

our habits and practices with singularly little harm to either.

We, like the British, will have to reconcile ourselves to being more and more mixed up with the Americans as time goes on. Because we live so much closer to them, and because we have for several generations cultivated an attitude of resistance towards them, that process may be a little more painful for us than for the British. But it will be a poor kind of loyalty to the British if we insist upon being more British than they are, to the extent of being more anti-American. One of the respects in which it seems to me that we are persisting in being, not perhaps more anti-American, but at least

more non-American, than the British have any wish for us to be, is in our continued refusal to have anything to do with the Pan-American Union. I sometimes suspect that that refusal is really nothing more than another form of our colonialism, our unwillingness to accept anything in the way of a responsibility or a commitment, our inability to make up our minds. Canada, with her large Latin element of population, and with her combination of English language, Anglo-Saxon business methods, and distinctness from the United States, could exercise a most powerful influence on the nations of South America if we would accept the responsibilities of a North American nation.

Pan Americanism is not Enough—Two Opinions

By R. G. TROTTER and R. A. MACKAY

EDITOR'S NOTE: The question whether or not Canada should become a member of the Pan American Union has been a controversial one for a long time. In the following articles the reasons for and against are examined by two well known students of Canada's external policy.

I

By R. G. TROTTER

HAPPILY, Canadian relations with Latin America have recently been growing more intimate and more cordial. Exchange of regular diplomatic representatives with several of the leading countries in South America has marked this growth in relations. Our Minister of Trade and Commerce has been able, as a result of his recent trade mission, to report the negotiation of several advantageous commercial treaties. All Canadians will approve these developments, which augur well for future growth of economic interchange within the relatively narrow limits set by natural conditions, for, although this interchange is likely to form no very large proportion of our international commerce, it is well that we should make as much of it as we

can. Culturally, the Latin tradition of French Canada creates a bond of sympathy with Spanish and Portuguese-speaking Americans that offsets to some extent the lack of close community of cultural outlook between the latter and English-speaking North Americans.

Politically, the fact that Canada has reached nationhood without adopting republican institutions and has maintained her monarchical association with other nations of the British Commonwealth, sets her apart from the world of American Republics in their eyes as well as in her own. Nevertheless, Latin Americans are recognizing increasingly Canada's national position. Our enlarging interest in the Latin-Americans and our growing intercourse with them sometimes lead to discussion of the possibilities of formal relations with the Pan-American system. Some Canadians would like Canada to seek membership in the Pan-American Union and participate as a member in the conferences held under its auspices, feeling sure that its definition as an association of American Republics could readily be modified to

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make Canada eligible for membership. The time may come when Canada can take such a step consistently with her own national position and the wider international interest, but neither the present character of the Union nor the fundamentals of present Canadian policy would make it wise to-day.

From the beginning of the war, Canadian policy has placed this country in the van among all American countries in relation to the present struggle, by its prompt recognition that the Axis threat placed in jeopardy the security of American as well as other countries and required active participation in a sense not restricted by continental or hemispheric conceptions of interest or policy. The Pan-American Union, by contrast, was still, after the war began, an instrument used by United States leadership to formulate isolationist hemispheric policies and to deny the principle of the interdependence of American security with the security of free nations in other parts of the world. Since the United States became herself a belligerent, her policy has tried to reverse this position, but none of the major countries of Latin America has been willing to commit itself fully to the new trend; and the future with regard to more than one is still clouded with uncertainty.

Advocates of Canada's joining the Union sometimes argue that our membership in it would increase the likelihood of early and all-out hemispheric co-operation in the struggle against the Axis. They even suggest that if Canada had been in the Union in the early stages of the war, she might have been able to temper the isolationism of the American Republics when the latter were elaborating the bases of a neutral "hemispheric" policy. One has only to observe the difficulties that the United States has faced to see how little likelihood there would have been of Canada exercising an appreciable influence in Pan-American circles at that time, especially in view of the fact that if Canada had then attempted to oppose the policy of "hemispheric" neutrality, she would have encountered opposition

not merely from Latin America but from the United States whose government was the leader in formulating that policy.

