisms of them by the Liberals, who accused the Canadian Government of obstructing British entry into the Common Market and generally pursuing an anti-British policy. Speeches allegedly made by Mr. Fleming and Mr. Hees, at Accra, were reported in Canadian newspapers and on a radio programme. The reports of these speeches were read, in the House, by members of the Liberal Opposition.

Mr. Hees, according to the United Press service, had

stated that the whole question of British entry was a problem which involved the future of the Commonwealth.<sup>42</sup> Hees denied that his statement implied that Britain must choose between the Common Market and the Commonwealth.<sup>43</sup> (This was the way in which the Liberals had interpreted the statement.)

Mr. Fleming, according to the Southern News service, had told the Conference members that "Britain could not have a foot in each group and retain the freedom of action which was necessary to the leadership of the commonwealth."<sup>44</sup> Fleming denied that he had made the statement. He also took the opportunity to dismiss allegations that Mr. Hees and himself had taken an "anti-British line" at the Conference. This statement had been made in "Preview Commentary" on September 27. Fleming described the statement as "a blatant lie".<sup>45</sup>

At various times, Mr. Fleming developed his position against those who had accused the Conservative party of anti-British attitudes:

Let me speak plainly. He said It has been alleged in some quarters that Canada has somehow shown hostility towards the United Kingdom in connection with their negotiations for accession to the European Common Market. I would like to say now, clearly, emphatically and without equivocation, that such charges are completely and utterly devoid of any foundation in truth. At no time has there been anything remotely approaching coolness or hostility in our relations with the United Kingdom.<sup>46</sup>

According to Mr. Fleming, any "fear, forebodings and apprehensions" felt by the Conservative Government, were expressed in the most friendly way. He had completed his speech at

Accra in the following manner:

These are not the fears of the indifferent; these are not the forebodings of the unsympathetic; these are not the apprehensions of adversaries. These are, rather, the fears, the forebodings and the apprehensions of the best friends that Great Britain has in all the world.<sup>47</sup>

The Conservative position, as we have already stated, rested on both the economic and political implications of British entry into Europe. In the economic sphere, the Conservative Government was chiefly concerned about the fate of Commonwealth Preference.<sup>48</sup> Although at times they implied that Britain would protect Canadian interests, it is quite clear that the Conservatives were seriously concerned about the future of Commonwealth Preference if Britain joined the Common Market. Mr. Hees expressed this concern to the House as he had to the Commonwealth delegates at Accra. He said:

I told the meeting that out of total sales to the United Kingdom last year amounting to £915 million some £691 million, or 76 per cent, would be affected by United Kingdom acceptance of the common market tariff; £691 million would in our view be seriously affected; £585 million would be faced with higher tariffs, and £553 million would be faced with not only a loss of preference but, in some cases a preference against Canadians. . . . Such figures are by no means a full measure of the potential damage of such a move for Canada.<sup>49</sup>

We recall that Mr. Fleming referred to Preference as the "keystone" of the Commonwealth trading system. Later in the year, he reaffirmed his party's belief in its value. He further stated that the policy of the Conservative party was that any new trade arrangements, in Europe, must not interfere

with Commonwealth Preference, at least in so far as foodstuff was concerned.<sup>50</sup>

Fleming did not consider that Britain could maintain Preference and enter the European Economic Community. In this vein he said, "I do not think anyone well informed on this subject thinks it is possible to negotiate with the six such terms of adherence of the United Kingdom to the European economic community as will preserve the preferred position of Canadian foodstuff in the market of the United Kingdom."<sup>51</sup>

The Conservative party believed that British entry into the Common Market, and the subsequent abolition of Commonwealth Preference, would weaken the Commonwealth. Trading bonds between Commonwealth members would be released, and of even greater importance, it was felt that Britain would lose part of her sovereignty when she entered the European Economic Community. This would adversely affect Britain's role as leader of the Commonwealth and this, according to Mr. Fleming, would be regretted by most Commonwealth countries including Canada.<sup>52</sup>

Conservatives, in defending their position, emphasized their party's devotion to the British connection and to the Commonwealth. Mr. Diefenbaker often expressed this very forcefully, stating on one occasion, "The foundation of the Conservative party is the close relationship with the British Commonwealth. That was our foundation when it was an empire

and that has continued to be ever since."<sup>53</sup>

After the meeting of Commonwealth Prime Ministers, Mr. Diefenbaker explained his position.

The stand that I took in London /he said/ . . . was a stand in keeping with the traditions of the leaders of this nation in the past. Recognising the need of preserving the commonwealth and strengthening it, we were called together to give our views as to the political and economic effects of Britain's entry into the common market. . . . We said to Britain: This commonwealth means much to us because, after all, it was a concept - and the Conservative party knows this - of Macdonald in 1864.<sup>54</sup>

Another reason for maintaining the political and economic links with Britain and other Commonwealth countries was that political connections and economic dealings with them could still act as a counterbalance to the political and economic power of the United States. Referring to the Liberal Opposition's suggestion of a North Atlantic community, Mr. Churchill feared that such a grouping "would mean that Canada would be held in the closed area of the North Atlantic." He felt that such an arrangement "would not be good for Canada."<sup>55</sup> Mr. Hees warned that such proposals would lead to free trade between Canada and the United States.<sup>56</sup>

Mr. Green issued a more vigorous warning, stating:

If the commonwealth should be weakened or brought to an end, think of what would result as far as Canada is concerned. Think of the increased difficulties we would have in preventing our country from being drawn completely into the American orbit. Canadians from coast to coast must keep this fact in mind, just as our ancestors have had to do.<sup>57</sup>

At the Prime Ministers' Conference in London, Mr.

