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shall be free to choose their own way of life and their own political system. We should not seek to impose our economic or political system on any people, except as the manifestation of the merits of those systems in America may impel their adoption. We should extend aid upon wise, reasonable, and proper conditions in the rehabilitation of western Europe, but not to the extent that will impoverish us or endanger our domestic economy. We must make our own economic and political systems work efficiently and competently. We must keep America strong and virile.

A strong and virile America, seeking neither political nor economic advantage and unselfishly leading the way in bringing to bear the force of the moral judgment of the law-abiding nations of the world, the force of a world conscience, that aggression against territorial or political integrity of any nation shall not be tolerated; that international controversies must be settled by peaceful processes in accordance with law, justice, and right, and that the United Nations must be made a strong, effective, and workable peace organization, is the world's best hope of peace. It is all we have. We dare not let it fail.

## AMERICAN-CANADIAN RELATIONS; ECONOMIC AND POLITICAL UNION

C. C. McLAURIN\*

It is a privilege to be with you at this gathering. It is hardly necessary to assure you that I am thoroughly at home. I anticipated that before I left Alberta. I am no stranger to the State of Wyoming. I have visited Yellowstone and Jackson Hole three or four times. On one special trip I spent several days surveying your coal mines at Sheridan and Rock Springs, and motor trips have found me spending hospitable nights at Riverton, Rawlins, Laramie, Cheyenne and Casper. This is my first trip to Cody, and I have already expressed to many of your members my happiness in visiting this thriving and pleasant little community.

It is always nice to be in our own fraternity. We can speak our minds and not worry about the adverse things that are said of us. I think one of the worst references occurred in one of our courts with a new and uncouth orderly, who, when asked to clear the court room, shouted, "All you blackguards that isn't lawyers must leave the court."

My subject this evening might be entitled "Union of Canada and the United States".

In January last the Washington Post in a prominent editorial advocated a customs union between the two countries. Then, on March

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15th last, the weekly magazine "Life" carried an editorial to the same effect. In part it read:

*"Customs Union with Canada"*

"It is a violently contracting world, facing all of us with new responses. A time when military strategists look at the top of the world and see Canada is the only country between United States and Russia.

"The true long time answer for Canada is to export more food and manufactures to United States.

"The step we should take is a complete United States-Canadian customs union. \* \* \*

"It might open the way for example for a considerable movement of U. S. heavy industry to the new iron discoveries in Canada's Côte-Nord as Mesabi peters out."

This is a subject that as a visiting Canadian I would hesitate to introduce, but the editorial possibly permits me, with good taste, to submit it for candid scrutiny.

Some prefatory observations may be in point. The world, as the editorial said, is getting smaller. During World War I we were just participants in a European conflict. However, with the outbreak of World War II, it became immediately evident that our interests were closely allied, and a joint defence policy was planned even before Pearl Harbor. We found it impossible to execute our military participation without the utmost economic co-operation from you. This did not involve direct monetary aid. We were never recipients of lend-lease; indeed, we, like you, made substantial donations to our Allies. We were, however, dependent on substantial purchases by you of our war material in order have the U. S. dollars to purchase your steel, cotton and other goods we did not produce ourselves. It all worked out very well during a period of war. Then, as you know, Canada is the principal source of Uranium, and your Atomic Energy policy would have been impossible without the closest collaboration between the two countries, and the safeguarding of these deposits is of vital importance to both of us. Then, apart from military factors, our two peoples live side by side on the friendliest of terms. We are the most identical people in the world. During the war Canadians and Americans were stationed adjacent to one another in France, and one of our boys, somewhat exhilarated, stumbled onto British lines and was challenged by a sentry, "Who goes there?", to which the reply was "Go to Hell". The sentry promptly replied, "Pass Canadian or American."

This political division of a continent with the preservation of amity and understanding is without parallel anywhere else. So it is indeed natural to speculate about at least a customs union when it is thought practical to weld diverse nations in Western Europe into a federation. There is even talk that France and Britain join in a cus-

toms union and contemplate some measure of political coalescence, how much simpler should it be for Canada and the U. S. to proceed along such lines.

In talking of a customs union it should be remembered that complete political union would probably be the ultimate result. Time does not permit to develop that properly. For our purposes this evening it should suffice to examine the field on the basis that full political union might be anticipated.

What are some of the objections that might be raised in the United States? Is it desirable for agricultural States like Wyoming, Montana and Nebraska to have the tariff barrier against Canadian products removed?

Following World War I the Fordney-McCumber tariff was enacted, placing high imposts against Canadian cattle and wheat. It was actively and enthusiastically supported by western states, including Wyoming. Over night it virtually drove Canadian ranchers in Alberta into bankruptcy. I well remember as a law student the frustrated countenance of ranchers as they consulted my senior partners. Mark you, I wish at the very outset to emphasize that this reference is not made in any mood of complaint. You were entitled to adopt such fiscal policies as best met your needs. Then, in 1929 the U. S. tariffs were greatly increased by the Smoot-Hawley legislation, bringing your agricultural tariffs, largely aimed at Western Canada, to prohibitive heights. This legislation was popular in western agricultural states, and no doubt was beneficial in the early thirties when wheat was a drug on the market.

