

“the rather widespread impression that the Canadian Government was not taking an interest in the treatment being given by the U.S. Government to a Canadian firm.” [Document 199] As the June 1957 federal election approached, the demands on Ottawa grew louder, and the Liberal government responded with measures to protect Canadian turkeys, fruits and vegetables from southern competition.

As always, transboundary questions kept policy-makers busy on both sides of the border. Speedy progress on the St. Lawrence Seaway was jeopardized in early 1956 when fundamental differences arose over Ottawa’s determination to retain its freedom to expand the Seaway in Canadian territory without American consent. Ottawa’s willingness to delay the project to achieve its purpose eventually persuaded Washington to retreat – albeit reluctantly and ungraciously. Equally difficult bilateral negotiations characterized discussions over the future of the Peace Bridge, which joined Fort Erie, Ontario, with Buffalo, New York. The documents reprinted here offer a rare illustration of the interaction between local Members of Parliament, Cabinet ministers, and federal bureaucrats in determining policy.

The most important continental resource issue covered in this volume is undoubtedly the government’s new policy toward the development of rivers flowing across the Canada-U.S. border. In February 1956, after years of fruitless debate in the International Joint Commission on the future of the Columbia River system, the Minister of Northern Affairs and National Resources, Jean Lesage, proposed direct talks with Washington at the political and diplomatic levels. These, he hoped, would determine new principles for sharing the upstream and downstream benefits of all rivers crossing the international border. To Ottawa’s evident delight, United States President Dwight Eisenhower accepted the proposal, which St. Laurent advanced during his visit to White Sulphur Springs in March 1956. The talks themselves started slowly, and much of the material reprinted here records the struggle to define the scope of the negotiations and reach an agreed position with British Columbia’s argumentative premier, W.A.C. Bennett.

Economic questions also dominated Canada’s relations with Western Europe, where the emergence of the Common Market and British proposals for a European Free Trade Area represented a formidable challenge. Pearson, deeply influenced by the views of Belgian Foreign Minister Paul-Henri Spaak, emphasized the political benefits for the Western alliance of closer integration in Europe and discounted the economic costs to Canada. The Minister of Finance, Walter Harris, and his ally, the Minister of Trade and Commerce, C.D. Howe, took a more hardheaded view, and were unprepared to welcome either the Common Market or the proposed European Free Trade Area. But Pearson carried the Prime Minister with him against these two formidable opponents, and in the end, Canada’s attitude to developments in Europe was not unsympathetic.

A similar lack of enthusiasm characterized Canada’s approach to other European institutions. In the Organization for European Economic Cooperation (OEEC), Canada remained an aloof and reluctant participant in the organization’s program for trade liberalization. Louis Rasminsky, Deputy Governor of the Bank of Canada, explained that Canada preferred broadly based institutions like the World Bank or the GATT. Canadian policy in the OEEC, he quipped, might be summed up thus: