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# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Chapter</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. CANADA'S RISE TO WORLD POWER</td>
<td>1</td>
</tr>
<tr>
<td>II. ANNEXATION MOVEMENT</td>
<td>11</td>
</tr>
<tr>
<td>III. BOUNDARY AND FISHERY DISPUTES</td>
<td>36</td>
</tr>
<tr>
<td>IV. ECONOMIC RELATIONS</td>
<td>68</td>
</tr>
<tr>
<td>V. RECENT RELATIONS</td>
<td>92</td>
</tr>
<tr>
<td>BIBLIOGRAPHY</td>
<td>116</td>
</tr>
</tbody>
</table>
CHAPTER I

CANADA'S RISE TO WORLD POWER

For many years American geographies showed maps of the United States in full color with a blank white space north of the Great Lakes and the forty-ninth parallel. Nearly as blank were the minds of Americans concerning Canada. The plain fact is that most Americans have known little and cared less about their northern neighbor. Most Americans have little or no understanding of Canada's political status. It is said that Canadians grow weary explaining to Americans that their country, for all practical purposes, is as independent as the United States, that they do not pay taxes to support King George, and that there is no throne room in Ottawa.

The Canadians, on the other hand, have been fairly well-informed about the United States and have realized that the United States has much in common with their own country by way of heritage and development. At the same time, they have been acutely conscious of their own country's separate identity and how it differs from the "great republic to the south." They have realized that even though Canada is a member of the British Commonwealth of Nations, it is also an American nation and very dependent upon the United States.
In order to facilitate a better understanding of American-Canadian relations, this general survey of Canada's evolution from Colonial to Dominion status is offered.

Canada has been a factor in international affairs, affecting France, Britain, and the United States, for about four centuries. Canada has been through three principal stages of growth. During the first three centuries or so it was in every sense a colony. The cession from France to Britain made no difference in this regard. Canada formed a part of a centralized European empire, under both the French and British regimes. Its role was purely that of increasing the power and influence of the parent state, and the people who lived there found their international self-expression through the policy laid down by the distant "home" government.

The colonial stage lasted in Canada almost a century longer than in any other American country. All other European colonies in the Americas achieved autonomy by revolution long ago.

Because of this prolonged colonial period, American-Canadian relations did not actually begin until after 1867 when the provinces were federated and the Dominion formed.

Federation of Canada really had its beginning in the Canadian rebellions of 1837. The English-speaking Canadians in Lower Canada were determined to control the assembly governing the colony. They
wanted to Anglicize the French and to check the powerful influence of
the Roman Catholic Church. The French-Canadians comprised more
than half the population at this time. Under the leadership of Louis
Papineau, a few French revolted, but the Rebellion of 1837 was not a
wholesale rising of the French people. The British authorities re-
stored order and Papineau fled to the United States. There was little
loss of life. Nevertheless, both races received a great fright, and
the shock did not improve their tempers.

In Upper Canada, the Rebellion of 1837 was only an echo of the
explosion in the lower province. Although there was no conflict of
nationalities in the upper province, there were other complications.
Americans, mostly Loyalists who fled after the American Revolution,
had migrated to this region until the War of 1812 stopped them. In
many ways the American character of the population had been pre-
served and this condition naturally intensified the political strife in
Upper Canada. To the minds of the local oligarchy, which was called
the Family Compact, the popular agitation for self-government took
on the shape of American democracy and republicanism, which had to
be crushed. The leader of the popular cause in Upper Canada was
William Mackenzie. In a brief skirmish with the royal forces his
party was crushed. He, like Papineau, fled to the United States.

These two uprisings had one good result. They startled London
into sending Lord Durham with wide powers to take charge of the whole
situation in British North America. When Durham reached Quebec in May, 1838, he was faced with a pressing problem. Refugee rebels, assisted by numerous American sympathizers, threatened Canada from the United States. The tension along the border was most acute at Niagara, where two "invasions," one from each side of the river, had occurred. Canada was "invaded" when Mackenzie, with a body of American followers under Rensselaer Van Rensselaer of Albany, took possession of Navy Island, and the United States was "invaded" when some British seized and turned into looting and burning the steamer Caroline and in the process killed an American.