In the event that Canada had been a member of the Pan-American Union at the outbreak of the war, it would have meant one of two things. Either it would have been the result of a prior Canadian decision in favour of an isolationist policy of neutrality, in which case Canada would have found herself in no conflict with the policy of the American Republics, or it would have meant that her policy of active belligerency in the war would have placed her in a situation of unnecessary embarrassment in relation to the whole group of Republics and particularly in relation to the United States. Free from such Pan-American associations, however, Canada was able to move freely forward without embarrassment and take up at once active partnership in the struggle. Other American countries with their isolationist policies might regret and misunderstand her action but it was so consistent with her relationships in the British Commonwealth and in the world that they were in no position to do anything but acquiesce.

It is clear now that not only Canadian interest but the interest of the Americas as a whole was well served by Canada's early decision to take up arms, which might have been so much more difficult to make had she been then under the necessity of discussing hemispheric policy within the formal framework of the Pan-American system.

After the war began an equally advantageous result of Canada's independence from this group was the resulting freedom for the development of peculiarly intimate measures of collaboration between Canada and the United States in the promotion of their common defence. From this came an economic partnership which has greatly increased the capacity of North America to contribute support to Britain upon whose survival and that of other lands overseas North America's security vitally depends. Canada and the United States were already more

intimately associated with one another, culturally, economically and politically, than either of them was with Latin America. They were now, in crisis, in a position to develop closer collaboration, free from embarrassments that would have resulted had they both been members of an association whose Latin American partners would have viewed askance the development within the Union of a unified North American policy. They have been jealous enough of the United States by itself, and, in fact, most of their eagerness to get Canada into the Union has been in the hope that they could use Canada to create a stronger balance against United States preponderance. If Canada were in the Union, she would doubtless at times be inclined to throw her weight their way. It has been a happy thing both for Canadian-United States collaboration and for the success of Canadian efforts to draw closer to Latin America that we have not been embarrassed in either process by membership in the Union.

It is noteworthy that the principal recent advocates in Canada of Canadian membership in the present Pan-American Union are former isolationists. They say now that isolationism is dead, but it is obvious that the devotion of some of them to the idea of hemispheric solidarity is not only for such positive values as it may have but because it still connotes a spiritual aloofness from responsibilities and commitments outside the hemisphere. We cannot afford in these days of crisis to take flight from reality by putting the major emphasis on secondary purposes. If the forces of our enemies drive this hemisphere back behind its own coasts, dreams of its solidarity as a home of free peoples will be doomed to utter destruction. Our major thought as well as our major effort must now be spent to avoid that issue by co-operating to win this war and to win the ensuing peace on a scale that must be much more than continental or hemispheric. There may come a time when the Pan-American ideal held by the Republics of this hemisphere will have been widened until it takes its appro-

priate and responsible place in a broader international society. In such event it might be that Canada could join this system without hampering her own destiny and the common good. The day for that has not come yet. For a Canadian to-day to put hemispheric ties first, to advocate any step that would substitute them for our wider ties of collaborative effort, must mean a lack of appreciation of the primary issues upon which our future hangs, unless indeed it be a counsel of despair that will serve well the disintegrating purposes of our enemies.

II

By R. A. MacKAY

Is Canada missing a unique opportunity in following a policy of isolation towards the Pan-American Union? It is the writer's firm conviction that she is.

The popular objection in Canada against membership has been that it would weaken the historic tie with Great Britain. This bogey has done service against every step towards self-government since the American Revolution but it is no more valid in this instance than it was a century ago against the grant of responsible government. It has been argued that Canada could not become a member without becoming a republic (whatever the term republic means) since the Union is by definition "the Union of American Republics". But there is every indication that the Union would be willing to admit Canada without quibbling over constitutional terminology; it might even be prepared to change its name to "The Union of American States", or "The Union of American Democracies" if Canada insisted on quibbling about constitutional terms.