To-day, paradoxically, Canadian products until a few weeks ago have been prohibited from seeking a market in your country by governmental embargoes. But, when talking about a customs union, let me remind you that the present U. S. duty against wheat is 21c a bushel. A removal of this duty to-day might be of small consequence, but might we not encounter days that are not unlike those experienced in the thirties. In such event let us place ourselves in the position of a wheat farmer in Montana or South Dakota. Would he welcome unrestricted competition in his domestic market with the Canadian wheat grower? And, bringing the picture nearer home, would the Wyoming cattle raiser, granting conditions paralleling those which prevailed at the time of the Smoot-Hawley tariff, be too complacent about Canadian competition in the stockyards of St. Paul, Omaha and Chicago? It may be that conditions have so permanently changed that these matters are not worth considering, but union of two countries such as ours cannot be effected on purely sentimental grounds, and editorial enthusiasm may well be tempered with sane, cold, detached appraisal of factors that were important a few years ago.

Then, I wonder whether opposition might not develop in the industrial east. The provinces of Ontario and Quebec have developed into industrial areas. In some fields their costs of production are notably below those of manufacturers in the U. S. I wonder how they would welcome unrestricted competition in, say, Ohio and New York from low cost Canadian manufacturers. In short, this talk of a customs union between Canada and the United States implies a reversal of the traditional tariff pattern of your country, a pattern followed consistently since the Civil War.

Then, in the purely political field, assuming that political union is the logical and inevitable outcome of fiscal union, what confronts us? Probably nine or even ten new states, each with two representatives in your Senate, would be added to the union, all north of area which has been part of the Republican stronghold. Do you think that this development would be viewed with composure by the States of the deep south?

Now, perhaps I have carried my speculations far enough. Indeed, I do not feel equipped to survey the American field and cover all aspects. But between two friendly peoples such as we are, we should not talk of new developments drawing us in closer economic and political relations except in a spirit of utmost realism. The plain fact may be that the United States already enjoys most of the benefits of union without having to assume any great degree of responsibility for our many problems.

So much for the American objections. What is the Canadian picture? We Canadians view the U. S. much as Americans view Canada. We seize every opportunity of visiting you. We feel and make ourselves completely at home. But, in the spirit of realism, what is the Canadian sentiment respecting political union? I must now ask you to bear with me while I give the broadest kind of outline of Canada.

We are 13,000,000 people, about one-third French speaking and Catholic, with both language and religion specially protected under our constitution. French is an official language in the House of Commons, the counterpart of your House of Representatives, also in the Supreme Court of Canada. I think it is safe to assert that these people would be reluctant, if not violently opposed to absorption in the United States. In Canada they constitute an important political factor. Union would dilute them to insignificance, and they would be apprehensive of their special privileges being prejudiced.

Then in Ontario and other Provinces you find people who are descendents of the United Empire Loyalists. In your history books they are termed the Tories, driven out of the country at the time of the American Revolutionary War. At the end of that war many thousands of them trekked into Canada and started the arduous task of hewing new homes out of the forest. As might be expected, they

harbored much bitterness against the new republic, and even today amongst their descendents may be found some lingering prejudices against measures likely to impair Canadian sovereignty. So much for history. I hesitate to mention it, because, as one well acquainted with our two countries, I can well imagine that a visitor from Mars would find it difficult to distinguish between Toronto and Buffalo, or Casper and Calgary, except that in Casper he assuages his thirst at a cocktail bar.

In other respects of particular interest to lawyers, Canadian opposition might develop.

Canadians are much attached to their parliamentary government, in contrast to your Congressional government. At the time of the Constitutional Convention, the English constitution was in a state of transition, and it was thought that there was much merit in a complete division of legislative, judicial and executive authority. Some of you may be familiar with American scholarship on the subject. Woodrow Wilson, in his classic work on your constitution, suggested that drastic changes should be made so that your federal government should more nearly resemble the parliamentary pattern. It is a large subject, and time will only permit me to deal with one small part of it.

Your cabinet ministers are appointed by the President, subject, I believe, to the approval of the Senate, seldom if ever withheld. They are only indirectly under the control of the House of Representatives, and they have no opportunity to appear before the House and defend the administration of their departments. In contrast, Canadian cabinet ministers must be members of the House of Commons and almost daily are obliged to appear before the House to answer for their actions. This gives, as you will appreciate, the elected representatives of the people a direct contact with and control of the executives. The prime minister of Canada is daily in the House, keeping it advised as to governmental policy. It is not for me to suggest that parliamentary government is better. Your great country has expanded and prospered under the Congressional form. However, I cannot refrain from inviting some Republicans present to speculate on the advantages of the parliamentary system if alert members of the House of Representatives had had the opportunity of putting searching questions to, for example, Henry A. Wallace, when he was Secretary of Agriculture.

However, all I want to emphasize is that the two systems are diverse, and political union would no doubt involve abandonment by Canadians of parliamentary government, subject to such changes as might be developed in your system. With much American scholarship to support me, I have the temerity to predict that that day may not be too distant when your executive will come under much more direct control of Congress.

