

To free trade or not

Notwithstanding his status as self-declared nationalist, Gwyn opts for free trade with the United States (p. 331), despite his conclusion elsewhere that "a choice in favour of free trade today would represent, almost certainly, the choice for North American economic union tomorrow" (p. 302). In his thoughts on trade the author expresses the view that "for most practical purposes a Canada-United States agreement already exists" (p. 286), a conclusion which is undoubtedly related to his further belief that "Canada enjoys the equivalent of something like 90 per cent access to the 230-million market that exists next door" (p. 287). The reconciliation of these seemingly contending elements in the author's beliefs:

- nationalism;
- support for free trade with the United States; and
- North American economic union as an almost certain consequence of free trade between the two countries

is left for the most part, if not entirely, to the reader.

While I concur with Mr. Gwyn's "vote" for freer trade with the United States (and elsewhere), I question his logic that a further reduction in trade barriers with the Americans "will certainly evolve into economic union" (p. 331). I see no sign that past tariff reducing rounds, most of which have been conducted under the auspices of the GATT, have created an "impending, and already manifest, erosion of national economic sovereignty." On the contrary, the economic consequence of past policy has been both greater trade liberalization and enhanced Canadian ownership and control of our economy.

Oil and the US

We are also told about foreign ownership, the rise and fall of FIRA (Foreign Investment Review Agency), the NEP (National Energy Policy) and so on. Mr. Gwyn's observations and my recollections of many of these events are not in harmony. For example, Mr. Gwyn claims that "to keep the NDP on side during his minority term, Trudeau announced a national oil policy, out of which came, in 1975, the oil and gas crown corporation" (p. 80).

As Leader of the Government in the House of Commons during the minority period and responsible for holding discussions with all Parties, including the NDP, I know that at no time (and I recently checked this out with Donald Macdonald who was Energy Minister at that time) did the creation of a National Oil Policy or the National Oil Corporation become a matter of contention or negotiation among the Parties. The genesis of a National Oil Policy was not the product of the exigencies of minority government but the result of early and, in my view, far sighted discussions in Cabinet and Caucus. Energy policy came under fundamental examination in the Cabinet during the first government of Mr. Trudeau, and the question of a National Oil Corporation was addressed directly in the publication "An Energy Policy for Canada Phase I, June 1973."

Nor do I remember at any point believing that the government was threatened by any other policy item. If blackmail had been the method of procedure, the opera-

tion of the minority government would have been considerably curtailed.

Mr. Gwyn interprets much of the NEP in light of the reaction of the United States. He claims, for example, that in the winter of 1981 Mr. Lalonde proposed to discard the crown share or "back-in" as "politically indefensible" but was frustrated by Mr. Trudeau. At that time I held the Finance portfolio, but I do not recall, nor does Mr. Lalonde, any such veto by the Prime Minister. The Liberal government did not yield to repeated American requests to modify or abandon our policy. It was both defensible and in Canada's national interest, even if it did disturb our American friends. Differences between sovereign nations over their respective interests are inevitable. Mr. Mulroney's government has acceded to the American request, which obviously pleases Mr. Gwyn. He does not throw any light, however, on what Canadian interest was served in our bilateral relations by the abandonment of the crown share, in view of American reluctance to accommodate Canada with any commensurate gesture, such as accommodation on acid rain.

As for FIRA — much discussed by Mr. Gwyn as a source of friction between the two governments — it had become a non-issue in Canada-United States relations and had disappeared from the bilateral agenda well before Mr. Trudeau left office.

Dealing with Americans

Mr. Gwyn seems to take some relish in painting a generally bleak picture of Canadian-American relations in the period 1980-84 (i.e., "The state of relations during Trudeau's last term . . . is without historic parallel . . . Canadians in effect told Americans to go to hell" p. 124). This situation is ascribed in part to his observation that "Trudeau and Reagan didn't get along at all" (p. 313). As foreign minister in the latter part of this period I was present at the bilateral and summit meetings between Mr. Trudeau and Mr. Reagan. While theirs was not a raving friendship — independent leaders seldom permit themselves this luxury — I thought the two got on pretty well; indeed at the London summit (1984) after a rather tense discussion on peace and security, the Prime Minister and I found the most empathetic of the leaders was the President.

Mr. Gwyn is full of praise for the new and markedly different form of Canadian diplomacy practised from 1981, based on such illuminating insights as "there is an element of public diplomacy to diplomacy" and "that in order to win, Canada must enlist Americans onto its side" but "not to overdo it" (p. 262). I was not aware that our approach to the USA during my second stint as foreign minister (1982-84) was all that different from that during my earlier period in External Affairs (1974-76). Differing circumstances do create different requirements; that is precisely what has occurred under the leadership of the illustrious list of Canadians who have represented Canada in Washington, of which Mr. Gotlieb, the present incumbent, is characteristic in zeal and skill.

The decision to enter into exploratory discussions with the United States on sectoral free trade and the testing of the cruise missile are dealt with pointedly and incorrectly by Mr. Gwyn. The cruise missile decision was implemented