Again it has been argued that membership would restrict Canada's freedom of action as a member state of the British Commonwealth, and more specifically that it would have hindered Canada from

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going to Britain's aid in 1939, since the Union adopted a common policy of neutrality. The validity of this argument is more than questionable. The Union is a mere association of nations each member of which retains complete freedom of action to follow the policy which its interests dictate. This is clearly indicated by events after the declaration of war by the Axis Powers on the United States: eight members of the Union have so far followed the United States into a formal state of war; ten others severed diplomatic relations with the Axis; Chile and the Argentine, on the other hand, have so far retained diplomatic relations with the Axis but will apparently consider other members of the Union as non-belligerents, which means that Chilean and Argentine ports will be open to their use. Again membership in the Union did not prevent the United States from adopting after Dunkirk a policy of all aid to Britain short of war. Indeed, only one American State could have exerted effective pressure to prevent Canada from going to Britain's aid in 1939, and that the United States. But the United States has always recognised Canada's freedom of action in this respect, and it is difficult to see how membership by Canada in the Union would have affected American policy to the slightest degree, or have made it in any way easier for the United States to bring pressure on Canada, if it wanted to do so.

It remains to examine whether Canada's interests would be served by membership in the Union.

Until recently there has perhaps not been much point in membership: the Union has been a rather shadowy organisation and Pan-Americanism an aspiration rather than a reality; and Canada's interests in Latin America, commercial and other, have been relatively unimportant. But these conditions are rapidly changing. The "good neighbour policy" begun under President Hoover and widely extended under President Roosevelt has allayed the apprehension of United States imperialism which has

hitherto dogged the Union, and the United States has assumed a moral and economic leadership in the Americas which is bound to have a profound effect on the economies of Latin American countries and upon the rôle of Latin America in world affairs. The war has induced political and economic solidarity among the American republics without parallel in their history. There is every reason to believe that these developments are not a passing phenomenon but indicate long-run changes which may profoundly affect the position of Canada and her sister nations of the British Commonwealth.

At the outbreak of war the members of the Union meeting in emergency session agreed upon a common policy of neutrality. Since its members had no continuing political ties with Europe, and since they had the arms neither for effective defence nor for offensive purposes, this was the only sensible policy. Active measures were taken to put down Axis "fifth column" activities. After Dunkirk the Union agreed to prevent any change of sovereignty as between European powers over any European colonies in the Hemisphere, and to occupation in trust by American states of any colonies in the Hemisphere in danger of aggression or of change of sovereignty. With the aid of the United States, the only available source of arms, a programme of active defence was also begun, and considerable coordination of defence measures was achieved by staff talks between United States defence services and those of many Latin American countries. Incidentally, all these measures were highly advantageous to Britain and her allies since they secured the American rear of the Royal Navy against use by enemy ships or planes while it was battling desperately to keep the Atlantic sea-lanes open. But the point to be noted here is that under the leadership of the United States the Union has been developing rapidly into a system of collective defence for the Americas. Canada, through the joint defence arrangements with the United States is in fact a sort of associate

member of this system. Moreover, steps have been taken to build institutions for the prevention of war between American countries themselves. Thus a regional collective system for the western hemisphere seems to be emerging.

Given an Allied victory it is very probable that a real effort will be made to establish some sort of a world collective system. This has been forecast both by Prime Minister Churchill and by President Roosevelt. If so the task will fall primarily on the British Commonwealth and the United States. If such an organisation proves as yet impossible, some sort of continuing association between the Commonwealth and the United States which would include other like-minded nations such as the Dutch and Scandinavian peoples would seem imperative. In either event, the position of Latin American peoples will be of very great importance, both economically and politically. Canada, as the American member of the British Commonwealth, would seem to have peculiar responsibilities for helping to bridge the gap between the Western Hemisphere collective system and the wider collective system which must be set up after the war, whatever the membership and whatever the form this wider system may take.

