

CANADIAN-U.S. MUTUAL PROBLEMS

4 March 1964

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NOTICE

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CAPTAIN McCUSKEY: Gentlemen: I think today that we all recognize that a multitude of problems face our Nation throughout the world. The status of our alliances and the conduct of our allies have not been all that we have desired. De Gaulle has given us a lot of problems, one being his exclusion of Britain from the Common Market. In the Western Hemisphere we have Castro, riots in Panama. Neutralism is on the rise in southeast Asia. We have had setbacks in South Vietnam. There has been the recognition of Red China by France. And then there are some little things like Cyprus, Kashmir, and Zanzibar.

Well, in comparison, it makes one wonder if such a thing as a real problem exists between our Nation and our good neighbor to the north, Canada.

Just in case, we have with us today a distinguished professor and a recognized authority on Canadian affairs from the University of Toronto, who will discuss with us "Canadian-U. S. Mutual Problems."

Dr. Eayrs.

DR. EAYRS: Thank you, Captain McCuskey. I guess I have news for you this morning. Admiral Rose, Gentlemen: It is a high honor and a great responsibility for me as a foreigner to come here to speak about the affairs of my country. I was down in Washington for this purpose a little over a year ago, and I find myself a bit uncertain as to whether the circumstances for useful discussion of Canadian-American problems are better or worse than they were at that time. I don't know whether it was laid on especially by somebody in your policy machine, but the night before I was to speak the Canadian Government was defeated in the House of Commons at Ottawa, and suddenly, maybe for the first time, little old Canada had become for official Washington what is

known down here as a problem area, right up there, as you said, with Cuba and the Congo. So the elections came and went, and Mr. Diefenbaker went, and maybe is gone, and once again Canada dropped out of the headlines, leaving them to Zanzibar.

I must say that I don't really believe that Field Marshal Okello is a more consequential figure down here than Mr. Pearson, but sometimes it seems that way.

I want this morning in the three-quarters of an hour that I have to try to discuss as many Canadian affairs as I can, as these affect or ought to affect the policies of the Government of the United States. I would like to say something, either in the lecture or in our question period, about the subject of defense both in its strategic and its economic aspects. I would like to say a word or two about foreign economic policy and about foreign policy proper. I would not be doing justice to the subject unless I said something, too, about the movement in my country to establish an independent, French-speaking state in the Province of Quebec. Finally, I would like to conclude by offering some personal and wholly unofficial comments on how to keep Canadian-American relations from degenerating to that angry and self-destructive condition of a year ago.

To begin with defense, I think the basic problem here may be grasped by recollecting that most of your allies in the North Atlantic Treaty can, if they choose, exercise more or less meaningfully this option of neutralism. That is to say they can trade their membership in NATO, with all its strains and stresses, for an assurance, worthless as this might well be, that in any Soviet-American nuclear conflict their territory would not become a nuclear battlefield and their centers of population and industry would not be brought under atomic bombardment. This option, of course, is more attractive to some members than to others. Iceland or Turkey could, by reason of their peripheral locations, profit from it more than West Germany or France, but it is, I think, an option open to all except Canada.

I think of Canada as being alone of the allies of the United States in not being able to hope in any way to profit from such a deal. You can break treaties, you can renounce pacts, but geography holds its victims fast. If the United States were ever to be brought under atomic attack, Canada's people, neutral or not,

would be fearsomely scourged. The assault would come, notwithstanding Soviet submarines or Cuban missile bases, or space satellites, mainly across the North Pole. Fallout respects not even an unguarded frontier, and most of what interception there might be of marauding missiles and bombers would occur over Canadian territory, and the apparatus with which it must be presumed that Soviet warheads would be armed would cause their detonation if brought down short of primary targets.

Now, if you look, as you people are accustomed to looking, at this situation through the cool, if callous, eyes of systems analysts or operations researchers, policy becomes simplicity. If what is dangerous to the United States is no less dangerous to Canada, it follows that Canadians should do everything in their power to help the United States improve and perfect the means of reducing that danger. They should, according to this view, do what they can, therefore, to strengthen the apparatus of massive retaliation and to improve the defenses of the continent should deterrence fail.

I don't have to tell this audience that public opinion does not always or even usually respond with the logic of operations research, and I think that a distinctive, not a dominant but a distinctive, ingredient in the Canadian public's response to this unenviable position athwart the approaches of atomic attack has been not so much a mood of resignation as a mood of resentment. Not all Canadians, I stress, and not on the evidence of the pollsters most Canadians, but certainly a good many Canadians, so far from being eager to help the United States in its strategy of conflict, have been resentful of the uneasy existence which their proximity to you has made inevitable. They resent the lack of options of which their geography deprives them, and they have tended on occasion to take out that resentment, not so much against the Soviet Union, where, if anywhere at all, it is properly directed, as against their friends and neighbors.

Partly because of this there has, in my observation, been since the beginning of the cold war a less highly developed sense of urgency in Canada about continental defense than you find down here. The Canadian mood is not wholly unreasonable. It derives, remember, from a different national tradition. Canadians entered the Second World War 27 months before the United States did, and entered in conscious decision of what was involved, entered only after a prolonged calculation of the advantages and disadvantages of becoming a belligerent at the side of the United Kingdom.

Now, the United States entered the war after becoming the victim of a surprise attack on its territory. For Americans Pearl Harbor is the symbol of the penalty of unpreparedness, but to a majority of Canadians the words, "Pearl Harbor" are something they associate with movies they see on the late-late television show. A surprise attack is no part of our experience. Certainly it is not the crucial and searing lesson that it has been for almost every American of this generation.

As a result of this, Canadian strategic intelligencers are perceptively more skeptical than their American counterparts concerning the intentions and capabilities of the enemy. Their answers to the question: Would the Soviet Union attack North America if it could, and could it if it would? are more likely to be answered in the negative. Canadian defense authorities, both civilian and military, frankly do not think the evidence always warrants the alarmist interpretations frequently placed upon it by the American intelligence community. They know how often intelligence estimates in the United States are really weapons in that cold war which is waged between the Congress and the White House, or, indeed, between different parts of the armed services.

I was struck, at a briefing of visitors, among whom I was one, to the headquarters of the North American Air Defense Command, when I asked the senior Canadian and American officers present whether they had been able to detect, in their years of working together as a unified command, any significant difference in the intelligence appraisals of their respective staffs. They agreed--I thought this was interesting and perhaps you will--that there was a difference and that it consisted always in the more conservative evaluation of the Canadian vis-a-vis the American of what was going on.

There is one instance of this, which is hardly a security secret since it was published in "The Reader's Digest." Perhaps you remember when the intercontinental ballistic missile early warning system had been in operation for only a few days that all the lights suddenly went red, signifying that a missile attack on North America was in progress. The Canadian Air Marshal in charge reasoned that there wasn't such an attack in progress really because Mr. Khrushchev was then in New York City attending the United Nations. It's not beyond my belief that the more sophisticated kremlinologists of the Central Intelligence Agency would have come to a precisely different, and in that event apocalyptic,

conclusion, because they would have reckoned that some dissident elements in the Kremlin were taking advantage of their leader's absence to launch that attack.

These divergent attitudes in the apprehension of external danger naturally condition the approach to continental defense. If you assume that the Russians are continuously engaged in a kind of necrophilic calculation of advantage so that they are ready to strike at North America whenever their computers or their instincts tell them that this can be done at the cost of, say, only 17 Soviet cities and 60 percent of Soviet industrial capacity, then the case for a merger of Canadian-American sovereignty in the spirit and style of Winston Churchill's offer of Anglo-French union in the dark days of 1940 is surely irresistible. If you take a less alarmist view of Soviet intentions there will be other countervailing considerations to take into account. I hope to tell you what some of these are as I go along.

I would not want to give you the impression, despite these necessary reservations, that Canada's commitments to continental defense have been negligible. As you know, they include the construction, or the permitted construction, of the early warning radar networks across Canadian territory, going up into the far North, the making available of certain flight facilities to the bombers of the Strategic Air Command, and the entry, though not without misgiving, into the North American Air Defense Command. But though this much was done it was not done, as I say, without some doubts and reservations, and much more could have been done.

For example, there has been no invitation to the United States, of which I am aware, to treat the territory of northern North America as the possible home for whatever bombers or missiles it might at one time have wanted to base there. There has been no offer of Canadian air fields as forward bases for United States interceptor aircraft. There is certainly no kind of diners' club card to SAC for any overflights that it might want to undertake over Canadian territory. Indeed, the procedure by which this is arranged is so cumbersome that SAC has decided, or had decided at one time, to route its aerial alert force around Canadian territory rather than over it.

That Canada was less enthusiastically committed to continental defense than the United States became demonstrated for all to see at the time of the Soviet-American confrontation over the Cuban missile bases in October of 1962. At that time, for 48 fateful hours, the Canadian Government refused to place the Royal Canadian Air Force component of the NORAD Defenses in a condition of emergency alert. When questioned about this in the House of Commons the Secretary of State for External Affairs remarked as follows: "The Government," he said, "is trying to keep the Canadian people from getting all excited about this business." Well, this response and the general attitude of which it was a reflection was not well received by the Pentagon, and not the Pentagon only. It was the State Department which, on 30 January last year, released to the press a statement forgotten, perhaps, here but notorious in Canada declaring that in the opinion of the Administration, "the Canadian Government has not yet proposed any arrangement sufficiently practical to contribute effectively to North American defense."

What prompted this unprecedentedly blunt accusation was, of course, the continuing reluctance of the Canadian Government to conclude negotiations which had been in 1958 but had been in abeyance for the next 3 years for the acquisition by Canada, under conditions of United States custody and control, of nuclear warheads for the four weapon systems which in fact had been designed for nuclear warheads. These are the CF-104 Starfighter squadrons in NATO service in Western Europe, the Voodoo Jet Interceptors which have been assigned to the NORAD Command, two squadrons of Bomarc-B Antiaircraft Missiles based at North Bay, Ontario and the Province of Quebec, and then the ground-to-ground missiles of the Fourth Canadian Infantry Brigade group in Western Germany.

The reasons for the Government's hesitation in consummating the development of these weapon systems are pretty complex. Public opinion in Canada was divided on the issue. Within the Cabinet an influential figure in the person of Howard Green, the former Secretary of State for External Affairs, argued for delay on the grounds that to accept them would prejudice, or might prejudice, the outcome of disarmament negotiations going on at Geneva and elsewhere, and, I think, perhaps most fundamentally due to the fact that the Prime Minister was notoriously prone to indecision on almost everything that he undertook.

The State Department's intervention acted, whether intentionally or not, as a catalyst of disunity within the Diefenbaker Government and it fell, as I said, within the next week. In the general election campaign which followed last March, what to do about nuclear weapons became one of the central issues. The Liberal Party, whose leader, Mr. Pearson, announced his conversion to the policy of acquisition in January 1963, before the State Department's intervention, was returned, as you know, to power as a minority government. Mr. Pearson had less than half the popular vote to support him, and that less than half was by no means a pro-nuclear vote, and he could hardly claim a mandate to usher Canadians over the atomic threshold, but against that was the fact that the country had had four general elections in 6 years, was becoming increasingly mortified at its image abroad as a country which couldn't work the parliamentary system, and was in no mood for a fifth, so the Liberal Government, despite its position as a minority government, has been able to resume and to complete the negotiations for a nuclear-weapons agreement with the United States. This was consummated in part when the nuclear warheads were finally trucked into North Bay and La Macaza a couple months ago, and there has been considerable silence on the issue ever since.

I think it would be an error for you to suppose, or for anyone to suppose, that this issue has been wiped off once and for all the agenda of Canadian-American relations. Mr. Pearson's conversion to a pronuclear policy was for diplomatic rather than for strategic or military reasons. He claimed that Canada had been committed as long ago as 1958 by the Diefenbaker Government to a nuclear role both in continental defense and in NATO, and he said, "As a Canadian I am ashamed if we accept commitments and then refuse to discharge them." So it was to reestablish Canada's reputation as a country on whose word one could rely that nuclear weapons have been accepted. Having kept its word, the Government considers itself free to negotiate, as it should, a new role, not necessarily nonnuclear but nonnuclear if necessary, as its conception of the interests of the nation and the interests of the international community might dictate.

Now, I must not leave the subject of defense before saying a word or two about another aspect of this matter which is of especial interest, I think, to the members of the College, and that is defense production. Canada became in 1941, by the remarkable Hyde Park agreement of that year, an integral part of the continental arsenal for democracy. The border was for the purpose of defense

production wiped out. I think it is fair to say that the Canadians expected the same thing to happen again by 1948 when it had become apparent that instead of peace a cold war of infinite duration had settled upon the world. This expectation in retrospect was naive, but it was intense.

More than any other NATO country Canada had pressed for the inclusion in the North Atlantic Treaty of Article 2, that article which has enjoined, so far without much success, its members to seek to eliminate conflict in their international economic policies and to encourage economic collaboration between any or all of them. It seemed only fair, and it was indeed only logical, that nations standing together in defense of freedom, or at any rate in defense of the boundaries of Western Europe, should pool their armor and their manpower and their wits in this unique peacetime coalition force in being and should extend their cooperation to the production of defense equipment. No other NATO government has subscribed so wholeheartedly to the doctrine which is the motto of this College.

The Korean war created an impetus for Canada and the United States to pledge themselves to remove as far as possible those barriers which impede the flow between them of goods essential for the common defense effort. Those are the words from the agreement of 26 October 1950. Of course this was agreement only in principle. The Korean war, even less for Canada than for the United States, was not total war. The forces which had drawn the members of the grand alliance into their wartime unity faltered in the 1950's. The sense of urgency which compelled the NATO nations to allocate up to half of their revenue on defense could not bring them to direct their expenditure according to the well-known principle of comparative advantage. Moreover, in this alliance of equals some, of course, were more equal than others. For the United States almost every weapon system was comparatively advantageous to produce at home. For Iceland, say, none was. The countries in between floundered uncertainly between the competing considerations of keeping up the strength of their defense community and keeping up with the Joneses.

Canada was a country in between and tried to keep up with the Joneses, trying to produce as many of its own weapon systems as it could. There were small failures, and there were bigger ones. The biggest of them all was the CF-105 program which has come to the surface again after a period of silence due to trauma,

encouraged, I think, by the announcement from Washington the other day that you people had produced a really first-class fighter aircraft. No Canadian today, least of all a Canadian airman, wants to be reminded of what happened to the Avro Arrow. This was a fine piece of machinery intended by its makers to become the primary fighter interceptor of North America for the 1960's. It actually was consigned to the wrecker's torch after only two prototypes had flown and more than \$400 million had been spent on it. That's nothing here, but it was quite a lot at home.

What went wrong? Until recently the Canadian taxpayer has not known, but he could guess. In October 1963 the retired general who at the time was the Government's chief military adviser disclosed how things had gotten out of hand. It was the old story. The Arrow program had begun as an airframe program only, into which was to be fitted an American or British engine, an American or British electronic system, and an American weapon system. In the expectation, but without any guarantee, that these vital components would be ready in time, the work on the CF-105 was put in hand. One after another the projects fell through, and one after another the Canadian Government got itself first into the electronic business and then in the engine business, and then in the weapon-system business, so that at the end of it the Canadian Government was faced with the job of producing the whole thing.

There was a further miscalculation involving the number of reserve pilots who could be trained to handle the equipment, and the RCAF discovered belatedly that it could use only 100 instead of 400 as had been envisaged. At that time it was discovered that neither the United States nor the United Kingdom, nor any other NATO country, had any interest at all in buying the Arrow for its own Air Force. I think that had the Soviet Union itself come along with an offer at this time, we would have sold it to them. But there was no offer of any kind, and the Diefenbaker Government inherited the mess and decided to cut and scrap the whole thing.

Last October the new Minister of National Defense, Mr. Paul Hellyer, was reflecting in the House on this false start, among others, and he remarked that there were certain lessons to be learned. He said, "One of them is that first of all you have no guarantee that anyone else is going to buy a finished product. Secondly, if you have a good idea and you are going to develop it, develop it with speed and go all out to make sure it is the first and the best." He admitted, "What we must not do, and what has been

done in this country once or twice, is to extend the design and development time so much that you lag behind the efforts of others who come in later and overtake you and pass you." This was tremendously succinct, but I think Mr. Hellyer might have put it all in one word, the word being, of course, "think."

The Arrow debacle forced upon our country a kind of agonized reappraisal of its rôle in defense production for the West. If, as their spokesmen now have conceded, major weapon systems have become too costly for independent Canadian development, then it was all the more important that Canadian industry be able to compete for contracts in the United States on terms that would not discriminate against them just because they were Canadian and foreign.

This was recognized in Washington as well as in Ottawa, and early in 1960 there came into being the so-called Defense Production Sharing Program which has been well described as a cold war version of the Hyde Park agreement. I shall not bother going into the details of the concessions on both sides which are designed to admit Canadian industry to compete with United States industry for American defense contracts on fair and equal terms. They have been responsible for the development of a good deal of integrated production for defense purposes.

Now, I guess I had better turn to the subject of foreign policy and observe that, in the shrinking parts of the world where the two-party system can still be found, it is very common to find that those who want to make foreign policy chide the people who actually do make foreign policy for their lack of drive and creativity. They talk of new departures and of grand designs and of pushing boldly off that dead of center to which they claim their predecessors have inevitably gravitated. So it was in this tradition that last March in campaigning to become Prime Minister Mr. Pearson promised to get his country moving again in the councils of the world. I think he knew better than most that this would not be easy and could not be quick. At the same time he knew that large numbers of Canadians had become disenchanted with what they sensed to be their country's fall from international grace and favor. Audiences had been exposed for some months past to the recitations of journalists and professors who talked, not without what the Germans call a certain schadenfreude of those tales of declining influence and waning prestige, of how the erratic tactics of Mr. Diefenbaker and Mr. Green had upset the British at a Commonwealth Conference,

or how the Afro-Asians had been put out some particularly maladroit maneuver at the General Assembly, or how Mr. Kennedy had vowed, after meeting with Mr. Diefenbaker, that that was the last time he would undergo that ordeal. Whatever truth these tales may have contained, they eroded the Prime Minister's popularity. It was true that the prairie farmers remained loyal to the end, they being more concerned about keeping up with sales of wheat than with what the eggheads were saying about what was happening to the national image abroad. But the loyalty of the prairie farmers was not enough to keep Mr. Diefenbaker in power.

There has not been, I think, very much in the way of bold, new policy. I think you could say that the mixture is as before, though it may be prepared with a little more finesse. The Pearson-Martin team--Mr. Martin is the Secretary of State for External Affairs--is not going to allow itself to wind up as the Diefenbaker-Green team did before it, on the short end of a 45-to-5 vote with 43 abstaining at the United Nations.

On the old issue of recognizing Communist China, Mr. Martin in a speech last August stressed how important it was to penetrate the curtain of ignorance, as he said, and blunt the edge of ideological difference. But then, having gone that far, he drew back at the last moment and said, "It is neither possible nor desirable that our relations with the Communist world should be at wide variance with those of our closest friends and allies." It seems to me more likely than ever that Ottawa, which has for so long postponed recognition of Peking in deference to American feeling, will wake up one morning to discover that Washington has done it first. You may think that unlikely, but I think it is quite possible. That will be a black day for the Department of External Affairs, believe me.

On joining the Organization of American States, an issue kicking around Ottawa even longer than that of Chinese recognition, it is still wait and see. On this question Mr. Martin has expressed himself in the following words, "I'm not saying we will and I'm not saying we will not." I hope I will not be thought reacting in any partisan spirit when I say that this observation has always struck me as an almost classical expression of the conduct of foreign policy under a liberal government. Most of the new government's energies, to be sure, have gone into the unglamorous and necessarily unpublicized job of repairing the damage of the immediate past.

You recall that, in earnest discussions, first at Hyannis Port, with Mr. Kennedy, and more recently in Washington, with Mr. Johnson, Mr. Pearson has, I think, in part overcome the misunderstandings and the mistrust which brought Canadian-American relations to their nadir of last year. He has carried out a visit to the court of De Gaulle with more aplomb and less damage than others have been able to carry out. And you could say that everywhere fences are under repair and new contacts are being sought out and old ones restored. But the new policies are very few.

If you were to ask me whether Mr. Pearson has made good on his promise to get Canada moving again in the councils of the world, I would have to say no, not yet. The Canadian ship of state is not moving under the Pearson pilotage down the familiar channels and majestically out to sea. There is activity all right. The crew scrambles about, the engine-room telegraph rings "full ahead," there is a great churning at the stern, the vessel vibrates, but it does not move.

Captain McCuskey, I am living in mortal terror of this little red light which is going to go on here, but I want to and I have to say something about the problem of Quebec, which is not, to be sure, a diplomatic problem, and yet it is. It is perhaps para-diplomatic or, if you like, quasi-diplomatic.