Diefenbaker spoke of this same dilemma. After an eloquent plea on behalf of the Commonwealth, he is reported to have said, "We have spent a hundred years resisting the magnetic pull of the United States. . . . Now, this the British application will put us in danger of being sucked into their orbit."<sup>58</sup>

During the period when Britain was involved in negotiations, some observers suggested that Canada should join the Common Market, or seek associate membership. Mr. Diefenbaker pointed out that Canadian participation would probably be unwelcome. Full membership, he said, was permitted only to European nations, and associate status would be accorded only to former colonial possessions in the early stages of development. He emphasized, however, that the Government was giving attention to all possible courses and that it would take any constructive action to serve Canada's interests.<sup>59</sup>

In 1962, at the Prime Ministers' Conference, Diefenbaker unfolded a policy which he thought might be an alternative to British entry into the Common Market. He did state, however, that his policy would be applicable, whether or not Britain joined the Common Market. His plan was that the Conference should follow the example of President Kennedy's Trade Expansion Act and "extend an invitation to all member nations of the Commonwealth, of the E.E.C., the E.F.T.A., the U.S.A. and Japan and other like minded nations. . .

to meet at the earliest practicable date to give consideration of how to deal with the trading problems . . . in a way which /would/ be to the mutual advantage to all". He felt that this would prepare the way for the prospective nondiscriminatory tariff negotiations on a "most favoured-nation" basis. He also proposed a world wide trading conference.<sup>60</sup>

After the termination of negotiations between the United Kingdom and the European Economic Community, Mr. Diefenbaker made a short formal statement. He indicated no feelings as to whether the breakdown of negotiations pleased or vexed his party.<sup>61</sup> Mr. Pearson, on the other hand, voiced his regret.<sup>62</sup> His party had systematically supported British entry throughout the period.

#### The Liberal Position Towards British Entry

The Liberal party, since the end of World War II, had always supported European integration. Furthermore, it did not believe that British participation in such integration would prejudice Commonwealth interests. In 1956, Mr. Pearson stated that he did not "see anything necessarily inconsistent between the closest possible association of the United Kingdom with European development, and the maintenance and even strengthening of its ties with the rest of the Commonwealth."<sup>63</sup>

When Britain, in 1956, decided to seek some kind of association with the proposed Common Market, the Liberal

Government's reaction was somewhat less enthusiastic.<sup>64</sup> This reticence, it appeared, was due to the fact that the Canadian Government was concerned, lest the proposed efforts at co-operation in Europe led to the emergence of "Third Force" tendencies. Such a result would frustrate the Liberals' long range goals of an Atlantic community.<sup>65</sup> Therefore, when Mr. St. Laurent officially welcomed the British policies, his statement echoed these fears.

It would be a matter of concern to us [said Mr. St. Laurent] if the pursuit of this European objective, worthy as it is, were to result in an increase in tariffs against non-European countries or in less effort or willingness to reduce the other barriers to the development of competitive multilateral trade, which is the over-riding objective of the Canadian Government. . . . Should the proposals be adopted and successfully carried through by Britain and nations of Western Europe they should increase the economic strength and prosperity of the peoples of that whole great area and also their sense of solidarity and common purpose even beyond the economic field. Such a result could not fail to be welcomed by Canadians.<sup>66</sup>

The Liberals, in opposition, continued to advocate an "outward-looking" integrated Europe. We recall that the Liberals criticised the Conservative Government in 1957 because they did not pursue Mr. Thorneycroft's free trade proposal between Britain and Canada. Such an initiative, the Liberals believed, provided the opportunity for Canada to become associated, in some way, with the events taking place in Europe, and might be the first phase in the development of an Atlantic community.



The Liberal party became increasingly enthusiastic in its support of Britain's entry into the Common Market as the British Government displayed an increasing interest in that venture. Liberals defended their position on both economic and political grounds, and throughout the three years before negotiations between Britain and the Common Market countries broke down, they attacked the Conservative Government for pursuing "anti-British" policies.

In 1960, Mr. Pearson warned the Conservatives against giving "irritated lectures to Britain".<sup>67</sup> During the next three years, Liberals gleefully exploited newspaper reports which criticised the Conservative Government's attitude towards British entry.<sup>68</sup> They believed that the Government's attitude towards Britain was "negative, obstructionist and unyielding".<sup>69</sup> We have already referred to the fact that Liberals believed that Mr. Hees and Mr. Fleming had told the British that entry into the Common Market meant the end of the Commonwealth. Having interpreted the Conservative position in such a way, the Liberals felt justified in believing that the Government was "consistently anti-British".<sup>70</sup>

In advocating British entry into the Common Market, the Liberals indicated that they did not value the system of Commonwealth Preference so highly as did the Conservatives. Mr. Pearson acknowledged the value of the system in past years, but went on to say, "Commonwealth Preferences are a very dif-

ferent thing now from what they were 15, 20 or 25 years ago."<sup>71</sup>

The Liberals were impressed by the potential of the expanding European Common Market. They were encouraged by its high productive capacity, its high growth rate and its potential as a market for Canadian goods.<sup>72</sup> They believed that British entry would enhance this growth and strengthen the Common Market.<sup>73</sup> These encouraging developments in Europe, the Liberals thought, demanded initiatives from the Canadian Government, such as those which President Kennedy had made with his Trade Expansion programme. The Liberals thought that the Conservative Government had been tardy in following these Kennedy initiatives.<sup>74</sup>

We observed that, during the early stages of European economic reorganisation, the Liberals believed that British inclusion in such developments would stabilise Europe politically, and might enhance the prospects of an Atlantic community emerging in the future. The Liberal vision of the Atlantic community was undoubtedly the most important reason for their support of British entry into the Common Market. Mr. Pearson provided a summary of his party's position when he said:

We on this side /Of the House/ felt that the United Kingdom as a member of the European common market would help to ensure that the coming together of Europe both economically and politically would not be brought about in a way which would be inward looking or exclusive. . . . We also supported the

move because we thought it would be a further step in the development of the Atlantic community.<sup>75</sup>

The Liberals believed that their support of British entry into the Common Market, and their advocacy of an Atlantic economic community, would not increase Canada's dependence upon the United States. "Indeed," said Mr. Pearson, "our dependence on the United States would be lessened rather than increased if we could fashion a newer and wider economic association on an Atlantic basis of which the United States would become an indispensable part."<sup>76</sup>

Generally then, the Liberals believed that British presence in the European Economic Community would help stabilize that community both politically and economically, and would help in the gradual establishment of an Atlantic economic community, which was, according to a Liberal policy advisor, "the only happy solution for a country like Canada. Such a solution was certainly compatible with a closer European integration and with the leading role played by the United States in the free world."<sup>77</sup>

#### Assessment and Summary

The Conservative and Liberal parties were at one in stating that Britain's entry into the Common Market was a matter for the British Government alone to decide. At this point, however, any agreement between the two parties ended, because it is quite clear that the Conservatives used all the arguments that they could muster to persuade Britain to

remain outside Europe. The Liberals, on the other hand, felt it their duty to encourage British participation in the Common Market.

