

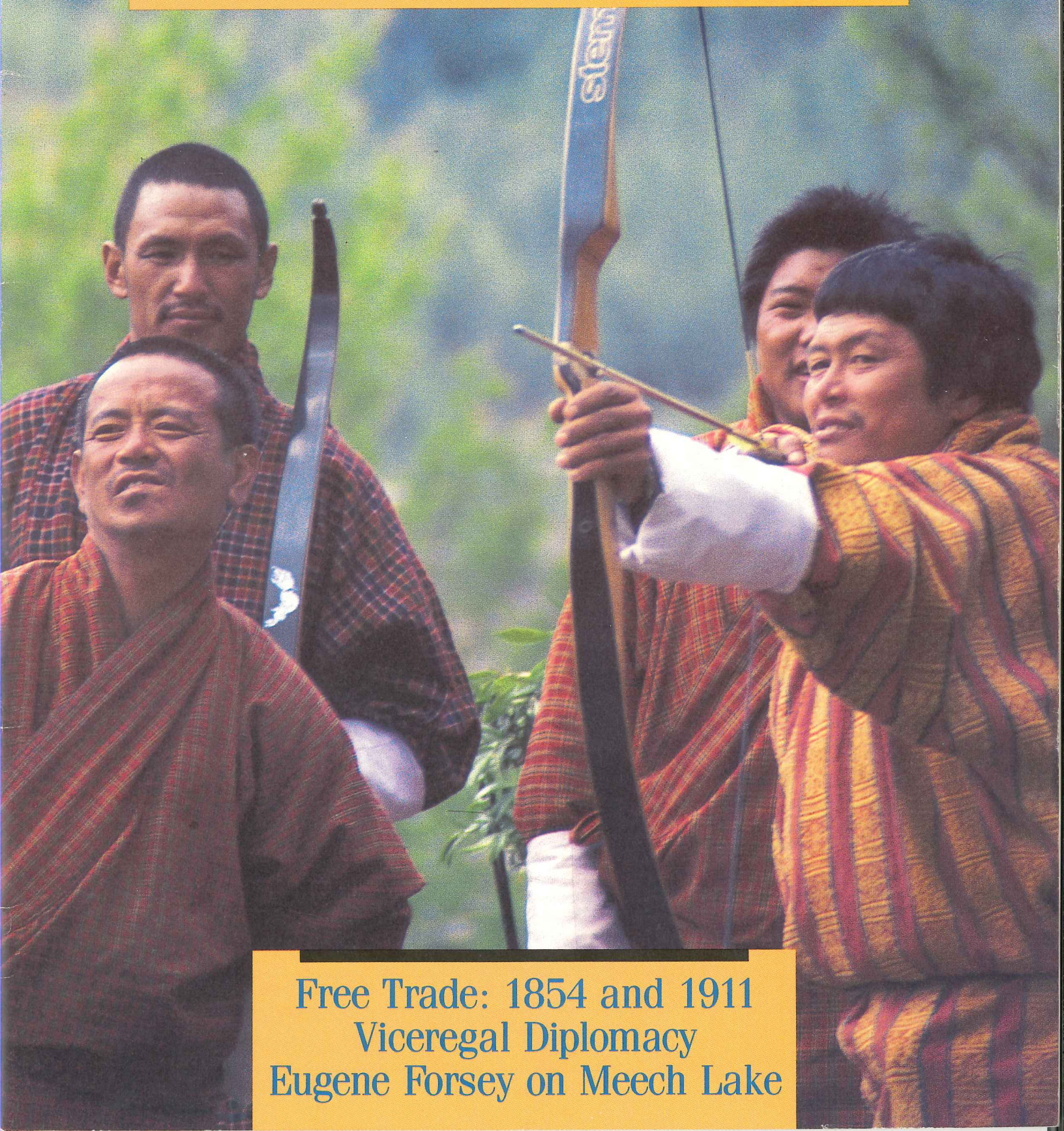
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Free Trade: 1854 and 1911
Viceregal Diplomacy
Eugene Forsey on Meech Lake

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Stephen Lewis, the self-declared socialist Excellency, held forth to a packed breakfast meeting of PAFSO the other day. Renowned for his grasp of the English language, he delivered a lively polemic on the plight of Africa. He is convincing even when he is being outrageous. Time has rubbed some of the rougher edges off him but the discipline of power has tempered none of his passion. He still has fire in his belly. He is especially popular with the junior set at his mission in New York. It is not hard to see why. He inspires a certain confidence and possesses a kind of charisma. He hath solitary certitude of light.

One old head, wise in the ways of the Department, put the final question of the day to Mr. Lewis. In anyone younger it might have been dismissed as impertinent; he spoke of political appointments and Lewis' unique perspective. Lewis had the grace to look uncomfortable, and the wit of mind to admit such nominees should be first-rate and nominal. He noted, however, that outsiders have no monopoly on mediocrity. A fair riposte.

This excellent socialist could not let the moment pass without a *cri de coeur* on feminism and the requirement for more women in senior positions. That skirts are in and trousers out is banded about whenever conversation turns to head of post assignments. Even the Under-Secretary has entered the debate. I am told he noted at a recent luncheon for officers that the paucity of women heads of post, a known bugbear of the current Minister, was due in part because some women would not accept such appointments saying they were not ready for the task. Mr. Taylor's remarks were considered tactless and angered some colleagues who muttered unkind words about the unnatural fears of middle-aged men. If they were, it would be out of character for a man who is generally seen as gentle. One hard truth, however, is that the Department does not meet the requirements set by affirmative action policies as regards representation by the fair sex.

That politics plays its part in the zealous pursuit of this aspect of affirmative action one need only listen to Conservatives on the stump. The boilerplate on women inevitably includes reference to the number of women they have appointed ambassadors — 13 and counting. Ms. McTeer, Wife Of, has devoted her column in the July *Chatelaine* to a profile of these ladies. Interestingly, there is no allusion to the party connections of Pierrette Lucas (she was a former federal candidate, an aide to Mr. Clark when he was leader of the Conservative party and the only head of post to survive in that role after the recent post closures) and Joan Price Winsor (she

was President of the Westmount Conservative Party when Mr. Mulroney lived on that hill). Are they where they are because they were good "party" people or because they are women?

Affirmative action is a controversial policy. Promoting one group over another to correct perceived historical injustices is a very tricky thing to accomplish. It raises many unsettling questions. At what point, for example, will the government decide that persons who have been "victims", personally or through their ancestors be restored to "the position they would have occupied" but for discrimination? Another truth is that talents will never be equally distributed nor equally rewarded.

Affirmative action emphasizes entitlement and preference on the basis of such distinctions as sex, mother tongue or race. To be successful it mandates preference to all four steps in the employment process: recruitment, hiring, promotion and firing. In practise government enforced "goals" can lead to reverse discrimination in the form of quotas, whether acknowledged or surreptitious. This flies in the face of the merit principle and equality of treatment. It also repudiates the principle of our legal system and political order that justice can only result from considering the rights and interests of individuals. The idea behind affirmative action is that justice results from governments assigning rights and benefits to specific groups. There remains much debate on its efficacy, both in theory and in practise.

Appointing pals to office in the name of affirmative action is doubly dubious. Abusing what can be a questionable approach with the crass politics of a sexual spoils system can only further demean whatever worthy objectives such a policy is designed to achieve.

Mr. Lewis concluded his lively address with some caustic comments on PAFSO. "A more namby-pamby union, I've never seen...A real union would take a much stronger stand on political appointments...PAFSO reps don't walk into management offices, they crawl..." He offered to advise the association on how to run a union after he is relieved of his ambassadorial responsibilities. His comments are outrageous but not without some foundation. I wonder if the issue is not more complicated than simply meekness on the part of union leaders portrayed as Uncle Toms. The basic problem is the schizophrenic nature of an organization and membership that has never come to terms with itself: is it a trade union or is it a professional association? While in the past we were essentially an association of professionals, more and more, especially during contract negotiations, we find ourselves

having to act as a trade union. But the unique nature of the foreign service does not readily fit into the rules and regulations set by Treasury Board for the rest of the domestic service. This could be largely addressed by legislating a Foreign Service Act, an idea whose time has come and which, like Cato, we cry for again.

Now that the Mighty Helmsman has heeded his Prime Minister's call to duty we fear the proposal may slip back into oblivion. It should not. The Foreign Service is continuing to evolve. Should the Government heed the recommendation on decentralization of CIDA's activities contained in the Winegard Report on Canadian Development Assistance, we may see another burgeoning of our ranks abroad. The terms and conditions which Treasury Board applies to the domestic service in Canada do not travel well abroad. We need a Foreign Service Act which addresses these concerns. Now this would be a project worthy of Mr. Lewis' talents!

As for the lackies in the PAFSO Executive, the old order changeth, to use Tennyson, yielding place to new as postings and accession to management takes its toll. Of the five veterans from the bad old days when selection was by anointment rather than ballot only Gordon Morrison remains. Rob Mackenzie ascended to the office of executive assistant to Gerry Shannon shortly after the elections. Len Mader, the president becomes Director of the Domestic Communications Division. Jon Fried, our Chief Negotiator for the Contract, leaves for Washington. I leave for Hong Kong. In other moves, Professional Committee chairman David Adam leaves for Caracas. Daryl Copeland, PAFSO's young Turk and author of a lively *depêche d'adieu* in this issue, leaves for Addis Ababa. Jean Roberge, Cécile Latour, and Richard Crouch have already departed. In a move, hotly debated, the Executive decided in favour of annual by-elections to replace departing members. The thought is to have annual elections which would elect half the Executive members for a two year term. Members leaving between elections would be replaced on an interim basis, and with due consideration to sex, creed, steam, mother tongue, etc., until the next election. Democracy has its discontents but to paraphrase the Great Commoner, there is still no better alternative.

Sitting with some of the class of the mid-seventies in the cafeteria the other day, we wondered why it was the best of the fast-track set often made the worst of managers. Having made their reputations as clever desk

officers stickhandling their way through the daily rigour of unnecessary but perpetual crisis-management they have never adjusted their work habits. It is not a new complaint. Perhaps it is the inevitable consequence of a competitive system which puts so much emphasis on individual performance. Administering others is too often dismissed as counterproductive; something best left to lesser beings. Unhappily, it has produced some rather dreadful results. I recently read a relevant comment by Ronald Spiers, Under-Secretary of State for Management in the US State Department.

Most members of the Foreign Service regard management as something you leave to the clerks. We've paid for that. The political officers have kind of been the royalty who were made ambassadors for their brilliant cables, their sharp analyses and their diplomatic savvy. But they knew nothing of budgets, personnel management or bureaucratic organization. A lot of them have fallen on their faces.

And like Humpty Dumpty, when they fall the mess they leave cannot easily be put back together again.

"The people die so, that how it seems they are fain to carry the dead to be buried by daylight, the nights not sufficing to do it in...Great fears of the sicknesse here...God preserve us all". The writer is Pepys and his reaction to the Black Death of 1665 could apply to the great fear sweeping the world today over our new plague — Acquired Immune Deficiency Syndrome. It is a killer for which there is no cure.

At least one employee of our department, a friend of mine in New York, has already died of AIDS. The odds are that the grim reaper will add to his toll with more of us in the next few years. Portrayed on this continent as the scourge of sodomites and drug-addicts, it has in fact exacted its greatest toll in the central part of Africa where it is estimated that up to 60% of the population may be afflicted. More will die this year from AIDS in Africa than from the starvation caused by the Great Famine, which is now being contained through the assistance efforts of countries like Canada.

AIDS is usually transmitted through sex but it can also be passed in blood transfusions and, as we have learned recently through the sad tales of lab workers and nurses, through mere contact with the blood of its victims. The implications of the latter are especially chilling, particularly for those who come in contact with its victims. Outside of North America and part of Europe, where blood is now screened (although even this is not entirely fail-safe) you take your life in your

hands when you enter a hospital.

For the Foreign Service, this presents a compelling case for having Treasury Board provide additional no-fault life insurance for officers and their spouses serving in high risk countries. For individuals preparing for a posting in high-risk regions, have yourself and your family tested by Health and Welfare Medical Centre. This would help establish the basis for any future claim of liability should the worst happen. The Foreign Service Directives should also be amended by raising the post hardship level to more accurately reflect the dangers of the situation. For example, testing for potential servants of employees should be an approved medical expense. Those posts should be declared "unhealthy posts"; the employer should undertake to pay the special health care expenses for AIDS and AIDS-related illnesses.

The Department is moving to come to terms with what it means for those at post. At a minimum, screened blood should be kept on hand. For PAFSO, which administers its own life insurance program, all applicants should be subject to mandatory testing before life insurance can be granted through our plan. Our coverage already demands identification of symptoms or experience with maladies such as high blood pressure, cancer, or diabetes. Other life insurance programs are already refusing coverage for those with AIDS. Prospective immigrants to Canada are already being tested on the assumption that countries have a right, even a duty, to bar entrants with communicable diseases.

In preparing for the contract negotiations and FS Directives triennial review, PAFSO surveyed the membership on its expectations. The results are interesting. We espouse middle class virtues probably because most of us feel we come from this background. Twenty percent claim either lower or upper class background. Over two-thirds said that their spouse had given up their job for the partner's assignment. We are a well-educated and reasonably experienced lot — over 60% had a second degree while 80% had worked for at least a year before joining, while a third had worked for more than five years. Forty percent say they took a pay drop to join the Service. That promotion is slow was made abundantly clear: 62% of FS2s had been at least five years in grade, 28% for nine years or more! At the FS1 level it is slightly better, 59% have been in grade for at least five years, 23% for more than nine years. We feel hard done by in comparison to our mates both in and outside the public service. Not surprisingly, most felt an increase in our pay should take precedence over all other

demands in the negotiations. We think we work hard — 93% say they put in overtime during the week, over 70% work on weekends.

Finally, praise for a good idea long in coming. A sense of community is the foundation of any successful and proud organization. For too long retirement from the Foreign Service meant the end of the associations built up over a lifetime in the service of our country. Like old soldiers, our old hands simply faded away. Now, thanks largely to the efforts of old hand Jim Nutt they have established an association of former heads of post. They were the glory of their times and among the best of their generation. May they prosper.

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PAFSO in Retrospect: Asleep at the Wheel

by Daryl Copeland

More crucially, they fooled themselves through a tragic misunderstanding of the issues...and a misguided faith in the prowess of their own diplomacy.

Charles Taylor, *Snow Job*

On the eve of my resignation from the PAFSO Executive Committee, I felt that it might be useful to highlight a number of issues relevant to the foreign service prospect in the hope of stimulating constructive discussion and effective action.

There is certainly much to recount concerning the brief period between the promise of last fall's elections and the disappointment of this spring's contract charade. Just a few memorable incidents include — fathers voting against paternity leave, FS-1s inveighing mightily against proposals for salary increases, and working level professionals speaking passionately in defense of management rights. Rather than dwelling on the amusing anecdotes, however, I'd like to begin with a close look at the question of representation.

Matters of constituency, ideals and consciousness are central to PAFSO's *raison d'être* which, simply put, is to serve its members. Without fidelity to certain principles, PAFSO cannot be expected to operate effectively as the certified bargaining agent for our occupational group. If fundamental responsibilities are ignored, nothing constructive can be accomplished, and no progress made.

This is an important point of departure because of the widely held conviction (shared by prominent members of the contract negotiating team, for instance) that it is the proper role of the PAFSO Executive to represent the interests of management. This astonishing misapprehension goes much of the way towards explaining PAFSO's frayed legitimacy and disinclination to act.

One might think it reasonable to expect members of the Executive to be aware of their obligations as set out in such a basic document as the PAFSO Constitution. They are not. This is no trifling matter; Article 2 is unequivocal in terms of mandate:

The aims of the Association are: to further the interests of its members, to protect the status and standards of their profession, and to maintain and promote

the effective functioning of the foreign service to Canada; to act as the bargaining agent on behalf of its ordinary members: and to formulate and express the corporate view of the members on matters affecting them.

Ignorance of the fact that our primary responsibility is the representation of the views and interests of the membership to management, *not* vice-versa, is a very serious problem. It is the rank and file, not associate or affiliate members, (who tend to occupy management positions), who pay the bills and are our most significant constituency by any measure. In these difficult times the last thing PAFSO needs is an Executive committed to a vision of the union as the downward extension of management or as an apparatus for control. But this is, regrettably, the case.

It is worthwhile to consider how and why such views have found expression in the deliberations of a union executive. The answer, I think, is intimately related to PAFSO's failure to respond to significant changes, over time, in the structure, culture and orientation of the Department. Everything has changed...except PAFSO.

A strategy of systematic collusion with management may have made sense once, but the returns have diminished dramatically. There is more to it, however, than increasing marginal utility. The costs have been real, and are growing. Members serving in Ottawa, for instance, now pay an economic and career premium to work at External Affairs. Remuneration, and the terms and conditions of employment in comparison to other public sector professions, have slipped appreciably. Promotion rates are already the lowest in the public service *by a factor of three* over the next lowest group and they are, incredibly, slowing further. I would add that it is FS-1s, whose economic and career prospects could generously be described as dismal, who have paid the highest price in this respect. FS-1s now seem to require an appetite for exploitation and desire for abuse in addition to the more conventional virtues of submissive and obsequious behaviour.

The modern bureaucratic organization is the only major social institution that brings large numbers of people together in a way that

prevents them from developing a commitment to each other or to the enterprise.

Loren Baritz, *Backfire*

Over the years, PAFSO's ability to produce tangible benefits for its membership has suffered as a result of the persistence of a fundamental contradiction. Specifically, the Association's leadership has backed away from the forceful pursuit of members' interests because those involved have aspired to promotion out of the organization (or, at the very least, appointment to "management exempt" positions, with the promise of greater rewards to come). With key elements of the Executive inclined to avoid any actions which might jeopardize their own career expectations, PAFSO's overall performance has been, with few exceptions, insipid. Until service on the Executive is seen as something more than a vehicle for personal advancement, this situation is not likely to improve.

There can be no question that the combination of careerism and complicity has hurt us badly. And as if the legacy of cautious conservatism was not enough, PAFSO now seems to be approaching a catatonic phase. The timing couldn't be worse.

There is considerable evidence and broad agreement that the Foreign Service is under sustained and systematic attack. Witness the proliferation of non-career appointments, the lateral entry of disparate classes of employees into the upper echelons of the FS group, the resource famine at the working level coupled with the multiplication of management strata...The Foreign Service is coming increasingly to resemble little more than a bureaucratic receptacle for wasted talent and frustrated ambition. Yet it's hard to complain too loudly about a bad hand from a stacked deck when you're in league with the dealer.

Last year's elections went part of the way towards turning the situation around, but only through more far-reaching democratic action can an effective remedy be provided. Constitutional amendments governing the behaviour of the Executive in terms of conflict of interest are essential. Clauses covering discipline are badly needed as well. To ensure higher standards of accountability and to give the conflict guidelines some teeth, impeachment proceedings should also be included.

These issues could be addressed at the forthcoming Annual General Meeting, which might then be transformed into something more than an icon of apathy and disdain.

Tinkering with the Constitution could well provide part of the solution, but it is also clear that the entire operation of the union must be placed on a much more professional footing. Here there is enormous scope for

reform, in such areas as office procedures and activities, the training and development of our staff, general administration, and, especially, in the way in which meetings of the Executive are approached and conducted.

On this point I must again digress: PAFSO deliberations have at times vested the notion of collective irresponsibility with a whole new range of meaning. Entire meetings have been permitted to disintegrate into a dark, visceral wilderness which would delight both Freud and Kafka. Quite predictably, the results have been textbook examples of squandered opportunity and the gross mismanagement of the decision-making process, punctuated throughout by manifestations of exceptional bad faith.

Given the prevailing adversity, this is unacceptable. When the blind lead the weak, we can anticipate nothing more than the pathetic posturing and timid twittering which have come to pass for activism. PAFSO must surely be expected to function as something more than a forum for the expression of the paranoia of the permanent underclass.

The temptation to surrender, or to draw together the wagons and adopt a siege mentality must be resisted. Instead, it is imperative that we respond creatively and move decisively to defend our interests. In this sense, and despite the uninspiring record, PAFSO remains the only game in town.

It is, moreover, modestly encouraging that PAFSO has come some distance since the days when it functioned as little more than a gentlemen's club in which office was unquestioningly conferred by anointment or the pass of a baton. But one can't become too optimistic — until we get quality leadership committed to representing the interests of members with courage, determination and vigour, the drift towards genteel oblivion is certain to continue.

In sum, PAFSO is in serious trouble. Continuing acceptance of a compromised and confused Executive, dedicated singularly to the defense of the status quo and propagation of the complex mythology which sustains it, will inevitably lead to a further loss of confidence. Notwithstanding the occasionally muted enthusiasm of our members, this crisis will be not only justified, but largely self-inflicted. By virtually any standard, great achievement has not been the hallmark of PAFSO's existence. Such is the sad history of company unions. Languishing in the pale aura of grim tradition, PAFSO's future will remain as bleak as its past. Lashed to the wheel in a deep, deep sleep, PAFSO can only be headed from whence it came, that is, precisely nowhere.

There is much to be done. If PAFSO members think they deserve something better, now is the time to act.

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Changing the Constitution

by Eugene Forsey



Signing the Constitution

By the time this appears in print, the Meech Lake Accord will probably have become a body of actual amendments to the Constitution. These may make obsolete many statements that otherwise could have been made about the existing Constitution and about what seems likely to come out of the Accord (which contains a good many ambiguities and obscurities).

However, there are two things I think can be said about both with a fair degree of confidence.

First, the Constitution Act, 1982, gave us a very rigid Constitution, very hard to amend; and the Accord would make it more rigid still.

Certain things can be changed only with the consent of the House of Commons and the unanimous consent of the provincial Legislatures: the monarchy (the office of the Queen, the Governor General and the Lieutenant-Governors); the right of every province to have at least as many seats in the House of Commons as it had in the Senate before April 17, 1982; the use of the French and English languages in Parliament and the federal courts, and (probably) the Legislature and courts of Quebec; the number of judges, and of Quebec judges, on the Supreme Court of Canada; and any of the five amending formulas. (The Senate can only hold up an amendment for 180 days. It has no veto.)

Most other amendments require the consent of the House of Commons and of seven provincial Legislatures representing at least

half the population of the ten provinces. This means they must have the consent of *either* Quebec *or* Ontario.

If the necessary consents are not given within three years, the proposed amendment dies. This means that for any amendment that requires unanimous consent of the provinces a single Legislature just keeping mum for three years can kill it; and that for any amendment that comes under the seven province formula, the silence of four provinces is fatal.

Under the Constitution as it stands, the seven-province formula explicitly applies to changes in: the principle of proportionate representation of the provinces in the House of Commons; the powers of the Senate; the method of selecting Senators; the number of Senators from any province; the residence qualifications of Senators; the extension of existing provinces into the territories; and the creation of new provinces.

It explicitly applies also to any "amendment to the Constitution of Canada relating to the Supreme Court of Canada" (except for those which require unanimous consent). The only provision of the pre-1982 Constitution relating to the Supreme Court of Canada was section 101 of the British North America Act (now re-named the Constitution Act), 1867, which gave Parliament the power to create the Court, and hence to make any changes in it that it chose, even to abolish it. Presumably, the Constitution Act, 1982, takes away Parliament's power to abolish the Court, or to change the

number of judges, or the number of Quebec judges. Certainly, that was the intention. But just what changes now come under the seven-province formula, and what changes can Parliament itself still make without any reference to the provinces?

Under the Meech Lake Accord, all these eight matters would be transferred from the seven-province formula to unanimous consent. (The transfer would itself have to have unanimous consent.)

In view of the current vogue of Senate reform (proposals for this are "thick as autumnal leaves in Vallombrosa"), it is important to realize just what even the seven-province formula imposes on reform schemes that would involve constitutional amendments.

Any four provinces could stop any change in the powers of the Senate; any change from appointment to election; any change in the number of Senators from any province.

For example, the "Triple E" Senate would give every province six Senators. The four Western provinces, and Newfoundland, already have six, so their consent can be taken for granted. Prince Edward Island would go up from four to six. It would be enraptured. But Nova Scotia and New Brunswick would go down from ten each to six. Quebec and Ontario would go down from twenty-four each to six. Those four provinces would instantly reject the amendment, which would kill it as dead as mutton. Under the Meech Lake Accord, any one province could kill it.

Any proposal to give the Senate new powers would require the consent of the House of Commons. But the House will "brook, like the Turk, no brother near the throne", and if it wanted to, no Government would let it. It will not consent to give the Senate more real power than it now has. (It already has ample legal power, notably an absolute veto on all legislation. But, being appointed, it has no political clout.) And the reformers all insist that it must have more real power. That is one reason why they nearly all want an elected Senate. It may be added that the provincial Premiers, *prima donnas* all, are not going to surrender any of their power to deal directly with the federal Government to any under-studies, elected or otherwise, least of all when the Meech Lake Accord would put the annual First Ministers' Conferences into the written Constitution, with an entrenched agenda that includes Senate reform. The only exception I can think of is the federal Government's undertaking, in the Meech Lake Accord, to appoint all the Senators from lists drawn up by the respective provinces. The provincial Premiers will no doubt welcome this delicious addition to their patronage, especially as it is "fail-safe": they can always tell disappointed aspirants, "Your name was on my list; but the blankety-blank federal Government wouldn't appoint you".

Abolition of the Senate would of course require unanimous consent of the provincial Legislatures, because the Senate is part (though a minor and impotent part) of all the amending formulas.

The second thing that can safely be said about our present Constitution is that it enormously increases the power of the courts. The Charter made a revolutionary change there. And if the Charter is slaying its thousands, the Meech Lake Accord could slay its tens of thousands. For it introduces two radically new principles of interpretation of the Constitution, which the courts would have to apply to all federal and provincial legislation.

The first is the "duality principle". The Accord imposes on Parliament and the provincial Legislatures a "commitment" to "preserving" a "fundamental characteristic of Canada": the existence of French-speaking Canada, centred in but not limited to Quebec, and English-speaking Canada, concentrated outside Quebec but also present in Quebec. It also imposes on the courts an obligation to interpret the Constitution "in a manner consistent with" this "fundamental characteristic".

This could mean that if the French-speaking minority in Canada, or in any province, felt that Parliament or the provincial



"...and now we are ten!"

Legislature was failing to live up to its "commitment", it could appeal to the courts, and the courts could order Parliament or the Legislature to do whatever the courts thought necessary to remedy the grievance. (The equalization section of the existing Constitution imposes a "commitment"; but it is careful to say: "Without altering the legislative authority of Parliament or of the provincial Legislatures, or the rights of any of them with respect to the exercise of their Legislative authority". The Meech Lake Accord contains no similar safeguard.)

On the face of it, this could mean that the English-speaking minority in Quebec could appeal to the courts an alleged failure of the Legislature of Quebec to live up to its "commitment" to the principle of duality, and the courts could order the Legislature to do whatever they thought necessary to remedy the grievance.

But here enters the other new principle of interpretation of the Constitution. The Accord recognizes Quebec as "a distinct society", "affirms the role of the Legislature and Government of Quebec to preserve and *promote* the distinct identity of Quebec" as a "distinct society", and imposes on the courts an obligation to interpret the Constitution "in a manner consistent with" this.

The two obligations might clash. The courts would have to decide which of the two took precedence. It is perfectly possible that they might rule that any action of the Quebec Legislature and Government which would otherwise be in violation of the Canadian Charter of Rights and Freedoms was constitutional because it was an exercise of Quebec's right to "promote" the distinct identity of the province. The Quebec Minister of Intergovernmental Affairs has already suggested that if the Supreme Court of Canada, in a case now before it, finds that prohibition of bilingual signs in Quebec violates the Charter, the Quebec Legislature could re-impose the prohibition by an exercise of its constitutional power to promote Quebec's identity.

What's sauce for the goose would not necessarily be sauce for the gander.

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The Day That the Rains Came Down

by Laurel Pardy

As usual, Ottawa officials had all scheduled their visits to sunny climes to coincide with the lingering depths of the Canadian winter. We had had, in succession, an inspection team, a group of MP's, the SSEA and now, at the tag end of the visitor season, the leader of the opposition.

The High Commissioner had, with experienced foresight, arranged to tour his far-flung domaine during this period. As wife of the "left-in-charge", it fell to me to oversee the appropriate hospitality.

"You not worry, Memsahib," said Samuel, by houseboy. "When you come, dinner be ready."

A frisson of things remembered pattered down my spine. Not only Bobby Burns knew about the best-laid plans of mice and men, or, in this case, memsahibs.

Instead of reassuring me, Samuel's words had reminded me that it is not what we anticipate that creates trouble, but what we do not.

As I surveyed the immaculate linen and sparkling crystal, the memory of jellied salad rings unexpectedly collapsing and sliding off their plates onto the terrazzo floor, flashed before my eyes.

I remembered the occasion when I had believed my husband's assurances that none of the Indians coming to lunch were vegetarian. To a man they had blanched and stopped chewing when I calmly assured them that the dish contained not dried beans but small shrimp. To spit or swallow, that was the question.

Then there was the time two amorous house lizards had set up housekeeping in my mulberry-Kirsch compote, only to be discovered when Frau Kleiner came to tea. Her English and her composure had fled simultaneously.

I sighed. The current hot weather heralded the onset of the long rains and there was little I could do about the heat, but everything else seemed to be under control.

"Rain tonight," commented Samuel. "I close the the windows?" he queried.

I wondered why he should ask such a thing when it was obvious that closed windows would only make it hotter.

"No," I instructed, and left to attend an early reception.

Oh, foolish me.

When I dashed into the residence three hours later, five minutes ahead of their excellencies and honourables, I found the house staff, the gardener, their wives and children frenetically sweeping tables, chairs, floors and window sills with makeshift brooms and dustpans.

"What are you doing?" I cried.

"It rained, Memsahib."

"Yes, I know."

Stimulated by the first of the rains, East African termite ants leave their underground tunnels and take to the air in prenuptial flight. They swarm in their millions, then fall to earth to mate. My dining-room had become a gigantic wedding palace. It looked like a miniature sausage factory gone mad.

Not even babes in the womb could have missed the roof-denting downpour. However, I had missed something — two things, in fact. Firstly, I had forgotten to follow the instruction to leave the windows open with the instruction to close them if it rained. Secondly, I forgot about the termites.

Stimulated by the first of the rains, East African termite ants leave their underground tunnels and take to the air in prenuptial flight. They swarm in their millions, then fall to earth to mate. My dining-room had become a gigantic wedding palace. It looked like a miniature sausage factory gone mad.

"I close the windows, Memsahib?"

"Yes," I confirmed, "close the windows, and make sure there are no termites in the wine glasses."

As I went off to serve a delaying round of drinks, Samuel assured me, "You no worry, Memsahib. When you come, dinner be ready."

Editor,

The Guest Column entitled "Ethnics and Foreign Policy" in the spring 1987 issue of **bout de papier**, is offensive in tone and oversimplistic to the point of being prejudiced.

The column assumes that all Jews in Canada subscribe to the same views on the middle-East. This is patent nonsense. Jewish Canadians, like other Canadians, form their own opinions on both domestic and international affairs. The same is true of any other "ethnic" group. The assumption that Jewish Canadians, or Eastern European Canadians, or other Canadians not of British or French origin, automatically share a given set of views on their country of ancestral origin is bigoted. We are all human beings, capable of forming, and changing, our own views.

It is immaterial whether the Canadian Jewish Community forms 1.4%, or any other percentage of Canada's population. An argument in favour of a given position on domestic or international affairs should be judged on the basis of merit, not on the size of the ethnic group which may have a particular interest in it. Would Mr. Lyon argue that South Africa's apartheid policies should be only of minor concern to Canada, as only a small proportion of Canada's population is Black?

The assumptions in the column are an active insult to Canadians of so-called "ethnic" origin who are members of the foreign service and uphold Canada's position on various international issues in a professional manner, no matter what their personal views may be. If one were to accept the logical consequences of Mr. Lyon's views, "ethnics" should not be allowed in the foreign service, as they all, automatically, hold "ethnic" views on international affairs, rather than "real Canadian" ones.

As PAFSO has chosen to publish this Guest Column, I request that you publish this letter, as surely Jewish and "ethnic" Canadians are entitled to a right of reply.

Martin I. Levine

Editor,

I have been reading **bout de papier** and want to congratulate you on your new format and so forth, but particularly on the quality of the contents. Good luck!

P.M Pitfield

Editor,

I was delighted to have **bout de papier** with the article by David Wright, and the very special insert paragraph by Mitchell Sharp. Both of these articles capture the salty direct flavour that was so typical of Bruce and his career in the Canadian Foreign Service. It was good to know that he is remembered.

Let me also congratulate you on the new **bout de papier** format. It is now a magazine of quality and sophistication and a great credit to its editor.