It has been an axiom for a long time in Canadian politics that the person who wants to become and stay Prime Minister of Canada has to acquire and retain the support of the voters of Quebec. John Diefenbaker who, in his 6 years of power, broke so many of the rules, acted as if he were unaware of this axiom. He dealt with Quebec by ignoring it. That is perhaps an overstatement, but there is some truth in it. The cost of this policy became evident in the general election of 1962 when the voters of Quebec, rather than rally to their traditional liberal allegiance, expressed their alienation by supporting the social credit group. The leader of this odd group in French Canada was and is a fiery demagogue who at one time made no secret of his admiration for Hitler and Mussolini, and the quality of his intellectual appeal may be judged by his urging his following to vote for the movement since it had nothing to lose, and his assurance that in order to vote for social credit you don't have to understand what it is about. I think that more than anything else the antics of Rial Caouette and his motley

crew, his ragged platoon, have made the rest of Canada conscious of the resentments and the aspirations of their French-speaking compatriots, aware that these are widely spread and mostly justified, and at least some of them, to struggle in a kind of feeble desperation to make amends for the past.

Such amends as have been made have come too late to arrest the development in French Canada of a powerful movement which demands the separation of French Canada from the rest of Canada and the independence of what is separated.

I think that, while the separatists of the 1930's were dreamers, the separatists of today do not have to dream, whatever their opponents may think. They have a practical alternative. If Cyprus, Malta or Chad or the Niger of the Malagasay Republic or the Upper Volta can make a go of independence, of self-determination, why not Quebec, far more populous, infinitely more experienced politically, and wealthy? Some people claim that an independent Quebec could not stand alone, that it would not, in the jargon of the economist, be a viable community. But what is viability in the modern world? It is that condition, surely, of being looked upon by other people as if you were viable, and an independent Quebec is not going to go friendless into the world.

It is important to recognize that separatism, like Marxism, is not a dogma so much as it is a spectrum of opinion. At the extreme end you have the people about whom you occasionally read in the newspapers, the youthful desperadoes calling themselves grandly *Le Front de la Liberation Quebecois*. They are like the Irish Republican Army. They follow their tactics and they share their ideals in that they are a militantly revolutionary group. Their method is to stuff explosives into mail boxes and the bases of public monuments, daubing the scenes of their destruction with the initials *FLQ*, these people, who in recent weeks have been raiding with astonishing success weapon dumps at Canadian armories, much to the consternation of the Royal Canadian Mounted Police, and who have in the last few days been warning that the Queen's life will be in danger if she carries out the proposed royal visit to Quebec next fall.

You move from these extremists through a variety of separatist organizations who, for the moment, have renounced violence as a means, to arrive at the other end of the spectrum, at the

present government at Quebec City, the provincial government, the liberal party of the province.

It is a fortunate thing, I think, for those who want to preserve the nation's unity, that Jean Lesage and his able colleagues are at the helm in Quebec City. They, too, are separatists, but in lesser degree. If they can wrest the substance of statehood from the Federal Government, they will not press for the formalities. They are willing to work, then, to work within, even for, a confederation, but it has to be a renegotiated confederation, one in which the British North America Act, that 96-year-old sacred cow, as Rene Levesque, who is the most influential of Lesage's colleagues has called it, is no longer recognizable.

They want to make the citizens of Quebec, as they promised they would make them, masters in their own house, and they want to do it quickly. If they dawdle on the way, others less compromising than they will sweep them to one side.

Now just a couple of minutes more for these concluding reflections of mine on what I would call the politics of neighborhood. We have, your country and mine, by a curious coincidence, entered at the same time the great crises of our modern nationhood. Yours is a crisis of race, ours, I think, is a crisis of nationality--the question whether Canadians consider as a people their country worth while continuing into the future.

We cannot do much about your crisis. You can do something about ours. If there are not to be three sovereign governments in North America, at least three, the most powerful of the North American governments must pay respect, even exaggerated respect, to the sovereignty of its neighbor. Quebec is of all the provinces the most fearful of Americanization. To the extent that it values confederation, it is as a bulwark against those forces from the United States, political, economic, and perhaps above all cultural, which in its view threaten the integrity of the French spirit in North America.

If, by capitulating to the logics of integration, whether in defense policy or in economic policy, the Canadian Government no longer seems to provide safe shelter to the province, Quebec is more likely to conclude that there is more safety in independence than in confederation. So, if the Canadian-American relationship

is to flourish to the mutual benefit of its partners, it will be because statesmen of both countries resist the temptation, to which they have yielded in the past, of thinking of their politics as inter-neighborly rather than international.

They must realize that the two nations of North America are of and in the state system, not somehow above it and apart from it, and they must shape their policies accordingly.

President Johnson, with the best intentions, I am sure, in the world observed in his first official reference to my country that, in his words, "Canada is such a close neighbor and such a good neighbor that the problems we have there are kind of like problems in the home town." With all respect to the President, they are kind of not like that at all. They are the problems not of neighbors in a home town, they are the problems of friendly foreign powers who happen to share a continent together.

CAPTAIN McCUSKEY: Dr. Eayrs will now entertain your questions, gentlemen:

QUESTION: Doctor, I just visited your country on our field trip, and I was astounded at the fuss that is going on in the French section. Down here we read it in the papers but we do not really realize how important it is up there. I was interested in your comments, except that you did not indicate what the Canadians are going to do about it themselves. You mentioned what we could do about it but not what the Canadians could do about it.