Durham's stay lasted only five months, but the report that he submitted on his return was perhaps the most famous report in the English language. It formed the cornerstone of the present British Empire, or Commonwealth of Nations. Durham's report insisted upon a complete change in British colonial policy. The fear of letting the colonies have too much freedom because freedom might destroy the empire was false and dangerous, he argued. He insisted that trying to hold back the colonies would only irritate them into wanting to break away, and their people would cease to be British if their British birthright were withheld from them. Instead of a policy of force inspired by fear he demanded a policy of freedom inspired by faith. He was the first British statesman to see this fundamental principle. ¹

¹Alfred L. Burt, A Short History of Canada for Americans, pp. 156-159.
In other parts of his memorable report Durham advocated the
federation of British North America. This, he said, would enable the
colonies to attack their common problems together; it would give their
public men a wider outlook and higher ambitions; it would inspire the
people with effort and self-confidence; and it would make them grow into
a real nation.

But Durham's recommendations could not be fulfilled at that time.
The Maritime Provinces refused to be united with Canada. Then, too,
there was the peculiar situation in Lower Canada, which Durham de-
scribed as "two nations warring in the bosom of a single state." Some-
thing drastic had to be done to stop the racial strife or it would rend
the colony more than ever.  

The union of the two Canadas (Upper and Lower Quebec) was the
part of Durham's report seized upon by the imperial Parliament to
squelch the strife in Canada. In 1840 the imperial Parliament passed
the Union Act. It was very unjust to the French. One provision of the
act made English the only official language and thus deprived the French
of the status they had shared equally with the English in Lower Canada.
Greater still was the injury that the act inflicted by giving to Upper
Canada the same number of seats in the new legislature that it gave
to Lower Canada, though the population of the former was scarcely

\[2^{Ibid., p. 158.}\]
three quarters that of the latter. This prevented the French, who were a majority of the total population, from having anything more than a helpless minority in the assembly for they were outnumbered in the English-speaking districts of Lower Canada. However unpopular the Union Act was, it held Canada together until 1867.  

But as the modern world came on with its railways and steamships, its industries and world markets, it became clear to Canadians that numbers of separate British units, spread out across northern North America, would have little chance of independent survival. The United States at the end of its Civil War was launched on a period of great expansion. Canadians were fearful that that expansion might surge northwards across the border. Unless some authority took charge of the western lands, they would be swallowed up in the tide of American settlement. Several disunited colonies were not strong enough to develop the required strength and resistance. In 1867 four provinces—Quebec, Ontario, Nova Scotia, and New Brunswick—joined together to form the Dominion of Canada. The next year Prince Edward Island and British Columbia were brought into the union.  

Although Canada, after 1867, was a Dominion, it still retained some aspects of its colonial position. From the War of 1812 and the various disputes over boundaries that followed, Canadians had learned

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3Ibid., p. 161.

4"Canada—An Introduction to a Nation," from Julia E. Johnsen, Canada and the Western Hemisphere, p. 9.
that the only way to have any bargaining power, the only chance of not being swamped by the United States, was to stick close to the coat-tails of Great Britain. Therefore, Canada did not want and was not given control over its foreign affairs.

Inside the British Empire it was not until 1907 that the name "Colonial" Conference was changed to "Imperial" Conference, and it was not until 1931 that the Dominion ceased to be called "colony" by English law. Though no single event marks the end of Canada's colonial position, it was only after the treaties of 1919 and the separate entry of Canada into the League of Nations that Canada undeniably entered the world arena as an international entity in its own right. Canada's economic role in world affairs developed much earlier than its political freedom. For as far back as 1859 Canada had established a right to its own tariff and in 1878 it adopted the national plan or policy of protection. With the growth of Canadian industry and wheat production, Canada had become an important factor in world trade even while still a colony.