Mona Rankin

Editor,

I greatly enjoyed the issues you sent me. They are (apart from the misprints!) first rate.

Eugene Forsey

Editor,

Congratulations on the new format. **bout de papier** has become almost as attractive in appearance as it is in content — a first-rate magazine of Canadian diplomacy.

Mitchell Sharp

Editor,

It is obvious that great care has been taken to create a new look for your magazine and I congratulate all concerned for the excellence of the writing, the artwork, and the overall professionalism of the new format. This is, indeed, a job well done.

Allan J. MacEachen
Leader of the Opposition
The Senate

Editor,

Many congratulations on the appearance and the content of your spring issue. I have greatly enjoyed the articles by my former colleagues. Best wishes for your continued success.

Escott Reid

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Prime Minister P.E. Trudeau walking on a street with officials, China 1973.

Just Right for the VIP Who Has Everything

by Sidney A. Freifeld

When Brian Mulroney makes his official visits abroad as Prime Minister, his planners in Ottawa find that not the least of the diplomatic problems they have to confront is what gifts Canada's PM should bestow on his foreign hosts.

One approach is to try to envision what the other side will do. If Mr. Mulroney's foreign host is the President of France or the Tunku of Malaysia, research into the gifts they have presented to official foreign visitors in the past may reveal a hard act for more parsimonious Canadians to follow.

The planners will almost certainly reject what Prime Minister John Diefenbaker used to do — present an autographed glossy print of himself to his hosts in far-off lands. Surely we can do a little better than that, they will say: something not too extravagant, distinctively Canadian and unlikely ever to have been given before. Eskimo carvings? Indeed, they sometimes fit the bill. But if the visit is something special — as Prime Minister Pierre

Trudeau's was when he went to Peking in 1973 — would you not have to come up with something very special for Mr. Trudeau to present from the people of Canada to the leaders of a billion Communist Chinese?

Back in 1973, Mr. Trudeau's planners in External Affairs were undoubtedly aware that, for years, Canadian zoos had tried to induce the Chinese to give them a pair of pandas, which were nearing extinction, or the almost-as-rare Manchurian snow leopard. It perhaps was the subconscious wish that our Chinese hosts would donate one of these rare beasts to Canada that inspired External Affairs to come up with a truly ingenious idea — Mr. Trudeau should present a live animal in Peking.

Now what animal is eminently Canadian, inexpensive and easy to obtain, and never before presented to a foreign government by a Canadian prime minister? You guessed it: the beaver, and not one but four — two males and two females.

When this innovative proposal received prime ministerial blessing and an enthusiastic

endorsement from a surprised John Small, Canada's Ambassador in Peking, the planners then attacked the problems of procurement and logistics, including how to keep the sluggish beasts alive and happy during the long journey to Peking from Uplands Airport in Ottawa.

Advice and assistance was sought from fellow bureaucrats of the Department of Indian and Northern Affairs (INA). Finally, when all the loose ends of beaver-giving were tied together, they sent a telegram to the Canadian Embassy in Peking, with a copy for the Embassy in Tokyo, where the Trudeau party would stop en route.

To preserve the element of surprise in the Chinese capital, they sent this telegram in cypher:

FROM EXTERNAL OTTAWA
TO PEKING SEP 28/73
REF PM'S VISIT — ANIMAL
PRESENTATIONS
FOUR BEAVERS ARRIVING ON
PM'S AIRCRAFT WILL NEED TO BE

FED. INA REPORTS FOLLOWING KINDS OF FOOD SUITABLE: (A) POPULUS (POPLAR), (B) SALIX (WILLOWS), (C) RUBIS (RASPBERRIES), (D) NUPHAR (WATER-LILIES), (E) BETULA (BIRCH); UNDERSTAND HYACINTH AVAILABLE IN CHINA COULD PROBABLY REPLACE WATERLILIES IF, AFTER TASTING, BEAVERS LIKE CHINESE FOOD. WE WILL SEND 50 LB BAG OF ALFALFA TO SUSTAIN THEM UNTIL LOCAL FOOD SUPPLY OBTAINED.

2. AS BEAVERS ONLY DEFECATE IN WATER AND HOLD BACK DURING JOURNEY THEY SHOULD BE PLACED IN POOL OF WATER ON ARRIVAL TO PROVIDE RELIEF AND PREVENT POSSIBLE CRITICAL CONDITION ESPECIALLY AFTER SUCH LONG FLIGHT.

3. GRATEFUL YOU DESIGNATE MEMBER EMBASSY STAFF AS BEAVER LIAISON OFFICER.

4. FOR TOKYO: BEAVERS WILL REMAIN ON AIRCRAFT DURING STOPOVER. GRATEFUL YOU ADVISE JAPANESE AUTHORITIES.

The person to whom Ambassador Small entrusted the delicate chore of Embassy Beaver Liaison Officer was its resident

Sinologist, Brian Evans, a professor of history from the University of Alberta. Having made this choice, the Embassy then sent this telegram to External Affairs in Ottawa.

FROM PEKING OCT 5/73
TO EXTERNAL OTTAWA
REF YOURTEL SEP 28
PM'S VISIT — ANIMAL PRESENTATIONS
BEAVER LIAISON OFFICER WOULD LIKE FOLLOWING INFO:
(A) WHAT ARE MINIMUM REQUIREMENTS FOR BEAVER ZOO PENS?
(B) WHAT ARE OPTIMUM REQUIREMENTS FOR BEAVER ZOO PENS?
(C) FROM WHERE IN CDA DO THESE BEAVERS COME?
2. IF POSSIBLE CAN YOU SEND WITH BEAVERS THE FOLLOWING:
(A) RELEVANT LITERATURE SUCH AS: TEACH YOURSELF BEAVERS: EVERYTHING YOU EVER WANTED TO KNOW ABOUT BEAVERS BUT WERE AFRAID TO ASK.
(B) ANY SHORT FILM ON BEAVERS.
(C) TAPE OF PETER GZOWSKI'S CBC SHOW DEVOTED TO BEAVERS.

The beavers survived the journey and were presented to Chou En-lai, who accepted

them on behalf of the Government and people of China.

The beavers, or their offspring, are living it up in the Peking Zoo today and have doubtless acquired a taste for Chinese food such as hyacinth.

Canadian zoos are still awaiting a pair of pandas or Manchurian snow leopards from the friends the Prime Minister is supposed to have made in China.

P.S. The above wonderful exchange of telegrams between the Department and the Canadian Embassy in Peking was found by Arthur Menzies when we were going through early files as part of External's "screening" program. He happily agreed to their declassification.

bout de papier readers will be familiar with Sidney Freifeld's vignettes about the amusing and sometimes bizarre things that can happen to us or to our colleagues while working in the Canadian foreign service. Sidney would welcome any accounts from *bout* readers which might serve as a basis for future vignettes to be published in *bout* and possibly in the *Toronto Globe and Mail* or *Montreal Gazette* for which he writes. These can be addressed to him c/o *bout de papier*, Suite 600, 45 Rideau St., Ottawa, Ontario K1N 5W8

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1854: *Plus ça change plus c'est la même chose*

by Colin Robertson

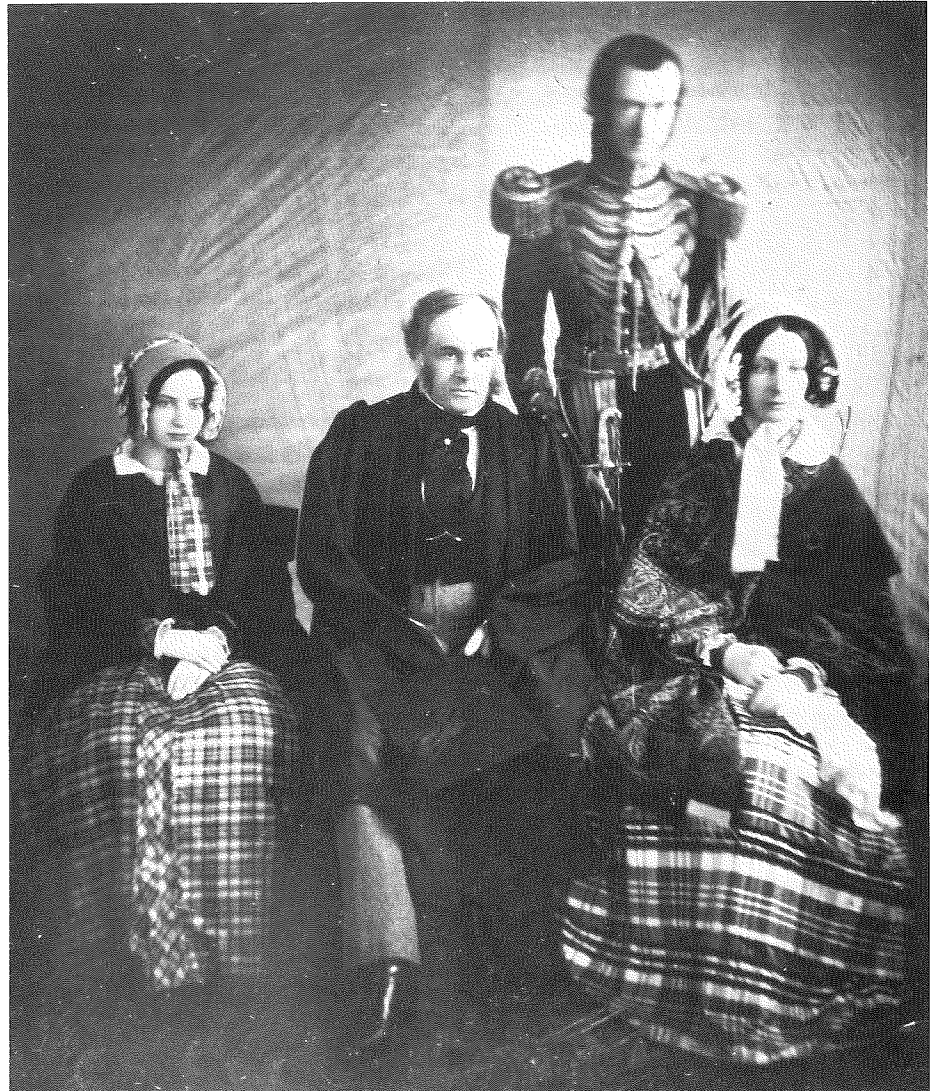
As Simon Reisman and his team enter the final laps of the current free trade marathon we might remember the first time Canada entered into a free trade deal with the United States. Like today, the free trade move was sparked by a recognition that there was really no better option for Canada.

In 1846 the British Government of Sir Robert Peel had introduced the first of its free trade budgets thus ending trade preferences for the colonies and embarking the Island on an unprecedented period of economic prosperity. Unhappily for the colony, the navigation laws which compelled trade to travel in British ships (it had the same effect as the Jones Act in the US today) should logically have gone overboard with protection, remained in place for another three years to hamper colonial traffic and increase the cost of shipping out of Canadian harbours. As often proved the case through the history of the Empire, consideration of the colonies' interests took a back seat to the interests of England. Canada's Governor General, Lord Elgin, complained to Colonial Secretary Earl Grey, "I care not whether you be a Protectionist or a Free Trader, it is the inconsistency of imperial legislation, and not the adoption of one policy rather than another which is the bane of the colonies."

James Bruce, the eighth Earl of Elgin, is the hero of this tale. Like most Scots he was a very canny fellow, highly intelligent, shrewd and capable; one had to be when dealing with Sassenachs and Yankees. Appointed Governor General in 1847 after an apprenticeship in Jamaica, he would play for Canada over the next couple of years a kind of combination Chief Trade Negotiator, Principal Minister and Ambassador Extraordinary.

The solution to Canada's dilemma, as he saw it, lay with its southern neighbour. He worried that the economic depression caused by the repeal of colonial preferences would let Canada slip into the hands of the US. But put the economy on a solid footing and Canada would be a stronger and more reliable member of the Empire. In a subsequent despatch, sent in the spring of 1848 to the Colonial Secretary, he made his views clear:

The true policy...is to secure for H.M.'s subjects in Canada free access



The Earl and Countess of Elgin, Lady Alice Lambton (left) and Lord Mark Kerr (Standing). Photo courtesy of the Earl of Elgin and Kincardine.

to the markets of the States and all the advantages with respect to reduction of freights which competition in the St. Lawrence and the Ocean will afford. This system will undoubtedly lead to much intercourse between the neighbouring countries, and to the multiplication of their commercial relations...So long as you adhered to the policy of protection you raised an artificial barrier between them. You enabled the Canadian to point to the preferences which he enjoyed in the mother country as the price paid for the drawback, real or supposed of the connection. Now, the least you can do for him, after depriving

him of these preferences, is to put him on as good a footing as his neighbor: to enable him to say when tempted, "What should I gain by renouncing my allegiance?"

In a prescient postscript, he warned that if nothing were done it would be quite hopeless to maintain the connection with Britain:

A large proportion of the produce of Canada now pays duty to the government of the States is sold across the line. Prices are kept down at a lower level on this side of the frontier. If the impediment which prevents their rising to an equality be not removed by negotiation it will be by annexation.

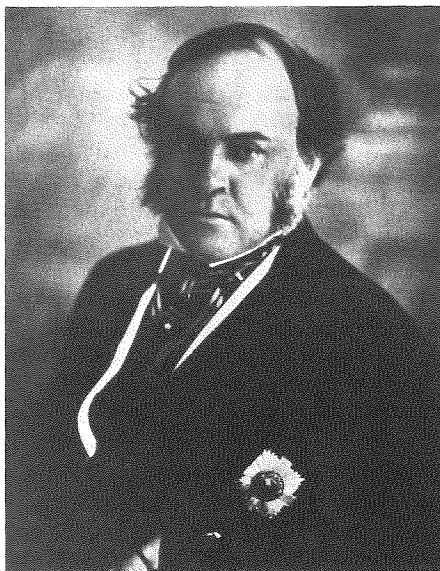


Young Canada: "We don't want you here!"

John Bull: "That's right, my son. No matter what comes, an empty house is better than such a tenant as that!"

His first task was to galvanize support for the initiative. Business was keen on the idea and he found in John Young, Francis Hincks and William Hamilton Merritt willing allies. Young, another Scot and Montreal merchant, was the organizer of the Free Trade Association which was formed in March, 1846 the principles of which constituted the economic creed of Canadian Liberalism for half a century. An active pamphleteer on behalf of Free Trade, he would later serve as Commissioner of Public Works in the Hincks-Morin Ministry. Francis Hincks, an Irish immigrant, gave the Free Trade movement the full support of the *Montreal Pilot*, of which he was editor from 1844-48, before becoming Inspector General in the Baldwin Ministry of 1848-51.

The American-born Merritt and self-described "Great Projector" — he was a kind of early-day C.D. Howe — had originally been skeptical but became convinced that reciprocity with the US would satisfy Ontario farmers while diverting the grain export from the western states to the St. Lawrence route. Promoter of the Welland Canal, Merritt



The Hon. Francis Hincks

devoted himself to this new challenge with all the energies of a convert and waged an effective campaign from 1846 when he first proposed reciprocal legislation through the press and in public debate. Through his column in the *St. Catharine's Journal* Merritt kept up active agitation for reciprocity arguing that it would "remove the uncertainty" about the future and "make Canada

prosperous, and nothing more would be heard about annexation". Appointed President of the Council in the Lafontaine-Baldwin Ministry of 1848-50, he drafted a Reciprocity Act which Elgin would use as a rough model in his negotiations with the US. He also joined with Elgin in seeking the support of the Maritime provinces and the US states for the initiative.

Negotiation with the Americans was no easy task. In instructing Elgin as to US habits, the Foreign Office advised him "as a principle never to be lost sight of in negotiating with the US, that no concession can safely be made to that government except in return for corresponding concession on its part". Or as the 19th century colonial historian J.L. Morrison put it in a discussion of US trade policy:

The keenness of American bargaining was sharpened by the national habit of regarding everything desired by Americans as natural right, and everything to be expected by the other side as an attempt to defraud the Union. Nothing that Machiavelli ever taught has proved so helpful in the establishment of a great power, as the American capacity for turning rank greed into something savouring of righteousness.

And from the US perspective, safe in its home markets and secure in prosperous times, the Canadas did not appear to have much to offer. A continuing problem for the negotiators was to get the attention of the US which for the most part was indifferent to the value of trade across the northern border. While access to the St. Lawrence and canals from Welland to Montreal were of interest to the Mid-West, this offended the seaborne traffic of American routes, especially in the state of New York. But faced with the threat of losing access to the fishing grounds off Nova Scotia and the Gulf of St. Lawrence, reciprocity became a more enticing proposition.

Drawing together British North America was no small task. The movement to secure reciprocal trade agreements among the provinces themselves had only just been accomplished with much difficulty and continued slippage. Canada was the easiest to bring on-side. The depression caused by the end of preferences and increasing US restrictions on the import of Canadian grains convinced them of the need to gain secure access to US markets. In their view, US protectionist measures must be lifted. Merchants in Montreal signaled their interest in the US when in the autumn of 1849, upset with the effects of British trade policy, 1100 of them, including a future Prime Minister, John Abbott, signed the Annexation Manifesto demanding union with the US.

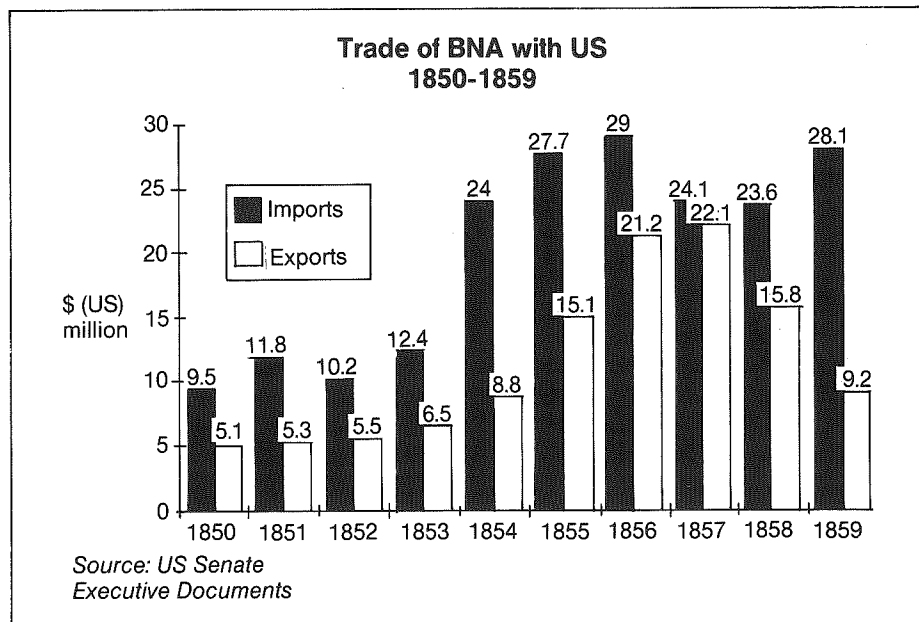
The support of the press helped. In addition to the Montreal *Pilot* and St. Catharine's *Journal*, George Brown's *Globe*, the most influential paper in Ontario and Quebec, gave it unqualified support. "If trade is to be free", urged the *Globe* in 1846, "it must be equally free between British colonies and foreign countries. A free intercourse with the US, and the use of her ports for the export of Canadian produce to European markets should form an indispensable part of the new arrangements, and also the supply of manufactured goods from the cheapest market. If these, with cheap postage and other arrangements, are completed, the friends of Canada have nothing to fear on her account."

In New Brunswick the agitation for reciprocity developed more slowly, but the lumber industry anticipated that the repeal of the Navigation laws would enable foreign vessels to carry freight from St. John at a cost so low that local shipping could not compete. Ship builders therefore wanted the right to register colonial-built vessels when sold in the US and the lumber industry wanted free access to the US market. In April, 1850 the legislature passed a bill empowering the Lieutenant-Governor to issue, when advisable, a proclamation for the free admission of US produce. Prince Edward Island proved to be no problem and its legislature passed legislation in favour of the initiative in 1849.

Nova Scotia was another story. Initially in favour, there developed a group dead-set against any deal that would give the US access to their fishing waters. But eventually a coalition of interests was fashioned that favoured reciprocity in exchange for fishing rights, especially if it meant the repeal of American subsidies to its fishing industry, the free registration of colonial-built ships in the US and participation in the US coasting trade. In the spring of 1850 its legislature passed legislation similar to that passed in Canada to establish free trade with the US.

As time went by, there was considerable backsliding, especially from the fishing interests and there was considerable agitation against any sell-out of the fisheries. In 1852, 1853 and 1854 resolutions were passed in the legislatures of Prince Edward Island and Nova Scotia demanding protection. At this point the services of Mr. Israel D. Andrews would come into play.

Israel D. Andrews was the US Consul at St. John. A native of Eastport, Maine he was a free-trader by birth and had in his youth engaged in smuggling. Required to work at night in this illicit traffic, his biographer says the experience convinced him that it was absurd that two peoples, with the same language and habits and separated only by a political line should be forced to conduct their trade in this fashion. In a galaxy of



characters, Andrews was the most colourful. Elgin described him to Lord Grey as "a nice specimen of the model republic and under-paid officials."

Andrews played the role of organizer and back-room boy. A political chameleon, he adroitly preyed on successive Administrations, successfully cutting his cloth to suit the prevailing fashions and corresponded with successive Secretaries of State in Whig, Democrat and Republican Administrations. He was a fixer *par excellence* with connections on all sides — Michael Deaver and Ollie North could take lessons! His longtime factotum, Thomas Keefer described his technique: "Most men appreciate a good dinner, and Andrews purposely acquired a reputation for his. Thus men who could not be reached at other hours — but who must dine somewhere — gave him his opportunity — for valuable and agreeable consideration."

By the end of the day he was drawing his funding from both the Canadian and American governments, as well as from his own pocket for the education (or corruption) of key players in the Maritime provinces. US Secretary of State Marcy was initially dubious about the employment of such means to an end, but when he discussed them with President Pierce, he found the president more interested in bringing about a successful conclusion of the treaty than he imagined. Andrews was subsequently credited with monies.

In subsequent letters, Andrews described the disbursements, \$840 to one gentleman in New Brunswick "for certain purposes of a government and legislative character", \$3,900 "for election expenses of a government candidate" and other sums "paid privately and by myself to officials, leading persons and the press, and to others from

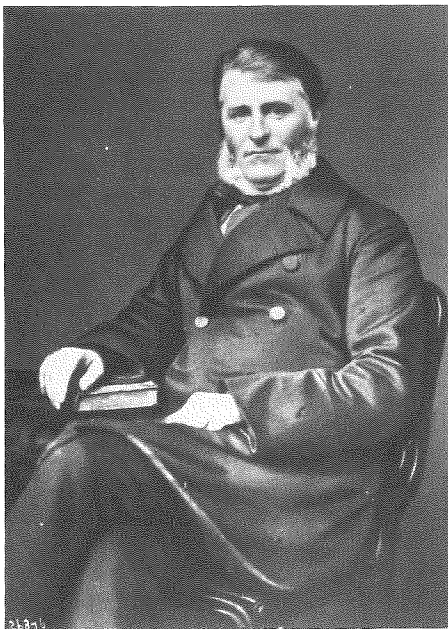


Mrs. Britannia — "Is it possible, my dear, that you have ever given your cousin Jonathan any encouragement?"

Miss Canada — "Encouragement! Certainly not, Mamma. I have told him we can never be united."
...Punch in Canada 1869

whom it was not proper to ask for or to expect vouchers". The list of those benefitting from this largesse included members of the legislative assemblies for "certain purposes of a Government and Legislative character" in Nova Scotia, Newfoundland, New Brunswick and Prince Edward Island, especially "influential persons in Fishing Districts". He specifically named one legislator, a W.H. Needham of Fredericton, who had presented resolutions "adverse to a surrender of the fisheries" and was disbursed monies of around \$1,000. After this, Andrews reported Needham's opposition evaporated and he became an earnest supporter of the treaty.

Legislators were not the only ones subject to persuasion. Andrews also disbursed



The Eighth Earl of Elgin, London 1928.

monies to various newspaper editors for "publishing editorial articles; to contributors for preparing articles" as well as for expenses relating to "presents to various parties, coach hire, dinner parties...etc".

The British Government also required continual prompting. Elgin's correspondence with the Colonial Office became increasingly more pointed:

So long as this state of things continues, there will be discontent in this country; deep growing discontent. You will not, I trust, accuse me of having deceived you on this point... You have a great opportunity before you — obtain reciprocity for us, and I venture to predict that you will be able to point to this hitherto turbulent colony with satisfaction, in illustration of the tendency of self-government and freedom of trade to beget contentment and material progress. Canada will remain attached to England, though tied to her neither by the golden links of protection, nor the meshes of old-fashioned Colonial Office jobbing and chicane. But, if you allow the Americans to withhold the boon, which you have the means of extorting, if you will, I much fear that the closing period of the connection between Great Britain and Canada will be marked by incidents which will dampen the ardour of those who desire to promote human happiness by striking shackles off commerce or off men.

But it had the desired effect and the British Government proved obliging when action was required.

The negotiations themselves were long and confused and can be grouped into three phases: 1846 to 1852; September 1852 until

May 1854 when the British Minister in Washington, John Crampton, made unsuccessful efforts to arrange the project with the Fillmore and Pierce governments; and the final period when Elgin got authority from the Foreign Office to make another try.

Attempts to obtain concurrent legislation from Congress on eliminating the tariff failed in 1848, '49, and '50. At first, the House Commerce Committee refused to give the bill its clearance; later special interests scuttled its chances. Happily for Elgin, pressure for annexation declined as Canada developed American markets in spite of the tariff in part because of the US demand for Canadian resources, especially lumber. Nonetheless, a trade deal would present even better possibilities for economic prosperity. Negotiations were recommenced in 1851 under Sir Henry Lytton Bulwer who was sent from England to conclude a deal. While the Americans were offered free navigation of the St. Lawrence canals and privileges in the fisheries the Administration of protectionist whig Millard Fillmore was uninterested and subsumed by the growing sectional struggle between North and South. An angry Elgin threatened retaliatory measures including the closing of Canadian canals, raising the tariff on US imports by 20% and differential duties designed to draw British trade to Montreal and Quebec and, most significantly, a return of duty on US products imported into Britain. Elgin's threats backed up by the tougher attitude to the US of the new Derby Conservative government helped to bring the Americans around. But it was another action — enforcing the Maritime fisheries boundaries, that did the trick. Indeed, Sir John A. Macdonald would later declare that the Reciprocity Treaty was "obtained chiefly by the vigorous enforcement of the fisheries which proceeded it".

The fishing grounds had been a perennial source of dispute especially over the definition of boundaries and fishing rights. From time to time, the British navy, which had the might to enforce sovereignty, arrested American fishing vessels. In May, 1852, the new Colonial Secretary, Sir John Parkington, urged on by the Maritime colonies, announced that the British navy would enforce maritime fishing boundaries. The situation became tense as both Britain and the US dispatched warships to protect their interests. Neither side, however, wanted a confrontation. As John Crampton, British Minister in Washington put it, "The notion that a collision and rupture with England might grow out of the matter has presented it in a very different light." Out of the discord grew the realization that a reciprocity treaty built on free access to the fisheries in exchange for free access to the US market

could resolve the matter.

Negotiations were resumed but lapsed during the US election which saw a change in government and the installation of the Democrats under Franklin Pierce in 1853. Pierce was a former Congressman and Senator from New Hampshire. He was not a raving success as President. Harry Truman thought he had the best picture in the White House but declared that being President involved "a little bit more than winning a beauty contest". Acclaimed the "hero of many a well fought bottle", he depended heavily on his cabinet for support.

His Secretary of State, William Marcy, was a much more competent individual and he handled most of the US negotiation of the final treaty. A New Yorker, he had served in the War of 1812 then become a prominent member of the 'Albany Regency', a group of Democrats who exerted a powerful influence on the state by their control of the party patronage and machinery. A senator and then Governor of the state he is best remembered as the author of the celebrated phrase, "To the victor belongs the spoils". He was, said one observer, "gifted with a dry sense of humour, he had a way of laughing silently, while he shook like a bowlful of jelly. He was never adverse to playing his own game while smiling gently on (and at) others."

As Secretary of State he prepared the circular that advised American diplomats that, whenever practical, they should appear "in the simple dress of an American citizen", a recommendation subsequently enacted into law. He became much involved in Central American affairs and secured the negotiation of the Gadsden treaty by which the boundary dispute with Mexico was settled (in favour of the US) by the addition of New Mexico to the US. He sought to obtain Cuba for the Republic, a move which he thought would enhance his prospects for the presidency.

John Crampton, the British Minister in Washington, was a nice man but like so many political appointments in diplomatic guise, not up to the tasks of diplomats. While genial, he was considered "constitutionally indolent". Upon one occasion he created a most unfavourable impression by remaining seated while the American national anthem was played. Later, when ambassador to St. Petersburg, he was censured by Lord Russell for failing to keep the Foreign Office informed on Russian affairs. He had apparently been diverted by the charms of an Irish opera singer. Lord Reddesdale later observed of Crampton:

The truth is that he was a Bohemian of the Bohemians, a man...to whom the donning of a fine coat and a star was little short of torture. I knew him well; for he was a contemporary of my father's

in the service, and there were few days — when he was on leave in London — on which he did not knock at our door. He has all the gifts of the Irish raconteur, and his stories were enhanced by the charm of a musical speaking voice — a great, handsome, leonine figure, with his silver hand and beard, whose advent we always hailed with joy... With us and very few other friends he would sit by the fire, a great tame cat, purring the lifelong winter afternoon. However great his personal attractiveness might be he was certainly not successful as a diplomat.

After carrying so much of the negotiations, Elgin felt obliged to go to Washington himself. From the outset, he had recognized the importance of dealing with Congress. Cogniscent that lobbying foreign legislators is always fraught with peril, Elgin nevertheless recognized it as essential to the success of the negotiations. As early as 1850 he had penned his observations on dealing with Congress to the Colonial Office.

The fact is that the Yankee system is our old Colonial system...there is the same absence of effective responsibility in the conduct of legislation, the same want of concurrent action between parts of the political machine. The whole business of legislation in the American Congress, as well as in the State legislatures is conducted in the same manner in which railway business was conducted in the House of Commons, at a time when it is to be feared that, notwithstanding the high standard of honour in the British Parliament, there was a good deal of jobbing. The interests of the Union as a whole, and distinct from local and sectional interests, had no organ in the representative bodies — it was all a question of canvassing this member of Congress or the other. It is easy to perceive that under such a system jobbing must become not the exception but the rule.

After consultations with the Foreign Secretary, who was preoccupied with events in the Crimea (war had been declared on Russia on March 26) and the Colonial Office, which was more consumed with events in southern Africa and dealings with the Boers, he received a mandate to have another go at it. He left London and sailed directly to Washington. His party was small: Francis Hincks, prime minister of Canada, Captain Hamilton, his aide de camp, Lawrence Oliphant, a Colonel Bruce and two other Canadian advisors who had expertise on provincial concerns.

Elgin arrived in Washington on May 26. Earlier that morning the Senate had passed

the famous Kansas-Nebraska bill which created two new territories and allowed its citizens to decide whether they would be slave or free-soil states. Party strife was at high pitch and the Pierce Administration was none too popular. Secretary Marcy believed that no reciprocity bill could pass that session because of the opposition of Senate Democrats. With his objective in mind Elgin launched himself. His secretary, Lawrence Oliphant, a jaunty young man with a lively pen, has given an amusing, perhaps extravagant, tale of ante-bellum Washington society and the methods employed by Lord Elgin in his negotiations with Congress. John W. Foster, the grandfather of J. Foster Dulles, and a member of the US 1911 Free Trade negotiating team, dismissed the account as imaginary. It is colourful, but it was written by one present throughout all of the negotiations and it undoubtedly contains more than a substratum of truth.

It was at the height of the season when we were at Washington, and our arrival imparted a new impetus to the festivities, and gave rise to the taunt, after the treaty was concluded, by those who were opposed to it, that "it had been floated through on champagne. Without altogether admitting this, there can be no doubt that, in the hands of a skillful diplomatist, that beverage is not without its value. Looking through an old journal, I find the following specimen entry..." "Got away from the French Minister just in time to dress for dinner at the President's. More senators and politics, and champagne, and Hard Shells and Soft Shells. I much prefer the marine soft-shell crab, with which I here made acquaintance for the first time, to the political one. Then with a select party of senators, all of whom were opposed in principle to the treaty, to Governor A's where we imbibed more champagne and swore eternal friendship, carefully avoided the burning question, and listened to stories good, bad and indifferent, till 2 a.m., when after twelve hours of incessant entertainment, we went home to bed thoroughly exhausted."

Meantime, to my inexperienced mind no progress was being made in my mission. Lord Elgin had announced its objection on his arrival to the president and the secretary of state, and had been informed by them that it was quite hopeless to think that any such treaty as he proposed could be carried through, with the opposition that existed to it on the part of the Democrats, who had a majority in the Senate, without the rati-

fication of which body no treaty could be concluded. His lordship was partly assured, however, that if he could overcome this opposition, he would find no difficulty on the part of the Government. At last, after several days of uninterrupted festivity, I began to perceive what we were driving at. To make quite sure, I said one day to my chief:

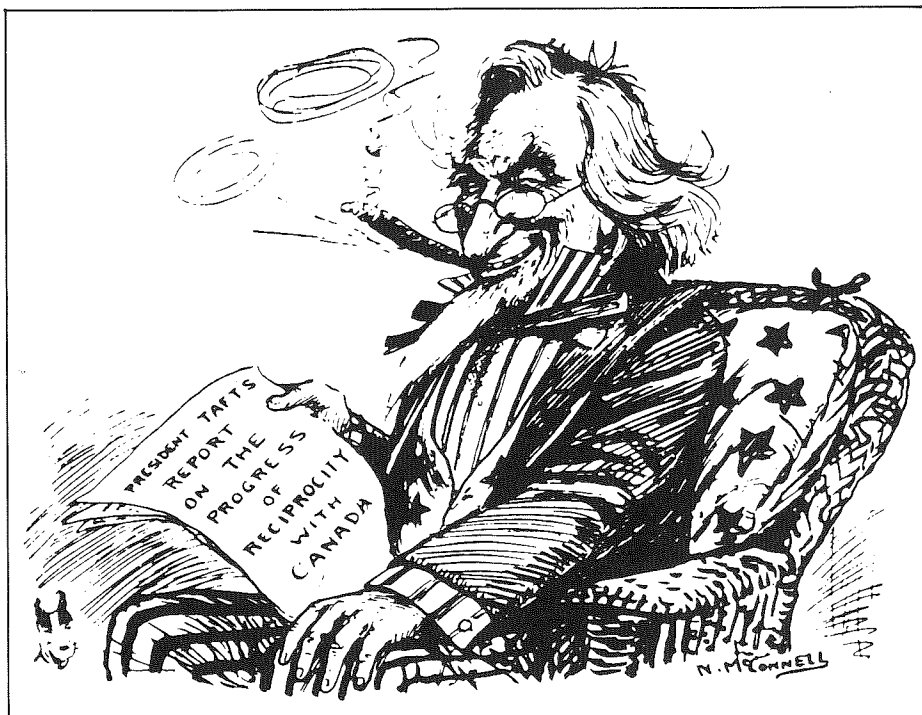
"I find all my most intimate friends are democratic senators."

"So do I," he replied dryly, and indeed his popularity among them at the end of the week had become unbounded, and the best evidence of it was that they ceased to feel any restraint in his company, and often exhibited traits of Western manners unhampered by conventional trammels. Lord Elgin's faculty of brilliant repartee and racy anecdote especially delighted them, and one evening, after a grand dinner, he was persuaded to accompany a group of senators...to the house of a popular and very influential politician, there to prolong the entertainment into the small hours. Our host, at whose door we knocked at midnight, was in bed, but much thundering at it at length aroused him, and he himself opened to us appearing in nothing but a very short nightshirt.

"All right, boys," he said, at once divining the object of our visit; "You go in, and I'll go down and get the drink," and without stopping to array himself more completely, he disappeared into the nether regions, shortly returning with his arms filled with bottles of champagne, on the top of which were



And some naughty children attempt to pawn their mother's pocket-handkerchief...Punch in Canada 1849



Uncle Sam: "I can almost hear them singing 'The Star Spangled Banner' in Ottawa, Be gosh."

two large lumps of ice...He was a dear old gentleman, somewhat of the Lincoln type, and...evidently a great character, and many were the anecdotes told about him in his own presence, all bearing testimony to his goodness of heart and readiness of wit.

At last, after about ten days of wining and dining, Elgin announced to an astonished Marcy that if he would sign the agreement, he, Elgin, would guarantee its passage in Congress. "Mr. Marcy" wrote Oliphant, "could scarcely believe his ears, and was so much taken aback that I somewhat doubted the desire to make the treaty, which he so strongly expressed on the occasion of Lord Elgin's first interview with him when he also pronounced it hopeless". But Marcy kept his word and the treaty was signed on June 5. Again Oliphant:

It was in the dead of night, during the last five minutes of the 5th of June, and the first five minutes of the 6th of the month aforesaid, that four individuals might have been observed seated in a spacious chamber lighted by six wax candles and an Argand lamp. Their faces were expressive of deep and earnest thought, no unmixed suspicion. Their feelings, however, to the acute observer, manifested themselves in different ways; but this was natural as two were in the bloom of youth, one in the sear and yellow leaf, and one in the prime of middle age. This last it is whose measured tones alone break the silence of midnight, except when one or other of the younger auditors, who are both

poring intently over voluminous Mss., interrupts him to interpolate an 'and' or erase a 'the'. They are, in fact, checking him as he reads, and the aged man listens, while he...may occasionally be observed to wink from conscious cuteness or unconscious drowsiness. Presently the clock strikes twelve, and there is a doubt whether the date should be today or yesterday. There is a moment of solemn silence, when the reader, having finished the document, lays it down, and takes a pen which had been previously impressively dipped in the ink, by the most intelligent looking of the young men, who appears to be his secretary, and who keeps his eye warily fixed upon the other young man, who occupies the same relation to the aged listener with the scissors.

There is something strangely mysterious and suggestive in the scratching of that midnight pen, for it may be scratching fortunes or ruin to millions. Then the venerable statesman takes up the pen to append his signature. His hand does not shake, though he is very old, and knows the abuse that is in store for him from members of Congress and an enlightened press...So he gives his blessing and the treaty is signed.

Thomas Keefer described Elgin, Marcy, Crampton and the other colonial delegates as forming "a tableau of political glory as brilliant and as deceptive as the variegated 'fizzle' which ends a theatrical performance — made a bow to an admiring audience and dissolved the long standing

partnership, leaving Andrews to wind-up the business and pay the debts!". And pay the debts he would.

Debate would likely kill its chances of passage. Andrews recorded his experience in a long memorandum of services he later presented to Elgin.

Early on Thursday morning I saw Mr. Baily again, and met him by appointment at the committee room at 12. We remained closeted together till 2 p.m. I presented to him the features of the bill, the arguments in its favour, and urged the necessity of immediate action in the House...His final decision was that he would not attempt to pass the bill through the House at that session. Mr. Baily went to his lodgings exhausted and determined to do nothing. The bill was left at 4 p.m. this day locked up in his desk at the Capitol; Congress would adjourn in twenty hours. I remained on the ground all night, confident that by vigorous action there was a chance for the bill. I entered into new obligations for the payment of money to the extent of several thousands. At 4 o'clock, Friday morning, an attempt was made, Mr. Baily not present, to bring up the bill, which failed by about 40 majority against it. It was then generally conceded that it could not pass.

I made further arrangements, sent for Attorney-General Cushing, and induced him personally to persuade members to act; and bargained with two Virginians for eight hundred dollars each, provided the bill should pass, to bring in Mr. Baily 'dead or alive.' He had refused others. This was six in the morning. Congress adjourned until 9. At 9:30 Mr. Baily came, our forces were arranged; at a preconcerted moment Mr. Baily moved the bill, and although strenuously opposed by the chairman, Committee of Commerce, and others passed it. This great measure sought for so many years was at last consummated.

And so the deal was done. The President proclaimed its effect on March 16, 1855. It would remain in place until 1866 when the US abrogated it.

The treaty provided for the reciprocal duty-free admission of major natural products of the US and British America, including grain, lumber, coal, livestock, meat and fish and joint access to all coastal fisheries north of the thirty-sixth parallel. American use of the St. Lawrence and Canadian navigation of Lake Michigan were also included in the treaty. For Canada, the abolition of American tariffs on lumber, grain and flour were the greatest benefits.

The main inducement to the US, especially the eastern states and New York, was the fisheries, although many congressmen felt it was American anyways. The western states were passive because of the provision which opened the St. Lawrence to their shipping. Pennsylvania and Virginia coal interests were assuaged when it was pointed out to them that they would not be faced with competition from Nova Scotia. Indeed Cunard, himself a proprietor of Nova Scotia collieries, actually supplied his steamers at Halifax with Pennsylvania coal. For the south there was the convincing case that a treaty would render annexation unnecessary and thus preserve the sectional balance. Furthermore, certain commodities — rice, pitch, tar, turpentine and unmanufactured tobacco had been added to the free list to satisfy southern interests. Manufacturers recognized that improved trade with the provinces meant an enlargement of their own home market even if the free trade schedule was limited to raw products because the eyes of Canadian merchants would be turned toward the US.

Canadians greeted the accomplishment with surprising nonchalance. The *Montreal Gazette* thought the measure of little interest "to the people of Canada East", however beneficial to Ontario. In Toronto, George Brown's *Globe* considered the measure of qualified benefit in the existing prosperity. In the months leading to the signature of the treaty Canadians had been much more consumed with internal affairs and the settlement of two longstanding issues, the Upper Canada clergy reserves and the ancient encumbrance of seigniorial dues in Lower Canada. The legislature had been twice postponed: fires had gutted the old legislative buildings in Quebec in February and then in May the convent being remodelled to house parliament. The ministry of Francis Hincks and Augustin Morin was on its last legs in the face of defections from its own disaffected supporters and attacks from the Conservatives for, as John A. Macdonald declared, "the most rampant corruption".

The ministry was defeated on June 22 and in subsequent elections replaced by a Liberal-Conservative regime containing John A. Macdonald and many of the elements he had previously condemned. The *Globe* said of this new coalition: "Of all the abortions it could enter the mind of men to conceive — it is the greatest". Abortion or not, it controlled an overwhelming majority and would evolve into the Conservative party. Led by Sir Allan MacNab, it met the House in early September and expressed its approval of the Reciprocity Treaty on September 22. It caused little stir.

In time, however, it became clear that whatever the risks, they were far outweighed

by the advantages. Exports to the US from Canada, mostly grain, flour and lumber which were valued at eight million dollars in both 1853 and 1854, jumped to \$16 million in 1855 and reached nearly \$18 million in 1856, before the boom collapsed. Even then, however, exports only slumped to \$13 million. For the Maritimes the gains were not so great, but their exports to the US increased as well rising from \$2.2 million in 1854 to \$2.9 million in 1855, and by 1859, the figure had climbed to \$5.5 million up from \$1.3 million in 1850.

The deal benefitted both countries, although Maritimers claimed that by stripping their forests to sell timber to the US, they failed to develop their shipbuilding. Some fishermen felt they had been sold down the river. But all in all, the benefits outweighed the drawbacks. The joint use of each other's transportation systems also permitted the re-export of natural products to third country markets. As a consequence, economies were realized with the integration of Canadian and American lines of water and rail transportation. Wheat from Illinois would be supplemented by grains from Ontario and shipped out the Erie to the Ocean. Flour shipped by Boston could go on to the Maritimes. At the same time, US manufactured goods not covered by the Treaty still found their way into Canada, their use encouraged by trading contacts and buying patterns of convenience. Fledgling branch plants followed.

The best summation of the resulting period of prosperity is given by historian J.M.S. Careless: "Canada thrived heartily under reciprocity — a fact which would make the era of the treaty, when it ended in 1866, look in future like a golden age in Canadian-American relations".

And what of the leading players? For Andrews, the conclusion of the treaty marked the beginning of his financial difficulties. Having extended himself substantially, the creditors began hounding him for his obligations and the poor devil soon found himself imprisoned for his debts. His experience is a lesson that most wary foreign service officers have long since learned: when on business, get yourself a sufficient advance. He sought recompense from the State Department and Elgin. From the Canadian Government he received somewhere in the vicinity of 10,000 pounds. His own Government was less obliging. His book-keeping was creative. As time went by, his appetite for reimbursement grew from \$18,025.80 to \$84,000. His personal integrity, never a strong suit, suffered further when he made a declaration in 1859 that he had "never received a penny of the secret service fund of Great Britain". At the same

time, he continued his activities. Through Elgin he tried to secure employment from the British to give US opinion on the Crimean war "a wholesome direction". In June, 1867, four years before his death, he was furthering the cause of annexation by distributing speeches of US legislators on the extension of American hegemony.

For Elgin, it was one of his last achievements as Governor General. His performance, especially in the final stages, was flawless. Oliphant later wrote his wife in admiration and described his master's methods: "Lord Elgin pretends to drink immensely, but I watched him and I don't believe he drank a glass between two and twelve. He is the most thorough diplomat possible, never loses sight for a moment of his object, and while he is chaffing Yankees and slapping them on the back, he is systematically pursuing that object. The consequence is, he is the most popular Englishman that ever visited the US". He would shortly return to England where he later served the Crown in diplomatic negotiations with China and India.

Elgin's work in Canada was undoubtedly his most significant achievement. In convincing the Maritimes that they should join with the Canadas in seeking a trade deal, Elgin taught British North America the value of confederation in diplomacy. In soothing the wounds created in the rebellion of 1837 and in the promotion of Responsible Government, he behaved with courage and showed uncommon sense. Reflecting on his term, he wrote his wife: "I occupy a place here which no one ever filled before". A simple verdict, but filled with truth.

And the other leading participants? William Merritt remained a legislator and died in 1861. Following his defeat, Francis Hincks was named Governor General of the Barbados by the Colonial Office. He later served as Governor of British Guinea before returning to Canada for a stint as Finance Minister in the post-Confederation Macdonald Cabinet. Marcy died shortly after leaving office, his presidential ambitions scuttled by sectional strife. Pierce was not even renominated by his party and replaced by his Minister to England, James Buchanan.

And the lessons of 1854?

- The Americans did not really pay much attention to the Canadian overture until their self interest was engaged following the British action on the fisheries. Inasmuch as there was interest, it was the desire of American industry to gain access to Canadian resources and strike down the Canadian tariff on US manufactured goods. Opposing this desire was the opposition of interests in the western and

southern states to lowering US tariffs on US goods like grain, coal and fish which would threaten American farmers, miners and fishermen.

- The Administration did not and could not sell the agreement in Congress. Pierce lacked the weight to get it through, a fact admitted by Marcy. Besides, the Administration had other, and in their view, more important issues on their plate. The treaty required consummate skill and the direct lobbying of senators by Lord Elgin to secure passage. A case or two of champagne probably helped.
- The lobbying of parliamentarians and congressmen by Israel Andrews was equally important. Armed with a suitcase of cash and the scruples of a carry huckster, Israel Andrews convinced legislators and the press of the treaty's value.

- Merritt and his coalition of business friends and their contacts in US and Canadian business circles were indispensable in helping to assuage doubts about the project. The free trade press, especially the *Globe*, played a useful role.
- The treaty involved compromise. Maritime shipbuilders and fishermen felt they lost more than they gained, but the treaty created far more winners than losers. Canada would enjoy unparalleled prosperity for the next decade. This served Elgin's goal of uniting the provinces. After a decade of prosperity and growth, there was no question of annexation. When the treaty was abrogated by the Americans in 1866, the circumstances were such that it helped to create the Confederation Elgin had done so much to promote.

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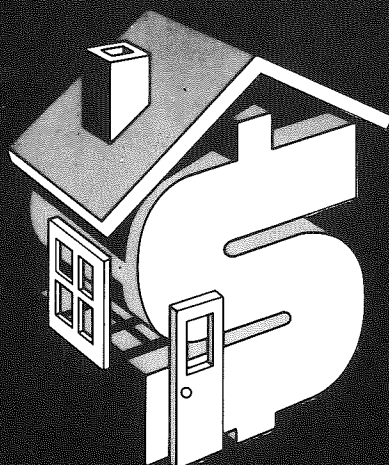
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Sir Wilfrid Laurier campaigning.

Free Trade, 1911 and All of That

By Bill Dymond

Draw near to the fire this stormy windswept night, and *bout de papier* will tell you a Canadian ghost story.

It is the tale of the free trade ghosts of the past inhabiting the present, rattling noisily in the closets of the country, lurking in the far corners of folk memory, and hovering in the fog and mist of the hyperbole of public debate. Arrayed against them are the cold, hard verities of the present, armed with common sense and a shrewd, well informed public endowed with a strategic sense of the best interests of the country.

To begin, as Sergeant Friday in *Dragnet* used to say, "Just the facts ma'am, just the facts."

In the 1890's and the first decade of Canada's century, the US Congress was infected with a protectionist virus every bit as virulent as the current strain. The McKinley and Dingle tariffs of 1890 and 1897 and the Payne-Aldrich tariff of 1909,

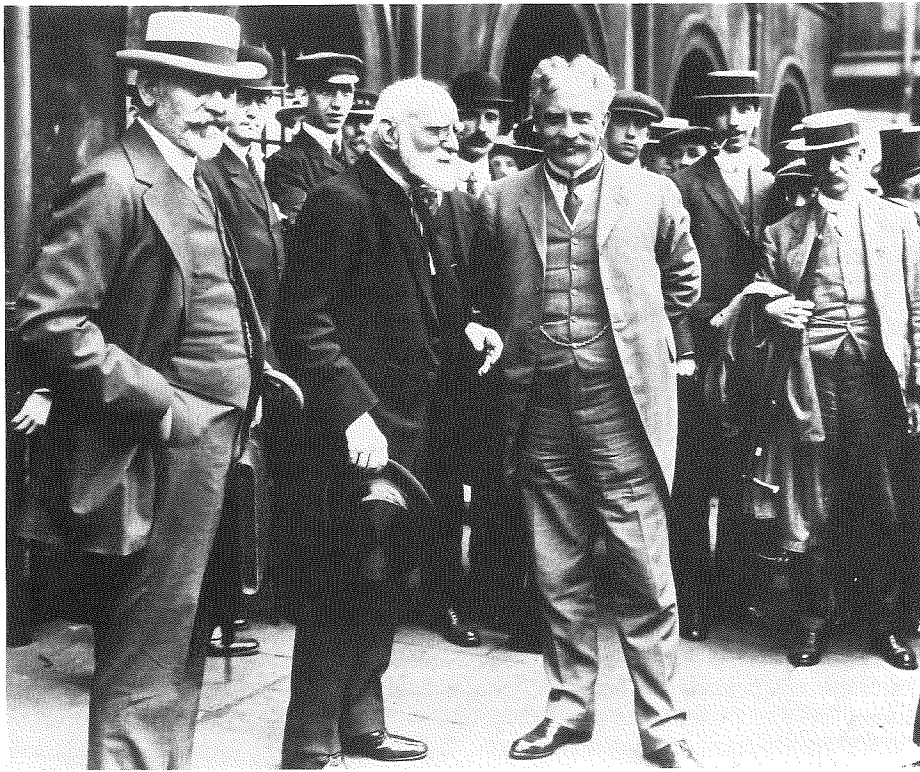
had raised US tariffs on Canadian goods to 20%. US legislation provided, moreover, for a 25% additional duty on the exports of any country found to be discriminating against the US.

The tale of the free trade ghosts of the past.

Since the abrogation of the 1854-1866 Reciprocity Treaty, the US had spurned numerous Canadian initiatives for a new arrangement including the offer of such an arrangement incorporated in the National Policy. In 1902 Laurier declared, "There will be no more pilgrimages to Washington." Cross country hearings in 1905-6 to revise the Canadian tariff found little or no sentiment for reciprocity. In an Edwardian version of the Third Option, unilateral Imperial

preferences were instituted, and a bilateral trade agreement was concluded with France.

What revived reciprocity as a practical proposition? One factor that the Liberals believed in free trade as an article of faith. In Sir Alexander Mackenzie's words, "There is no policy more consistent with what we call the Dark Ages of the world than that of protection as a principle. There is no principle more consonant with the advance of human freedom, no principle more in accordance with the great prosperity that prevails in our time than absolute freedom of commerce." Another was that the Canadian tariff was a simmering source of dissatisfaction for farmers in Ontario and the Prairies. In an extended summer tour of the West in 1910, Laurier was met everywhere with a demand for lower tariffs. The National Federation of Agriculture formally demanded free trade with the US in natural products and a selected list of manufactured goods.

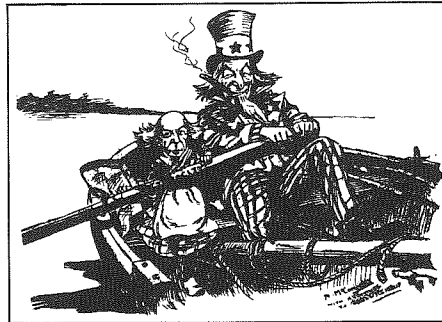


Sir Robert Borden's visit to England, 1912.

A third was the attraction of a new initiative to a government 15 years in office and in severe difficulties over naval policy. Laurier's decision to establish a Canadian navy left him on the wrong side of the issue in Quebec and the rest of the country. Quebec nationalists led by Bourassa saw a Canadian navy as a betrayal of French Canada and defeated the Liberal candidate in a 1910 Quebec by-election. English speaking Conservatives and many Liberals demanded that Canada make a direct contribution to the Royal Navy.

The impulse for an agreement in the United States sprang from a raging debate about Canadian exports of pulpwood and newsprint. US newspaper publishers wanted lower tariffs on Canadian newsprint. US mill owners wanted cheap Canadian pulpwood but not the newsprint. Ontario and Quebec applied export taxes and restrictions on pulpwood which raised costs both for newsprint and the mill owners. The debate was bitter. President Taft wrote, "I have not been familiar myself with any situation politically where there has been so much hypocrisy, so much hysteria, so much misrepresentation..." The negotiation of a reciprocity agreement which could satisfy both publishers and mill owners and attract a large and diverse coalition was a way out.

The spark for negotiations came in 1910. The Canada-France Agreement was considered by the US to constitute discrimination against American products and the Administration threatened to apply the 25% retaliatory duty on Canadian goods as required



1911: Helping Uncle



1912: Helping Father

by legislation. On March 20, 1910, President Taft and Fielding, Minister of Finance met in Albany NY and cobbled together a settlement of the immediate issue. In the accompanying exchange of letters, Knox, US Secretary of State and Fielding expressed a readiness to examine "...a readjustment of trade relations on broader and more liberal lines..." and the basis for the Reciprocity Agreement was laid. In the House of Commons, the Prime Minister declared,

"The first thing we shall do is to endeavour to negotiate with our neighbours and if possible get a treaty of commerce with them."

Negotiations began with informal discussions in Ottawa in November 1910. In January 1911, Fielding and Paterson, Minister of Revenue travelled to Washington. This was a simpler age. There were no large negotiating teams, no consultations with the private sector, provinces or states, no communications strategies, no red herrings; the negotiations were for the most part oral and wholly confined to tariff issues. The negotiations began January 7 and concluded January 21. On January 26th, the Agreement was presented to the House of Commons and introduced into Congress.

The Reciprocity Agreement was neither a treaty nor any other form of contractual arrangement but a commitment to secure the enactment of its provisions. The Agreement had four tariff schedules: Schedule A, a free list consisting primarily of primary agricultural and resource products and a few manufactured goods; Schedule B, a list of goods to be admitted at identical tariffs, for the most part further processed products of those on Schedule A, and a larger list of manufactures including automobiles and agricultural implements; Schedule C, providing for reduced US tariffs on softwood lumber and shingles; and Schedule D, lowering Canadian duties on coal.

Fielding's announcement of the Agreement in the House on January 26, 1911 was a bombshell. The Montreal Herald Parliamentary correspondent reported that members were instantly aware that "history was being made..." and that when Fielding concluded, "the Liberals cheered and cheered again." Borden, leader of the Opposition found, "the deepest rejection in [his] party and many members [were] confident that the Government's proposals would appeal to the country and give it another term of office... I stemmed the tide as best I could, although I was under great discouragement."

Borden had other reasons to be downhearted. He was spending a great deal of time beating back threats to his leadership. The campaign against the Reciprocity Agreement gave Borden a rallying issue.

Notwithstanding the initial reaction, the opponents of Reciprocity were well prepared. Between the interim settlement of 1910 and Fielding's announcement in the New Year, they had searched each other out and gathered strength. In June 1910, Borden cautioned against "embarrassing commercial treaties and understandings," with foreign countries. The Montreal Board of Trade warned that reciprocity could mean a weakening of the imperial tie, and the Canadian Manufacturers' Association worried that

negotiations would open their protected market to US competition. In the Fall of 1910, Sir George Ross, a former Ontario Premier argued that American desire for annexation had not died out, that a larger market for Canadian forest products would deplete Canadian forests and that prosperity would be placed at the mercy of a treaty.

Fielding's announcement provoked an intense debate in and outside the House. Sir Edmund Walker, President of the Bank of Commerce declared that the Agreement put continentalism ahead of the British connection. Eighteen prominent Toronto Liberals called the Agreement the worst blow ever to threaten Canadian sovereignty. Sir William Van Horne, former President of the CPR said that "He was out to bust the dammed thing." Within days, the business community was arrayed against the Agreement, fearing that it would soon be extended to cover all manufactured goods and thus imperil the protected if small and inefficient Canadian industrial base and east-west transportation networks.

In the House, Fielding argued strenuously that, "what we have done is no departure from the policy of Canada for forty years..." and that "the historic policy of the Dominion from the first day of Confederation...there was no difference of opinion as to the great importance and desirability of reestablishing reciprocal trade relations with the United States of America..."

The case for the Agreement was based on rational argument and rested on the hope that common sense and reason would prevail over emotion. Reciprocity would assure free access for primary products to a market of 90 million, higher prices for producers and lower prices for consumers. The allegation



Lord Strathcona, Canadian High Commissioner to England, on his arrival in Ottawa, greeting Mr. R.L. Borden for the first time since the elevation of the latter to the head of the new Conservative Government, 1911.

that the Agreement threatened Canadian identity was dismissed as baseless and scaremongering. It was the age of oratory. In his House speech on March 7, 1911, the Prime Minister addressed the sovereignty issue:

"Away with this timorous advice of faint hearted men, we stand by the experience of the stout hearted men of fifty years ago...far from sharing the forebodings, the lugubrious forebodings...we are now entering a new era in our relations with our neighbour...we are told that unless this retrograde policy (of protection) is maintained,

Canada is exposed to danger and...that we are exposed to annexation. Annexation! Annexation! Once upon a time there was a very strong annexationist movement...and it received its first check...(with)...the reciprocity treaty of 1854...and the desire for annexation has dwindled until there is not a vestige of it left in any part of the country."

The Americans did not help. The Administration failed to secure Congressional passage of the Reciprocity Agreement at its regular Winter Session. In a special session in April, the House acted promptly, but the Senate hearings dragged on and passage was not secured until July. In his prolonged battle to secure Congressional approval, President Taft more than once declared, "Canada is at the parting of the ways." The Speaker of the House of Representatives, Champ Clark, proclaimed his "...hope to see the day when the American flag will float over every square foot of the British North American possessions, clear to the north pole..." These and other statements were cited over and over again as irrefutable evidence of the true and dark designs of the US.

In the House debate, an Opposition member carried away with the eloquence of his case cried:

"Sir, these gentlemen met at Washington American negotiators with whom they were entirely unable to cope in ability, knowledge or experience. Behind the back of the country, behind the back of the Cabinet, they carried out these unfortunate negotiations and



Sir Wilfrid Laurier campaigns in Moose Jaw, Sask., 1911.

in the end a disastrous agreement was reached. They brought back this Pandora's Box with them to Canada; they opened it and out pranced the Trojan horse."

The debate dragged into April. Against his better judgement, Laurier adjourned Parliament and spent May and June in England attending the Coronation of King George V and the Imperial Conference. Shortly after his return, Laurier dissolved the House and called an election for September 21.

It is widely believed in modern memory that the 1911 election was fought solely on the Reciprocity Agreement, but there were in effect two election campaigns. In English Canada, the principal battleground was Ontario and the main issue was the Agreement. A long period of prosperity had dissipated the argument for larger markets; the loyalty cry rallied many. There was a desire to hit back at years of American neglect and hostility and a vicarious pleasure was taken "in wiping the American eye." The Government went into the campaign facing a united and well financed Opposition with a party organization which had crumbled badly over the years.



Bro. Jonathan: "Adieu, fair Canada. I have long adored you, but never so much as now. May I not hope some day to claim you as my own?"
Canada: "Never. I hope always to respect you as my friend and well-wisher, but can never accept you as my lord and master. Farewell."

Borden summed up the case against in his final address in Halifax, September 19, 1911: "And never let us forget that Canada cannot become fiscally and commercially a part of the United States and remain politically a part...of the British Empire...Above all, do not forget that the momentous choice is for all time... we are in truth standing today at the parting of the ways. We must decide whether the spirit of Canadianism or Continentalism shall prevail on the northern half of this continent..."



Robert Laird Borden on the stump.

In Quebec, the Reciprocity Agreement was at best peripheral. The naval question was paramount. Bourassa at first favoured the Reciprocity Agreement as antidote to a closer Imperial connection but later became a ferocious opponent, condemning it as a device to hide the Government's true policy which was to drag Canada into Imperial adventures. Laurier's lament rings true; "In Quebec I am branded as a jingo and in Ontario as a separatist. In Quebec, I am attacked as an Imperialist and in Ontario as an anti-Imperialist. I am neither. I am a Canadian."

The result was the astonishing overturn of September 21. Fear of the unknown, the comforts of prosperity, the strenuous efforts of protectionists, the fatal vise of the naval question made a poisonous combination. Like roses caught by the first storm of winter, the Reciprocity Agreement wilted and withered.

All the elements of the 1911 debate are present in the national discussion of free trade of the 1980's. As Sergeant Friday would observe, "Only the names have been changed to protect the innocent."

Like the Reciprocity Agreement, free trade arouses little public attention in the US while to Canada, it is a question of vital economic and political importance. The economic arguments for free trade with the US remain as compelling as they have always been. The Imperial connection may have lost its allure many decades ago but the warning about the threat to Canada declaimed from every street corner in 1911 is now garbed in cultural and national identity. In 1911, the forces of opposition coalesced around the loyalists anchored in the Imperial connection and the protectionists fearful of losing their

assured Canadian market to the more efficient Americans. In the 1980's, the new nationalists shorn of their attachment to Empire make common cause with the new mercantilists who believe that Canada's comparative advantage lies in protecting the Canadian market, promoting exports and keeping out imports.

"History," pronounced Henry Ford, "is bunk." Indeed, for whatever the similarities, there are decisive new elements.

The first is an informed and involved Canadian public. In 1911, the Reciprocity Agreement was sprung upon the public and making considered judgements required everyone to become an amateur economist in the ten months between the conclusion of the Agreement and the election which decided its fate. The current debate began in earnest in 1983-84, preceded by discussion and research of increasing intensity in the think tanks, the universities and the Senate. When the negotiations conclude with, as now seems probable, an agreement, its proponents and detractors will find a public far better primed to distinguish fact from fiction and to separate the wheat from the chaff.

The second is the attitude of Canadian business. In 1911, business cowered in its protectionist bunker fighting a mighty battle against free trade in primary products lest the dread virus spread to manufactures. In the 1980's, Canadian manufacturers have undergone a sea-change in attitude. They want to escape the straitjacket of the small, fragmented Canadian market and unlike their grandparents, are eager to face the cold winds of competition in the big bad world.

The third is the emergence of Canada from colony into nation. As Joe Clark has emphasized, Canadians are self confident and mature and willing to look at a commercial arrangement with the US unencumbered by the ancient fears. The polls favouring free trade have been remarkably consistent for several years. The spurious connection between a closed inward looking economy and the independence of Canada has been broken and is now recognized as a phony.

The fourth is the role of the provinces. In 1911, the provinces had but little part in the public debate. This time, not only are matters within provincial jurisdiction, such as government procurement being negotiated, but more importantly, provincial governments have played a key role in articulating a national consensus for the launch and pursuit of negotiations and most can be expected to be key proponents of the Agreement.

But now, the fire dims and the gray dawn rises in the East. The ghosts of 1911 gather uneasily, uncertain, in the murky shadows to do deadly battle with the realities of the 1980's.



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Viceregal Diplomacy



by Benjamin Rogers

Nowadays state visits of the Governor General to other countries are generally accepted as normal instruments of Canadian foreign policy. It was not ever so.

Since 1867 Canada has had twenty-three Governors General, of whom the first seventeen — until 1952 — were British. The early holders of the office, prior to 1926, were in a gradually decreasing sense colonial governors. It was normal for them to return to Britain occasionally on home leave. On such occasions they were sometimes invited to address the Canada Club in London, and to take part in other Canadian events. They took with them none of their powers, which were vested in an Administrator during their absences from Canada. The Canadian Governors General have all gone to Britain to be

received by the sovereign, to attend royal weddings and such, or for purely private visits. No Governor General has ever made a state visit to Britain: it would be incongruous for the Queen, as head of state of the United Kingdom, to accord head of state treatment to the person who represents her and exercises her powers in Canada.

Most of the early Governors General visited the United States, for a variety of reasons. Some of them doubtless shared the desire of Lord Dufferin (1872-78) to escape from "the solitude, desolation and incompleteness" of Ottawa. Occasionally there was a bit of Canadian business to attend to: Lord Lisgar (1869-72) met President Grant at Portland, Maine, in 1871, on the occasion of the inauguration of railway service linking Portland with Fredericton and Saint John; Lord Dufferin inspected the Canadian

Lord & Lady Grey at Rideau Hall, Ottawa, Ont. 1904.

exhibit at the Centennial Exposition in Philadelphia in 1876; and the Duke of Devonshire (1916-21) opened an exhibition of paintings from the National Gallery of Canada in Chicago in 1918.

Before the completion of the Canadian Pacific Railway the Governors General had to travel through the United States en route, first, to Manitoba, and then to British Columbia, which had respectively become parts of Canada in 1870 and 1871. Typical of these trips was that of the Marquis of Lorne (1878-83) and his wife, H.R.H. Princess Louise, a daughter of Queen Victoria. In 1882 they made a leisurely progress across the continent and back by special train, stopping at various cities where they were lionized by local society. One suspects that

the fact that they were real live aristocrats gave them more importance in the eyes of the Americans than their Canadian connection. His Excellency called on state governors, and ended the return trip with a visit to Washington: one morning he and the British Minister called on the President, who duly returned the call after luncheon. Between San Francisco and Victoria they travelled in H.M.S. *Comus*.

The previous year the Marquis of Lorne travelled across the Canadian prairies by wagon from the end of track near Portage la Prairie to Fort Macleod and thence to the U.S. border. From the border he and his party were escorted by a troop of cavalry to Fort Shaw, where the Governor General was given a salute of seventeen guns. Eventually the party made its way to a railway and travelled back to Winnipeg via St. Paul.

Several Governors General called on the Governor of Alaska before proceeding to the Yukon via Skagway. Some accepted invitations to visit cities in the northern states. The Dufferins visited Chicago and Detroit in 1874, at the conclusion of a tour through Quebec and Ontario; and in 1900 Earl Grey visited the state of Michigan, receiving an address of welcome from the two houses of the state legislature.

A good many of the early Governors General, like the Marquis of Lorne, paid calls on the President of the United States — calls which apparently were quite easy to arrange, through the British Legation, at short notice. Most of the visits were merely courtesy calls, though Earl Grey (1904-11) established such a good relationship with President Taft that they talked of having a game of golf to decide the executive championship of North America.

In July 1914 the Duke of Connaught (1911-16) visited Newfoundland and Labrador, travelling in a ship of the Royal Navy. As it is recorded that he received "a warm and loyal welcome", it is probable that his visit was regarded as that of a royal prince rather than as that of the Governor General of Canada.

One of the first projects of the first Canadian Minister to the United States, Mr. Vincent Massey, was to arrange a vice-regal visit. In view of Canada's newly formulated dominion status, Mr. Massey insisted that the Governor General should be received with the honours accorded by custom to a sovereign. The Canadian Government, the United States Government and the British Ambassador approved the proposal, but somebody forgot to consult King George V. His Majesty's first reaction was that no other subject visiting the United States could take precedence over his Ambassador; but he eventually relented —



Field Marshal the Rt. Hon. Viscount Alexander and the Viscountess officially welcomed to Ottawa by Prime Minister King, April 12, 1946.

and the Ambassador was instructed to relinquish his precedence in favour of the Governor General. Thus it was that when Lord Willingdon (1926-31) visited Washington in 1927 he was received in accordance with the protocol established for visits of heads of state. The visit was purely protocolaire: the Governor General was not accompanied by a minister, no international business was transacted, and no arrangements were made to encourage press coverage.

The head of state format for the Willingdon visit was followed, with some variations in detail, for the visits of Lord Tweedsmuir (1935-40) in 1937, the Earl of Athlone (1940-46) in 1945, and Viscount Alexander (1946-52) in 1947. When Lord Tweedsmuir addressed a joint session of the House of Congress, the Canadian Minister was chagrined to find that the British Ambassador and his counsellor were in the party that accompanied the Governor General; and he noted that His Excellency's staff included only one Canadian, and that certain United States officials had remarked on this.

A somewhat anomalous state visit was that of Lord and Lady Alexander to Brazil in 1948. The Brazilian invitation made it clear that the Governor General was being invited primarily in his capacity as former Supreme

Commander of Allied Forces in the Mediterranean, under whose orders the Brazilian Expeditionary Force had fought in the last war. Informally, the Brazilian authorities intimated that they wished also to pay homage to Canada and accordingly intended to accord His Excellency all the honours to which he, as Governor General, was entitled. In the event the visit was organized on the basis of the protocol established for the visits of heads of state.

The fact that the Governor General was to visit Brazil in a dual capacity gave rise to complications. When the Embassy in Rio de Janeiro reported that the British Embassy had received some decorations for Brazilian officers who had served under Lord Alexander in Italy, His Excellency expressed a desire to present them himself. The British Ambassador consulted the Foreign Office, which offered the preliminary comment that he should relinquish any precedence that he might conceivably have over the Governor General, who was also a representative of His Majesty. (This absurd injunction was probably prompted by a reading of the file on the visit of Lord Willingdon to Washington in 1927.) When it had been decided that the British Embassy would be responsible for the presentation ceremony, the British Counsellor told the First Secretary

of the Canadian Embassy that the invitations would be sent out by "His Majesty's Ambassador." Relations between the two embassies were perfectly friendly, but there was a slight edge in the Canadian's voice when he said: "Gerry, His Majesty has two ambassadors to Brazil." (The Canadian First Secretary was the present writer.) A more appropriately worded invitation card was used.

The Earl of Athlone visited Goose Bay in 1944 — before Newfoundland became part of Canada. The first Canadian Governor General, Mr. Vincent Massey (1952-59), paid a brief visit to St. Pierre and Miquelon in 1957.

When Mr. Massey made a state visit to Washington in 1954, twenty-seven years after he had master-minded the Willingdon visit, some new elements were introduced into the arrangements. His Excellency was accompanied by the Honourable Brooke Claxton, Minister of National Defence and Acting Secretary of State for External Affairs, for whom, however, no separate programme was arranged. Mr. Massey delivered an address to a joint sitting of the two houses of Congress, which was a great success: the speech was interrupted by applause seven times, and the full text was published in the *New York Times*. He gave a dinner at the Embassy in honour of the President and Mrs. Eisenhower, which his predecessors had not done. For the first time arrangements were made to facilitate the work of press representatives, with a view to deriving the maximum public relations benefit from the visit.

Since 1954, although every President of the United States, except Jimmy Carter, has visited Canada, there have been no state visits by Governors General to Washington, and only one informal visit. The exceptional visit was that of Monsieur Léger (1974-79) who, accompanied by Madame Léger, went to Washington in 1976, primarily to see a number of galleries with a view to forming an opinion as to how a project for art and historical collections at Rideau Hall might be undertaken. Almost at the last moment it was arranged that they call on the President and Mrs. Ford.

The failure to use state visits to Washington as instruments of foreign policy clearly reflects policy decisions by Prime Ministers who have considered that working visits by themselves are much more likely to serve Canadian interests than ceremonial visits by Governors General. There is probably also a feeling that giving prominence in the United States to the role of the Governor General might have the effect of raising doubts in American minds regarding Canada's status as an independent nation. Governors

General have acted as hosts when Presidents of the United States have come to Ottawa; but on the occasion of the so-called Shamrock Summit at Quebec in 1985 the person who performs the functions of head of state in Canada was deliberately excluded.

Since the early 1950's all of the Governors General, like their predecessors, have made private visits to other countries, including the United States. In 1976 Monsieur and Madame Léger visited the Governor of Alaska to present the good wishes of the Canadian people, and especially those of the residents of the Northwest Territories and the Yukon which Their Excellencies had just visited.

Following Mr. Massey's visit to Washington in 1954 there were no state visits to other countries until Mr. Roland Michener (1967-74) visited four Commonwealth countries in the Caribbean in 1969. Efforts to arrange a visit to France during the term of General Vanier (1959-67) had foundered on the unwillingness of General de Gaulle to accord full head of state treatment.

It was in Mr. Michener's term that official visits abroad by the Governor General were first consciously undertaken for policy reasons, with External Affairs playing a leading role in their planning and organization. A large number of heads of state visited Canada in 1967, and it was anticipated that some of them would invite the Governor General to return the visits. With a view to getting experience and to establishing firmly the principle that the Governor General should be accorded head of state treatment, it was decided to take the initiative in seeking invitations from carefully selected countries.

Before the governments of Jamaica, Guyana, Barbados and Trinidad and Tobago were approached it was thought that some of them might be reluctant to receive as a head of state a person who was a representative of their own sovereign. In the event, no questions were raised.

It had been hoped to arrange for a political personage to accompany the Governor General on his Caribbean tour but this was not done because, as it was explained, "the present burden of government business, including a forthcoming federal-provincial conference, does not permit this at the present juncture". The best that could be done was to attach to the party the head of Commonwealth Division, External Affairs.

Two years later Mr. and Mrs. Michener made state visits to the Netherlands, Belgium and Luxembourg. These three countries — monarchical states with which Canada had very close ties — were deliberately chosen with a view to establishing precedents for the reception of the Governor General with all the honours normally accorded to a head of

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Lord Dufferin and Thomas M. Daly on the platform of the Grand Trunk Station at Stratford, Ont.

state. It was intimated to the governments concerned that the Queen approved and encouraged visits abroad by the Governor General, and that they should feel free to consult Buckingham Palace in order to obtain confirmation of Her Majesty's views. Dutch and Belgian officials at first expressed some doubts as to whether a Governor General should be accorded the same honours as the Queen, and were concerned about setting a precedent that might give rise to requests for visits by Governors General of lesser Commonwealth countries; but their doubts were rapidly overcome.

For the visits to the Benelux countries the Governor General was accompanied by the Secretary of State for External Affairs, who took part in the main events and, in addition, had his own programme of meetings with ministers and officials. Since that time it has

been established policy for the Governor General to be accompanied on state visits by the Secretary of State for External Affairs or by one of the junior External Affairs ministers.

*On the occasion of
the so-called Shamrock
Summit at Quebec in 1985
the person who performs
the functions of head of state
in Canada was deliberately
excluded.*

In recent years viceregal visits to other countries by Mr. Schreyer and Madame Sauvé have been playing an important foreign policy role. They provide opportu-

nities for projecting an image of Canada as a vibrant cultural community and an important economic power. They provide favourable circumstances for ministerial discussions on matters of common interest. They supplement the international activities of perpetually overburdened Prime Ministers, who have tended to undertake the more sensitive visits themselves, while inviting the Governor General to undertake visits of lesser political importance.

It should be noted, in conclusion, that successive governments have pursued a policy of building up the head of state functions of the Governor General, and of reducing the active participation of the sovereign in Canadian affairs. Having the Governor General received as head of state by other countries is thus very much in line with this policy.



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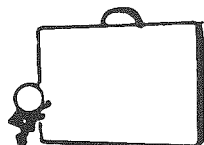
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The Under-Secretary on Canadian Foreign Policy

by Rob McRae

At one of PAFSO's breakfast seminars in March, the Under-Secretary spoke on the potential vulnerability of Canada's economic and social interests in a changing world.

Mr. Taylor began by saying that it was a truism that Canada's interests were related to its geography, history, and demography. But he wanted to suggest that these interests had combined to create a unique mix, placing Canada not in the middle, but at the extreme end of almost any international spectrum.

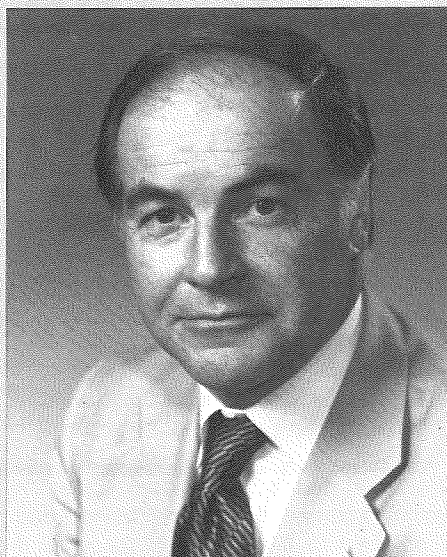
Canada was once assured of prosperity because of its privileged position as a world supplier of much sought-after raw materials. Today there is a global over-supply.

Canadians tended to think of themselves as moderate, middle of the road, agents of compromise and so on.

In fact Canada was untypical in almost all respects:

- democratic in a world where democracies were a minority;
- wealthy, where extreme poverty was usually the rule;
- a small population in a geographically large country;
- ethnically varied, the result of massive immigration over the past century;
- secure, both in terms of our *geographic* isolation and our *historical* innocence of war, invasion, occupation, and liberation (despite the traumatic but fading memory of participation in two world wars);
- economically narrow-based, with a considerable dependence on resource industries and a concomitant reliance on trade to obtain manufactured goods.

Mr. Taylor said that these characteristics had served us well in the development of a dynamic economy and socially just society,



Sy Taylor, Under-Secretary of State for External Affairs.

whose economic and social policies were enlightened by any standards. His question was whether these policies and national attributes were well-suited to a world which had grown tougher in many respects. Changes in the international economy and the spread of international violence had begun to show new ways in which we may be vulnerable as a nation. The fall of oil and agricultural prices, or the Air India tragedy, were examples.

Three events in the 1970's revealed in time the extent to which assumptions fostered by experience in the 1950's and 1960's about stable and steady growth in the Canadian economy were mistaken. The first was the abandonment in the early 1970's of the fixed exchange rate regime for a floating exchange rate system. This resulted in problems not fully anticipated at the time.

For a country whose trade represented about 30% of its GDP, any fluctuation in Canada's currency had a proportionally higher impact on its balance of payments and on domestic prices.

The second event was the international "oil shock". The rapid increase in oil and gas

prices had mixed consequences for Canada. While it fueled inflation, contributed to the 1981-82 recession, and dramatically increased third-world debt, the oil shock also opened up prospects for the development of previously depressed regions in Canada. Off-shore and arctic drilling, made possible by the new oil prices, created economic opportunities in the North and on the East Coast. In 1969 the American tanker "Manhattan" undertook its arctic voyage in demonstration of a more than symbolic opening-up of the North. Eighteen years later, with the collapse of oil prices, every company but one active in the Beaufort had closed down its off-shore drilling operations.

The third event which brought home the real extent of the vulnerability of Canada's economic well-being had been maturing over two decades. This was the erosion of commodity prices, including the prices of agricultural products.

Canada is a democracy and a market economy built on immigration and easy access to citizenship, and a long tradition of offering refuge.

Mr. Taylor noted that Canada was once assured of prosperity because of its privileged position as a world supplier of much sought-after raw materials. Today there is a global over-supply of many raw materials, and agricultural products, because of reduced demand in the industrialized countries, new production in developing countries, and the advent of new technologies. Our traditional comparative advantage in natural resources no longer ensured our prosperity.

This change in the international context was not being off-set by a shift of emphasis towards the production of manufactured products. For most of the last 15 years, Canada had a negative trade balance in manufactured products.

The recent European Management Forum's World Competitiveness Report ranked Canada as sixth overall in the OECD. Although the report reflected the views of European businessmen, these views were crucial to future investment in Canada. The sixth ranking seemed to suggest that things were not all that bad. In fact the only reason Canada did not rate lower was because of its traditional strength in natural resources. When it came to technological development and infrastructure, the main factors now attracting international investment, Canada compared very poorly with other OECD countries. For example, in employee productivity trends, Canada ranked 19th, reflecting, in the Forum's view, the relative lack of emphasis Canada placed on research and development. In the technological quality of products, Canada ranked 13th. In the redeployment of resources from declining to high growth sectors, Canada ranked 11th (behind such countries as Italy, Finland, and New Zealand).

Canadian firms were ranked 10th or lower on innovation in technique, services, and management. Nor did our firms do well in adopting foreign technology (17th), which was crucial in maintaining international competitiveness. All of this showed, said Mr. Taylor, that Canada's technological development and knowledge-base were perceived as lagging far behind its major OECD competitors. Since these elements were now key to attracting foreign investment, the future growth of Canadian manufactures was increasingly compromised. We remained as dependent as ever on our resource base for maintaining, so far, our high standard of living.

Turning to Canada's vulnerability in the social dimension, Mr. Taylor began by noting that Canada is a democracy and a market economy built on immigration and easy access to citizenship, and a long tradition of offering refuge. Many Canadians, from the American Loyalists to the Vietnamese boat-people, had benefitted. The result was a multicultural society which placed a value on preserving ethnic origins, and on the unrestricted movement of people. Our respect for law, perhaps a reaction against lawless repression in other countries, relied on a minimum of coercion and a low-level of policing.

These were enormous elements of strength in any society, which no sensible person would under-value. Nonetheless, they brought special problems when dealing with the outside world. Mr. Taylor noted a few examples:

- Canada traditionally welcomed genuine refugees. Yet the recent and growing abuse of this welcome by non-refugees had

caused both a sharp reconsideration of our policies, and overwhelmed our refugee determination system;

- Canadian multiculturalism encouraged a pride in maintaining connections with our homelands. But we were shocked at the importation of other peoples' quarrels;
- Canada was a strong supporter of human rights and development assistance. But these were conflicting considerations when applied, for instance, to questions of aid to Nicaragua, or international development loans to Chile;
- Canada's strong stand against apartheid in South Africa led us to implement economic and other sanctions against that country, in line with Commonwealth positions. The fact was that this decision, based on human rights considerations, was very difficult for us to implement. The bias of our institutions, for the best of reasons, ran in the opposite direction, toward greater freedom of exchange rather than less. Our traditions were ill-adapted to the imposition of sanctions, and yet we felt compelled to follow this route for want of a better alternative.

All of these examples in different ways raised questions of vulnerability, and presented difficulties in adjusting Canada's social attitudes and institutions in a changing international context.

The same argument, Mr. Taylor suggested, could be made about the institutions governing Canada's security interests.

Mr. Taylor said that he had tried to show at the beginning how Canada's make-up was the result of a degree of historical and geographic accident, and how Canada's unique interests flowed from this. His point was that these interests placed Canada at the extreme end of almost any spectrum of countries, among the most secure, the wealthiest and so on. It was often these laudable qualities that placed us at the greatest distance from the normal experiences of other nations.

But our historical traditions also offered us the means to work with nations very different from ourselves. The break-up of the British and French empires suddenly created the basis of a whole new set of bilateral relations in Africa and Asia. To some extent, the pattern of our assistance to former colonies was set with our assistance to India early on, and this pattern has been repeated as each new colony achieved independence. These relations were strengthened within the new multilateral organizations of the Commonwealth and Francophonie.

Mr. Taylor concluded by saying that such new connections offered ways to mitigate our seeming vulnerability as a nation, by helping to construct a more stable world order.

As Mr. Clark said when tabling the Government's response to the Hockin Report, "we must find room for realism, perspective, and humility...Internationalism calls for a great deal of understanding and perseverance".

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**OVERSEAS? CALL COLLECT
OUTREMER? APPELEZ À FRAIS VIRÉS**

Good and Faithful Servants

Sydney G. Harris

by R.H. Gayner

Last summer, on leave at his cottage at Norway Bay, and contemplating his last year as Consul General for Canada at Cleveland, Syd made a comment which could stand as his epitaph: "There is so much to do for Canada in the American midwest! I wish I had more time." A life of commitment — a life of service. Syd's sudden death at Heathrow Airport in March took from us a man who carried the finest qualities one could look for in our Trade Commissioner Service and in our Foreign Service generally: capable, thoughtful, constantly supplying to the needs of others, and consistently involved with new ideas and new challenges. How typical of Syd that as a student he followed his interests through to what for him was the logical conclusion, the Ph.D. degree. His interest was in metallurgical engineering, a reflection of his involvement with that which makes Canada the country it is. His commitment was such as to win a number of academic awards, including the Athlone Fellowship for two years study in the U.K. and the N.R.C. Research Scholarship at Birmingham University in England. He earned his Bachelor and his Master degrees at the University of Toronto and his Ph.D. at Birmingham.



Sydney Harris

While studying in England Syd met Rosemary and later, on his first posting, which was to London, they married. She was his inspiration and a wonderful colleague for all who had the good fortune to live and work with the Harris' in Ottawa, London, Washington, Bombay, Tel Aviv, Tokyo, Rome and Cleveland. As a practising physician Rosemary has been much involved in

her own profession, but provides a great example of how a spouse can complement a Foreign Service Officer's career. Professionally, one can see the continuing thread of increasing confidence in Syd's ability to use, first, his professional training and analytic skills, then, his experienced judgement and always, his creative approach, his ability to express his ideas cogently and winningly, and his enthusiastic response to challenge. What a joy to have been his rating officer!

The Harris' were posted home to Ottawa, from 1972 to 1978, where Syd was given a series of special assignments in the fulfillment of which he brought honour to himself and to the Trade Commissioner Service. He was, in sequence: Assistant Secretary to the Interdepartmental Committee on External Relations; Special Adviser on Mineral Policy at EMR; served on the IT&C Special Task Force on Japan and on the Royal Commission on Government/Industry Interface (also known as the McLaren Report); and was Founding Secretary of the Canada/Japan Businessman's Committee.

Rosemary and Syd have raised a wonderful family. Nicola is pursuing studies in pediatric medicine in England; Stephen is doing research work with a brokerage firm in Toronto; Susan is about to graduate in law in England; and Frances is studying biochemistry at the University of Toronto. A further measure of Syd's quality is the time he spent serving on the boards of the schools his children attended in Tokyo and Rome.

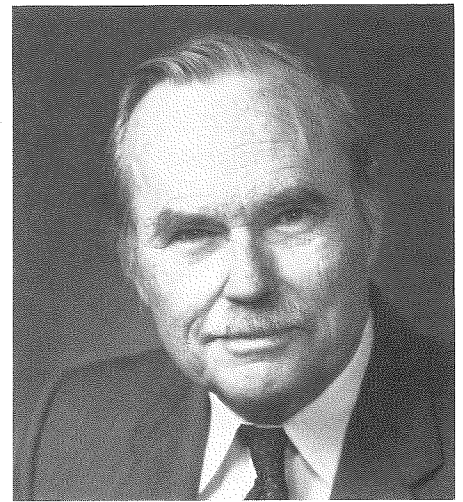
In Sydney Harris, Canada, the Department of External Affairs, the Foreign Service, his friends and family have benefited from the love and commitment of a grand man. This hallmark of Syd's life was a concern for others. It is to be hoped that all his colleagues in the Foreign Service will remember this man with something of the affection and respect which we who knew him hold, and will gain the same satisfaction which comes from this life of service.

Tom Burns

by Frank Petrie

It is with great sadness that we mark the death, on May 8, of Tom Burns. His many friends in the public and private sectors join in expressing their condolences to his wife Mary and family.

All who knew Tom would echo the words of a former Under-Secretary — "There goes a very good man." Tom touched a great many lives during his university years at



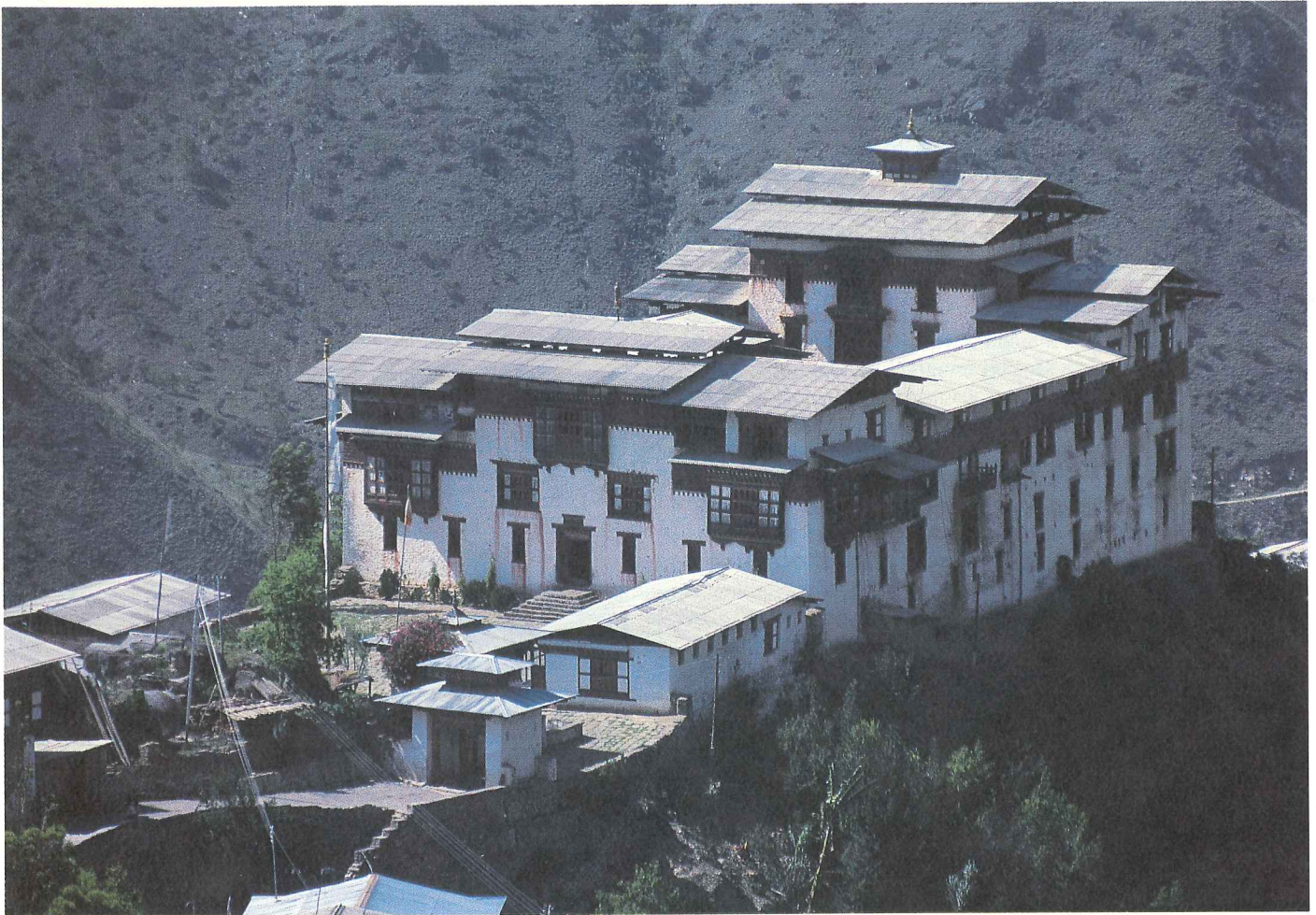
Tom Burns

Manitoba and Queen's, his distinguished career in the federal public service and his years in the Canadian Exporters' Association and in private business. He will be greatly missed.

Tom joined the foreign service in 1948 and served abroad for fifteen years in Switzerland, Sri Lanka, London, Los Angeles, Washington and Geneva. He was Senior Assistant Deputy Minister of Industry, Trade and Commerce when he left the public service to serve as President of the Canadian Exporters' Association for six years. He chaired the Federal Task Force on Trading Houses in 1984. In 1985, he was appointed Special Coordinator for Market Access Consultations on Canada-U.S. trade and the new Multilateral Trade Negotiations, drawing upon his great knowledge acquired when he was a senior member of the Canadian delegation to the GATT Kennedy Round in Geneva.

Tom was a very self-effacing man, which is often the nature of a most competent person. But Tom's engaging manner and self-effacing nature could not hide the fact that he was one of Canada's preeminent experts on international trade. Yet he never flaunted this. When working with junior officers and the less-informed (which included most of us), he would put on a quizzical challenging look, raise an eyebrow and begin to very quickly and effectively sweep away your positions and arguments with "Well, I'm only from Plumhollow, Saskatchewan but...". (He was actually from Winnipeg). But this Tom always did in a helpful way, his comments tinged with humour and his infectious laugh. You left his office a wiser and better informed individual.

There indeed goes "a very good man".



Tashichhodzong, a 17th Century fortress monastery in Eastern Bhutan.

Journey Across Bhutan

Photos and story by David Edwards

Bhutan is a country which has long held a strong personal appeal, due to its reputation for scenic beauty and for its legendary isolation. A land of massive dzongs (fortress monasteries unique to Bhutan and Tibet) under the shadow of the highest mountain range in the world. A place where the practice of lamaistic Buddhism is still deeply entrenched in the society.

During the course of my consular work at the Canadian High Commission in New Delhi, I had become familiar with a small and diminishing group of Canadian Jesuits who came as teachers and missionaries to Darjeeling and environs in the immediate post-war period and who, since Indian independence, have been "staying on" in the foothills of the eastern Himalayas. As the political and bureaucratic climate in India became more hostile to missionaries in the 1960's and 1970's a few of the Jesuits moved to nearby Bhutan — a country which even now proudly maintains part of its lifestyle in a bygone age but which back in the 1960's was just beginning to emerge into the modern world. I decided to visit this small and intriguing coterie of Canadian residents as an *ad hoc* exercise during my FSD 50 travel leave in 1985. One of the Jesuits was living in Thimphu. The others were located in small villages in the remote eastern part of the country.

I was fortunate to be able to secure an official invitation to visit Bhutan, but without the concomitant restrictions of being a formal



Bhutanese pilgrims and author in front of the Chorten Kora.

guest and thus encumbered with an escort. My objective was to travel solo across the high road of Bhutan from the capital of Thimphu to Tashigang dzong in the east of the country, then south to visit the villages where the Jesuits were living and ultimately to leave the country through Assam. The Thimphu to Tashigang road alone is over 550 km long, cutting against the natural north-south grain of the land, and traversing six mountain passes at elevations of 10,000'-14,000'. It is one of the most spectacular road journeys in the world.

I flew to Bhutan on Druk Air, the national airline, from Calcutta to the airstrip at Paro on an 18-seater Dornier aircraft (this was half of Druk Air's fleet). There are no pretensions to grandeur on Druk Air. A crusty sandwich in a cardboard box and a cup of coffee passed from a thermos bottle was the extent of the service. Most of the flight time was spent over the flat plains of Bengal, although during the last thirty minutes the flight followed a beautiful course over the green hills and isolated settlements of southern Bhutan.

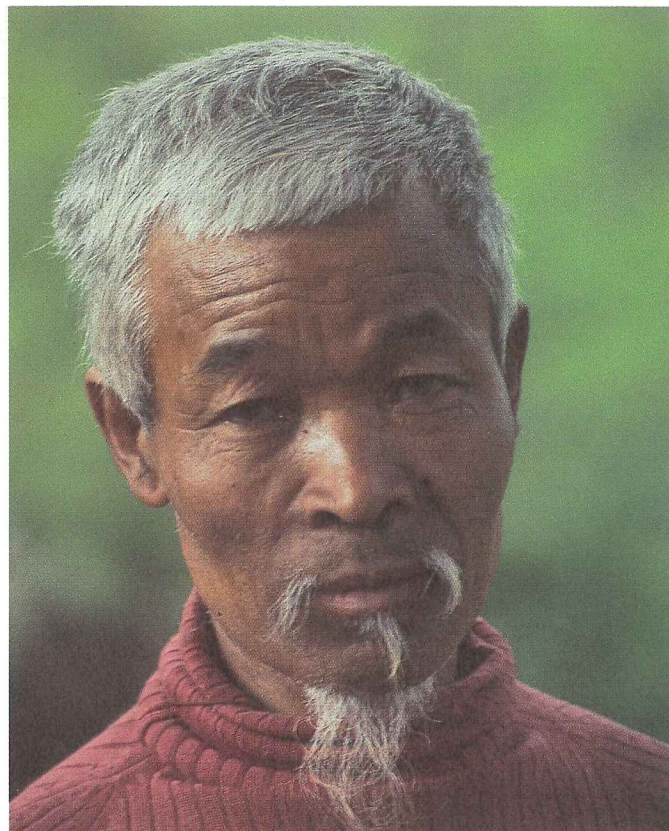
Paro airport is a typical introduction to the low-key style pervasive in Bhutan — no security, no baggage check, no customs formalities and only a couple of soft-spoken Bhutanese as immigration control who stamped the passport. Given that the country is one of the most difficult to visit for a low budget individual traveller the process seemed remarkably relaxed. The visa restriction is in fact the major control. Once in the country there are few limitations and one could move with relative freedom throughout the country.