DR. EAYRS: What the Canadians ought to do about it is clear enough. Statesmanship has been defined as the constructive acceptance of the inevitable. So you anticipate the legitimate demands of Quebec by devolving upon the government of Quebec City the substance of what it asks, in order to take the steam out of the revolutionaries. You agree in the fields of taxation and finance to give the State of Quebec the means to conduct its affairs as if it were a foreign state. In the field of language and culture, which agitates the intellectual community and provides, as it always, more than economics, I think, the fires of revolutionary movements everywhere, you use every device at the disposal of the Federal Government--I am speaking now only of Federal policy--to make the promise and the spirit of confederation a reality--the promotion of instruction in the French language, the use of French language in the state-owned radio and television systems, the

scattering, along with the "Globe and Mail" in Toronto and the "Financial Post," of a few copies of "Culture," and "Le Devoir," and "La Patrie" in the seats of the federally operated airline so that the Quebec leaders of the revolution, when they come up to Toronto on the plane from Montreal, cannot begin their talk by complaining that they were told to extinguish their cigarettes in only one of the country's two official languages--that sort of thing.

The latter part is easy. That requires a little imagination, although the trouble is that it has come too late. The first part, which is essential, is almost impossible, because, if Quebec gets this, other powerful provinces and regions will want it, too. So on the one hand you find that in order to run a modern nation state--let's consider Canada for the moment as such--everything requires the gathering up and the centralization of power at the hands of the policy-makers. On the other hand, to keep the country united you have to devolve these mechanisms of policy upon the provinces.

So you see that Mr. Pearson is impaled on the horns of a desperate dilemma. When you ask me how he is going to get off them, I say that's not my problem. Well, it is my problem, but not here.

QUESTION: Dr. Eayrs, there has been some comment in some quarters that Canadian public opinion with regard to labor is somewhat indignant at the so-called influence of American labor or American international unions on the Canadian national union. I have heard that there was influence in a Canadian national strike a couple years back and that there is possible influence right now in the maritime dispute in the Great Lakes region. Could you give us your views on that, please?

DR. EAYRS: Yes, I will endeavor to do it, although, as you know, this is an awfully complicated situation, particularly the maritime one. There is no question, just to speak to the general subject for the moment, that Canadian labor has profited immensely by this so-called international, actually American, connection. The parent union of the AFL-CIO has contributed a great deal, in, first, personnel, and then money, organization, and morale. I think it is fair to say that, without their help and assistance, there would not be, as there is, in Canada today a strong viable system of free labor unions.

The Canadian labor people have always respected and paid tribute to this connection. Recently--within the 3 years--there have been injected into the Arcadian delights of Canadian labor movement troublesome spirits, of whom the most notorious is Mr. Harold Banks, a Canadian citizen, I think, but from the United States, whose activities on behalf of his maritime union, the name of which for the moment escapes me, in a jurisdictional dispute of the familiar kind were such as to lead a royal commission of the Canadian Government to call him--and this is an almost literal transcription of the terms of the report--the stuff of which the Capones, the Mussolinis, the Hitlers, and other totalitarian braggarts of this world are made. He is not a respected person in the Dominion of Canada, with the exception of his Canadian followers, who are very loyal to him. And I think that if I were one of them I would be, too, because I think it is one of the facts of life that if you come from a group in society which regards itself as underprivileged you don't take exception to or offense at the fact that your leader is down there with the fat boys at Miami Beach on a \$50 a day expense account and is driving around in a white Cadillac. It kind of gives you a certain amount of vicarious pleasure to see your leader living it up in this way.

I've always thought that the approach of the Canadian Government to this particular aspect of Banks' life was ill-conceived.

Where this problem becomes one of international concern is where your Administration, in the person of Mr. Willard Wirtz, expresses itself publicly on behalf of the cause of Mr. Banks in his dispute with not only the Canadian labor unions but also with the Canadian Government, and speaks of the trusteeship which the Canadian Government imposed upon Mr. Banks' union as a consequence of the royal commission's report on its alleged nefarious activities as being destructive of free trade unionism in North America, and where our Minister of Labor, Mr. McEachern comes back emptyhanded from his discussions and where our Prime Minister comes back emptyhanded from his discussions in Washington and elsewhere which are intended to get the Federal Government to intervene to prevent the boycotting of Canadian shipping in Great Lakes ports.

These are the issues. There has been a period of quiet only because the lakes have frozen over, and when they melt, as they are doing, you will hear more about this.

QUESTION: Dr. Eayrs, I used to work with some of your officers from Canada. One of them said one time, "I don't know why the U.S. doesn't annex Canada." I said, "Well, what in the world would we do with it?" He said, "Well, you could make a parking lot out of it." We had never thought of that. My question is: What do you think we could do, more specifically, to improve relationships between the United States and the Canadian Governments?

DR. EAYRS: Well, I had the pleasure of putting the exact question, switching the terms a little bit, to Mr. Livingston Merchant, when he was American Ambassador to Canada, and I must say he became immediately as shifty-eyed and evasive as I am about to come. I feel strongly, as I said at the end of my remarks--this is not very specific, I know, but it is the general climate in which I think specific solutions ought to be applied--that both of us are going to come to grief, in the sense that we are going to have more misunderstandings than we need to have, if we carry on the style of after-dinner speeches and opening-up-new-bridges techniques into the field of our complicated diplomatic and commercial intercourse. I think that, as I said, we have come to needless misunderstanding because we persist in thinking that somehow, on the basis of that common language of ours, which I tried to emphasize is not a common language in any meaningful sense, everything can be worked out just because we are friends and neighbors, and that there is no need to give the same kind of hard thought and the same care to the preparation of policy positions, the same study and analysis, and the same attempt to be precise in formulation with Canadian-American problems as there is, say, between American-Panama problems, because it will all kind of work out in the end.