The Liberals spent a good deal of Parliamentary time and effort emphasizing that the Conservatives were "bullying" the British Government and generally acting improperly within the sphere of Commonwealth consultations. Judging from Canadian and British newspaper reports, it appears true that Conservative Ministers were overzealous, at times, in pointing out to Britain the implications of joining the Common Market. While correct etiquette in Commonwealth relations may be important, it need not concern us unduly here. What is important for us is that the degree of Conservative opposition to British entry is emphasized by the incidents reported in those newspaper articles.

The Conservatives were justified in believing that British entry into Europe would necessarily lead to a radical modification of Commonwealth Preference. Recalling the figures which Mr. Hees presented to Parliament, it is not surprising that Conservatives were dismayed at the prospects of such modifications. Any dislocation in trading arrangements would have caused difficulties in the Canadian economy, at least in the short term. This possibility could hardly comfort a Government which had been faced with a significant degree of unemployment and a slowing down of economic growth

from the beginning of its tenure of office.

Furthermore, as we noted when we reviewed their position, the Conservatives believed that the system of Preference was a significant aspect of the connection between Britain and Canada. They viewed any significant reduction in Preferential advantages as an attack upon the very existence of the Commonwealth itself.

Throughout this period the Conservatives again emphasized their sentimental attachment for the British connection. It is not surprising, therefore, that they regretted any measures which they believed would weaken that connection.

The Liberals, of course, (and most economists who voiced their opinions in Canada) did not accept the validity of Mr. Hees' interpretation. They felt that Preference was of decreasing importance and that, in any case, the modifications necessary for British entry would not have such an adverse effect upon the Canadian economy as Mr. Hees had indicated. Furthermore, they were impressed, predictably, by the possibilities of freer expanding trade in the new, larger regional groupings.

As we have already seen, the Liberals, over the past twenty years, have hoped that an Atlantic economic community would be built upon the Western military alliance. British membership of the new economic regions in Europe would enhance possibilities of such an Atlantic community since

Britain would be a "bridge" between Europe and North America. We recall that Mr. Pearson emphasized Canada's role as a "bridge" between Britain and the United States in effecting the Atlantic community. Even if such grand designs were not realised, then British membership of the Common Market might at least prevent Europe from becoming inward looking, and counteract any "Third Force" tendencies.

If such a concept of an Atlantic economic community was a cherished dream of the Liberal party, it was anathema to the Conservatives. If Britain joined the Common Market, then two strong trading entities would emerge in the West, an enlarged European Economic Community and the United States. Conservatives believed, we observed, that such a realignment would draw Canada nearer to the United States economically. We recall also, they believed that the reduction of trade barriers within the Atlantic area would inevitably lead to freer trade with the United States. This accounts for Conservative comments that the Liberal party was merely following United States in trade policies, and that such policies would inevitably lead to greater American influence in the Canadian economy. For Conservatives, then, the British connection, in the economic sphere, was still of great significance as a counterpoise to the influence of the United States.

The Liberals felt that British participation in the European Economic Community would increase the possibilities

of the European movement developing into an Atlantic venture. They believed that Canada might benefit from trading with an economically expanding European Community and that freer trade within the Atlantic area would increase trade generally, thus increasing the volume of Canada's share. Furthermore, they believed that Canada's increasing trade with Europe would offset her dependence upon the United States.

The concept of the Atlantic community, to which the Liberals were deeply committed, was propounded vigorously by many in Europe and the United States. Although most of its proponents realise that it is a long range goal, and that its path is littered with many obstacles, they believe that the existence of N.A.T.O. is already embryonic evidence of the community's existence.

The Liberals advocated British entry into Europe as a stepping stone towards an Atlantic community. Had Britain joined the Common Market then any kind of Atlantic partnership would have been founded on what Livingston Hartley termed, "The Dumbell Theory". Those who advocated this kind of partnership visualised two "globes of power", the United States, and a united Europe which included Britain. Theoretically, the "globes of power" would be roughly equal in strength and would be united by mutual interests. Hartley believes that this concept of Atlantic partnership "had a considerable vogue" within the United States Government un-

til January 1963.<sup>78</sup>

In his discussion of the arrangements within the Atlantic community, Hartley referred to the question of Canada. He believed that Canada did not easily fit into such arrangements since it would not be reasonable to expect Canada to cede to the United States Government the power to speak for her.<sup>79</sup>

The Conservatives appeared aware of this. They indicated that bilateral relationships between a united Europe which included Britain and the United States, would draw Canada closer to the United States since Canada could not hope to compare or compete alone with two massive blocs such as these. The Liberals offered no indication that this presented a problem for Canada. In fact they did not discuss this aspect at all.

The Common Market Debate in Canada was terminated by events in Europe in January 1963. Conservatives could continue to exalt the British connection: Liberals could regret that Britain was not able to enter Europe and thereby assist in the furthering of the notion of the Atlantic community.



## V

### CONCLUSIONS

The events which have been under consideration took place over a period of seven years and spanned four ministries in Canada. Attention has been focussed upon three issues, each of them concerned with Britain. The position of the two parties, with regard to Britain, has been described in detail. Some general conclusions may now be drawn about the attitudes of the parties towards Britain and some assessment made of the significance of these attitudes.

We observed that, at the time of the Suez Crisis, Conservatives displayed a deep loyalty towards Britain. At that time, they insisted that the Canadian Government should have supported the Commonwealth - by which they meant Britain. The efforts which they made to justify British actions were merely rationalizations of a position they had already adopted.

As the Conservative party was not in office at the time of the crisis, and indeed, had not so been for over twenty years, some commentators believed that this lack of responsibility of office accounted for the position which they were able to adopt. This may be a partial explanation for the pro-British position of the Conservatives but it is not

wholly convincing. In 1961 and 1962, after five years in office, the Conservatives' intuitive reactions to the entry of Britain into the Common Market were not dissimilar to their reactions at the time of Suez, in 1956. Conservatives insisted that they thought the British connection to be of paramount importance, and that this connection was deeply rooted in the foundations both of the Conservative party and the Canadian nation itself.