Canada is, moreover, becoming directly interested in economic developments which are occurring in Latin America. Like Canada, much of Latin America developed principally as a base of supplies of staples for European markets and particularly for the British market. As the war spread these markets were progressively closed, and countries most dependent on European markets, such as Brazil, the Argentine, Uruguay and Chile, faced economic disaster. The United States has taken the lead in assisting Latin American countries in difficulty, both directly by such means as loans through the Export-Import Bank, and special trade agreements, or indirectly through the Union of American Republics. The Union has matured plans for an Inter-American Bank to alleviate exchange difficulties and to finance long-

range developmental programmes designed to make Latin American countries less dependent on the non-American world. Proposals have also been made for machinery to finance crop carry-over and assist orderly marketing of crops, and for the establishment of an inter-American currency system. While such plans are mostly still "in the air", it is evident that considerable progress is being made towards greater economic integration of Latin American countries with the United States. This will no doubt be further induced by the outbreak of war in the Pacific which has cut off supplies of vital materials such as rubber and tin, both of which, as well as many other strategic materials, can be developed within the hemisphere, given time.

Before the war, South America, and particularly Brazil and the Argentine, seemed to be on the verge of a tremendous expansion. The war while in some respects a painful experience to South America, will undoubtedly accelerate expansion in many lines, especially in manufacturing industries. Moreover, Latin America is virtually the only remaining open, or relatively open, trading area. Commercially, it may easily fall into the lap of the United States because the United States will turn more and more to it for supplies, because the United States is virtually the only remaining source of supply for many of the goods Latin American peoples need, because the United States is assisting many Latin American countries financially, and because their currencies, like the Canadian dollar, are roughly within the American dollar bloc.

The Canadian Government has recognised Canada's opportunities to the extent of sending trade missions, negotiating a few minor trade treaties, and exchanging diplomatic representatives with Brazil, the Argentine, and Chile. Canadian trade with Latin America has doubled during the past year, despite the war. But the development of the Union as a medium of economic cooperation between its members, which is already under way and is likely to grow rapidly,

may well mean a preferred position for members in each others markets and perhaps mutual aid in regaining a position in world markets if these recover after the war.

Canada will most decidedly be interested in finding markets after the war for her greatly expanded manufacturing industries, as well as in reopening markets for wheat and other staple commodities. Latin America is potentially an expanding market of great importance. The Argentine is her principal competitor in the world wheat market, while Brazil, the Argentine, Uruguay and Chile are com-

petitors in other commodities. Mutual understanding and good will between Canada and her potential competitors in world markets are essential. Membership in the Union may not be essential to protect her position in world markets, or to gain equitable rights of entry to the expanding markets of Latin America, yet it is quite conceivable that it may become so, if the Union tends to adopt an economic front against the world. In the hard struggle for markets likely to follow after the war it would seem essential that we "hedge" against all eventualities.

The Railways' Contribution to Canada's War Effort

By SIR EDWARD BEATTY

IT is interesting to remember that this country—as devoted to peace as any nation could be—has a railway and transportation history which has been deeply affected by military considerations.

The Intercolonial Railway was built for the specific purpose of providing a connection, wholly on Canadian soil, between the Maritime Provinces and the rest of Canada. The plan of Confederation, of which it was an essential part, was primarily intended to meet the economic needs of the people of British North America, but the underlying realization of military considerations played an important part in producing the decision to unite the Provinces, and in the decision to provide a publicly-owned and Governmentally-operated railway connection, which, for military reasons, was built wholly on our own soil. It has always been a matter of regret to me that this special status of the Intercolonial line was not preserved during the later railway development of the Dominion.

The Canadian Pacific Railway was equally constructed for a combination of economic and politico-military reasons, and its first function was to carry troops from Eastern Canada to the new settlements of the West.

It is unnecessary to remind students of history that the first major improvement in our inland waterways was the construction of the Rideau Canal—to bypass the International Section of the St. Lawrence River, in an earlier and less happy period of our relations with our brothers to the South.

The peaceful history of Canada made it unnecessary for us to use our transportation systems for military purposes, to any serious extent, until the World War of 1914-1918. During that struggle, the Intercolonial and Canadian Pacific Railways proved their essential value to the Empire and to Canada, and made this nation's participation in the struggle practicable.

In the years which followed the Armistice of 1918, the railways of Canada experienced many vicissitudes. The collapse of some private and Governmental adventures in railway construction and operation led to the creation of a giant system under public ownership. In the period of hectic prosperity which followed, both publicly and privately owned lines were able to increase their volume of traffic to great proportions, and the railway picture resembled markedly that which had existed during the