This I think is a fatal mistake, and I think the thing to recognize on both sides, as Mr. Pearson said when he came to Washington, is that we are not so much neighbors as we are friendly foreign powers, and that we should try to emphasize that fact in our general dealings.

This goes, I know, against the grain of the conventional wisdom, but there it is, anyway. To be a little more specific, there is not more I could suggest than to make sure, as you have made sure in the past, that, when you come to sorting out the embassies and deciding what sort of people are going to go to them, and when you come to staffing the command posts at various

sectors of policy communities, you do not think that you do not have to put very good people into these Canadian slots because they are going to take care of themselves.

I think that in the distant past--and I am speaking of the 1930's and I will not be very specific in my dates--there have been occasions when Canadians have felt that the quality of American representation at the embassy in Ottawa was not all that it might have been. I think that that particular concern was certainly alleviated with the appointment of Mr. Merchant, who was properly regarded as one of the most experienced and wise career officials of the Department of State.

I think this has not only been gratifying but extremely useful. We look forward to more of the same. If I could just make one personal observation so that there is no misunderstanding, I have had the pleasure of speaking to the National Defense College at Kingston, Ontario, the Canadian version of the lesser Fort McNair establishment. This is a small group of about 30 people, and it is an interesting one, because there are U.K. and U.S. representatives as well as Canadian, both military and civil. I have lectured over the years perhaps 8 or 9 times there, and each time I have been terrifically impressed by the quality of the service and the State Department people that your Government picks to go up there. They have been men of really exceptional capability. This, I think, is the sort of thing I would look forward to doing.

QUESTION: Would you kindly comment about the tariff problem, specifically our Trade Expansion Act which provided for drastic tariff cuts for the Common Market and which they do not apply. The United Kingdom did not join in this. Would we be well advised to include Canada in this?

DR. EAYRS: Well, I am going to give you, perhaps not for the first time this morning, a disappointing answer to that question. There is a favorite saying among my contemporaries in Canada which commences any sort of address by these words: "I'm not an economist but," and then on they go. I will just say I am not an economist and I do not feel competent to answer the second part of the question. On the general question of Canadian commercial policy I think that the head, the intellect, in the minds of Mr. Mitchell Sharp, the Minister of Trade and Commerce, and Mr. Pearson, moves the thrust of the government very strongly toward free trade, but the blood, which is dominant in the government and

perhaps always will prevail, is responding very strongly to the taunts and tempests of economic nationalism, is extremely conscious of the whole distorting direction which the problem of Quebec gives to the conduct of trade policy, and this is the reason why I think it would be pretty fair to describe the policy of the Canadian Government, particularly with regard to its treatment and its attitude toward the foreign control of Canadian industry as restrictionist and economic nationalist rather than responding to that liberality of outlook that people such as myself would like to see.

QUESTION: Dr. Eayrs, do you feel that the development and construction of the St. Lawrence Seaway, empowered by the international association created there perhaps a major step in the development of Canadian-United States relationships?

DR. EAYRS: Yes, of course, like any international project of this kind, where the division of the product has to be shared, it created its major share of diplomatic headaches for both sides, and in that sense it has been an instructive experience for diplomacy in both countries. Unquestionably it will contribute to the long-term economic strength of both countries. The trouble is that, as Maynard Keynes once remarked rather acutely, in the long term we are all dead. So it may be some time before we see this.

QUESTION: Sir, Canada has steadfastly refused to join the OAS or even to get close to it. Do you see any change in this position? On what basis does Canada make such a strong stand?

DR. EAYRS: This gives me an opportunity to respond more satisfactorily to the question about "What would you do specifically," a moment or so back. One thing I would not do if I were President Johnson--a most unlikely contingency, come to think of it--would be to go up to Ottawa, as his distinguished predecessor did, and from the floor of the House of Commons to the respective members of Parliament there gathered to hear him say that Canada ought to join the OAS. What is the phrase? This is counter-productive of the desired result. The general question of Canadian membership in the OAS is one of those curious questions where the pros and cons of position-takers are just almost very evenly balanced, as far as Canadians are concerned. This is one reason why, being notoriously prone to indecision generally, there has been such indecisiveness on this particular question.

If you look for a moment at the reasons for going in, what are they? Well, the most compelling one is that you want us in. There is no question about that. That is a very good reason for doing it. You did not want us in the past, because you did not want any trace of perfidious Albionism or degenerate European politics in to sully the purity of the Americans, or anything like that. That is all changed now. Since about 1947 you seem to have been pretty anxious to draw us in. Well, the fact that you want to draw us in is a good reason why we should come in. We are allies and this gives us something to bargain with and some credit to trade on diplomatically.

Another reason for being in is that the OAS is increasingly, what it was not, a place where important decisions are shaped. This is coming about. If important decisions concerning an area in which you have interests are taken, there is something to be said for being in on the takeoff as well as at the crash landing at the other end. So that's another reason for going in.

A third reason for going in is that, just as there is a considerable sector of Canadian public opinion against going in, so there is a considerable sector of Canadian public opinion for going in, and that coincides with that very important sector which is the French sector. They feel that this adds a kind of Latin ambience to a predominantly Anglo-Saxon outlook, and therefore a matched strength.