Druk Air provided a free mini-bus service from the Paro valley to the capital of Thimphu located about two hours drive away. There I had the good fortune to meet my benefactor in getting me into Bhutan, the irrepressible Father Mackey. He had been living in Bhutan for over 23 years and virtually single-handedly established the present educational system in the country. His stature is so high that he has been given Bhutanese citizenship and been awarded the highest honour in that country, the "beloved Son of Bhutan" or as he irreverently calls it in its abbreviated form, "an SOB".

We spent several days together at his small home in Thimphu, discussing such weighty matters as the most scenic valleys, Buddhist monasteries and hiking trails in Bhutan, over considerable quantities of chang (a form of home brewed beer popular in the Himalayas) and scotch. Thimphu is a new town built in the 1960's, but retains much of the colourful architectural style which is characteristic of the country. The population is around 25,000 and it is by far the largest settlement. During my stay I took the opportunity to hike to a couple of isolated monasteries in the valleys to the north of the town. One local Bhutanese told me that the monks in one of the monasteries are reputed to practice levitation, a phenomenon which I did not witness. The rest of my time was spent wandering in the quiet streets of Thimphu, drinking tea in Bhutanese homes, and plotting my route east by public transport.

Transport in Bhutan falls into two categories. There are Japanese vehicles and jeeps for the foreign aid workers and wealthy Bhutanese, and much more spartan Indian trucks and buses for the masses. Twice weekly there is a "bus" which leaves from Thimphu, taking two days to travel halfway across the country to Bumthang, with an overnight stop in the old dzong of Tongsa. It also crosses three of the six mountain passes. With my time in Thimphu drawing to a close I booked the next bus east, leaving early the next morning.

I left Father Mackey's house before dawn in the chill air of a Thimphu morning and walked to the bus, which left from the back of the main post office. The Royal Bhutan Mail Service Bus looked like a cross between a cattle truck and a small town fire engine. The boarding process was typical of much public transport in Asia, with lots of commotion and bustle but with a relaxed view to the announced time of departure. All and sundry eventually squeezed into the bus along with prodigious amounts of cargo, and a couple of hours after the scheduled departure time the bus struggled its way out of Thimphu. Within ten minutes of leaving town as we began the long ascent to the Dochong La, the first of the mountain passes we were to cross, the engine started wheezing. We were only twenty km out of Thimphu when the engine made a few pathetic coughs and then died. Everybody piled out of the bus while the driver and his young sidekick spent the better part of two hours



Bhutanese villager at monastery near Khaling.

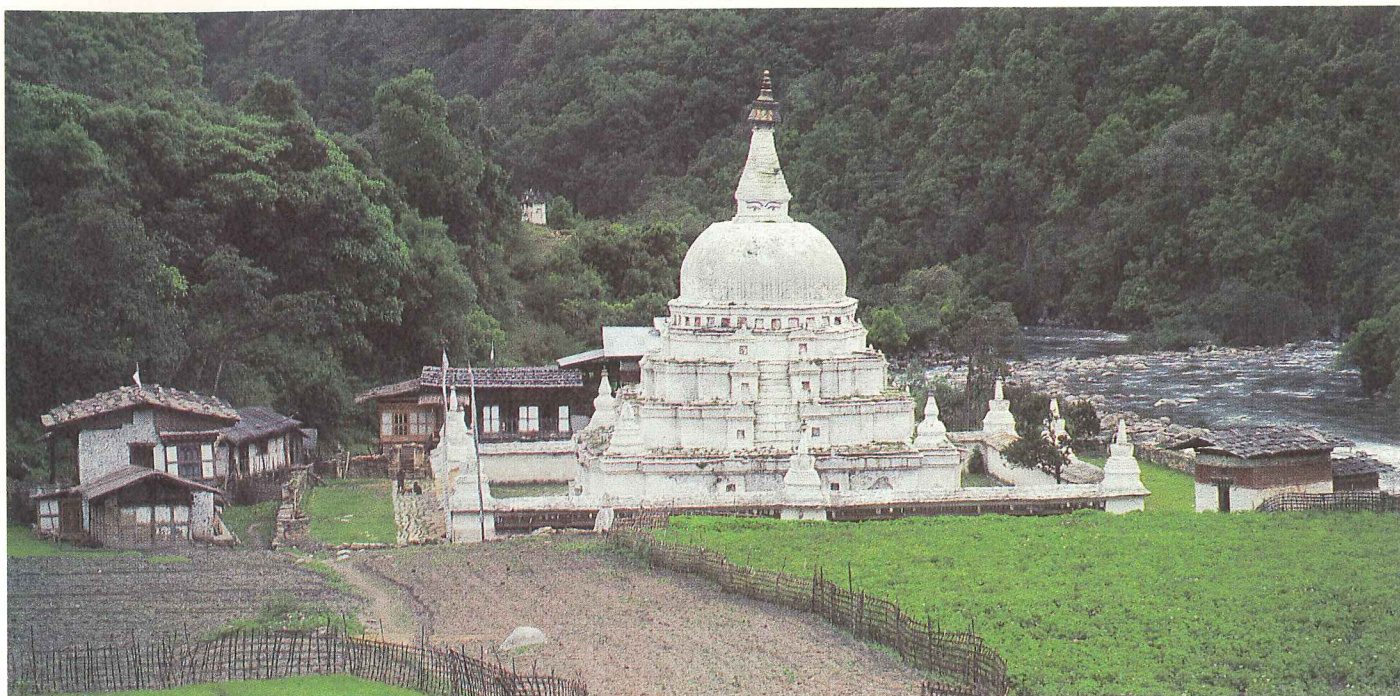
pulling various pieces of metal out of their engine, looking quizzically at each piece and then putting it back. I have usually found it better not to observe this ritual, particularly on mountain roads with terrifying precipices, as one's already tenuous confidence in surviving the journey is usually further unnerved.

Two hours later the driver and his sidekick had reassembled the various bits of the engine and put them back in the bus, minus one piece which didn't fit back in. With a shrug the driver indicated to the passengers to get in. Despite some reservations, the passengers nervously squeezed back into our battered vehicle and we slowly climbed up to the top of the first of the passes, the Dochong La. As in virtually all parts of the Buddhist Himalaya there were prayer flags and stone cairns as we pulled to the top and stopped. The view of the Bhutan Himalaya from the pass was breathtaking with a clear view of the mountain peaks from Sikkim through the impressive peaks of Chomolhari and Kula Kangri all the way to smaller peaks of the Assam Himalaya in Arunachal Pradesh.

The bus then continued along the road's winding course and we stopped for shorter or longer periods at each small settlement, ostensibly for tea and biscuits, but actually so the bus driver could chat with one of his friends. Mercifully the brakes seemed to be functioning adequately, if noisily, and the passengers' collective anxiety about the bus trip began to fade.

Two striking aspects of Bhutan, in comparison to other Himalayan regions, are the relatively low density of population, and the lush forest cover in the hills. We would pass through stretches of dense vegetation with virtually no signs of habitation. This is in striking contrast to the situation in other regions such as Nepal and northern Uttar Pradesh where the ecological devastation of overpopulation, soil erosion and destruction of the forests is turning parts of the Himalaya into environmental disaster areas.

We stopped for lunch at Wangdiphodrang, a spectacularly situated dzong on a cliff overlooking a river gorge. The route beyond took us over the Pele La, an 11,500' pass inhabited by a



The Chorten Kora in East Bhutan near the Tibetan border.



Inside Tashichhodzong in Thimphu, the capital of Bhutan.

few yaks overshadowed on the north by 20,000' peaks. With the late afternoon sun beginning to fade we arrived at Bhutan's most dramatically situated dzong at Tongsa, on a cliff hundreds of feet above the Manas river gorge. Tongsa is the original home of the Royal family. The current king, Jigme Sigme Wangchuk, is fifth in line since the consolidation of Bhutan under the leadership of the royalty in 1907.

I walked up to the elementary school located on a hill above the village and talked to a few of the teachers (a preponderance of whom were from the tropical Indian state of Kerala) who offered me a place on their floor to roll out my sleeping bag. We spoke about life in Bhutan, drinking chang and talking late into the night huddled together on a bench by candlelight. Most of the teachers were homesick for India and dreaded the Bhutanese winter in the mountains. Their complaints focussed less on the cold weather conditions than on the lack of food in the winter months.

The following day the bus left at dawn to climb up yet the third of the mountain passes, the Khardong La at 11,200' separating Tongsa from the 9,000' Bumthang valley. We arrived in the early afternoon at the tiny settlement of Bumthang at the centre of a wide valley clustered underneath the impressive Jakhar dzong. There were a number of small shops and tea houses operated by Tibetans

who had arrived as refugees in the late 1950s following the abortive revolt by the Dalai Lama against the Chinese occupation of Tibet.

I had been advised that the next stretch, from Bumthang to Mongar over the highest pass, would be the most difficult as there is no regular public transport and very little traffic. Just how difficult it might be became obvious after I arrived.

On arrival I asked around in the tea shops and bazaar to see if there were any trucks or vehicles going over the pass to Mongar.

All those I asked shook their heads gloomily and said it would be very difficult to get across. No truck, no jeep, no landrover, nothing. Not today, nor tomorrow.

A young school student gave me the most depressing reply, "Maybe in October".

I made my way to the small Swiss Guest House which is situated on a hill overlooking the valley. The various aid donors have carved up Bhutan into various areas and one of the Swiss aid organizations "has" the Bumthang valley. Normally, aid workers in remote areas welcome the chance to meet other people but not this crew. They had a reputation in the valley of being clannish, sullen and unfriendly, a sentiment I was to come to share in the course of my time in the Bumthang valley.

Each day followed the same pattern of going to the bazaar to ask about vehicles going to Mongar only to get the same uniformly negative reply. There are certainly worse places to be temporarily marooned, so I would pass the afternoon hiking to nearby villages. On the third day in Bumthang I witnessed an archery competition which brought together people from all the surrounding valleys.

Archery is the national sport and the obsession of Bhutan, with most male Bhutanese learning it at a young age. The target, a tiny bullseye on a wooden peg is placed nearly 200 yards from the archers, more than three times as far as the distance used in Olympic competition. These archery competitions are social occasions where the Bhutanese come to meet friends from nearby villages for competition, fun and more than a little revelry. The competitions are animated affairs with spectator involvement, impromptu ritual dancing and voluminous amounts of alcohol consumption.

After four days the Bishop of Darjeeling, whose parish is responsible for Bhutan, came to Bumthang and very kindly offered to take me across the Thumsung La as far as Mongar. The first forty

km out of Bumthang were a gentle ascent to the next pass, the Ura La at 11,500'. Shortly afterwards we passed the small village of Ura and began the roughest traverse of the journey. The road was in appalling condition — a seemingly unending quagmire of mud and rocks. At several points we had to get out in the rain and assist our landrover slither over a particularly muddy or rocky stretch. We finally reached the crest of the Thumsung La, the highest pass on the route at an altitude of over 14,000' in pouring rain. The various construction crews, almost all tribal people from Orissa and Bihar, huddled in miserable hovels in the cold.

The descent from the pass was an equally grim quagmire for the first thirty km but then gradually began to improve as we lost elevation. There were a couple of spectacular waterfalls cascading down the mountain slopes in the almost totally deserted landscape. As we descended further the weather began to clear and we gradually emerged into a countryside quite different from the region to the west of the pass. The land was steeper and more rugged and, to my surprise, more densely populated. The ethnic group in Eastern Bhutan are the Shashups — distinct in language and culture from the Dzonkhas who predominate in the west. At the end of a rather long and tiring journey we finally arrived in the small village of Mongar.

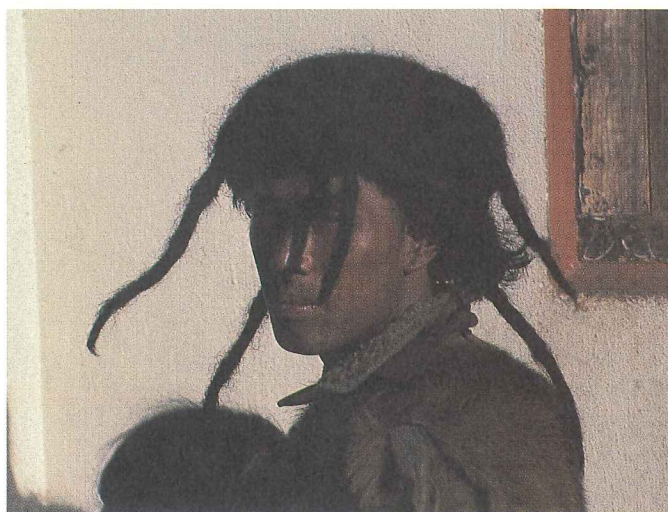
Mongar has probably the least impressive dzong in Bhutan although it does command a splendid view of the Lhunsi valley veering north in the direction of Tibet. Mongar, like most of the villages of Bhutan, consisted of little more than the dzong, a school and a few basic commercial enterprises in various makeshift structures. The higher population density and lower quality of the land has meant that the standard of living for the people of East Bhutan is lower than in other parts of the country.

Two days later I was off again by a local bus for the last leg of the horizontal traverse across Bhutan over the final pass, the Karo La, at just under 10,000'. In six hours we finally reached the easternmost dzong in Bhutan — Tashigang — situated on a knife edge ridge high above the confluence of two rivers. In Mongar and Tashigang I was able to stay at the Royal Bhutanese guesthouses which provide simple yet comfortable accommodation in traditional style for a reasonable \$2 to \$3 per night.

The east of Bhutan has recently seen the influx of a new group of young Canadians who are teaching at schools under a contract with the World University Services of Canada. There were only six in place (one in Mongar and five around Tashigang) when I visited, but there were plans to expand the eventual number of Canadian teachers to fifteen. Most had found the initial months difficult, a couple almost unbearably so, but over time most were gradually getting used to the quiet and very isolated ways of east Bhutan.

From Tashigang, I headed south to Kanglung along the road which leads eventually to the border town of Sandrup Jonkhar. The village is the location of the only post secondary education facility in Bhutan, Sherubtse College, set up yet again by Father Mackey. There were three Canadian Jesuit fathers working in Kanglung or nearby and they exerted a powerful and benign influence on the native Bhutanese. All of the Jesuits had been in the eastern Himalayas for at least twenty years, although they had come to Bhutan in the last ten years.

The days in Kanglung presented ample opportunities for hiking and exploring. One of the most interesting excursions involved following a small winding road north of Tashigang close to the border of Tibet where there is the small dzong of Tashiyangtse and, even further north, the isolated Chorten Kora (a Buddhist monument) beside a fast-flowing mountain stream. I had to repress my natural instinct to keep walking amidst the mountains and on to Tibet and Arunachal Pradesh. Unfortunately the area remains a sensitive military zone.



Brokpa nomad near Khaling in Eastern Bhutan.

Tashigang and Kanglung were enlivened by the presence of a number of Brokpas, a wild, nomadic and boisterous people who still dress in sheep and yak skins and wander freely over the mountain passes between Tibet and Bhutan. Their home is located three days walk from Tashigang in the Sakteng valley. Among the most distinctive parts of their garb is a felt beret made of yak hair with "dreadlocks" hanging down their face and ears ostensibly to keep the rain from falling on their heads.

A few days later I hitched a ride south from Kanglung to Khaling where there was also a small resident Canadian coterie teaching at the public school. Khaling is also the location of the Blind Institute so the village was full of blind children. One of the Jesuit Fathers in Khaling, Father Perry, mentioned that he would be sending a vehicle into Assam to pick up some badly needed school and medical supplies. He offered me a ride in the vehicle the following day and I gladly accepted.

The road passed along side of a river for much of the way down and as we descended in elevation the vegetation became ever more lush. About 30 km before the border town of Sandrup Jonkhar we reached the town of Deotang where we had a clear view of the end of the hills (and Bhutan) and the beginning of the vast Brahmaputra valley which dominates Assam.

Sandrup Jonkhar is very much a border town dominated by Assamese and Bengalis. There has been a small building boom of late which has not made the place (a grubby dump of a town at the best of times) any more attractive. The town and the Indian border village to the south of it are well known haunts for students of eastern Bhutan who frequent its low-priced brothels.

We left the next day for Gauhati, the capital of Assam, crossing the sleepy Indo-Bhutanese border at the edge of town. The shimmering heat of the plains of the Brahmaputra basin began building up as the sun rose higher in the sky. Behind I could see the diminishing green carpet of hills and mountains which we had just left. Ahead, presuming we survived the onslaught of Indian trucks barrelling towards us on the road, lay Gauhati, and then Calcutta — the ultimate manifestation of urban chaos and frenetic high energy. I hoped I could count on the residual internal serenity which had been induced by my time in Bhutan.

Twenty four hours after leaving Bhutan I was in one of the squalid slums of Calcutta, squatting on the sidewalk, being shaved with a rusty straight razor by one of the local street barbers. Looking north I saw not the familiar sight of snow capped mountains but a sea of humanity crossing the Howrah bridge over the muddy Hooghly river.

No matter. Bhutan's magic lived on.

The Visa Connection

by Terry Jones

Most Canadian consular officers are not normally involved in issuing visas. But at three of the posts at which I've served, my presence in the Canadian office brought an involvement in the special world of visa issuance, like it or not.

My first posting was to the Queen City of the South Pacific, Sydney, Australia and it was there that I discovered there is more to the average Australian girl than meets the eye. Happily I didn't issue visas, as that was done at the High Commission in Canberra, but I did advise on the application procedure to countless scores of beautiful Australian "sheilas", all of whom wanted to visit Canada, and work while there.

Now you may have heard that there are more men in Australia than women. That may be true, but not in the cities, and certainly not in Sydney. All the girls from the towns, properties, and outback of Australia came to the cities to find work and men, while the men sought work in the towns, on the properties and the outback — someone had to look after the sheep. And so it was that my business hours were filled by advising scores upon scores of young, tanned Aussies on how to get a visa for Canada.

At the time, the mini skirt was at its height, and the Australian woman, sun lover that she is, took full advantage of the latest fashion. Twenty times a day at least, my office door would open to reveal a bronzed young nymph wearing a blouse and a broad belt, or so it appeared. I would rush chivalrously forward, as is the wont of Canadian diplomats, and sweep her into a chair, where she would cross her legs, lean forward and say "I wana go t'Canada to work". So the conversation would begin, and so would the disillusionment. Australian nymphs may have had gloriously tanned legs, but they had feet of clay. "In order to work in Canada, you have to immigrate" I would say. "Ahweh!!" she would respond, aggrieved. "But you don't have to stay," I would hasten to add. "Ahhh" she would reply, relieved. And so it would go, my advice and her ahhs, awehs, oohs, rising and falling as appropriate. In Sydney, a consular officer's lot was not a chatty one!

In Port-of-Spain, Trinidad, my next post, I had nothing to do with visas. As administrator, consul and public relations officer, I had no time for immigration work, especially given that administrative duties took 120% of my time, the rest being devoted to distressed Canadians and promoting Canada's image. But man shall not live by work alone, and so it was that in my leisure hours when not "playing mas" I acted in the local theatre group and had my own monthly radio program on opera — so my name was fairly well known in the community.

One day a Trinidadian visited my office, who was not a tradesman trying to sell his services to the High Commission, or a labourer seeking employment. I was having difficulty finding out exactly what it was he wanted, when he asked how his visa application was progressing. "I'm sorry, I'm afraid you're speaking to the wrong man. I don't handle visas. I'll get you the right officer."

"Just a moment, Mr. Jones, didn't my \$100 help?"

"I'm sorry?"

"Mr. de Sousa said that if I gave him \$100 for you, that would speed up my application. So I gave him the money to give you, to help it along."

"You did what!!" Apparently de Sousa, whoever he was, had told that poor applicant that I would speed along his application for a "private handling fee" of \$100. "Stay right there", I said, "I'll be right back", and went to fetch a witness. That was my mistake of

course; I should have phoned for one of my colleagues to join us, for when we returned, the applicant was gone. We reported it to the local police, of course, who just laughed when I said the name de Sousa. (You should know that de Sousa is a name in Trinidad as rare as Jones is at a Welsh Eistedfodd). Apparently it was a local "scam", to name someone working at an embassy or high commission, and claim to be able to gain his influence, at a cost. If the visa application was successful, the applicant thought his "fee" had been responsible. If not, well there were always explanations, especially as most of those tricked into paying the bribes were poor and uneducated. "If it's any consolation, it happens all the time", the police said. "This is the first time Canada has been involved, so we'll watch out; but with a name like de Sousa..." and they just shrugged. A sobering experience!

After Trinidad came Accra, Ghana and there visas for Canada were far from my mind. Shortly after the departure of our Head of Post for greener fields, a series of crises started and lasted seven months. First was Jerry Rawling's attempted coup, then his successful coup coupled with a mutiny in the armed forces, followed by a revolution, a series of student riots, a money exchange with border closures and associated labour unrest, and a blockage of the main water pipe from the reservoir which left 2/3 of Accra without any water for 10 days at the height of the hot/dry season. Needless to say, as Acting High Commissioner I had little time to worry about visas. However, one fine day our new Head of Post arrived and the local situation quietened (is there a lesson in that?) so my family and I decided to take a brief holiday by driving to Abidjan. Regrettably my international driver's licence had expired, and to get it renewed I had to obtain a clearance from the local Ministry of Transport, a routine matter.

It was indeed routine, but it would take at least three days, or so I was informed by a ministry official, unless I wished to apply in person. I knew what three days meant — more likely three weeks — so I presented myself at the Ministry the next morning. There I discovered that I had to fill out a series of forms and then pass them through about 6 different officials, all of whom had to put their "chop" on them and all of whom had long lines of other applicants waiting patiently in front of their desk. This was going to take me days!

The young man who explained this procedure to me noted my somewhat bemused air, and offered his assistance, which I gladly accepted. Then for the next three hours he stayed with me, instructing, guiding, suggesting, at the end of which in the 40 degree celsius heat I was drenched with perspiration but had, at last, received the final signature on my clearance. I was very grateful to the young man who had helped me so assiduously, and not a little surprised at his interest and energy, both being somewhat unusual in the local ministries. I thanked him profusely, as I shook his hand on departing. "No problem Mr. Jones. I was happy to help 'cos I know how you're going to help me."

"Oh! How is that?"

"By getting me a visa to Canada."

"Ah!!... Well I'll certainly make sure you're seen by one of our visa officers." And so it was, that later that week the interested, energetic official visited the High Commission for a visa interview which, unhappily for him, he failed to pass.

At my last post, Denmark, I also encountered visa applicants, with tragic results. But that's another story.

A Story

by David Adam

On September 11, 1973 a military junta led by General Augusto Pinochet overthrew the government of President Salvador Allende in Chile. The coup was unlike most in Latin America in that bloody fighting continued for several days and the armed forces pursued real and suspected supporters of the former government with a fierce determination.

*More conspiracy, more evil
made flesh, more cancer to be
rooted out and destroyed.
Unfortunately while the film
made very good cinema, it
made very bad history.*

Summer came early to Santiago that year. Dolgin and I were taking our evening drink reflecting on the day's events and the human misery we had encountered. Jarvis, a close friend, working for the Ford Foundation, approached across the hill, sat on the patio, looking more forlorn and ashen than usual. "Will it ever end?", he asked. "Why, what horror stories have you heard today?", we asked in return. "Do either of you know an American journalist called Charles Horman? He's been in Santiago for several months and has not been seen for weeks. His father's in Chile looking for him." I was blank. Dolgin thought for a moment and said, "I don't know him but I heard from a friend today that he's dead."

This small seemingly unimportant conversation was to take on rather greater importance in the weeks and years that followed.

Costa-Gavras has produced three films in the last twenty years — *Zeta*, *Estado de Sitio*, and *Missing* — each of which have dramatized political events in three small peripheral countries — Greece, Uruguay, and Chile. Each of the films purports to give an accurate historical account — with a central human story — of a military coup in each of these countries. Each film possesses a verisimilitude which is very persuasive and has convinced many that the depiction and interpretation of the events in the film are accurate.

More serious analysts and observers present at these events have been unwilling to suspend their personal memories and

knowledge in the interest of high drama, and remain unimpressed with the accuracy and the only barely disguised Marxism underlying Costa-Gavras' interpretation of these events.

What happened to Charles Horman and why did Costa-Gavras seize on his story? Those of you who saw the film, *Missing*, or read the earlier book, will recall the scene in the Ford Foundation offices: the distraught father, Ed Horman, played by Jack Lemmon in one of his most overwrought performances, pleading with Jarvis for more information on who told him his son was dead; Jarvis refusing to reveal Dolgin's name allowing only that the information came from an English-speaking Embassy. The subsequent scenes where Horman senior searches the back streets of Santiago questioning citizen and soldier alike for information on his son are equally compelling: his pleas to wood the stadium.

All of this was very good and rivetting theatre. Coming as it did in the wake of the Watergate scandal and the Cambodian bombing revelations it added to the canon of perfidy of the Nixon government. More conspiracy, more evil made flesh, more cancer to be rooted out and destroyed. Unfortunately while the film made very good cinema, it made very bad history.

Ed Horman never spoke to prisoners in the national stadium; bodies were never piled like sacks of potatoes in the morgue; and the U.S. government was never involved in Charles Horman's death or in a conspiracy with the Chilean authorities to cover it up.

*Horman was but another
statistic, another face to be
counted when the shooting
ended. Is he any more
important than the individual
Chileans who lost their lives?*

I know that the U.S. government knew nothing of Horman's death or of the whereabouts of his body, until it was informed by Jarvis as a result of the conversation which the latter had with Dolgin and me. Jarvis couldn't say where his information came from, not because of any real or implied cover-up, but because he had agreed with Dolgin not to in order to protect the latter's Chilean friend. Costa-Gavras himself knew or ought to have known from the book on

which he based his film that the U.S. government knew nothing. It may be true that the U.S. government backed the coup with political support and perhaps funds but it must stretch the credulity of even those — and there are many — who yearn for tales of conspiracies perpetrated by the Nixon government to hold to the thesis that the U.S. government attempted to cover up the circumstance of Horman's death. Perhaps Costa-Gavras was only using artistic licence to establish a link between U.S. involvement in the coup itself and its knowledge of Horman's death, but his misuse of the Horman story is dishonourable as it does great injustice to Horman. It perverts the circumstances of his death in the name of a cause for which Horman from all available evidence had no interest. The Chilean military — whatever evils it committed in the name of whatever star it followed — was certainly strong enough to carry out the coup itself, and given the tenderness of U.S. public opinion would hardly have been perverse enough to knowingly kill an American citizen.

*Perhaps it is only to the living
we owe allegiance and with
whom we must make common
cause, and we ought to allow
the dead to lie in peace and to
allow their lives to be their
only monument.*

How did Charles Horman die? I don't know, and frankly I don't think anyone knows. Most likely it was a Chilean soldier who killed him and if so he was almost certainly unaware of Horman's nationality. The exact circumstances of Charles Horman's death will then forever remain a mystery. He was but one of thousands caught up in a mindless butchery that was not his struggle. A careless flip comment to a frightened eighteen-year-old conscript with a machine gun would have been enough. Running across the street after curfew taught many innocents an unforgettable lesson. Thousands were arrested, thousands killed either in combat, or in captivity. Horman was but another statistic, another face to be counted when the shooting ended. Is he any more important than the individual Chileans who lost their lives?

Costa-Gavras' attempt to make the Horman story an arching symbol for the perfidy of the Nixon government and its involvement in the Chilean coup fails. It fails because the U.S. government did not know that Charles Horman was dead until the Embassy was informed by Jarvis, and thereafter the officers in the Embassy moved heaven and earth to discover the whereabouts of his body and have it returned to the United States.

Dolgin and I have been asked many times by U.S. journalists researching the Horman story why we did not inform the U.S. Embassy immediately when we heard of Horman's death and why we did not obtain more information from the Chilean who had told us of his death. Frankly I cannot remember the precise reasoning behind our decision, perhaps there was none. We were caught up in the middle of a great chaos with great suffering all around and it never occurred to us that the U.S. government wouldn't know or wouldn't have been able to find out the whereabouts of one of its own citizens. Our principle concern was to protect the Chilean who had told Dolgin — a man who was in danger of losing his occupation and perhaps his liberty. We did not wish to risk prejudicing further his life or that of his family.

There are few lessons for me in the story of the death of Charles Horman, or of his father's fruitless search, and my marginal involvement in its revelation. Perhaps I had become callous, unmoved by individual sorrow in the face of the prevailing general calamity. I recall another scene from the Embassy office on the morning of the coup. An old man on crutches, one leg missing, was attempting awkwardly to cross the street to skirt the debris and the gun fire from the soldiers firing at the palace. He was thirty yards into his journey when he was shot and fell into the dirt. My thoughts went not to him but to his dog who raced beside him and escaped still living. Perhaps it is only to the living we owe allegiance and with whom we must make common cause, and we ought to allow the dead to lie in peace and to allow their lives to be their only monument.

David Adam was First Secretary (Commercial) in Santiago (1972-75). Marc Dolgin was First Secretary (Political) in Santiago (1971-74). Lovell Jarvis was a Program Officer at the Ford Foundation in Santiago.

Today, David Adam is Minister-Counsellor (Commercial/ Economic in Caracas). Marc Dolgin is Director General at CIDA, and Lovell Jarvis is a Professor of Economics at the State University of California in Irvine.

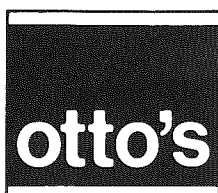
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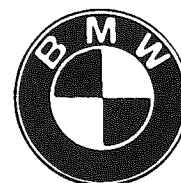
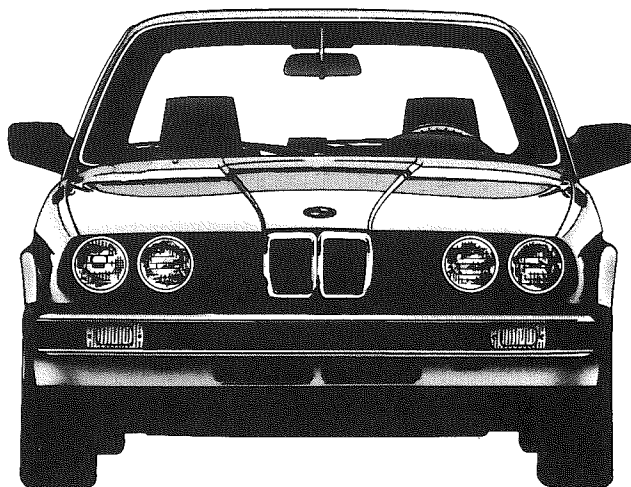
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YEARS OF SALES AND SERVICE

Auto Insurance:

A New "Smoke and Mirrors" Game

by J. Ross Quigley

Every day you pick up your newspaper, there's another article on government insurance, smart no-fault, reduced or increased rates and talk of an election in Ontario. So far, no one seems to have answered the question which brought all this about — why are our insurance rates so high?

The cast of players for our new game are playing for high stakes indeed. The automobile insurers are trying to protect over 2 billion dollars in premiums, the three provincial parties are jockeying for position in the upcoming election, and the lawyers are trying to protect their lucrative practice in automobile injuries by fighting the no-fault concept. In playing the game, most of the facts have been left behind and the average person is totally confused by the overwhelming statistics and seemingly endless "instant" solutions. For example: the latest news is an automobile insurance rate freeze. However, almost all of the annual rate increases by insurers are already in effect for 1987 — the net effect to you and me is negligible. A 10% premium roll-back for young males and taxi drivers — the net long term effect is higher rates for you and me, but it did sound good!

But back to our question about the high rates. The truth of the matter is that rates are not too high. If anything, rates are still too low, but not by much fortunately. Last year our automobile insurers *lost* over 100 million dollars. In the past few years, several companies went bankrupt, many companies stopped writing auto insurance and others priced themselves out of the market. This is certainly not in line with the image we have been given of the "fat cat" insurance company.

There are two basic reasons why our rates are high — claims frequency and average claim size. This means basically, that drivers in Ontario have more claims, and the cost of each claim is higher than in the other Canadian provinces. This is actually quite logical, as we have a larger percentage of the Canadian population. It seems that the pace of life in other provinces is much slower and more relaxed.

Claims frequency and claim size are too general in their concept in many ways, so here are some specifics to think about:

1. Did you know that in insurance claims involving injuries almost 50% of the claims payment goes to legal fees and claims administration?

2. Have you been to the body shop who quotes \$300 to fix your car, but \$1,200 if an insurance company is paying the bill? I have, and those are the actual numbers I was quoted.
3. Did you know that there are groups of crooks who will steal your car if you pay them \$100 or \$200?
4. Did you know that people are paid to rear end another car — usually with five or six people in it, who magically all have whiplash injuries and doctors and lawyers who help them collect from insurance companies?
5. Do you have friends with teenage sons, where the mother is the owner and principal driver of a hot rod or fast sports car, but she has never been in the car?
6. Alcohol is involved in 75% of single vehicle crashes and 45% of multiple vehicle accidents.