At this stage, we may dismiss the charge that the Conservatives displayed anti-British sentiments at the time of Britain's proposed entry into Europe. Without digressing into semantics, it is clear that Canadian Conservatives could not be described as anti-British except in the sense that they disagreed with Britain's proposed policy to enter Europe. The appeals made by the Conservatives, we recall, suggested a stalwart defence of all that was traditionally regarded as pro-British sentiment. Some would argue that their appeals to Britain, as the centre of a Commonwealth and Empire trading system, are in conflict with the dominant economic doctrines of the day, and others might adopt the attitude that the appeal to Britain as Mother Country of a family of nations is "after dinner" rhetoric rather than part of serious political dialogue. Such criticisms of the appeals made by the Conservative party may have some validity but these appeals cannot be said to be anti-British in any real sense.

Historically, however, Conservatives had a more important, political purpose in preserving the British connection than mere sentiment and tradition. Conservatives believed, that Canadian efforts to build an alternative society to American republicanism would only be successful if they could preserve the connection with Britain. The potential power of the United States, it was thought, could only be successfully withstood by Canada if Britain could act as a counterbalance in the economic and political spheres. As we have seen, there is a good deal of evidence to indicate that Conservatives had this very much in mind during the period under review.

We recall that, at the time of the Suez Crisis, Conservatives asserted that the Liberal Government had been following, too closely, the policies of the United States during the previous years. Much of the Conservative criticism of the Government, in the election campaign of the following year, rested upon their allegations that the Liberals had increased both trading and political relations with the United States at the expense of such relations with Britain.

Once in power, Conservatives announced their desires and intentions to redress Canada's overdependence upon the United States. Their pronouncements indicated that they hoped to do this by restoring Canadian-British trade to its classical position as counterpoise to United States economic

influence. The prospect of British entry into the Common Market was met with urgent appeals, by Conservatives, for a reversal of British policy. Conservative ministers expressed grave forebodings concerning the likelihood of increased United States influence in Canada if the Preference system were abandoned or greatly modified by Britain.

We shall argue later that the appeals and pronouncements by the Conservatives, in regard to economic policy, were not matched by policies to increase British trade at the expense of American trade and that, in fact, any such policies could not be successful. This is not to deny, however, that the Conservatives' instinctive responses, during our period, indicated a strong sentimental and traditional loyalty towards the British connection and a continuance of the belief that such a connection was an essential ingredient in Canadian independence. These appear to be continuing trends from 1956 through 1963.

We recall that not only did Conservatives emphasize their loyalty to the British connection, but they regarded themselves as the sole repository, in Canada, of such sentiments. During the period under review, they frequently alleged that the Liberals had ignored the British connection and worse, that they pursued anti-British policies. This criticism was usually accompanied by a reciprocal criticism, that Liberal policies were too closely identified with the

policies of the United States.

These criticisms were particularly strong at the time of the Suez Crisis. We observed that, at this time, the Liberal Government insisted that its motives, at all times, were to help Britain and to restore Commonwealth unity. They placed far greater emphasis at that time on the role of the three Asian countries within the Commonwealth. In fact, it appeared that the multi-racial nature of the Commonwealth was the aspect of Commonwealth relations which appealed to the Liberal party rather than the British connection. This multi-racial aspect of the Commonwealth is frequently emphasized in J. W. Pickersgill's, Liberal Party.<sup>1</sup>

In general, the Liberal party did not emphasize loyalty to the British connection as did the Conservatives, but there appeared to be little evidence that the Liberal party was anti-British. The remark by Mr. St. Laurent, that the "European supermen" could no longer govern the whole world," was an unhappy exception to this, of course, but the statement was retracted almost as hastily as it was delivered.

In general, the Liberals did not place the great degree of emphasis that we saw in the Conservative position, upon those things traditionally associated with the British connection. The sentimental loyalty which we observed in the Conservative position was not apparent within the Liberal party. The Liberals were eager to emphasize the fact that

they pursued policies independently of Britain. We observed this frequently at the time of the Suez Crisis. They lacked the attachment of the Conservatives to the system of Preference and welcomed alternatives eagerly. They were happy to emphasize the multi-racial aspects of the Commonwealth in place of the concept of the British connection. In this they appeared more sensitive than Conservatives to reminders of the days when Canada was not fully autonomous.

Although the Liberals did not share the enthusiasm of the Conservatives for the British connection, they were not adverse to formulating policies, when in office, and stating objectives when out of office, which took for granted the close relations which undoubtedly existed between Britain and Canada. This was particularly in evidence when Liberals formulated policies with regard to the Western Alliance.

We recall that, at the time of the Suez Crisis, the Liberal Government regarded itself as the intermediary between Britain and the United States when relations between these two countries had broken down. Again, during the period generally, and particularly after Britain had applied for entry into the Common Market, the Liberals advocated that the Canadian Government should support such British policies since the Liberals believed that this step by Britain was an important preliminary to the development of an Atlantic economic community.

They urged that Canada become associated with the European venture, in some way, through Britain, and at the same time urged the United States to do likewise. Although Liberals generally admit that an Atlantic economic community is likely to be a long term achievement, it is undoubtedly one of the most cherished of their goals. They were obviously impatient with a Conservative Government which did not welcome British entry into Europe and endeavour to act as a "bridge" between Europe and North America to assist in the liberalization of trade.

A particularly interesting aspect of the Liberal position towards an Atlantic community, was that they believed, in direct contradiction to the Conservatives, that such a community would provide a more satisfactory means than the Preference system, of increasing Canada's economic independence from the United States.

The Liberals' apparent lack of concern about the fate of the Preference system provided the Conservatives with the opportunity to accuse them of neglecting British trading connection in favour of closer ties with the United States, and of generally following United States policies. It is true, as we observed, that the Liberal party's aspirations to liberalize trade within the Atlantic area, bore a marked resemblance to the hopes of many United States policy makers, particularly after 1960. On the other hand, such aspirations

had been voiced within the Liberal party since 1945 and so they could not be legitimately criticised for imitating the United States in this respect. The Conservative criticism that such policies would not decrease the United States influence, however, has a stronger basis, as we shall see below.

The Conservatives, in asserting that Britain could be an adequate counterbalance to the political and economic power of the United States, must have presumed the existence of a British nation whose economic, political and military strength was in some way comparable to that of the United States. Furthermore, the Conservatives must have presumed that Britain possessed a significant degree of independence from the United States in important political and economic matters if the "counterbalance theory" was to be a relevant factor in Canadian politics.

Such views have no basis in reality. Developments over the last fifty years have increasingly indicated this, as we have observed above. Since the end of the Second World War, particularly, the United States has been the dominant power in the West. If, during the decade after the War, anyone doubted this, then the Suez Crisis clearly emphasized the power relationships within the Western Alliance.

Recalling Mr. Macmillan's haste to repair Anglo-American friendship in 1957, and the general events since, there is good reason to suppose that the British themselves



have recognised this, at least at official levels. In the military sphere, Britain's claim to Great Power status rests partially on that nebulous "special relationship" with the United States, and partly on the possession of an independent nuclear deterrent. In the next few years, as bomber aircraft become obsolete, Britain will have no independent means of delivering her deterrent to a target. Furthermore, Britain's future as a conventional power becomes more precarious as that country's economic ills become almost chronic.

With the realities of the British position in mind, then, we may conclude that the Conservative position, in viewing Britain as a counterpoise to the United States, is totally unrealistic. After their fifteen per cent proposal of 1957, they may have realised this, as Professor Grant suggests.<sup>2</sup> If this were true it would account for the lack of effective policies in this respect, during the Conservative period in office. On the other hand, however, as we have observed, Conservatives continued to pay homage in rhetoric, at least, to the notion of British influence as a counterpoise to that of the United States.

The Liberals, we observed, did not believe that Canada's economic relationship with Britain was of much significance as a means to preserve their country from economic domination by the United States. This appears to be a more realistic attitude than that of the Conservatives. When we

consider their belief that an Atlantic economic community would afford a greater degree of economic independence than did the British connection, however, the Liberal position is less secure. We recall that after the Kennedy Administration came to power, in 1960, there was increasing interest, in the United States, in the liberalizing of trade within the Atlantic area, and its policy was, in many respects, similar to the position of the Liberal party in Canada. That party viewed President Kennedy's trade policies with admiration. Gradual measures to liberalize trade, within the Atlantic area, the Liberals believed, constituted an important step, albeit a small one, towards an Atlantic economic community. Britain's relationship with Canada, it was thought, would facilitate such an Atlantic merger.

The Liberal party never made clear exactly how such a community would afford Canada more economic independence from the United States. Obviously, they believed that the wider and freer market of the Atlantic area would assist in increasing the growth rate of the member states. This would presumably give Canada greater opportunities for increasing her own exports. By this means, any adverse effects, for Canada, of British modifications to the Preference system, would be exchanged for advantages elsewhere. Therefore, in the long term, Canadian exports might increase in such a community. This, however, does not necessarily reduce United

States imports to Canada or increase Canadian exports to that country. Indeed, some observers, as we saw, thought that a result of an Atlantic economic community would be to increase United States influence in the Canadian economy.

Some Liberals apparently believed that Europe, as an economic unit, might replace Britain as a counterpoise to the United States economic influence. Professor Underhill also thought that such a solution was feasible.<sup>3</sup> When considering this, however, we must remember that in the united Europe envisaged by some Americans and Canadian Liberals, Europe would still be absolutely dependent upon the United States for its defence. Furthermore, although economic union in Europe would probably accelerate economic growth and raise standards of living within European countries, it does not seem realistic to assume that Europe could seriously match the United States as an economic power in the foreseeable future. Therefore, there is little reason to suppose that such an Atlantic community would have the effect of reorganising Canadian trading patterns as the Liberals hoped.

Summarising, then, we have shown that the Conservative and Liberal parties were each consistent in their approach to events in which Britain was concerned.

The Conservatives, while retaining a substantial loyalty to "things British", further emphasized the British connection as a means of preserving a Canadian identity.

We have indicated, however, that this approach is of doubtful value, having regard to the economic, political and military situation in the West.

The Liberal party viewed the Commonwealth as a much broader concept than did the Conservatives, emphasizing the multi-racial features of that body. The Liberals eagerly promoted Anglo-American cooperation and at the same time encouraged Britain in her efforts to enter the European Common Market. The Liberals believed that such policies were necessary pre-conditions for the achievement of their notion of an Atlantic economic community.

The Liberals did not share the Conservatives' fear that the changing relationship with Britain would affect Canada's sovereignty, adversely. In fact, we saw that when the Liberals discussed national sovereignty at all, their instinctive response was to emphasize Canada's independence from Britain. Hence the Conservatives' accusations that the Liberal party was anti-British and pro-American.

We observed that the Liberals were very much aware of the limitations placed upon a Canadian Government which chose to act independently of the United States. Furthermore, the Liberals appeared less concerned than the Conservatives at the extent of American influence in the Canadian economy. Finally, Liberal proposals for an Atlantic economic community were very similar to those of the United States. Whatever

sinister interpretations the Conservative party may have placed upon these positions adopted by the Liberal party, the positions could not be regarded as anti-British as the Conservative party inferred.

Recently, and outside the scope of the period discussed here, the British Government has been making renewed efforts to join the European Economic Community. The whole question may again provide a context for debate in Canada.

## FOOTNOTES

### I Introduction

<sup>1</sup>See, for example, John T. McLeod, "Explanations of Our Party System", in Paul Fox, ed., Politics: Canada (2nd ed.; Toronto, 1966), pp. 328-337; and J. R. Mallory, "The Structure of Canadian Politics", in Hugh Thorburn, ed., Party Politics in Canada (Toronto, 1963), pp. 22-30.

<sup>2</sup>Richard Rose, Politics in England (Boston, 1964), p. 157.

<sup>3</sup>Ibid., Ch. I.

<sup>4</sup>McLeod, "Explanations of Our Party System", pp. 329-336.

<sup>5</sup>Canadian Journal of Economics and Political Science, XXII (May, 1966), 143-171.

<sup>6</sup>The Conservative in Canada (Toronto, 1963), pp. 62-63.