Now, there are other sides to the question, as there usually are. On the other side you find that the first thing that probably would happen if Canada were to join the OAS would be that it would be placed in a position of having to choose for and against the United States with respect to the problem of Cuban policy, or the problem of Panama policy, on which as things presently stand one can preserve a discreet and more or less dignified silence. You would, in other words, have to choose between alienating the United States by not going down the line in the context of the OAS on some OAS decision and alienating important customers and friends in the Latin American world--Argentina, Brazil, or some other.

It is also good statesmanship to avoid having to make these painful decisions unless you have to make them. This I think is a very strong argument for staying out. Also it does not follow,

you see--some critics of Canada's OAS or non-OAS policy or un-policy on OAS, if you want to call it that--have observed that, just because Canada is not in the OAS, this means we take no interest in Latin America or we can have no influence on Latin American affairs. We have representation in all the Latin American countries, and the thing to do, in this way of looking at it, is to improve the quality of our representation down there and to be sure that we do not fill important embassies in Cuba, where we have one, in Mexico, and elsewhere, by retired politicians who are scampering about in the pasture of their declining years. We can put some good people in there, and that is what we are doing.

Finally, if we went into the OAS this might be interpreted as just one further evidence in the minds of important African and Asian powers, on whom we like to think we can from time to time exert some beneficial and occasionally important influence, that we were just a satellite, if you like, of the United States, that we have no powers of independent judgment or individuality of style, of if we had had these, that these were being further compromised by a too-close association with the United States.

Now, you are all policy-makers. What do you do? You toss a coin. Or you say, like Mr. Martin, "I am not saying we will and I am not saying we will not."

QUESTION: Doctor, I also had the pleasure of visiting your country recently, specifically your city. The enthusiasm that I gained there during that visit for Canadian-American relations has been, I reluctantly admit, considerably dimmed this morning. Specifically, if I understand you right, you have just about nailed the lid on the coffin. Other than what seems to be Canada's inalienable right to defense, you seem to erect higher walls between our countries. Tell me if I have wrongly discerned your views.

DR. EAYRS: I have been guilty of extreme imprecision of presentation if I left you with that impression, because I would rather see the dismantling, the lowering of walls, particularly in the field of commerce and economic policy, and also in the field of cultural and spiritual and intellectual affairs. My only argument is that we should in dismantling the apparatus of protection use the same care and the same workmanship that you would use in relation to other foreign powers.

I hope that is not a position of exceptional subtlety, because, if I cannot grasp it, then it is going to be difficult for others to grasp it, and I think that it will be a failure. But I do want to say that I am on the side of the greater freeing of the movement of goods, capital, services, and ideas, but as between foreign countries, not as within a united country.

Does that ease out the nail in the coffin?

QUESTION: Doctor, would you discuss the population and the size of Canada, its being rather small compared to the United States, which makes you make the remark about wanting to be treated like a nation which has an important geographical position, also the question of Canada's opening up immigration to increase the size of Canada and help it to become more of a power?

DR. EAYRS: Yes. The most important thing, I think, that can be said in candor about Canada is that we are a small country. There is no question about that. We have 20 million people. We are an underdeveloped country. There are not enough brains to go around. Of course there never are in any country, but we feel this is particularly excruciating for us, when so many of our brains come to the United States, as they can and they indeed must.

The question of immigration as a means to redress the disparity in power resulting from this tiny population compared to yours is not really very practical. Most of our immigrants from Western Europe and elsewhere, or at least a lot of them, come to Canada, not as we like to think because of some doglike devotion to the Canadian vis-a-vis the American way of life but in order to put in their 5 years, at which time they can become a Canadian citizen and then, bypassing your immigration quotas, can go on to the United States, which is their final port of arrival. I think that one effect, perhaps of this increased immigration flow of which you speak would be to increase your population rather than to increase ours.

But you are right in putting your finger on the fact that we are, so far as population is concerned, a small, struggling, and divided community which, like all small, struggling, and divided communities, has expectations to which its power and resources do not always entitle it.

QUESTION: Doctor, you touched briefly on the subject of trade with Communist countries. Would you care to give us a little more of your views and perhaps some of the Canadian official views on this subject?

DR. EAYRS: Make no mistake about it. I think that what you call trading with the enemy we just call trading. We have to trade in order to keep our standing of living from falling too much below yours, which is much more important, say, for us than for Australia, because the Australians cannot just take a cab and in 15 minutes be in the United States. We have to try to keep up with the Americans. Otherwise, if we fall too much behind them in the standard of living, we lose our people and we lose our country.

But, quite apart from that, there is a feeling, I think, among the public and among the official community, that the worse relations get between two countries the more compelling is the need for opening up and then exploiting every possible avenue of communication between them. This is almost an axiom of international politics, if you want to look at it that way, which many people in Washington do not. Therefore we feel that to trade with countries like China and Cuba and the Soviet Union is a good thing politically as well as economically. Provided it does not agitate the United States too much, it does hold promise of detaching, particularly a small Communist country like Cuba, from the encroachment of final Soviet influence. By cutting off trade in the expectation of producing the downfall of the regime, you are likely only to strengthen the regime, to add substance to its propaganda about its being the victim of Western economic imperialism, and to drive it more surely and steadily into the Sino-Soviet camp, or into the Chinese or the Soviet camp, as the case may be.

CAPTAIN McCUSKEY: Gentlemen, I am sorry that we will have to conclude the question period. I would like to remind you all that we have a special committee in the TV room at 10:30.

Dr. Eayrs, I express the appreciation of the College for your straightforward and frank presentation and answers. I am sure that we are all far wiser as a result. Thank you.

(27 April 1964--7,600)O/en:dc