No wonder our rates are so high! So, how do we fix it?

Going back as far as 1968, and as recently as this year (the Slater Task Force), many study groups have recommended changes to the legal system as it applies to automobile injuries; the not-so-new concept is known as "no fault" insurance. The insurance companies, who understand how much money is wasted with our current system, finally see an opportunity to convince government and the general public that no fault will save everyone money — except the lawyers. No fault is a system that provides specific payments for specific injuries and you would collect from your own insurance company. Most lawsuits would be eliminated and the right to sue would be restricted to very serious injuries or death. The savings would be incredible and estimates of 26% of premium are probably fairly accurate. Remember that this will not apply to collision and comprehensive benefits, which are already on a no fault basis. Needless to say, the legal profession is not happy about this and watch for their arguments involving "The Charter of Rights" and our "Communitistic" society. If it comes to a choice between no fault insurance and government insurance as found in some western provinces, we will see lawyers voting N.D.P. to try and preserve the expensive system of litigation. Strange bedfellows indeed.

A few comments on government insurance:

1. Did you know that the originator of government automobile insurance in British Columbia went bankrupt and 180 million

dollars of taxpayer's money was used to bail it out?

2. Premiums under some government plans are artificially low because gas prices were increased to subsidize the insurance. There are other subsidies too.
3. Premiums under government insurance are almost identical to those in Ontario (see point 2). I think that most of us would agree that Ontario premiums should be higher especially in Metro Toronto.
4. Do you want unionization of the industry? What happens to your broken car if a strike occurs and lasts five months, as happened in B.C.?

In my opinion, which is admittedly biased, the above "real" facts speak for themselves, and you actually can have a say in the outcome. Although we are only pawns in the game, we have a vote — so vote smart and vote no fault.

The real truth in all of the "Smoke and Mirrors" you have seen and will see, is that it is very unlikely auto insurance rates will go down. Under no fault, insurance companies will need the money to stay solvent; under government insurance, rates will inevitably go up or be subsidized with a different hand in your pocket; under government supervision, rates will likely be higher because another insurer going bankrupt is bad publicity, and someone has to pay for the watchdog staff that might be hired.

The true value of no fault is that it will keep rates from going up, and with luck we will never see rate increases of 30 and 40% again. With such formidable players in the game, I consider that a win.

Buying a Home

Cash Due on Closing

by Gwynneth M. Turner

Prior to signing an Agreement of Purchase and Sale, most people calculate roughly what amount of cash they will have to come up with when the deal "closes." In many instances, however, the calculation is inaccurate, leaving the purchaser scrambling for money a few days before closing. To help avoid this situation, I recommend that you consult your lawyer for a detailed estimate of all costs before arranging financing.

By using the following formula you can roughly calculate the amount you will be required to bring to your lawyer's office the day of closing:

(NOTE: This example assumes a purchase price of \$125,000.00, high-ratio financing that requires payment of a C.M.H.C. fee, annual taxes of \$1,600.00, fuel oil heating, no available survey and a closing date of October 15th. An explanation of fees and rates where applicable is provided below.)

a. Purchase Price \$125,000.00

b. Plus

(i) Land Transfer Tax	975.00
(ii) Legal Fees Purchase	1,000.00
(iii) Legal Fees Mortgage	150.00
(iv) Disbursements	150.00
(v) Mortgage Broker's Fee	1,125.00
(vi) Appraisal Fee	200.00
(vii) C.M.H.C. Fee	2,250.00
(viii) Interest Adjustment	510.00
(ix) Survey	700.00
(x) Tax Adjustment	334.00
(xi) Fuel Oil Adjustment	295.00
TOTAL COST	\$132,689.00

c. Less

(i) Mortgage Value	\$112,500.00
(ii) Deposit Paid	1,000
TOTAL CREDITS	\$113,500.00

**b. Balance Payable by
Certified Cheque on
Closing** \$ 19,189.00

Of course not all transactions will have the same adjustments or fees. For example, if you are purchasing a condominium, there will be an adjustment for monthly common expenses paid by the vendor for the month in which you are closing (where you are purchasing after the first of the month but before the end of the month), so add that to your costs. In the example above, if there was a monthly common expense of \$250.00 and you were closing on the 15th of the month after the vendor had paid all of October's fee, you would have to add \$125.00 to your costs.

Land Transfer Tax is the fee payable to the Treasurer of Ontario upon registration of a Transfer (Deed) in this province. The fee is based on a percentage of the purchase price of your home. Your lawyer will be able to give you the correct figure to plug into the formula.

Be certain that the legal fees quoted by your lawyer include all fees for the purchase and any mortgage work. The Carleton County Law Association has set out guidelines for legal fees in Real Estate transactions. Essentially, where the transaction is one of average complexity, the legal fee on the purchase should be in the neighbourhood of one percent (1.0%) of the first \$75,000.00 of the purchase price and one-half of one percent (0.5%) of the balance. An additional fee may be charged for the mortgage work.

Disbursements include the out of pocket expenses incurred by the lawyer in handling your transaction, such as fees for registration of the Transfer (Deed) and Charge (Mortgage), courier expenses, photocopy expenses, obtaining zoning and tax certificates, execution certificates, etc., BUT a lawyer is not entitled to charge as a disbursement fees he or she has paid to a third party to search title or close the transaction. A generous estimate of these disbursements is \$150.00, but they will obviously vary to some extent depending on your particular case.

Mortgage broker's fees will vary depending on the complexity of the work involved. Be sure to ask your broker up front what all his or her fees will be. Normally they will be based on a percentage of the value of the mortgage they arrange on your behalf. The arrangements for payment of the appraisal fee will also be made through your broker or lending institution.

*Consult your lawyer with
respect to the costs you will
be faced with. Each Agreement
is different.*

Where you are financing over 75% of the purchase price with one mortgage, a C.M.H.C. fee is payable. Often the broker will arrange to increase the value of the mortgage to include the C.M.H.C. fee, but this does not mean it can be deleted from the costs involved. It simply means you will get a higher mortgage advance on closing, that will increase the amount by which you may reduce the cash due on closing.

Mortgages normally begin on the first day of the month. In the event that your deal closes on any other day, the lender in effect loans you the money on the date you need it on an interest only basis. Your mortgage will actually commence on the first day of the following month, and your first payment will be due on the first day of the month after that, as mortgages, unlike rent, are always payable in arrears. The interest charged for the period between the date of your closing and the first day of the following month, is called the "interest adjustment", and will be deducted from the face value of the mortgage automatically. In other words, you pay up front for the interest on the loan until the actual mortgage starts. Therefore, you must take this interest figure into consideration in the formula. The interest is calculated at the same rate as the mortgage.

All mortgage companies require a survey. If one is not available, you can count on an additional cost of \$700.00 on average.

All Agreements of Purchase and Sale are "subject to the usual adjustments", including adjustments for taxes, fuel oil, condominium common expenses, etc. If you know the annual taxes and are closing any time after June in any given year, you can assume the taxes for the whole year have probably been paid by the vendor. That being the case, you will have to reimburse the vendor on closing for the portion of the year's taxes he has paid that are your responsibility from the date you become the owner. Even if all the taxes are not paid and instead of having to reimburse the vendor he must give you a credit, the unpaid portion for which you have received a credit will in many cases have to be paid in the near future anyway. Where the property is heated by fuel oil, the vendor must top up the oil tank prior to closing. In return for this, you must reimburse him on closing for a full tank of fuel oil.

In conclusion, I advise you to consult your lawyer with respect to the costs you will be faced with. Each Agreement is different, and the above is only meant to provide an example of what to look for when budgeting for the closing of your purchase.

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The roving eyes of American marines coupled with the sultry Soviet support staff have created severe security problems for the US. Canadian lads will have to be on their guard lest they fall prey to the wiles of the voluptuous Violettas.

Some of the female members of the Soviet staff might well fit the "attractive" category used to describe the Soviet women who allegedly lured marines at the US Embassy into compromising positions. As a rule, embassy employees are not prohibited from fraternizing with Soviets of the opposite sex, but caution is an abiding principle. In the cheaply appointed downstairs rooms of the Embassy is the Canadian Club, where a hamburger-and-beer session is held Friday night, but the Soviet employees do not appear.

So much for Friday nooners, Mr. Laurence Martin in the *Globe and Mail*

The Herbert Norman Affair continues to draw ink.

Silence merely reinforces suspicion that the government is concealing pertinent information on the Norman case. A Toronto newspaper's attempts to obtain the full Norman files under the freedom-of-information legislation last fall revealed that presumably sensitive material had been effaced. The Norman issue is a legitimate subject of public discussion and concern, touching on questions relevant to government's handling of Canada's security interests. It's time the government told Canada everything it knows.

Norman Case no longer cause for secrecy in *The London Free Press*

And some current wisdom from assorted jackasses.

It is interesting to watch Brian Mulroney twisting in the grip of a left-leaning external affairs department inherited from Pierre Trudeau. Mulroney's crime is that he has done nothing since winning power in 1984 to clean out the department or change its thrust.

In fact, he made it even more leftist by appointing failed Ontario NDP leader Stephen Lewis as his UN ambassador and NDP-supporting labor boss Dennis McDermott as ambassador to Ireland. But what can you expect when you see a guy with chronically poor judgement such as Joe Clark appointed as external affairs minister... Canada's voter had every right to believe that a Conservative government with a record mandate would clean out external and implement a less-leftist line. Unfortunately, Mulroney and Clark didn't do it; instead they fell for the so-called "efficiency" and "helpfulness" of external types...

Trudeau influence is still felt, Mr. Bob MacDonald in the *Toronto Sun*

If External Affairs Minister Joe Clark did himself the favor of seeking outside views on policy options before making decisions, he would probably avoid some of the potholes into which he stumbles...He might not make such gaffes as ordering closure of the Canadian embassy in Finland. That particular decision suggested that his money-saving advice was coming from officials out of tune with their fellow citizens, perhaps seeing Canada as little more than an Ottawa pit-stop between postings abroad in really interesting countries...They have done it before, notably in the advice to make one of their own number Canada's nominee for a slot on the International Law Commission, without even a pretence of consulting Canada's legal community. They did it when they wrote for him a harsh speech attacking the United Nations last fall...He (Mr. Clark) could avoid some of his more unfortunate decisions by listening to more people outside his department and outside Ottawa.

Mr. Clark's remote advisors, Editorial in the *Winnipeg Free Press*

Michele Landsberg is an excellent critic of children's literature and her recent volume is highly recommended. It is a craft which too few practise. To be a learned commentator on the world scene, on the other hand, apparently requires only a passport, a susceptible mind, and a penchant for offensiveness.

The contras are terrorists — bumbling, corrupt but crudely vicious. They rob, rape and murder the Nicaraguan peasants. Their

Washington sponsors seem like lunatics or worse. I turned off the television and went to bed. What has Canada said publicly to the United States about this crazy war? The answer came at me in the dark. Canada has maintained a cowardly public silence. Canada has said nothing. Canada is complicit.

Saluting One Man's calm spirit in the depths of a crazy war in the Globe and Mail

A little ignorance can be a dangerous thing. The press office might wish to forward some of our Ministry's statements on the Central American situation c/o Residence of the Canadian Ambassador and Permanent Representative to the United Nations.

In this tract on what must have been a very slow newsday intrepid reporter Mr. Iain Hunter demonstrates why good journalists look at both sides of the story.

Canadian diplomats and their families are still cavorting in the 25-metre pool at the exclusive Aberdeen Marina Club in Hong Kong...The diplomats and their families are still soaking in the hot tubs, playing Mahjongg and watching the yachts in the club's 300 berth marina...The club — one of External's most embarrassing secrets — was disclosed by Auditor General Ken Dye in his 1985 report to Parliament.

Diplomats still using club ruled off limits by Clark in *The Ottawa Citizen*

And amid acres of deathless prose some wise words from Canada's National Newspaper in the context of Mr. Whitney Seymour's decision to subpoena Ambassador Allan Gotlieb and Mrs. Gotlieb in his zealous pursuit of Mr. Michael Deaver.

Diplomatic immunity, while it may be seen by some as little more than a device to shield diplomats and their staffs from parking tickets, has been recognized for centuries as an essential element in relations between countries. Without the inviolability of the embassy, freedom of communication and exemption from local jurisdiction, the conduct of international relations would be next to impossible.

Editorial A diplomatic No in the Globe and Mail

Commerce sans frontières by Bernard Landry, préface de Jacques Parizeau, Éditions Québec-Amérique, Montreal, 1987, 189 pp., paper, \$16.95.

Leap of Faith: Free Trade and the Future of Canada by James Laxer, Hurtig Publishers, Edmonton, 1986, 146 pp., paper, \$12.95.

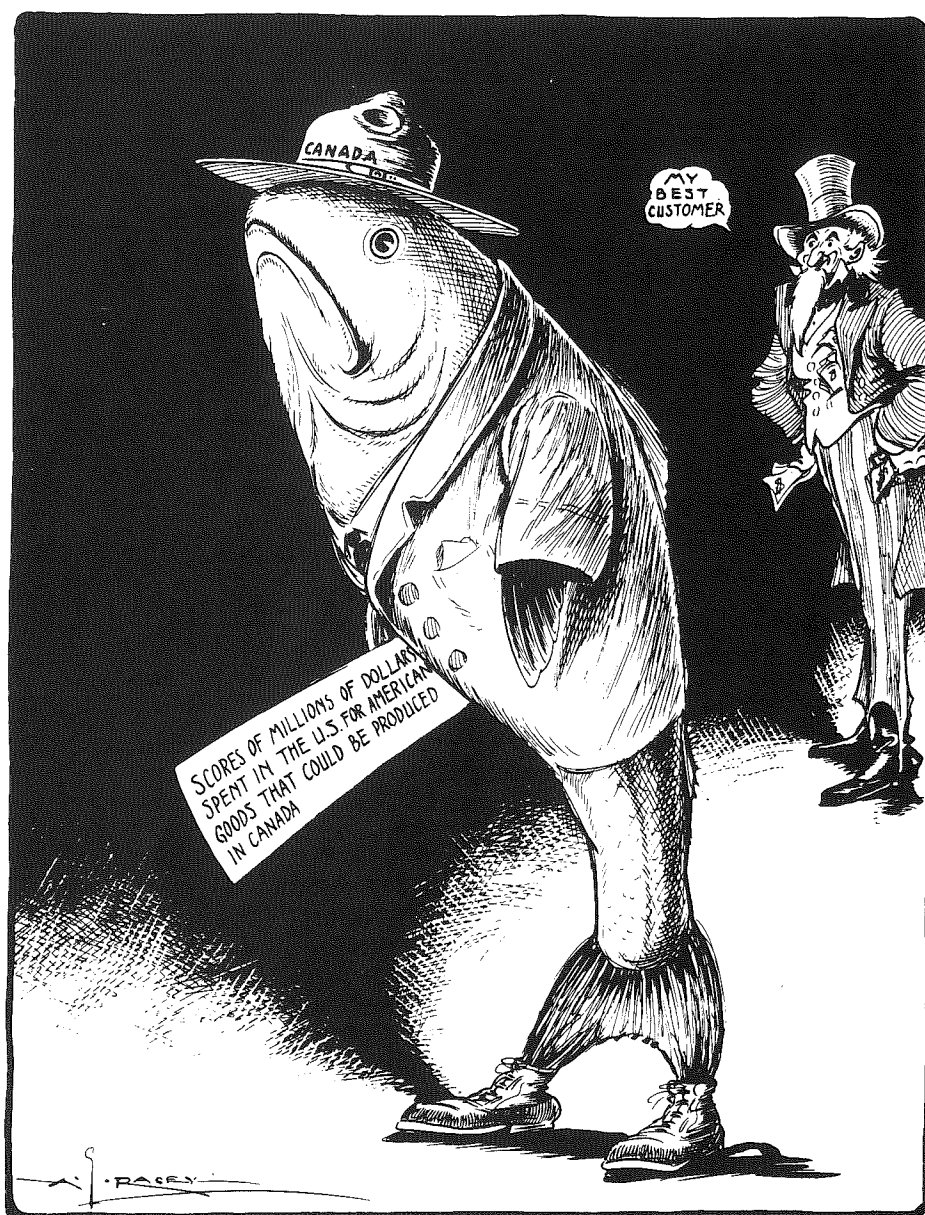
Taking the Initiative: Canada's Trade Options in a Turbulent World by Richard G. Lipsey and Murray G. Smith, C.D. Howe Institute, Toronto, 1985, 183 pp., paper, \$10.00.

The United States and Canada: The Quest for Free Trade, an Examination of Selected Issues, by Paul Wonnacott, with an Appendix by John Williamson, Institute for International Economics, Washington, 1987, 173 pp., paper, US \$10.00.

Reviewed by Michael Hart

Over the past three years, as Canadians have debated the pros and cons of a freer trading arrangement with the United States, one of the more common themes struck by the media and echoed by opponents has been that little is known either of the issues at stake or the probable consequences of such an arrangement. Nothing, of course, could be further from the truth. Putting aside the fact that the beneficial effect of free trade is one of the oldest and most respected of economic theories and the fact that we are among the last of modern industrialized nations to seek such an accord with its neighbour, there is a rich literature on Canada-United States free trade, much of it from a Canadian perspective. Any gaps that may have existed at the start of the current debate have by now been more than filled as academics, governments and research groups have rushed to organize conferences and seminars, the results of many of which have been made publicly available.

Among the dozens of books published in the past few years on the Canada-US free-trade issues are: James Laxer's *Leap of Faith*, Paul Wonnacott's *The United States and Canada: The Quest for Free Trade*, *Commerce sans frontières* by Bernard Landry, and *Taking the Initiative* by Dick Lipsey and Murray Smith. James Laxer, the well-known Canadian pamphleteer long associated with the left wing of the NDP, has crafted an eminently readable apologia for the negative. Dick Lipsey and Murray Smith reply with a highly readable and persuasive case for free trade; Lipsey is Senior Economic Advisor to the C.D. Howe Institute and Smith was Canadian Secretary to the Canadian-American Committee. Bernard Landry is a former Quebec trade minister. Paul Wonnacott, ex-patriate Canadian



A Western view of the tariff question. (Courtesy of the Winnipeg Free Press)

teaching at the University of Maryland, provides an American perspective.

Before evaluating the contribution of these books, it is worth stepping back and looking at the issues they address from a broad trade perspective. None of the authors can be said to be trade policy practitioners, although all are reasonably familiar with the forest of trade policy if not its trees. What they lack to some extent, and what the debate in Canada lacks, is the long-term perspective of the development of Canadian trade policy. The issues are viewed in terms of today; it is the immediate that is arresting. Yet the compelling reasons which led to the current bilateral trade initiative developed over a period of more than a generation. Understanding this background helps to dispel some of the more egregious nonsense bandied about today.

Throughout the post-war years, the multilateral exchange of rights and obligations

and multilateral negotiations under GATT were the bedrock of Canadian and US trade policy. The GATT proved to be the most efficient means of achieving the fundamental Canadian trade objectives of secure and enhanced access to world markets and a stable international trading order. In each of the multilateral rounds, the Canada-US negotiation was the most important...and the bilateral trading relationship the largest and most significant governed by GATT. For Canada, the achievement of its trade objectives thus depended upon the surety which GATT provided against abrupt changes in US trade policy and on its capacity to continue to serve as a forum for far-reaching and successful trade negotiations.

Few initially questioned the general result of this policy and benefits — the gradual exposure of the Canadian market to more world competition, but particularly US

competition, in exchange for better and more secure access to foreign markets. But in the past decade there has developed a growing questioning both of this basic policy thrust and of the means chosen to pursue it. Nationalists like Laxer question whether we want a liberal trade policy and economists like Lipsey and Smith wonder whether the slow pace and incremental achievements of GATT negotiations are enough to provide the required impetus for growth in Canada. A number of developments and perceptions have nurtured this growing polarity in consideration of Canada's trade policy options.

The first is Canada's place in a rapidly changing world economy. Canada's post-war economic wealth was built upon ready markets and the products of an abundant and low-cost resource base. New competitors in developing countries, new technologies in developed countries producing substitute materials and the increasingly higher costs of extraction slowly brought home the truth that Canada's resource base was no longer an assured source of wealth. More significantly, it became clear that the resource base could no longer finance the maintenance of an inefficient manufacturing economy sheltering behind high tariff walls. Canadians have been able to enjoy reasonable standards of living despite being up to one-quarter less productive than Americans. Canadian manufacturers, hitherto stout opponents of trade liberalization, began to accept that they could no longer prosper from the domestic market alone. But they lacked the secure and free access to larger markets, especially the US market, to invest to achieve economies of scale and specialization.

In each of the multilateral rounds, the Canada-US negotiation was the most important...For Canada, the achievement of its trade objectives thus depended upon the surety which GATT provided against abrupt changes in US trade policy.

A second development was the growing importance of the US market to Canadian entrepreneurs. At Confederation, Britain was Canada's premier trading partner, with the United States a distant second, primarily as a source of imports rather than as a market. While the United States as our principal source of imports, primarily food and manufactures, has not changed in more than a century — fluctuating between 60 and 80%

of total imports — its role as an export market has grown steadily. Fifty years ago, at the beginning of the modern era of trade liberalization, the United States and Britain each took about one-third of our exports. In 1947, at the establishment of GATT, Britain took 27% and the US 37%. A decade later, the US percentage had risen to the sixties and Britain's had fallen to the teens. Today, the US takes up to 80% and the UK around 2%. An important feature of this change is that US customers have always been more interested in end products and British customers (and their EC partners today) more in raw materials. The US has always been and remains Canada's only significant customer for intermediate and end products.

Concurrent with growing dependence on the US market came realization that the US was not necessarily a secure market. The US may initially have led the onslaught against protectionist barriers in the early post-war years, but in more recent years it has been a leader in developing scientific protectionism: anti-dumping and countervailing duties and various other devices meant to ensure "fair" trade, as well as voluntary export restraints, orderly marketing arrangements and similar protectionist departures from market discipline. Additionally, the US introduced Buy America rules and the special regime which shields world agriculture trade from the same rules which apply to trade in industrial products. This protectionist tide gathered momentum in the 1970s and by the mid-1980s had become a torrent. The combined effect of existing and threatened trade laws, unilaterally determined and applied, made Canadian entrepreneurs, heavily dependent on that market, into firm believers in the need for a new approach to managing the bilateral relationship.

A third development was the perceived breakdown of multilateral rules as surety for investment. The foundation of modern international trade rules among industrialized countries is non-discrimination. The economic rationale for non-discrimination is security of market access as the basis for achieving economic growth through the application of comparative advantage and specialization. The legal expression of non-discrimination is most-favoured-nation and national treatment, the two basic precepts of the General Agreement on Tariffs and Trade.

In practical terms, however, as articulated in the GATT and practiced by its contracting parties, most-favoured-nation has had a chequered history. In recent years, there has been an epidemic of voluntary restraints and orderly marketing arrangements which deny MFN in all but name. The principle of national treatment has been no less immune from assault. Here the major weapon has

been the emergence of state intervention through subsidies and preferential government procurement as well as the application of trade remedy laws to replace tariffs and quotas as powerful and discriminatory instruments of protection.

Whatever the diminishing strength of multilateral disciplines, a further development in reducing support for both the end and the means of post-war Canadian trade policy has been the changing nature of the GATT itself and its capacity to serve, for Canada in any event, as a forum for trade liberalization. Two key factors have been at play.

Developing countries consider the inability to achieve more discrimination in their favour a continuing shortcoming of GATT. They want to tear the GATT down and remake it in their image. The United States, frustrated with GATT's failures in recent years to respond to US concerns, is turning increasingly to unilateralism.

Since the first round of GATT negotiations in 1947, the GATT has grown from 23 to over 90 contracting parties with a further 30 countries applying the GATT on a *de facto* basis. Consensus, accordingly, has become much more difficult to achieve. Most of the new entrants are developing countries which have concluded that they benefit from GATT rights only until they become too competitive in traditional products such as textiles, clothing and steel, and therefore accept — perhaps with reason — few of the obligations. These countries, with some notable exceptions, pursue mercantilist trade policies based on import substitution. They are, furthermore, wary of efforts led by the United States to extend GATT principles of non-discrimination into new areas such as services, intellectual property and investment. A further consequence of increased membership and loss of consensus on basic issues has been the breakdown of the contracting parties into regional groups with decisions on what to do resulting from arduous discussions of texts. While industrialized countries, of course, retain the capacity to negotiate within the framework of the GATT, the task of determining negotiating agenda and timetables has become enormously more difficult.

A further factor has been the reduction of developed countries capable of and interested in playing an independent role. During the

Kennedy Round, most EFTA countries including Britain, as dependent as Canada upon the multilateral system, were full and independent participants. Together with Canada, they formed a group of smaller countries with whom alliances could be forged on particular issues to combine bargaining power and leverage against the larger countries in pursuit of common interests. During the Tokyo Round, these had been gathered into the smothering embrace of the EC either through accession in the case of the UK, Denmark and Ireland, or through free-trade agreements for industrial products with the EC. Not only were such countries no longer independent participants, but they saw their principal trade policy interest to be the preservation of their preferences in the enlarged European market. Multilateral trade liberalization no longer held the same attraction for them. Today, Western Europe has become one large free-trade area governed by arrangements loosely blessed by GATT but essentially outside it. Only Canada remains as a smaller, wholly independent industrialized country. Even Australia and New Zealand have established a free-trade zone between them.

The positive GATT experience of the past thus appears to have little resonance today and holds even less promise for the future. The GATT has not been what it used to be for almost a generation, even though much trade policy remains grounded in the old reality. GATT has become a residual trade agreement for most Western European countries, whose trade policy is based first and foremost on maintenance of their discriminatory regional arrangements. Together with Japan, they see GATT largely as a tool with which to manage trade relations with the US. Developing countries consider the inability to achieve more discrimination in their favour a continuing shortcoming of GATT. They want to tear the GATT down and remake it in their image. The United States, frustrated with GATT's failures in recent years to respond to US concerns, is turning increasingly to unilateralism. This is not to denigrate the GATT, but to recognize its limits.

It was the triple impact of a changed domestic economy, a growing dependence on an increasingly protectionist US market, and a perceived erosion in the benefits flowing from the international trading system which triggered questioning in Canada of traditional trade policy. Questions began to be asked in the mid-1970s. It was not until the mid-1980s that these questions matured into policy. Growing US protectionism convinced Canadian business that while their future depended on the US market, their goals could not be achieved on the basis of

existing policy. That questioning is reflected in these books. Laxer questions the efficacy of relying on trade for our wealth and fostering a more competitive economy through a steady process of trade liberalization. Lipsey and Smith question the efficacy of GATT as the principal means of negotiating our trade policy objectives. Landry establishes an eloquent case for free trade under any circumstances and Wonnacott's purpose is to explain Canada's desire for a free-trade agreement to an American audience.

Let's start with Laxer; he is both the most interesting and the least informed. He has a populist appeal and his book represents an elegant expression of much of the nonsense fed Canadians daily by the news media; at the same time, he provides a good foil for the pro-free trade arguments of Landry and Lipsey and Smith. Laxer's strength lies in his analysis of problems. He provides a compelling case both that there is a need for change in the Canadian economy and that there are major structural deficiencies in the US economy. The weakness lies in his almost hysterical criticism of the trade policy prescription and his defense of mercantilist options. To suggest that those who espouse free trade, for example, do so because they see US economic organization as a model is plain silly.

To some Americans, free trade brings forward images of low and unfairly priced goods invading the land of the free and the brave from across the Pacific. To their Canadian counterparts, free trade brings up spectres of an invasion of evil Yankees from south of the border. Yet the issues in both countries are largely the same.

His criticism of the free trade option is in part based on an attack on the neo-classical economists — that is what the neo-mercantilists call those economists whose theories are grounded in the operation of the market. The arguments are as old as those between Adam Smith and the Physiocrats, except that the detail has become more sophisticated. As such, Laxer provides a Dick and Jane primer for nationalists, trade unionists and others of protectionist persuasion and seeks to clothe their arguments in less nakedly self-interested garb.

Much of his case, however, is built on demonstrating that the US model has its own weaknesses, based on an analysis of the

US steel and related industries, a sort of rust-belt theory of US economic decline. Taking the same facts, however, one can come to an entirely different set of conclusions. Rather than concluding that the problems in the industrial mid-West resulted from the free reign of the market, it is more credible to conclude that it resulted from an inability to adjust to changing competitive conditions, in part encouraged by government actions, both in the US and abroad, which did not allow markets to work. Protectionist actions such as quotas or special duties or subsidies undermined adjustment. But despite these problems, the United States remains a very productive and innovative economy.

Laxer's solution to today's economic problems is to foster the smothering embrace of industrial policy rather than the cold shower of international competition. His advice is to build a wall around the country and become ruggedly self-reliant. He looks forward to a future based on the past: bicycles for transportation, potatoes, turnips and bread for dinner; and Pierre Berton for entertainment. We would no longer need either a trade or an immigration department — we will not be exporting and no one will clamour for access. His case is based on the analysis of fear. It emphasizes the negative problems of change, adjustment and dislocation and ignores the positive dimension of adaptation and opportunity. The most flagrant flaw, however, comes from the conviction that the Canadian economy is large enough to generate within itself the necessary factors for restructuring: capital, resources, a trained labour force, research and development. It ignores the crucial fact that today close to one-third of Canadian wealth is generated by exports of goods and services. Canadian industry cannot survive without benefit of imports and Canadians are not prepared to limit their consumption in order to implement a protectionist trade policy and join the world's poor.

Not surprisingly, Laxer really doesn't understand the nature and negative impact of the current wave of US protectionism, which he pooh-poohs and characterizes as the scare tactic of the storm troopers of free trade. While Canada cannot under any circumstances afford a policy of protectionism, the US is large enough to be able to afford, at least superficially, an inward-looking policy for a limited period of time. It would not lead to growth, but its destructive impact would be sufficiently diffuse to be politically tolerable. No one would disagree that in terms of day-to-day, measurable impact, US protectionism is manageable. Its real impact is on investment decisions — business does not thrive on uncertainty and the current US

trade regime, as noted above, more than anything else promotes uncertainty. Trade negotiations are not about today's trade, but about tomorrow's investment decisions which will in turn generate trade. Government policies in the trade field, similar to other horizontal policies, are geared to influencing investment in productive facilities.

Laxer's final and overriding straw man is the spectre of loss of sovereignty. It is a non-sensical argument and requires, in order for it to be convincing, that all kinds of unrelated issues be dragged in: social programs, policy harmonization, the dollar, militarism. It is hard to equate sovereignty with the tariff on shoes, a quota on shirts or a health and sanitary regulation for meat. It is an argument without foundation and sorely lacking in perspective. In making it, Laxer and others tend to betray a sad anti-Americanism based on political rather than economic considerations. It is the jingoistic slogan of 1911: "no truck or trade with the Yankees". In order to make his position more respectable, he wraps himself in the flag and counsels multilateral negotiations under GATT, a position wholly inconsistent with his espousal of industrial policy and closed borders.

In her damning criticism of Laxer in the *Montreal Gazette*, Dian Cohen implored that we read more on this subject than this book. I had. I had read, among others, Lipsey and Smith's *Taking the Initiative* including its compelling economic analysis and realistic assessment of the various alternatives. Only a dyed-in-the-wool mercantilist would come to different conclusions.

Methodically, clearly and simply Lipsey and Smith develop the case for a free-trade arrangement. In their first two chapters they sketch the background: a changing global economy and Canada's troubling prospects. They use this material effectively in the third introductory chapter in spelling out the theoretical foundations for trade liberalization and the evidence of empirical research. In part two they map out the options available to meet the problems identified in part one: the status quo, an inward-looking policy (hello, James Laxer), the "third option" of trade diversification, the aggressive pursuit of multilateralism and, finally, bilateral free trade. With each option, they develop the pros and cons which in each case point to the next option until we are left with the single choice of bilateral trade liberalization. It in turn is examined in terms of a number of sub-options: sectoral free trade, functional free trade and comprehensive free trade. The latter option is then given detailed treatment in the next five chapters, addressing the issues and the political, economic and cultural objections that have been raised. This is done

convincingly. To add to their credibility, Lipsey and Smith map out what they see as the negotiating agenda and how many of the issues could be resolved. This section, however, is less credible, reflecting that the book was written more than two years ago and the fact that neither Lipsey or Smith has the kind of experience which would allow them to deal with such issues of detail.

But in their single-minded zeal to demonstrate the logic of the free-trade position, Lipsey and Smith leave the impression that Canada has no alternatives, that we are almost driven to petition the US government to grant Canada a free-trade agreement. Nor is this an issue which serves only Canadian interests. This approach helped the structure and logic of the book, but leaves an uneasy feeling. There are options and alternatives. If free-trade negotiations do not succeed, Canada is not left in an untenable position. Multilateral negotiations will continue and provide a less optimal but real basis for the pursuit of Canada's trade options. Similarly, the US also has vital interests in an agreement with Canada. These ensure that any agreement would provide for balance and give Canada sufficient bargaining leverage to pursue the Canadian interest. Lipsey and Smith would have been more convincing to the less committed if they had devoted more space to this dimension of their case. But for a short, simple and convincing introduction to the subject, there is no better.