<sup>7</sup>See ibid., pp. 65-69.

<sup>8</sup>See his Image of Canada (Fredericton, 1962), pp. 12-16.

<sup>9</sup>The Liberal Party (Toronto, 1962), pp. 74-75.

<sup>10</sup>Ibid., p. 27.

<sup>11</sup>See his "Towards the Discovery of Canada", University of Toronto Quarterly, XXV (April, 1956), 275.

<sup>12</sup>See his review of F. Underhill's, The British Commonwealth: An Experiment in Cooperation Among Nations (Durham, N.C., 1956), in Canadian Forum, XXXVI (September, 1956), 140.

<sup>13</sup>"The New Conservative Leader", Canadian Forum, XXXVI (January, 1957), 218.

### II The Suez Crisis

<sup>1</sup>Richard A. Preston, "Canada's Action in the Suez Crisis", Canadian Commentator, I (January, 1957), 7.

<sup>2</sup>See Sir Anthony Eden, Full Circle: The Memoirs of the Rt. Hon. Sir Anthony Eden (London, 1960), p. 256.

<sup>3</sup>Ibid., p. 422.

<sup>4</sup>The Road to Suez (London, 1962), Ch. VIII.

<sup>5</sup>Eden, Full Circle, p. 428.

<sup>6</sup>Ibid., p. 479.

<sup>7</sup>Great Britain, Parliament, House of Commons, Official Report of Debates, 5th series, 558 (1955-56), 11.

<sup>8</sup>Terence Robertson, Crisis: The Inside Story of the Suez Conspiracy (Toronto, 1964), p. 118.

<sup>9</sup>See below, p. 23.

<sup>10</sup>Eden, Full Circle, p. 484.

<sup>11</sup>Childers, Road to Suez, pp. 225-280.

<sup>12</sup>Great Britain, House of Commons, Debates, 561 (1956-57), 881.

<sup>13</sup>Eden, Full Circle, p. 437.

<sup>14</sup>See Robertson, Crisis, p. 99.

<sup>15</sup>See Eden, Full Circle, p. 556.

<sup>16</sup>Quoted in Robertson, Crisis, p. 180.

<sup>17</sup>United Nations, General Assembly, Official Records, First Emergency Special Session 1956, pp. 54-55, as quoted in James Eayrs, The Commonwealth and Suez: A Documentary Survey (Toronto, 1963), p. 327.

<sup>18</sup>See Canada, Parliament, House of Commons, Official Report of Debates, (Special Session) November 26, 1956, p. 8; ibid., November 29, p. 141; and Eden, Full Circle, p. 535-536.

<sup>19</sup>Robertson, Crisis, p. 82.

<sup>20</sup>Quoted in Eayrs, Commonwealth and Suez, p. 46.

<sup>21</sup>Canada, House of Commons, Debates, August 1, 1956, p. 6788.

<sup>22</sup>Ibid., p. 6831.

<sup>23</sup>Quoted in ibid., (Special Session) November 26, 1956,  
p. 13.

<sup>24</sup>Quoted in Robertson, Crisis, p. 99.

<sup>25</sup>Ibid.

<sup>26</sup>Ibid., pp. 182-183.

<sup>27</sup>"Canada's Position in the World Crisis", External Affairs, VIII (November, 1956), 323.

<sup>28</sup>Canada, House of Commons, Debates, (Special Session) November 27, 1956, p. 20.

<sup>29</sup>Ibid., p. 55.

<sup>30</sup>Ibid., pp. 52-53.

<sup>31</sup>Ibid., p. 55.

<sup>32</sup>See Robertson, Crisis, p. 219.

<sup>33</sup>Canada, House of Commons, Debates, (Special Session) November 27, 1956, p. 60.

<sup>34</sup>Ibid., p. 56.

<sup>35</sup>Ibid., p. 52.

<sup>36</sup>Crisis, p. 82.

<sup>37</sup>See ibid., p. 202.

<sup>38</sup>Ibid., p. 314.

<sup>39</sup>Canada, House of Commons, Debates, (Special Session) November 29, 1956, p. 169.

<sup>40</sup>Ibid., November 27, 1956, pp. 55-56.

<sup>41</sup>Ibid., p. 56.

<sup>42</sup>Quoted in Robertson, Crisis, p. 188.

<sup>43</sup>See Eayrs, Commonwealth and Suez, pp. 397-403.



<sup>44</sup>Canada, House of Commons, Debates, (Special Session) November 29, 1956, p. 169.

<sup>45</sup>Ibid., November 27, 1956, p. 55.

<sup>46</sup>Canada, House of Commons, Debates, July 28, 1956, p. 6607.

<sup>47</sup>Quoted in Eayrs, Commonwealth and Suez, p. 50.

<sup>48</sup>Canada, House of Commons, Debates, (Special Session) November 27, 1956, p. 18.

<sup>49</sup>Quoted in Eayrs, Commonwealth and Suez, p. 178.

<sup>50</sup>Canada, House of Commons, Debates, (Special Session) November 26, 1956, p. 12.

<sup>51</sup>Ibid., November 29, 1956, pp. 142-143.

<sup>52</sup>Ibid., November 27, 1956, p. 49.

<sup>53</sup>Ibid., November 26, 1956, p. 12.

<sup>54</sup>Ibid., pp. 12-14.

<sup>55</sup>Ibid., November 27, 1956, p. 50.

<sup>56</sup>Ibid., p. 82.

<sup>57</sup>Ibid., p. 69.

<sup>58</sup>Ibid., November 26, 1956, p. 14.

<sup>59</sup>Ibid., November 27, 1956, p. 50.

<sup>60</sup>Ibid., November 26, 1956, p. 40.

<sup>61</sup>Ibid., November 27, 1956, p. 50.

<sup>62</sup>Ibid., p. 71.

<sup>63</sup>Ibid., p. 70.

<sup>64</sup>Ibid., p. 81.

<sup>65</sup>Ibid., p. 100.

<sup>66</sup>Ibid., p. 96.

<sup>67</sup>Quoted in John R. Williams, The Conservative Party in Canada, 1920-1949 (Durham, N.C., 1956), p. 179.

<sup>68</sup>Quoted in John Meisel, The Canadian General Election of 1957 (Toronto, 1962), pp. 57-58.

<sup>69</sup>Quoted in James Eayrs, Canada in World Affairs: 1955 to 1957 (Toronto, 1959), p. 191.

<sup>70</sup>See Meisel, The Canadian General Election of 1957, p. 58.

<sup>71</sup>Quoted in ibid.

<sup>72</sup>Eayrs, Commonwealth and Suez, p. 386.

<sup>73</sup>Eayrs, Canada in World Affairs: 1955 to 1957, p. 164.

<sup>74</sup>Percy E. Corbett, "Power and Law at Suez", International Journal, XII (Winter, 1956-57), 2.

<sup>75</sup>See his Lament for a Nation (Toronto, 1965), p. 32.

<sup>76</sup>The Debatable Alliance (London, 1964), p. 55.

<sup>77</sup>Quoted in Eayrs, Commonwealth and Suez, p. 428.

### III Britain and Trade

<sup>1</sup>"Canadian Foreign Trade and the European Common Market", International Journal, XIII (Winter, 1957-58), 5.

<sup>2</sup>Ibid.

<sup>3</sup>Canada in World Affairs: 1959 to 1961 (Toronto, 1965), p. 163.

<sup>4</sup>See E. F. Beach, "Foreign Capital in Canada - National Asset or Liability", Canadian Business, XXX (November, 1957), 107.

<sup>5</sup>British Economic Policy Since the War (London, 1958), p. 147.

<sup>6</sup>See James Eayrs, Canada in World Affairs: 1955 to 1957 (Toronto, 1959), p. 174.

<sup>7</sup>See Patrick Gordon Walker, The Commonwealth (London, 1962), p. 121.

<sup>8</sup>See J. Harvey Perry, "Canada and G.A.T.T.", in John J. Deutsch et al., eds., The Canadian Economy: Selected Read-

ings (Toronto, 1961), p. 327.

<sup>9</sup>Gordon Walker, The Commonwealth, p. 260.

<sup>10</sup>See Canada, Parliament, House of Commons, Official Report of Debates, October 23, 1957, p. 307.

<sup>11</sup>Ibid., November 8, 1957, p. 910.

<sup>12</sup>Ibid., October 23, 1957, p. 309.

<sup>13</sup>Ibid., p. 311.

<sup>14</sup>Quoted in Bayrs, Canada in World Affairs: 1955 to 1957, pp. 124-125.

<sup>15</sup>Quoted in ibid.

<sup>16</sup>Quoted in John Meisel, The Canadian General Election of 1957 (Toronto, 1962), p. 282.

<sup>17</sup>Quoted in ibid., p. 50.

<sup>18</sup>See John Meisel, "Guns and Butter", International Journal, XIII (Summer, 1958) 185.

<sup>19</sup>Canada, House of Commons, Debates, July 18, 1958, p. 2388.

<sup>20</sup>See ibid., pp. 2397-2399.

<sup>21</sup>See ibid., p. 2389.

<sup>22</sup>Ibid., October 23, 1957, p. 307.

<sup>23</sup>Ibid., p. 308.

<sup>24</sup>Ibid., p. 307.

<sup>25</sup>Ibid., July 18, 1958, p. 2389.

<sup>26</sup>Ibid., October 23, 1957, p. 306.

<sup>27</sup>Ibid., p. 312.

<sup>28</sup>Ibid., p. 308.

<sup>29</sup>Ibid., November 14, 1957, p. 1164.

<sup>30</sup>Ibid., p. 1157.

- <sup>31</sup>See ibid., December 3, 1957, pp. 1763-1764.
- <sup>32</sup>See ibid., November 15, 1957, p. 1208.
- <sup>33</sup>Ibid., October 16, 1957, p. 49.
- <sup>34</sup>Ibid., November 14, 1957, p. 1163.
- <sup>35</sup>Ibid., July 17, 1958, p. 2321.
- <sup>36</sup>See Meisel, The Canadian General Election of 1957,  
p. 50.
- <sup>37</sup>See Bayrs, Canada in World Affairs: 1955 to 1957,  
pp. 173-174.
- <sup>38</sup>Canada, House of Commons, Debates, October 23, 1957,  
p. 331.
- <sup>39</sup>Ibid., October 16, 1957, p. 46.
- <sup>40</sup>Ibid., November 15, 1957, p. 1197.
- <sup>41</sup>Ibid., October 23, 1957, p. 331.
- <sup>42</sup>Ibid., p. 332.
- <sup>43</sup>Ibid., January 3, 1958, p. 2792.
- <sup>44</sup>Ibid., p. 2963.
- <sup>45</sup>Ibid., May 13, 1958, p. 26.
- <sup>46</sup>See ibid., October 23, 1957, p. 311.
- <sup>47</sup>See ibid., p. 332.
- <sup>48</sup>Ibid., January 7, 1958, p. 2970.
- <sup>49</sup>See ibid., November 15, 1957, pp. 1199-1200.
- <sup>50</sup>Ibid., May 13, 1958, p. 29.
- <sup>51</sup>Ibid., p. 30.
- <sup>52</sup>Ibid., July 18, 1958, p. 2375.
- <sup>53</sup>Ibid., p. 2368.
- <sup>54</sup>See ibid., June 23, 1958, p. 1539.

<sup>55</sup>British Economic Policy, pp. 148-150.

#### IV The European Economic Community

<sup>1</sup>Max Beloff, The United States and the Unity of Europe (Washington, 1963), p. v.

<sup>2</sup>See his "Great Britain and the Common Market", in W. B. Cunningham, ed., Canada, the Commonwealth and the Common Market (Montreal, 1962), p. 65.

<sup>3</sup>Emile Benoit, Europe at Sixes and Sevens (New York, 1961), p. 3.

<sup>4</sup>Ibid., p. 4.

<sup>5</sup>Western Unity and the Common Market (Boston, 1962), p. 14.

<sup>6</sup>See Benoit, Europe at Sixes and Sevens, p. 71.

<sup>7</sup>Ibid.

<sup>8</sup>See ibid., p. 79.

<sup>9</sup>Great Britain, Parliament, House of Commons, Official Report of Debates, 5th series, 645 (1960-1961), 928.