In pursuing a comparison of governments I am reminded of the Ottawa school boy whose class was taken to the House of Commons for an afternoon, and the next day assigned to write an essay on what they observed. This lad proceeds to say: "The House of Commons each day is opened by prayer. The Chaplain surveys the assembled members, then prays for the Nation."

Then, Canadians are much attached to their judicial system, and a few observations about it may not be uninteresting to lawyers and their ladies. Our courts, both superior and county, are manned by judges appointed by the Federal Government for life. Each province is a judicial district and possesses an appellate court, from which there is an appeal to the Supreme Court of Canada. I have often admired the judgments of your State courts written by elected judges. You would be surprised how often we turn to your reports for precedents. Canadian lawyers, whilst using your judgments, and impressed by their excellence, are surprised at the sacrifice involved in accepting judicial office when so little security is attached to it. Our appointments, often persons defeated in the pursuit of office, are of course political, but on the whole, over the years, a very high standard has been maintained, and it can be safely said that our judges do not permit earlier political affiliations to impair the impartiality of their decisions. It has with us, however, been humorously said, "that you elect your judges and we defeat them". I would hesitate to say that our system is any better than yours. Once we have a weak appointee he is on our hands for years. The whole subject is one for interesting speculation by lawyers. I have passing knowledge of your Missouri plan, and know the high respect, well deserved respect, in which many of your elected courts are held. Perhaps as a member of the Canadian bench, I can say what others would hesitate to express; that we might well survey the American judiciary and even contemplate some changes. Nevertheless, I think I am safe in asserting that Canadians widely hold the view that our administration of justice possesses special merit, and that it might suffer in consequence of any impairment of Canadian independence.

If I should have unduly emphasized Canadian respect for our judicial system, I should perhaps tell you of an incident that tempers my comments. In one of our courts an Irish woman was suing another for slander, and the plaintiff, when put in the box, was asked by her counsel to tell the court what the defendant said about her. "Oh, I cannot", she exclaimed in alarm. "But you must", counsel replied, "the whole case hangs on your testimony". But it isn't fit for any decent person to hear", expostulated the plaintiff. "Well, in that case", answered counsel, "just step up to the judge and whisper it in his ear".

This subject is a broad one and I have only selected a few aspects to illustrate the Canadian viewpoint, and I now wish to embark on a

more general discussion not unrelated to this subject, and of mutual interest to our two countries.

Probably all of you are acquainted with our dollar shortage. True, it is primarily our problem, but it raises American difficulties too. Prior to World War II we purchased much more from you than you did from us, but had a favorable balance of trade with Europe, and converted European credits into New York exchange and paid our debts to you. This triangular trade collapsed with the war, and upon your entry into the conflict an informal arrangement was entered into between Prime Minister King and Mr. Roosevelt, known as the Hyde Park Agreement, under which you agreed to make large purchases in Canada, thus providing the U. S. dollars that Canada needed for purchases in the United States. The scheme worked well during the war and prevented duplications in some industrial fields. For example, I believe we furnished light ammunition and machine guns, having fortunately taken steps for accelerated production of these materials before the war. After the war our purchases from you increased at an alarming rate so that last November we were put on a so called "austerity basis".

Each Canadian is limited to \$150.00 in U. S. dollars a year for pleasure travel, and the importation of innumerable manufactured articles from the U. S. was prohibited. For awhile in the winter we lacked fresh vegetables; head lettuce for instance was unobtainable, and the ladies will recognize that cabbage salads would become a little monotonous.

By reason of sacrifices since made, the Canadian fund of necessary U. S. dollars is being restored, but the fundamental problem still exists. We are still making gifts of agricultural products to Europe, and we are over-buying from you. I do trust that these references are not regarded as a Canadian complaint. If we elect to maintain our independent economy, we should not buy if we lack the wherewithal to pay. I suppose some artificial scheme under government sponsorship could increase U. S. purchases in Canada, but in my view the solution must be a natural one. Perhaps we can make better mouse-traps if driven to it. We might, of course, legitimately ask for a marked-downward revision of your tariffs, but we followed your high tariff pattern and have industrialists that zealously cling to tariffs aimed at you. I do not make a pretence at anything but a superficial understanding of the problem, but an American cannot dismiss it as unimportant. We are your best customer, and if that market became greatly contracted, the economic repercussions in your country might be relatively grave.

Why did I develop this theme? Well, it appears to me to be interwoven with any speculation on closer relations, economic and political, between our two countries. I don't know what the answer is. If multi-



lateral world trade is soon restored, the solution is provided, but the world picture is so confused that sanguine expectations are hardly warranted. However, when we become impatient of Europe and feel that the western democracies there should collaborate more effectively, it is well to dwell on problems nearer home that Canadians and Americans have not resolved.

I hope you do not feel that I have trespassed on patience and courtesy by emphasizing Canadian aspects of this subject. After all, we are two most fortunate nations. Nature has endowed us with rich resources and there are no places in the world where the individual enjoys greater freedom and opportunity. Politically divided we may be, but there exists an underlying understanding. It is my earnest hope, as I know it is yours, that it grow.