A further antidote to the reasoning of the economic nationalists, protectionists and other opponents of free trade is provided by Bernard Landry. Rather than relying on economists associated with the business establishment, we have here the analysis of an admitted nationalist. His work is imbued with common sense and conviction and suggests that there is a wide gulf between a Quebec nationalist and a Council of Canadians' nationalist when it comes to economic analysis.

Landry set out to write a book for the layman, a book which would place the issues into perspective, cast some light on the mysteries of GATT and trade-policy making and generally demonstrate why the Canada-US trade initiative makes sense. He found when being interviewed as Quebec trade minister that normally well-informed journalists were at sea when it came to GATT and related issues. He concluded that much of what ministers and government officials take for granted is so much gobbledegook to the man on the street. His book tries to fill this gap in understanding.

Like Lipsey and Smith, Landry builds his argument systematically, although the logic of it was at first confusing. He starts by explaining what free trade does *not* mean by

contrasting two extremes: the free movement of all the factors of production (capital, technology, people, services and goods) versus protectionism (barriers which prevent or frustrate the movement of the factors of production). He argues that a free-trade agreement would be less than the first but a healthy step away from the day-to-day protectionism governments practice, even within Canada between provinces.

Landry next turns to the positive and defensive reasons for pursuing free trade — the economic case and the protectionist threat. Unlike Lipsey and Smith, he is able to draw on two years of debate and address the fears and myths which have appeared at times to dominate it — beer, agriculture, adjustment, social programmes, culture, the environment — and demonstrate their peripheral nature. He is thus able to put the naysayers — Ontario, the NDP and the trade union movement — in their place, as only a populist politician can.

His examples are drawn from everyday experience and explained in popular language. The result is a book which is credible and convincing for the average reader but which is at times misleading and inaccurate to the more specialized reader. Landry's arguments are basically sound, but he is a little shaky on some of the technical details (e.g., the GATT was not signed by 90 signatories from the outset but started with a more modest 23 members in 1947; the Kennedy Round anti-dumping code did not introduce international discipline on dumping but codified existing practice provided for in GATT article VI). The book would have benefitted from some careful editing.

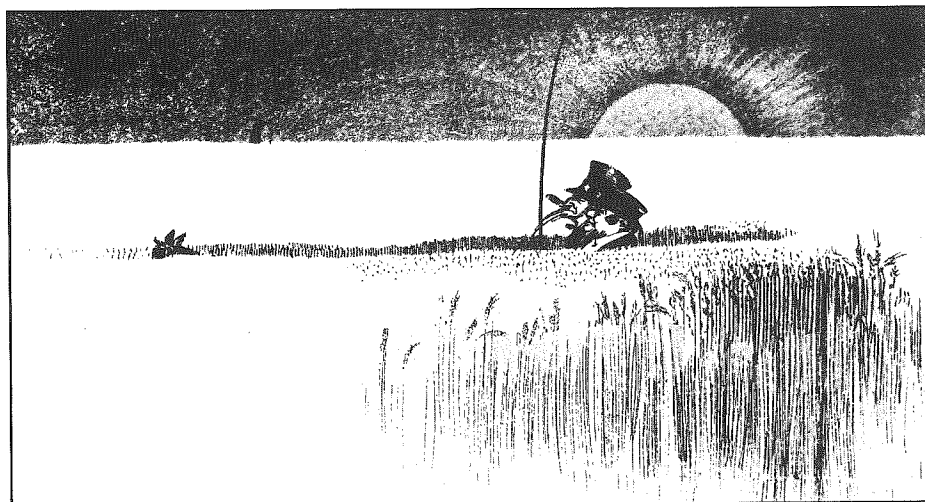
And what of the American perspective? Are Americans participating in the debate? Why is the US now interested in bilateral free-trade negotiations? Some of the reasons are the same; others are not. US interests include both the traditional agenda of any trade liberalization discussion (tariffs, customs procedures, non-tariff barriers such as licensing and technical regulations, import and export quotas, government procurement and dispute settlement) as well as newer issues such as enhanced protection of intellectual property (copyright, patents, trademarks), more open and secure investment conditions, and new rules to govern trade in services. Viewed from another angle, US interests include both issues of significance in the Canada-US context (largely the traditional issues) and issues of greatest importance in a global context (mainly the new issues). Unfortunately, we do not find this kind of analysis in Paul Wonnacott's book. He does not address the economic and policy reasons underlying US interest in bilateral

negotiations. What Wonnacott does is examine the Canadian case through US eyes. Within these limitations, his work is a timely and useful analysis.

Wonnacott also writes for the more specialized reader. He thus feels no need to debunk the myths or demonstrate that free trade is a good thing. He can begin with a survey of the real issues: tariffs, non-tariff barriers, trade remedy law, services and investment. This is followed by a quick review of the history of Canada-US trade and previous negotiating attempts. He then turns to a detailed, technical discussion of the gains from free trade for the US and for Canada in a manner which the non-specialist can understand.

This background material sets up the heart of the matter: why Canada decided to proceed with a bilateral initiative at this time and the central importance of trade remedy

- a narrowing of differences on trade remedy law, i.e., the establishment of different standards for Canada as a transitional step towards a more ambitious package as experience is gained with the agreement;
 - national treatment for government procurement at the federal level with some opening of state and provincial procurement;
 - rules governing trade-related investment issues;
 - a statement of general principles on services; and
 - establishment of a bilateral commission.
- Such a limited package he believes to be attainable in 1987. It would provide a basis for further negotiation on the more ambitious demands of the two governments in the areas of trade remedy law, services and investment in the future.



Uncle Sam (looking over Canadian West with Mr. Bull): "They say it's a fine lookin' country, John, but darn it all, you can't see it for the wheat".

law or contingency protection in the negotiation. Not only does he sketch the background and underpinnings for Canadian and US approaches to this issue, but he offers a range of interesting solutions for the most troublesome dimension: subsidies and countervailing duties. He suggests that an ambitious approach — regulating subsidies and eschewing countervailing duties — could be attained, but only after experience has been gained with bi-national rule-making and after there is clear guidance on what are acceptable and unacceptable practices.

Having examined the most crucial issue from Canada's perspective, he next turns to the potential coverage and elements of a possible agreement and hazards a guess at what could be achieved in 1987:

- elimination of all tariffs, with some agricultural exceptions, over five to ten years;

Wonnacott's major fault may also be his strength: his assessment of a possible agreement is far from being as ambitious in scope, reach and coverage as Lipsey and Smith and Landry. He thus reflects US prejudice. While US readers deserve a fuller explanation of why Canada is seeking an agreement ambitious in scope, broad in coverage and imaginative in design, Wonnacott's more cautious package may be the more realistic. Perhaps before critical decisions are taken, other US sources will fill the gap. For now, we will have to be satisfied with Wonnacott's sober assessment and cautious point of departure.

And is there debate in the US? One of the distinguishing features of the discussion of free trade policy on both sides of the Canada-US border in the 1980s is that while both sides talk of free trade, the debate is entirely different. Americans debate the

issues of free trade, fair trade, competitiveness, industrial obsolescence, etc. without a single reference to Canada; their concern is both domestic and world-wide. Canadians are incapable of conceiving the issues without reference to the United States; their concerns are consumed by the bilateral dimension. To some Americans, free trade brings forward images of low and unfairly priced goods invading the land of the free and the brave from across the Pacific. To their Canadian counterparts, free trade brings up spectres of an invasion of evil Yankees from south of the border. Yet the issues in both countries are largely the same: what public policies are required to nurture competitive economies for the future capable of meeting the challenge of a global economy and economic interdependence as well as the transition from labour-intensive and resource-based industries of the past to the knowledge-intensive industries of the future. But let's leave all that for another review. Suffice it to sway that they too have their patriots. Even Americans believe they have something to fear from world competition. Their bogeymen are in Europe, Japan and the Third World. The arguments, however, are the same.

The Man from Halifax Sir John Thompson, Prime Minister, by Peter Waite, University of Toronto Press, 1985, \$39.85 (\$17.95 paper 1986).

Reviewed by Graham Mitchell

At 2 p.m. on the twelfth of December 1894, at Windsor Castle, shortly after being sworn in as a member of Queen Victoria's Privy Council, Sir John Thompson collapsed and died. He was forty-nine years old. Thus ended the career of "The Man from Halifax", Canada's fourth Prime Minister and the subject of a revealing and well-written biography under that title by Professor Peter Waite of Dalhousie University.

Professor Waite leads us with a sure hand to the heart of a complex and subtle character, a man largely unknown to Canadians, yet one whose parliamentary skills, penetrating legal mind and diplomatic astuteness have left an imprint on his country. This book does more than bring to our attention a political figure whose careers spanned the passage from colony to quasi-nationhood. It also paints the picture of a man whose talents led him from the austerity, the integrity and the warmth of an Irish Methodist family in Halifax to the adoption of Catholicism, through the rough and tumble of provincial politics in Nova Scotia to become the right



Sir John D.S. Thompson

hand man and real successor to Sir John A. Macdonald.

Professor Waite's clear and uncluttered style, his interweaving of the intensely personal correspondence between Sir John and his wife Annie with the development of Sir John's public personality and the historian's eye for the choice of significant material have created for the reader an enjoyable and instructive book.

There is a bonus for those interested in Canada's external relations. Professor Waite deals at some length with Sir John Thompson's role in Canada-United States relations. Waite highlights the 1877 fisheries arbitration in Halifax, the fisheries treaty negotiations in Washington in 1887 and the Bering Sea tribunal in Paris in 1893. These three problems show that even 100 years ago, on fisheries issues Canada was at odds with the United States. Professor Waite records the sentiment of the press of the day: "In the (New York Tribune's) view, Americans ever since Independence have been outdone by the diabolical cleverness of Anglo-Canadian diplomacy; it was 'a lottery in which the Canadians have always drawn the prizes and the Americans the blanks.'"

The public record of Sir John Thompson's achievements is open to anyone willing to take the time to study it. What Professor Waite has done is to combine this with the massive private correspondence between Thompson, his family and friends. Throughout his married life Thompson wrote every day to his wife Annie when they were apart, and she to him. Like many 19th century figures Thompson wrote much of his correspondence in shorthand, both to keep prying eyes from his reflections and to permit him greater liberty of expression. It was from this material that Professor Waite extracted the elements to put a human face on a person who is little known to Canadians.

"The Man from Halifax" covers first, Thompson's youth and early political and judicial career in Nova Scotia, second, his period as Minister of Justice in Ottawa and finally, the brief but promising time as Prime Minister. One theme runs through all three periods — the growth and maturity of a personality attuned to the public good, courageous once engaged in a dispute or issue yet curiously lacking in ambition for public office. That ambition was provided by his wife Annie who, as the correspondence shows, never stopped pushing her husband fully to realize the potential she saw in him. Waite draws on the judgements of Thompson's peers to support the argument that Thompson had one of the finest judicial minds of his time, and was a first rate political strategist.

Professor Waite paints a striking picture of Thompson's youth and the influence wielded by his father, an Irish Methodist immigrant whose passion for fearless integrity and belief in the value of reasoned discourse marked his youngest son. Thompson grew up in happy but very modest circumstances, never very far from political life in Halifax, breathing in the atmosphere of a growing garrison city. Indeed this atmosphere was not always the finest. As Professor Waite points out, "Halifax...lived and ate and drank and sinned and died amid conditions we would find primitive, if not offensive." However young John Thompson survived and thrived. Articled clerk at 16, called to the bar of Nova Scotia in 1865 at the age of 19, he is portrayed as a young man of courage, integrity and sincerity. This showed in his conversion to Roman Catholicism, which linked him intellectually and emotionally to the church in Nova Scotia, a choice which had a

profound influence throughout his political life. It also showed in his decision to marry Annie Affleck, a lively and strong-willed girl who provided him a strength or purpose that Thompson himself admitted lacking.

Thompson's abilities were recognized early, particularly his ability to express himself with clarity and lucidity. Indeed, Professor Waite argues that Thompson was a great lawyer. Waite notes "...though he assimilated detail with awesome ease, the bent of his mind was not towards detail but towards the clarity that emerged on the other side, engendered by the ancient inductive process so characteristic of English law, when the particulars had been absorbed and intellectually systemized."

The lines of force of Thompson's later career were already evident: the clarity and thoroughness already noted, a strong sense of justice, the promotion of tolerance among protestant and catholic, and an interest in "Canadian" diplomacy which reflected a strong sense of what we would now call Canadian Nationalism.

During his years in provincial life, from 1878-86, Thompson is portrayed as a star in a cluster of nonentities: first as provincial attorney general where he was instrumental in modernizing the administration of the province, later as Justice of the Provincial Supreme Court where he drafted the Nova Scotia Judicature Act which stood practically without amendment from 1884 until 1950. Although Thompson himself might have been satisfied to continue as a judge, his reputation among Nova Scotia conservatives made him a candidate to succeed Sir Charles Tupper and he agreed to accept Sir John A. Macdonald's offer of the portfolio of Minister of Justice.



Sir John D.S. Thompson with his family.

One of the most entertaining aspects of "The Man from Halifax" is the description of the electoral process at work in Nova Scotia in the late 19th Century. Professor Waite is honest and amusing as he shows the rough hewn and patronage ridden underside of elections in Antigonish — Thompson's riding — as the future Prime Minister struggles for a seat. The press was vigorous, the Catholic Church played an important role.

Professor Waite follows in detail the parliamentary and personal career of Thompson in Ottawa. What strikes one immediately is how intensely Sir John worked and how so few people accomplished so much. The Department of Justice fit into a corner of the East Block, and consisted of the Minister and nineteen other staff. Yet with this corporal's guard the Minister was to ensure that the "administration of public business was in accordance with the law". Despite this daunting task, Thompson found on his arrival in Ottawa that the first four offices of his department "were 'as deserted as the enchanted palace' in Sleeping Beauty."

Thompson's arrival in Ottawa coincided with the final curtain on the Riel rebellion which led to such outbursts of anger that the lives of the Prime Minister and the Quebec members of the Cabinet were threatened. Waite notes that: "Thompson opined privately that politicians found their life so unpleasant that the threat of death was the last thing to terrify them." Nonetheless, Thompson as Minister of Justice, was called upon to defend the Macdonald Government's decisions on Riel. This was the occasion of his first major speech in the House of Commons. This was described by a Liberal correspondent of the *Toronto Globe*: "When he sat down after his first (major) speech in the House of Commons it was realized that a great figure had emerged from a curious obscurity." This first success was to be followed by others, as Thompson mastered his responsibilities as minister and the intricacies of the House.

Waite shows us a politician growing with his office and facing the challenges of administering the Justice portfolio in a country moving from colony to nation. Canada-United States relations then, as today, were of primary concern to federal politicians. The issues on which Professor Waite focusses our attention are also remarkably familiar, fisheries and reciprocity. Both also have a Newfoundland dimension which casts some light on the historical bases for the current tensions between Ottawa, St. John's and Paris on the Newfoundland fishery. Professor Waite highlights the fisheries negotiations of 1887-8 between Canada and the United States and also the dispute

arising from an American offer of reciprocity in the fisheries trade with Newfoundland. He highlights Thompson's key role in these issues as well as during the Bering Sea Arbitral Tribunal in Paris in 1893. Through all these negotiations Thompson appears as not only a man of legal acumen but increasingly more Canadian in his outlook.

Professor Waite also shows Thompson facing the other major issues of his time in office: the Manitoba School debate which Thompson tried to resolve through the application of reason and moderation in the framework of the law, the fierce battle with Britain over Copyright by which Thompson sought to provide support for the Canadian publishing industry, Thompson's careful and sensitive approach to the concept of disallowance of Provincial statutes which he brought to a state where disallowance disappeared as a serious cause of friction with the provinces, the introduction of the new Criminal Code for Canada, a monumental work which broke new ground in the field of criminal justice.

Professor Waite has accomplished three aims in this presentation of Sir John Thompson. He has reminded us of the importance of a careful reading of Canadian history for a better understanding of the problems and issues of today. He has demonstrated that the nature of our nation and its relations with the United States are rooted in our history and our geography and that the intensity of the discussion of problems was as lively one hundred years ago as it is today. Finally, Waite has written a good story, remarkably readable, balancing the account of John Thompson's personal life with a detailed yet compelling presentation of his public career.

Bedfellows by C.J. Masson, Balmuir, 220 pp., \$12.95.

Reviewed by G. Arthur Sage

Bedfellows, by C.J. Masson, is, on the surface, a poorly-written mélange of dangling participles, jargon, and pseudonymic pin-pricks unworthy of the Canada Council assistance it received.

The disclaimer on the back of the title page reads, "BEDFELLOWS is a work of fiction and any similarity to persons living or dead is purely coincidental." Hogwash! Guess who this Canadian might be, "purely coincidentally" of course:

"Let them discover what it is to have a First Lady totally dedicated to her man's

chosen path. How she wished to be alone with him at the moment of triumph so that she could rub herself against him like a pussy-cat."

Certainly not Maureen McTeer. Or, who could this fellow traveller be?

"The Prime Minister's Challenger landed first followed by the security plane; then his empty back-up aircraft and finally the buzz-saw of Bliss' Dash-8 with her and their two daughters aboard."

Aha! Eureka! Certainly not Pierre Elliott Trudeau. No, these celebrities are Bliss "chirp and twitter" Dolittle and her husband Prime Minister William "repetitive speeches in the honied monotone" Waverly Dolittle.

It gets worse as "Bliss dropped her Reader's Digest and sat bolt upright, her perky nipples straining at the Dacron of her nightie." Waverly is so narcissistic he wants a baby on Christmas Day to keep up with a famous precedent. He discusses strategic family planning with his wife before "his oleaginous snores began to fill the chamber." Yuk! No one would steal this book from the luggage rack of a Via railcar so far.

If you can stand the Harlequin romance illiteracy posing as satire ("Shit! he yelled, as Mrs. Stenhouse cameled her way toward the oasis beyond the door."), or the cryptolibellous venom of an obviously disgruntled civil servant writing under pseudonym ("C.J. Masson" = "J...Maison" = Jamieson) there are merits to this book.

Sex and the United States have always confused Canadians. Both are elements that have to be lived with up close (like them or not), and both involve extensive human and commercial intercourse leading to dependence and the gradual lessening of personal or national sovereignty. **Bedfellows** alludes to the 19th Century sexual metaphor of Canadian submissiveness to American pressures on matters of sovereignty. Prime Minister Waverly Dolittle is gradually assuming a Presidential Republican system with the help of his henchman, Arnold Mann, and the irrepressible forces of American hegemony.

The book and its writing improve as it progresses, and the author becomes more fluid in her plot. There are surrealistic absurdities that work such as the destruction of the Deputy Minister of Fisheries and his bicycle by a camouflaged truck driven by "Minister-of-almost-everything" Arnold Mann. Deputy after Deputy is trucked down by the crazy Mann who is never caught. There are no witnesses to this effective downsizing of the senior level of the public service.

Another clever aspect is the settlement by vigilant Canadians of northern "Gulags" as part of bureaucratic decentralization and the assertion of Canadian Arctic sovereignty.

The final act of Manifest Destiny is to blow up Dolittle's plane, put the simpering Bliss in charge of Canada, and "sign the Order-in-Council declaring anything north of the 60th parallel extraterritorial to be used by the U.S. as they see fit."

C.J. Masson has warned us of the dangers of egghead strategic management that simply apes American mistakes.

C.J. Masson seems to be legitimately angry at what she sees as having happened to Canada and the Canadian public service in the last decade or so. Her satire does not put the blame fully at the feet of politicians though these are portrayed as self-serving, brainless egotists. She implies criticism also of the cloning system of senior managers in the public service brainwashed in pseudo-training schools like Touraine, a monastic retreat on a hill near Ottawa staffed by would-be professors of management. The only benefit of such training is the networking aspect where manager meets manager. The drawback is that the blue sky theories are seldom realized in the real world of public service. Her character Arnold Mann is the typical example of a crony in whom too

much power is placed by political masters. Mann is a calculator with plans for the world that have little to do with the way things actually work. He reminds us of the terminally superannuated Senator Michael Pitfield whose solipsistic ideas are in large part responsible for the dire straits in which a disillusioned and demoralized Canadian public service finds itself. C.J. Masson has warned us of the dangers of egghead strategic management that simply apes American mistakes. After all, Robert MacNamara of Harvard believed that the attrition of the Vietnam death machine would bring victory for the United States. What it brought instead, as predicted by better American minds, was the realization that the real enemy was not a cruel communist regime but an inner devil trying to impose inhuman systems on men and women. In fairness, MacNamara has worn his sackcloth and ashes since Vietnam in his espousal of ethical approaches to the world monetary system and the prevention of war. Yet another Saul must fall off his horse in front of the light. Pitfield has simply "gone bush". The lesson is that the dangers of lost vigilance abound. C.J. Masson has, somewhat clumsily, sent a cry across the valleys of lost ethics and numbskull management theories in Ottawa, and has implicitly called for reform in "the blissful days of Waverly Dolittle."

Tighter editing and more surrealist satire would have helped this book. Given the critical situation of the political realm and the public service in Canada at present we would have enjoyed more poignancy and better humour. It is true that the real-life "herds of sycophants, pocket-liners, nepotists, bunglers, dipsomaniacs, and power-trippers who run a suffering nation" are well represented in **Bedfellows**. But where Stephen Leacock, Jonathan Swift and Mark Twain succeeded was in their artistic ability to hit a target square on the nose without too much axe-grinding. The characters in **Bedfellows** are just too close to home for comfort making the book less a satire and more a diatribe.

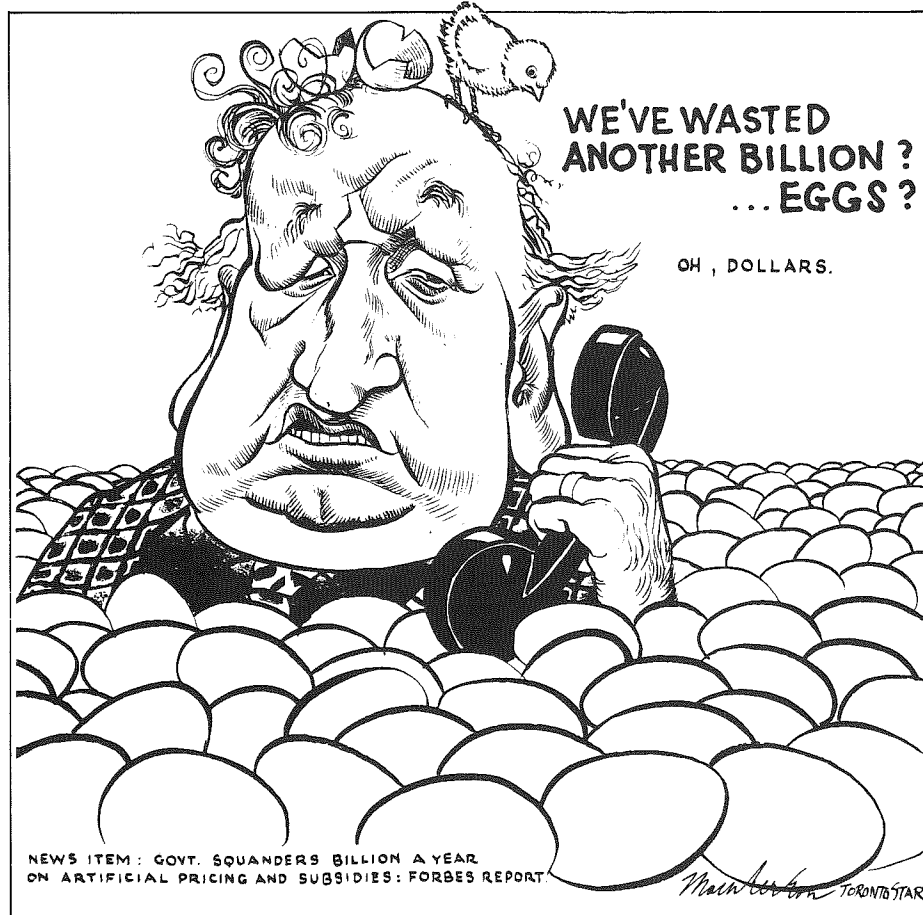
C.J. Masson writes well when she fantasizes about "Government Departments relocated to Arctic Gulags." For that she receives a resounding B plus. But the reader does have to wade through D-grades of sophomoric writing, sludge, and cant, before the merits of the book are visible. O Canada, we really do still stand on guard for thee....

Eugene Whelan by Eugene Whelan, Irwin Publishing Inc, 300 pp., \$19.95.

Reviewed by David P. Smith

Eugene Whelan is a decent, likeable, earthy and blunt politician who has turned out a very readable memoir with the help of freelance writer, Rick Archbold. His biases come through with the subtlety of a pile-driver. His first sentence proclaims his dislike for banks ("I've never had much use for banks — or bankers..."), and he never lets up on that theme throughout. His lack of awe of higher education is another recurring bias. He relishes the story of the time he asked Jack Davis, once the Minister of Fisheries under whom Whelan served as Parliamentary Secretary, what a Ph.D. stood for. David replied, "In order to get that degree all you have to do is know how to read and have a decent memory and be able to write down what you remember. It doesn't mean you know a thing about practicality." Whelan's analysis of Davis' lack of political savvy was totally accurate, but he repeats his point that education and intelligence are not synonymous to such an extent that he appears subconsciously defensive about the fact that he never attended college.

Eugene Whelan's political successes have been such that he need not feel defensive about anything, and he would probably be outraged at such a suggestion. He is a successful, self-made child of the Depression whose father died when he was six. Eugene was the middle one of nine kids, who were raised on a modest farm in Essex County that didn't



have electricity until he was fifteen. They were dirt poor, and Whelan's mother was obviously a saint who successfully raised what sounds like a rowdy bunch on a Mother's Allowance. His roots were poor but proud Irish Catholic farmers who distrusted the establishment, in general, and banks, in particular.

It will not come as a shock to readers that he dislikes Toronto ("We always called it Hogtown, too, not because it had so many pigs but because it hogged everything, all the financial world and so on. It still does."). The only surprise regarding Toronto is that he waited forty-five pages before taking a swipe at it! He also dislikes John Turner, and he makes no effort to veil this dislike which was well-established prior to Turner's dismissal of him as Minister of Agriculture in 1984. Whelan didn't think Turner was a "real Liberal". During the leadership campaign he repeatedly told delegates, "If the Canadian people have to choose between a real Tory and a pretend Tory, they'll choose the real Tory every time." In contrast, Bob Stanfield, who he did like, was not a "real Tory; he was probably more Liberal than Turner."

Whelan doesn't hesitate to say who and what he did like and he obviously liked Trudeau and Chrétien; but his greatest love was his job as Minister of Agriculture. He literally savoured every second of his eleven years in the portfolio, and on balance he was probably Canada's most successful agriculture minister. Traditionally most farmers dislike bankers, lawyers and Toronto. They are suspicious of bureaucrats and educated people with gratuitous advice on how to run a farm. Never before had they had such a champion who shared every one of their biases in every corpuscle of his body and proclaimed it to the world like a foghorn. Furthermore, Whelan had a fairly free hand in shaping federal agricultural policy during his tenure, as no one else in Cabinet or among the mandarins knew as much about the subject as he did.

His reminiscences of growing up are quite endearing. His hostility towards banks was shaped at an early age by family experiences during the Depression. However, his penchant for common sense, which he obviously believes to be one of his great attributes, is patently lacking in his attitude towards banks. How the country would be better off by having weaker banks, as a result of their being forced to take greater risks for the sake of the "little guy", is never explained. During our brief time together in Cabinet it was totally impossible to have a rational discussion with Eugene on the subject of banks. It was as if they still had to be punished for their sins of the past including those against the Whelan family.

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During Whelan's early years in parliament the dominant political force in Southwestern Ontario was Paul Martin. Whelan's tales of the 1968 leadership campaign are great reading, including his account of how he tried for weeks to avoid a meeting with Martin in which he would be forced to break the news that he had decided to support Trudeau. He relates how Martin assured him that he had the support of thirty-two M.P.s, and of his reply, "Paul, you don't have any thirty-two. You've got five.". Whelan then gave him the names, but Martin refused to believe him. Martin wound up in tears, but Whelan was unrelenting in refusing his support. As Eugene said, "It was a hard meeting."

Whelan goes on to recount that, in fact, Martin wound up with only five M.P.s supporting him. "A lot of people had told him one thing and done another. It's often that way in politics." At first blush it might seem surprising that Whelan's canny gut instincts in predicting the outcome of the '68 leadership race weren't functioning in 1984. However, it's difficult to be objective about oneself, and Whelan had exactly the same delusions about his own strength in '84 as Martin had in '68. "I figured I'd get support from farmers and from people — M.P.s and others — whom I'd helped over the years. Quite a few promised to vote for me at least on the first ballot, and then didn't when the day came." When the results of the first ballot were announced, Whelan came dead last. "I was devastated, destroyed. I'd never expected that I'd have only eighty-four votes. You can't imagine how bad it feels." I was in that civic centre that day and I think the only person who was surprised at his showing was Whelan himself, and perhaps his family. In his own words he just "couldn't understand it", but in retrospect, he had the honesty to say, "I guess I felt a bit like old Paul Martin back in '68."

Eugene Whelan should not have run for the leadership. Had he not done so, he might well be our Ambassador in Rome at the U.N.'s Food and Agriculture Organization. Why did he run? I don't think he thought he had a genuine chance. But he seriously overestimated his strength and he thought he could establish himself as a major force in the party by demonstrating a national base, particularly from rural areas. What in fact happened was the exact opposite in that he demonstrated weakness. It wasn't that Liberals didn't like Whelan — they did. He was probably second only to Chrétien in popularity when giving stemwinder partisan speeches to Liberal gatherings across the country. But the Liberal troops didn't remotely see him as a prime minister. In the long run some of his antics, such as the green

stetson which helped give him a national identity and profile, backfired on him, as the caricature that emerged had touches of buffoonery that were totally incompatible with the Liberal delegates' image of a leader. They saw their duty in selecting Trudeau's successor as far too serious to waste their first ballot on a good friend who they did not see as a leader. His poor showing undoubtedly reinforced Turner's belief that his talents were dispensable when he was trying to put a new face on an old cabinet in July of 1984. Likewise, Mulroney also discounted Whelan's popularity with farmers as a result of his disastrous leadership bid, and concluded that he could be fired with impunity as Ambassador to the F.A.O.

Mulroney made a mistake. Whelan would have been a superb voice for Canada at the F.A.O.. Ironically, Whelan can probably blame a third fellow Irishman for his ouster as the F.A.O. Ambassador — Bryce Mackasey. Were it not for the uproar over patronage that Bryce's appointment triggered, Whelan's appointment would probably have survived. I vividly recall the moans and groans at Trudeau's final cabinet meeting when he announced that he was appointing Bryce Mackasey as Ambassador to Portugal. He held up his hands and said, "Why I'm doing you all a favour!". When the room fell silent in disbelief he said, with a twinkle in his eye, "I'm getting him out of the country!". In contrast, no one objected whatsoever to Whelan's appointment, which was generally regarded as appropriate and well-deserved.

Whelan is a good judge of character, and a little story which I have never told Eugene illustrates this point. Whelan hosted Gorbachev for ten days during his 1983 Canadian tour when Gorbachev was the Soviet Union's agricultural boss, before he took over as General Secretary. Prior to the initial summit between Reagan and Gorbachev which took place in Geneva in 1985, I was having lunch with a friend of mine who is in the U.S. State Department. As Gorbachev was a relatively unknown commodity in the West at this point, I suggested that my friend track down Whelan on the off chance that he might have some insight into Gorbachev's personality. After the General summit, my State Department friend phoned to say he owed me a great favour for my suggestion. He told me he had received "heaps of praise" from the White House, the State Department and the National Security Council for having produced the single most helpful background paper for the President which contained new information on Gorbachev's personality. My friend's entire paper was based on his interview with Eugene Whelan.

Frank H. Underhill: Intellectual Provocateur by R. Douglas Francis, University of Toronto Press, 1986.

Reviewed by J.W. Pickersgill

Professor Francis has written a straightforward, scholarly and readable biography of one of our most articulate Canadian academics.

Frank Underhill was the highly gifted and rather sheltered child of well-to-do-parents; an English immigrant father and a mother born in Canada of a father from the north of England and a staunch Presbyterian mother from Aberdeen, Scotland. Late in life Underhill described himself as being born a "North York Presbyterian Grit". He was from his student days repelled by the Toronto establishment and Toryism generally.