<sup>10</sup>Ibid., 929.

<sup>11</sup>See ibid., 1485.

<sup>12</sup>See ibid., 1773.

<sup>13</sup>Ibid., 1485.

<sup>14</sup>See, for example, Benoit, Europe at Sixes and Sevens, p. 111; and S. F. Kaliski, "Canada, the United Kingdom and the Common Market", International Journal, XVII (Winter, 1961-62), 17-24.

<sup>15</sup>See Great Britain, House of Commons, Debates, 619 (1960-61), 1504-1505.

<sup>16</sup>Ibid., 1545-1546.

<sup>17</sup>Ibid., 1543.

<sup>18</sup>Beloff, The United States and the Unity of Europe, p. xi.

<sup>19</sup>Quoted in ibid., p. v.

<sup>20</sup>See ibid., pp. 95-96.

<sup>21</sup>Ibid., p. 100.

<sup>22</sup>Ibid., pp. 101-102.

<sup>23</sup>See Benoit, Europe at Sixes and Sevens, p. 255.

<sup>24</sup>See Beloff, The United States and the Unity of Europe, p. 98.

<sup>25</sup>See Canada, Parliament, House of Commons, Official Report of Debates, September 28, 1961, p. 9060.

<sup>26</sup>Quoted in ibid.

<sup>27</sup>See Richard A. Preston, Canada in World Affairs: 1959 to 1961 (Toronto, 1965), p. 211.

<sup>28</sup>Allan Fenton, "How Business will Work with O.E.C.D.", Canadian Business, XXXV (May, 1962), 98.

<sup>29</sup>Canada, House of Commons, Debates, April 13, 1961, pp. 3607-3608.

<sup>30</sup>Quoted in ibid., September 19, 1961, p. 8525.

<sup>31</sup>Nora Beloff, The General Says No (Harmondsworth, 1963), p. 15.

<sup>32</sup>Quoted in ibid., p. 118.

<sup>33</sup>See Preston, Canada in World Affairs: 1959 to 1961, p. 213.

<sup>34</sup>Canada, House of Commons, Debates, December 16, 1960, p. 869.

<sup>35</sup>Ibid., April 13, 1961, p. 3607.

<sup>36</sup>Ibid., April 25, 1961, p. 3979.

<sup>37</sup>Ibid., June 20, 1961, p. 6652.

<sup>38</sup>Ibid., p. 6650.

<sup>39</sup>Statements and Speeches (Department of External Affairs, Information Division, Ottawa), no. 62/5, p. 2.

<sup>40</sup>See ibid., no. 62/11, p. 1.

<sup>41</sup>Ibid., no. 62/5, p. 2.

<sup>42</sup>See Canada, House of Commons, Debates, September 15, 1961, p. 8407.

<sup>43</sup>See ibid., September 26, 1961, p. 8900.

<sup>44</sup>Quoted in ibid., September 15, 1961, p. 8407.

<sup>45</sup>Ibid., September 28, 1961, p. 9054.

<sup>46</sup>Statements and Speeches, no. 62/5, p. 1.

<sup>47</sup>Quoted in Canada, House of Commons, Debates, September 28, 1961, p. 9063.

<sup>48</sup>See Statements and Speeches, no. 62/5, p. 3.

<sup>49</sup>Canada, House of Commons, Debates, September 26, 1961, p. 8899.

<sup>50</sup>Ibid., September 28, 1961, p. 9061.

<sup>51</sup>Ibid.

<sup>52</sup>See ibid., p. 9058.

<sup>53</sup>Ibid., January 22, 1962, p. 70.

<sup>54</sup>Ibid., October 2, 1962, p. 111.

<sup>55</sup>Ibid., April 25, 1961, p. 3980.

<sup>56</sup>Ibid., September 28, 1961, p. 9076.

<sup>57</sup>Ibid., October 5, 1962, p. 243.

<sup>58</sup>Quoted in Peter Newman, Renegade in Power: The Diefenbaker Years (Toronto, 1963), p. 274.

<sup>59</sup>Statements and Speeches, no. 62/3, p. 2.

<sup>60</sup>Ibid., no. 62/11, p. 3.

<sup>61</sup>See Canada, House of Commons, Debates, January 29, 1963, pp. 3206-3207.

<sup>62</sup>See ibid., pp. 3207-3208.

<sup>63</sup>"The Atlantic Community", External Affairs, VIII (June, 1956), 173.

<sup>64</sup>See James Eayrs, Canada in World Affairs: 1955 to 1957 (Toronto, 1959), pp. 178-179.

<sup>65</sup>See ibid.

<sup>66</sup>Quoted in ibid., pp. 181-182.

<sup>67</sup>Canada, House of Commons, Debates, January 20, 1961, p. 1275.

<sup>68</sup>See, for example, ibid., May 3, 1961, pp. 4293-4294; ibid., September 28, 1961, pp. 9067-9070; ibid., January 22, 1962, pp. 47-49; and ibid., February 21, 1961, pp. 1103-1107.

<sup>69</sup>Ibid., February 21, 1962, p. 1105.

<sup>70</sup>Ibid., September 28, 1961, p. 9055.

<sup>71</sup>Ibid., April 25, 1961, p. 3972.

<sup>72</sup>See ibid., September 28, 1961, p. 9066.

<sup>73</sup>Ibid., October 22, 1962, p. 818.

<sup>74</sup>Ibid., January 22, 1962, pp. 48-50.

<sup>75</sup>Ibid., January 29, 1963, pp. 3207-3208.

<sup>76</sup>Ibid., February 28, 1961, p. 2512.

<sup>77</sup>M. Lamontagne, "Canada and the Common Market: The Liberal Party View", in W. B. Cunningham, ed., Canada, the Commonwealth and the Common Market, p. 28.

<sup>78</sup>See his Atlantic Challenge (New York, 1965), p. 40.

<sup>79</sup>See ibid., p. 43.

## V Conclusions

<sup>1</sup>(Toronto, 1962), p. 46.

<sup>2</sup>Lament for a Nation (Toronto, 1965), p. 34.



<sup>3</sup>See "Canada and the North Atlantic Triangle", in his In Search of Canadian Liberalism (Toronto, 1961), pp. 255-262.

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