A brilliant student at the University of Toronto and Balliol College, Oxford, his lifelong interest in history and politics developed in his years in England. He was associated with the Fabian Society which was the intellectual inspiration of the Labour Party in England. He came to regard Socialism of the English type as the natural way for Liberalism to evolve in Canada as in England. Looking back at his whole career, the biographer shows that he was primarily liberal rather than socialist in outlook. Though he found Oxford and England congenial, he soon realized he could never become an Englishman and that being a Canadian was really different.

In 1914, right out of Oxford, Underhill became a full Professor of History at the University of Saskatchewan. The raw academic climate of Saskatoon and the Prairies he found a rude shock. For Underhill, the intellectual desert was relieved by the Manitoba Free Press and the editorials by J.W. Dafoe, and by a meeting with J.S. Woodsworth who was to become both a friend and a hero.

During that first year in Saskatoon he was troubled that he was not taking an active part in the war which he came to regard as a moral struggle. He enlisted in 1915 and soon found the life of a private soldier irksome. Once in England, through friendly influence, he secured a transfer to the British army leading shortly to a commission. He found the life of an officer much more congenial and the comradeship agreeable, though as a Canadian, he felt, in some ways, an outsider. His combat service began at Passchendaele in 1917; wounded on the Somme in early 1918, he was back in action in September until the final offensive. He acquitted himself well as a soldier, but he had had enough of war.



Underhill did not get back to Canada until the late summer of 1919. Oddly enough he was never in England again. He returned to his Professorship at Saskatoon where he remained until 1927, when he finally realized his ambition to achieve an academic post in the University of Toronto. In 1921, he had married a fellow academic, Ruth Mary Carr, Western born of an English immigrant family. It was a very happy marriage. His wife shared his academic and other interests and was a stalwart support in turbulent times.

At the University of Saskatchewan, as elsewhere in Canada where the only university was a strictly provincial institution, the prevailing attitude was that the academic staff should be politically neutral and inarticulate in public on controversial questions. The argument was that partisanship might jeopardize the financial support in the legislature for the University. Underhill reacted. In 1925 he spoke in public in support of the Progressive party. He confided to his father that he would vote Progressive if the candidate had any chance of winning, otherwise he would vote Liberal. It was clear he had no strong partisan views though he was no Tory. His open support of a party opposed to the Liberal government of Saskatchewan did not seem to get him into any trouble with the university authorities in Saskatoon, though no doubt eyebrows were raised. In Toronto the attitude to academics taking

part in partisan activity or expressing strong positions on external policy was far more irksome and intolerant. He submitted a paper to the conference of the Canadian Historical Society in 1927 on Confederation after sixty years. It stressed the emphasis on business interests in the movement for Confederation in the 1860s in which he claimed the men who ran the Grand Trunk, the Bank of Montreal, the Catholic Church, the Methodist Church and the Toronto Globe were more influential than the political leaders of the Conservative or Reform parties.

When he was offered the position in Toronto, his old mentor, Professor George Wrong, though supporting the appointment expressed concern that Underhill might be too quiet and retiring to make his influence felt. He need not have been concerned on that score! Always mild and rather shy in manner, Underhill in the classroom, on paper and on the platform became steadily sharper and more picturesque in expression. How he expressed an opinion rather than the opinion itself frequently aroused interest and often antagonism.

Once in Toronto, Underhill quickly became associated with the Canadian Forum which he helped to make the main organ of Canadian intellectual socialism. Underhill's political activity and distortions of his views soon resulted in censorious criticism. The story of attacks by politicians and university

authorities from Premiers Howard Ferguson to Mitchell Hepburn is well recounted. Underhill and his friends won the battle for academic freedom in Canada in 1940 and 1941. I am proud to recall that I had a part, which the biographer believes was decisive, in the final stage of the struggle.

In 1931, Underhill and Frank Scott of McGill decided there should be a Canadian Fabian Society. The League for Social Reconstruction was the result. Originally conceived as a means of reforming the Liberal Party, that aim was transformed after the foundation of the C.C.F. in Calgary in 1932. Underhill wrote the first draft of the Regina Manifesto in 1933. The League was called by its critics the brain trust of the new political party and the label suited Underhill well. His connection with the early years of the C.C.F. is interestingly recounted. His three fundamental principles of socialism were liberal — democracy, anti-capitalism and anti-imperialism. Once the blood began to rush to Toronto British heads as war approached, his opposition to British imperialism aroused even more antagonism than his attack on capitalism. To many of his critics, the suppression of opinions objectionable to a reactionary establishment was preferable to the clash of differences in an atmosphere of freedom.

Underhill's critics, who rarely read what he had said or written, but relied usually on sensational and often distorted newspaper

headlines, failed to observe that he was also critical of colleagues and associates in the League and the C.C.F. A difference in outlook led to a personal as well as ideological estrangement with a fellow professor, Harold Innis, who nonetheless gallantly came to his defence when the University was on the verge of dismissing Underhill.

Some of his phrases earned him the biographer's description of Underhill as "Intellectual Provocateur". Early in 1939, George Drew, then leader of the Opposition in the Ontario Legislature, dredged up a phrase Underhill had written four years earlier which had been published without his knowledge. Underhill had said that the poppies which grow in Flanders fields no longer had any interest for the people of Canada. Premier Hepburn cried "Shame, Shame." Underhill was saved that time only because of his war record and an explanation and apology. The phrase that caused the final crisis was used in a panel discussing the Ogdensburg Agreement between Roosevelt and Mackenzie King in which Underhill welcomed the American initiative and said "we can no longer put all our eggs in the British basket" — a phrase taken entirely out of context in press reports.

For Underhill as for me and for many other Canadians who felt it was not in the real interest of Canada to participate in another war in Europe, the fall of France and the threat to the very existence of Britain was a profound shock. Underhill soon concluded that the battle between socialism and capitalism was insignificant compared to the fundamental and irreconcilable struggle between democracy and totalitarianism.

It was not long before Underhill's support for the C.C.F. and for socialism began to wane. He began to worry about the defence of freedom in a state which would become the nearly universal employer, and he began to suspect a political party whose members seemed to believe they had a right to govern on the basis of their virtue alone. In a way Underhill's was a quest for an ideal political party of which freedom would be the corner stone. In the end he apparently felt the pragmatic Liberal party of Mackenzie King, St. Laurent and Pearson, despite imperfections he was always ready to point out, came closest to that ideal.

When the time came for his retirement from Toronto, I was pleased, as the Minister responsible for the Public Archives, to be able to convince my colleagues that Underhill should be appointed curator of Laurier House, a sinecure which would enable him to continue his work on the life of Edward Blake, the only leader of the federal Liberal party who did not become Prime Minister. The book was never finished

but the post gave him an opportunity to continue his work on history and politics and, through Carleton University, to carry on the greatest work of his life which was teaching. In 1960, Underhill, in a speech, disclaimed all knowledge of political issues and described his speciality as "general invective". But Ottawa in 1960 was more tolerant of criticism than Toronto had been in the 1930s and Underhill had become almost a prophet.

He was widely recognized in academic circles as one of three students of history who had most profoundly contributed to the understanding by Canadians of their country, both through their writings and, perhaps even more, through their influence on their students. The others were Harold Innis and Arthur Lower. Underhill and Lower were born in 1889 and Innis in 1894. The most profound influence on all three was the first world war. They had all served in combat and all emerged not merely with a horror of war, but of its appalling cost to Canada in the loss of 60,000 lives in a struggle which had never physically come close to our country. For Innis, who served throughout as an army private, the feeling of comradeship with his fellow veterans was closest. His sharp reaction to subservience and discipline no doubt nourished his abiding suspicion of bureaucracy and centralized political authority.

Neither Underhill, as an officer in the British army, nor Lower, as an officer in the British navy, experienced the same degree of the hardship of military life or the same solidarity with the Canadian corps, but all three believed that the experience of half a million young Canadians in war in Europe had created a Canadian spirit and a sense of Canadian unity.

Their attitudes to the character and development of Canada varied significantly. Those attitudes were influenced by family background and religious affiliation. The Innis family had been in Canada for at least three generations and their background was basically Scottish. They were farmers and Innis never lost his feeling for the soil and the seasonal variations in farm life. Though he lived in an urban community all his adult life, he never became urbane. His academic life began as an undergraduate at McMaster University then still in Toronto, but not of it. McMaster was a Baptist institution insistent on complete separation of church and state. Innis was brought up a devout Baptist and a traditional Ontario Grit. He once told Lower that their differences probably went back to religion and pointed out that the Methodists were always anxious to control things and the Baptists were always suspicious of control.

Lower's upbringing was both Methodist and Conservative and his book on his first seventy-five years clearly shows that his view that government was a positive force in shaping a nation owed much to that background. I knew all of them well but only Lower was an intimate friend. I joined Wesley College in the University of Manitoba in 1929 as Lower also did. He and I were the History Department. That was only five years after Church union and the separate Methodist and Presbyterian strains were still strong. I once told Lower and another colleague that the great difference I could see between Methodists and Presbyterians was that Methodists did not care what you believed as long as you did the right things, while the Presbyterians did not care what you did as long as you believed the right things.

That specious generalization is one measure of the difference in attitude between Lower and Underhill. Both were strong nationalists and both shared the view before 1940 that no Canadian interest was at stake in a war in Europe. But the expression of their nationalism differed. Lower sought to work with others of different views to get his to prevail, while Underhill tended to ridicule positions which differed from his own philosophical position at the time. Both faced disillusionment in 1940, but their reactions were different. Lower felt the call of the blood and a deeper emotional response to the peril to Britain; Underhill welcomed Ogdensburg as insurance for Canada as a North American nation.

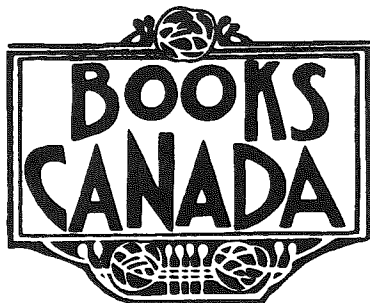
The Oxford trained Underhill showed less attachment to the traditional ties than the Harvard trained Arthur Lower who was impatient that the United States was so slow to perceive the menace until at Pearl Harbor the menace became a reality. Pearl Harbor looms large in Lower's autobiography; Ogdensburg is not even in the index; Pearl Harbor is not in the index of the Underhill biography.

Innis resisted the demand that academics participate in political life and even in commissions of inquiry, though he did yield on a few occasions. To him, the prime duty was to preserve scholarship. The outbreak of war in 1939 strengthened his hatred of war, but did not, even after June 1940, stimulate him to become directly involved. His first concern remained the preservation of freedom for research in universities and he continued to distrust government and dislike bureaucracy. No doubt this attitude was strengthened by his post-graduate studies at the University of Chicago. Though he was classed as an economist rather than a historian, he was basically an economic historian. From his studies at Chicago, Innis

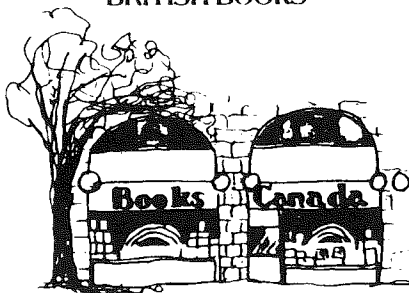
concluded that geographical and economic factors determined the future of a nation more than politics or government.

Both Lower and Innis differed from Underhill in another way. They had both worked as students in the summers and even full-time before completing their undergraduate studies. They had a taste of the work-a-day world and a wide geographical knowledge of Canada. Underhill's sheltered life as a student and a lifetime in the academic world, where even his political involvement was largely academic, resulted in a more theoretical and philosophical approach to history. He was critical and provocative rather than constructive. Of the three, Lower alone was seriously preoccupied with the composition of the Canadian population and especially with the basic need of accommodation between English- and French-speaking Canadians.

All three were superb teachers. In a way they might be compared to the blind Indians attempting, after direct contact, to describe an elephant. These Canadian scholars were not blind, but their vision was limited by both background and education. The vision of each was not total, but each of them contributed substantially to understanding what Canada really is. Professor Francis in his biography has vividly revealed Underhill's part in painting that national picture.



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Hon. J.W. Pickersgill, P.C., joined the Foreign Service in 1937 and was shortly thereafter assigned to the Prime Minister's Office. He was appointed Clerk of the Privy Council and Secretary to Cabinet in 1952, then left the Civil Service for elected office and served as Secretary of State, Minister of Citizenship and Immigration, Minister of Transportation in the St. Laurent and Pearson Cabinets. He is the author of four volumes in the Mackenzie King memories (1939-1948) and last year published *The Road Back*, his memoirs of the opposition Liberals during the Diefenbaker government.

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Benjamin Rogers joined the foreign service in 1938 and retired as Chief of Protocol in 1977. In between, he served in Canberra, Washington, Rio de Janeiro, Prague, London and as Ambassador to Turkey, Spain and Morocco, Italy and Malta, and Peru.

G. Arthur Sage is a retired deputy minister, writer, and birdwatcher. He retired in 1985 and is now giving lectures across the world on Canada, ethics, and meteorology. His best-selling treatise, *The Completely Civil Servant* is still in print.

Hon. David Smith, Ababa. C., Q.C., is Senior Counsel with Lyons, Goodman, Iancono, Smith and Berkow. The former Deputy Mayor of Toronto, he was an MP from 1980-84 and Minister of Tourism and Small Business in both the Trudeau and Turner governments.

Gwynneth Turner is a partner with Grenville-Wood and Turner.

by Len Mader

Le congé de maternité à l'étranger

On a récemment établi qu'il n'était pas possible à une employée enceinte en poste à l'étranger et désirant y demeurer pour avoir son bébé de se prévaloir de son droit à un congé de maternité sous sa convention collective.

Le congé de maternité prévue à la convention collective étant un congé sans solde et le traitement reçu, bien qu'équivalent à 93% du salaire, étant identifié comme une indemnité, la restriction prévue sous la DSE 69.06 s'applique. La DSE 69.06 stipule qu'une employée en congé sans solde n'a pas droit de recevoir des paiements sous les directives du service extérieur. Le ministère est aussi d'avis qu'à moins qu'un dépendant de cette employée n'y réside, l'employée n'a pas droit au logement de la Couronne si elle décide de se prévaloir d'un congé de maternité sans solde en vertu de sa convention collective. De plus, le bébé de cette employée n'aurait non plus aucun droit sous les directives (médicales entre autres) tant et aussi longtemps que sa mère demeurera en congé de maternité sans solde.

L'employée en poste à Ottawa lors d'une grossesse et d'un accouchement n'a pas bien entendu à se préoccuper de tout cela.

Il demeure toutefois qu'un droit négocié de bonne foi par les deux parties à la convention collective ASE ne peut être exercé par les employées lorsqu'en poste à l'étranger. Cette situation n'aurait dû être tolérée une fois portée à l'attention du ministère. Pourtant, on tergiverse, on se demande s'il y a lieu de s'alarmer puisqu'il serait plus sage que l'employée revienne à Ottawa pour accoucher...

Bien sûr, aucune employée n'a non plus été mise à la porte d'un logement de la Couronne. Certaines employées ont toutefois été avisées que cela relevait du domaine du possible et ont partant décidées de ne pas se prévaloir de leurs droits sous la convention collective.

L'APASE a demandé la réouverture des Directives sur le service extérieur dans le but d'y apporter une modification permettant à l'employée qui le désire de se prévaloir de son droit sous la convention collective lorsqu'en poste à l'étranger. En attendant, nous espérons que celles d'entre vous qui désirez vous prévaloir de votre droit à un congé de maternité lorsqu'en poste à l'étranger n'hésiteront pas à en faire la demande en vertu de leur convention collective.

By the time this reaches print, many of us on the Executive Committee will have moved on. Some of us have been caught up in the inexorable posting cycle and will be reading this far from our bright new offices on Rideau Street. In my case, an assignment at headquarters has put me into the "excluded" caste and I am obliged to step aside.

It is a curious state, exclusion. It is not as if I have stopped being concerned about the health of the foreign service or the fair treatment of our members, my colleagues and friends. Exclusion is a collective bargaining concept. It springs, it seems to me, not just from a demand by "management" that the holders of certain positions be free from collective bargaining responsibilities but as keenly from the demand of unionists that those to whom has been given some small amount of responsibility be kept at arm's length from the untainted corps of the true believers.

I overstate the case. Nonetheless, what has happened to me has put me in mind of the patently artificial distinction that we have put between ourselves as professional foreign service officers. It is not the Treasury Board alone that has introduced this schism. It proceeds from the way many of us persist in thinking about the career and, more tellingly, about ourselves.

Recently this magazine held a reception to thank its sponsors and the people who sustain it. Among the guests were several members of its remarkable editorial board. These men and women would have excelled in any field. We are fortunate that they shone in ours. Call it romanticism or mere vanity, but I see a clear succession from people like Ed Ritchie to the most recently recruited FS-1D. And as our skirmishes over non-career assignments showed, this distinguished group of elder statesmen still care passionately for what we are doing and our opportunities to do it well.

I can hear some of you saying, cynically, that it is easy for the retired senior officer to take the long and generous view. That worries me. I have seen a lot of that cynicism during my brief tenure as President. It disturbs me that it comes from the most junior officers. Some of it I can understand. It is not easy to maintain a family on an FS-1 income. It is hard to face with any equanimity the prospect of many long years between promotions. It is galling, (but hardly new), to deal with a boss whose best years are gone. What disturbs me is the conclusion that some people draw from their disappointment — that all their troubles have to do with "management", that if only we could escape its taint, especially, I suppose, then



Len Mader

we could march forward into a new age. The rhetoric, I'll grant you is compelling. What doesn't work is the logic.

As we prepared for contract negotiations this year, some of us gathered together and read the records left by negotiating committees long past. There were few surprises. It was even a bit discouraging to see how many times the same ground has been gone over with Treasury Board. Some of the militant, energetic and effective whose names I saw are senior managers now. Some have retired. What they left behind, and what they still share is a profound sense that what we do is of value and worth promoting. Neither now nor then would they have seen anything but commonality and community between themselves and their colleagues.

What I am groping for here is some way to say gracefully that I do not think most of us joined up to behave like domestic public servants. Like it or not we work in a unique environment with its own culture. It is not fixed; it is dynamic and should be prodded. What it cannot sustain is any more separations. The imposition of the EX system was bad enough. A drift toward exclusionism on our part would be worse. Slogans and easy rhetoric are effective prisons.

That is why I am confident about the future of PAFSO. Many of us are leaving the Executive. But as in the past, there are many willing to serve their colleagues, not because they have some axe to grind, or cause to promote, but because the issues do not change and the career is worth working for. To our successors, every best wish. The whole foreign service is counting on you.

by Christine Manseau

Parité salariale pour des fonctions équivalentes

Le président du Conseil du Trésor a annoncé récemment qu'il a accepté et entériné un plan de mise en oeuvre de la parité salariale pour des fonctions équivalentes dans la fonction publique fédérale. Ce plan a été proposé par un comité d'étude patronal-syndical.

The plan calls for a two-phase study which is expected to take approximately 18 months to complete. It could affect the wages of as many as 81,000 Public Service employees working in female-dominated occupational groups.

Durant la première étape de l'étude, des données sur un échantillonnage de 4 300 postes choisis au hasard seront recueillies puis analysées en fonction d'un plan commun d'évaluation qui a été adapté en vue de son application dans la fonction publique.

The joint union-management committee has since selected a job evaluation plan capable of classifying the duties, responsibilities and related working conditions found in the existing 69 Public Service occupational groups. It agreed to an evaluation process, the occupational groups to be included in the study, the means of collecting job information, and the composition of joint evaluation teams. The committee prepared and submitted the two-phase study plan which will form the basis for the next steps leading to the implementation of equal pay for work of equal value in the Public Service.

L'article II de la *Loi canadienne sur les droits de la personne* précise ce qui suit : « Constitue un acte discriminatoire le fait pour l'employeur d'instaurer ou de pratiquer la disparité salariale entre les hommes et les femmes qui exécutent, dans le même établissement, des fonctions équivalentes ».

Approximately 10 Foreign Service positions will be surveyed in the course of this study. The questionnaires that will be completed by those members of the Foreign Service assigned to the positions being surveyed will be used to determine the "value" of Foreign Service jobs as an integral part of the fifty-three male dominated groups of the federal Public Service.

Il est à remarquer qu'il ne sera pas possible de singulariser quelque groupe que ce soit parmi les groupes à dominance mâle puisque ceux-ci feront l'objet d'un placement global

une fois les données recueillies et évaluées. Cette étude vise uniquement à établir la différence salariale afférente à la valeur traditionnellement octroyée par la société à certaines occupations à dominance féminine. Une fois établie, si différence il y a, un règlement salarial sera négocié par les syndicats représentant ces employé(e)s.

As one of the unions of the Federal Public Service, PAFSO has been involved in this exercise in order to protect and represent the interests of the Foreign Service as a male-dominated group. It is not believed this study will have any adverse effect on our group other than to require the time of 10 of our members to complete a lengthy questionnaire. It is hoped however that the members employed in the identified female-dominated groups (CR's, ST's) will greatly benefit from the results of this study as it is estimated probable their job will rank well amongst those traditionally occupied by males.

Il s'agit d'une étude d'envergure jamais expérimentée dans le domaine de la parité salariale. C'est pourquoi la collaboration de ceux qui seront sollicités pour compléter un questionnaire est essentielle à cet exercice. Veuillez communiquer avec le bureau de l'APASE si vous désirez obtenir de plus amples renseignements sur le sujet.

Application du plan dentaire à l'étranger

Il est à espérer que tous ceux d'entre vous qui désiraient adhérer au plan dentaire de la fonction publique fédérale (CNM) et y inscrire leur famille ont eu l'occasion de compléter le formulaire approprié avant le 30 avril 1987. Si cela n'est pas le cas, veuillez entrer en contact avec ABM immédiatement.

Le conseil de gestion du plan dentaire a conçu une méthode d'application du plan dentaire à l'étranger qui permet un traitement égal eu égard au maximum réclamable par chaque employé pour l'année. Cette décision permet d'étendre le concept de la « comparabilité » aux conditions qui prévalent à Ottawa, concept qui est à la base des directives du service extérieur.

The amounts paid by the Dental Care Plan NJC part to a member of the plan will be registered on that employee's file as though they had been incurred in Canada. That is the Canadian Dental Association fee schedule will be applied against the procedure underwent by the member or his dependents

and the amount prescribed by such fee schedule will be registered on that plan member's file rather than the amount charged in the foreign country the work was performed in. This will ensure plan members assigned abroad will not reach their annual maximum any faster than if based in Ottawa.

Members with young families must remember to apply for family coverage on the day their oldest child turns six or within sixty days of that date should they wish to elect for children coverage. As the premium paid for family coverage does not vary according to the number of children covered, there will be no need to register the other children.

Les cartes d'identification émises par la Great-West Life devraient être disponibles d'ici à ce que vous receviez ce numéro ainsi que les formulaires de réclamation. Veuillez attacher le formulaire standard plan dentaire complété par votre dentiste au formulaire émis par la Great-West Life, le compléter et l'envoyer. Vous ne pouvez faire de réclamation sans votre numéro d'identification.

Did You Know That

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A Foreign Service employee can make use of a FSD50 assisted leave entitlement at any time during his/her tour of duty provided he/she does not exceed his/her entitlement.

FSD48

A Foreign Service employee may obtain up to 8 days additional leave over and above what is provided for his/her collective agreement for family-related responsibilities or bereavement leave.

FSD47

Leave used in conjunction with Post-attributable injuries or illnesses is not to be charged to an employee's accumulated sick leave credits regardless of the employee's place of assignment at the time of absence.

FSD48

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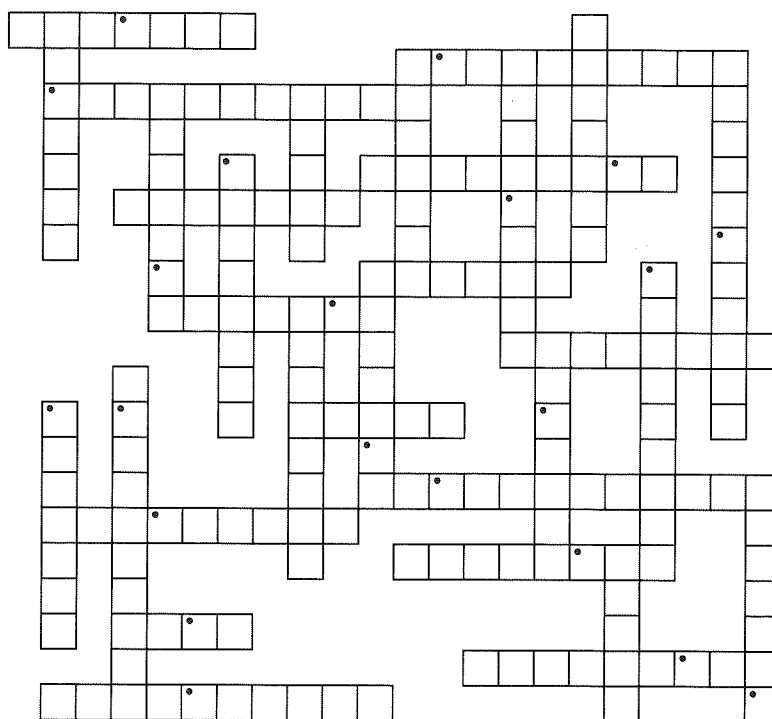
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The Ancient Skeleton

Another classic puzzle by A. Aalto

"Just what I didn't need, Leibnitz — another obscure report from Jimmy the Turk!" the Chief of Intelligence fumed. "We sent him to the Middle East to check out the rumour that the Chinese were about to unearth an ancient secret that could destroy the entire Swiss economy, including all those numbered accounts. The secret had something to do with a certain Macedonian general having used a strip of old cloth to tell the time — a lot cheaper than a Rolex! The Turk sent back a report, all right — on this computer disk. But it's locked with a code phrase and we don't know what it is. His covering note says that the 21 letters of the code phrase (three words, 10-3-8 letters) are the ones that would appear in the dotted squares of this skeleton puzzle once it was filled in. To fill in the skeleton, he adds, you must use modern English words or allusions derived from the names of people, mythical figures or places from classical antiquity. Here are the clues — he says the words are in alphabetical order and that the numbers tell how many letters are in that word:

- (a) love potions — 12
- (b) ideally rustic — 8
- (c) the final battle — 10
- (d) collection of maps — 5
- (e) uppermost storey — 5
- (f) drunken revelry — 11
- (g) complicated, underhanded — 9
- (h) West Indian music — 7
- (i) unheeded but accurate forecaster — 9
- (j) very wealthy person — 7
- (k) ambiguous, especially advice — 7
- (l) referring to reflected sound — 6
- (m) female version of word #x (looks good in black) — 7
- (n) centre of commerce — 8
- (o) eye-catching flower — 4

- (p) conviviality, heartiness — 9
- (q) of few words, like Stewart or Peck — 7
- (r) gay lifestyle — 10
- (s) relating to war or the military — 7
- (t) to wander idly — 7
- (u) volatile, sprightly — 9
- (v) lucky ability to prosper (2 words — 11 letters including an "x" substituted for the space)
- (w) extreme self-absorption — 10
- (x) describing a complex excess of mother-love — 7
- (y) vitriolic speech or invective — 9
- (z) confined to words or sentiment, not deeds — 8
- (aa) a type of triumph not to be repeated — 7
- (bb) once crossed, you can't change your mind — 7
- (cc) simple rugged approach or condition — 7
- (dd) outstanding figure in industry, science etc — 5
- (ee) relating to sexual activity — 8

"Interesting references," mused staff logician LDC Leibnitz, after a few minutes with a pencil and paper. "Seven Greek or Roman deities, three Greek regions, two Greek cities and two Greek city-colonies, a town in Palestine, a Greek island, a river in Asia Minor and a river in Italy, an Athenian philosopher, two mythical giants, two mythical kings and three real ones (two from northern Greece, one from Asia Minor), one of Ulysses' lovers, someone who loved Agamemnon and someone he brought home with him, and a pair of mythical might-have-been lovers. Some of the connections are a bit "iffy", but I dare say all the words themselves will be found in the *Oxford Concise*. The code-phrase of course is a reference to the goal of the Turk's mission, but I'm sure that I've heard it before, in another context."

Can you duplicate "Lucky Ludwig" Leibnitz's feat by (1) filling in the skeleton and (2) working out the code phrase? Ollie *would* be pleased.

Solution to Previous Puzzle

Solution

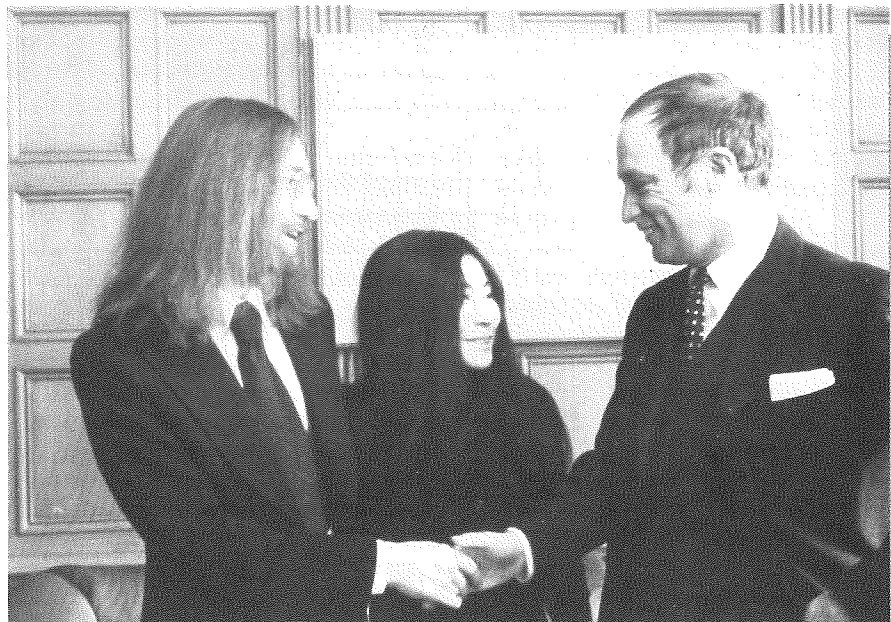
Murderer: Dawson. **Motive:** fear that exposure of scientific fraud would prevent Harvard from choosing him as President.
False statements: 4, 5, 14, 16 and 17.

Explanation

One of the lies is either statement 1, 6, 11, 16 or 21, since *someone* is the murderer. The other four lies can be deduced from the contradictions among the statements, the "double or nothing" impact of statement 5, the fact that there were only five lies in all, the fact that the murderer told more than one lie and the fact that exactly two of the suspects told no lies. (Full deductive chain available on request.)

Borox and Exmund are eliminated as suspects since statements 6 and 21 are true. Arthurs hated Fynkk for a bad review (statement 10), but this seems weak as a motive for murder. Arthurs is unlikely to be the "Piltdown man" (statement 9) since he is not a scientist. Archaeologist Caswell could well be this data falsifier, as the Piltdown skull was an archaeological fraud. There is also the question of Fynkk and Mrs. Caswell (statement 8). Dawson fits the Piltdown picture even better, however — "Charles Dawson" was the name of the man who discovered the skull, and suspect Dawson is described as "desperate" not to spoil his chances at Harvard (statement 3). Dawson also lied about when he entered the vestibule (statement 17), and why would he do so unless to make it seem he was out before Borox brought in the second glass?

The poisoning of the two glasses is indeed the key factor. Everyone knew that the Campari was Fynkk's (statement 18), so why put the drug in both drinks *unless you couldn't tell the difference??* Caswell was nearly blind, but could certainly tell crème de menthe from Campari by scent (statement 12). Arthurs could not have become a major artist without being able to tell green from pink. Dawson was red-green colour blind (statement 24) and had a heavy cold (statement 17), so he could tell the drinks apart neither by sight nor smell; as a former forensic scientist, he knew that to taste them was to risk leaving rim-smears of saliva that could be typed. On the other hand, as a biologist he knew that an allergy-based poison was highly unlikely to hurt anyone but Fynkk. Pinning the murder on Dawson is thus the simplest solution that fits all the facts.



CAPTION CONTEST

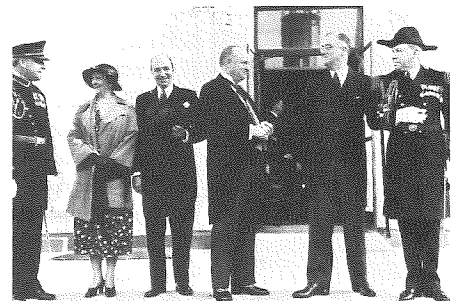
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OUR PUZZLE CONTEST WINNER:

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