It is difficult to give a very precise definition of Dominion status. The obscurity of the term arose because it attempted to include within itself two contradictory ideas. One idea was that the Dominion was "self-governing." The other was that it was not really an "independent" nation, but an integral part of a single international unit called the British Empire or Commonwealth, whose center was London. Quite
clearly the Dominion was inferior in status to Great Britain, for it was not a Dominion but a sovereign state.⁵

During the period of Dominion status, American-Canadian relations were stormy at times. Down to about 1905, in war and peace, Canada's great ally against American Manifest Destiny was Great Britain. From the Civil War onwards, however, Canadians felt that they were less important in British policy than Anglo-American understanding. This circumstance provided a steady undercurrent in the triangular relationship which emerged sharply in the Washington Conference of 1871 and in 1903 at the time of the Alaska boundary award. After 1903 Canadians decided to try to go it alone. A great boom which lasted from 1896 to 1913 gave them confidence. In 1911 they rejected a Liberal Prime Minister's policy of reciprocity with the United States and in 1913 they rejected a Conservative Prime Minister's policy of an emergency contribution to the British Navy.⁶

This, of course, was Dominion status in conspicuous action for the first time, but it did not mean that any decisive alteration in the triangle of forces had taken place, for Canada could not grow fast enough to counterbalance its mighty partners. However, Canada could,

⁵Francis R. Scott, "Canada's Role in World Affairs," from Julia E. Johnsen, Canada and the Western Hemisphere, p. 64.

and did, play one off against the other to its own advantage in many instances.

The term "Dominion Status" was in use long before colonialism had ended. The Dominion Status era was really a time of transition from colonialism to nationhood. Even when Canada took the important step of separate membership in the League of Nations, it did not have a single minister in any foreign capital and it had never negotiated a single important political peace treaty exclusively by itself. Canada was certainly not in full control of its foreign policy.

In the interval between the two world wars, Dominion Status came to an end as far as Canada was concerned. The change took place gradually. In 1923, Earnest Lapointe, Canadian Minister of Justice, signed the first treaty independently of Great Britain. In 1926 the Imperial Conference proclaimed the new doctrine that members of the Commonwealth were

in no way subordinate to one another in any aspect of their domestic or external affairs, though united by a common allegiance to the Crown and freely associated as members of the British Commonwealth of Nations. 7

As a result of this new doctrine, in 1927 the first Canadian Minister went to a foreign capital—to Washington. Even these developments left Canadians still uncertain whether they had that final test of sovereignty—an independent right to make peace or war. This point

7Scott, op. cit., p. 66.
was settled by the second World War. England declared war on September 3 and Canada declared war on September 10. The United States recognized Canada's status as a nation by not invoking its neutrality laws against Canada at the time of the British declaration of war.
CHAPTER II

ANNEXATION MOVEMENT

Canada is larger than the United States but it has always been weaker. The United States has been an energetic expanding power throughout its existence, except for occasional brief interludes. The effect upon its weaker neighbor may easily be imagined. Canada has always feared the expansive energies of the United States. Although the four-thousand-mile unguarded frontier has long been the pride of the two neighbors, and an example to the world, relations between the two have not always been serene.

The conviction that the United States cherished a deep-seated ambition to annex Canada was for many years entertained by the Canadian people. There has been some evidence to verify this fear. The frank avowal of annexationist ambitions by American political leaders were frequent enough to keep the fear alive, and the actual attempts by extremist groups to bring it about seemed to Canada constantly to threaten its security, and served to keep Canada ever alert and on guard. The very fact that its defensive resources were so limited added to its tendency to see active hostility on the part of the United States when there was usually just a large measure of irresponsibility.¹

¹Edgar W. McInnis, The Unguarded Frontier, p. 3.
Twice, in 1775 and in 1812, the United States formally invaded Canada. Private citizens from the United States fought Canadians in 1837, 1866, 1870, and were ready to fight them in 1844 over the Oregon slogan, "54° 40' or Fight."

The invasions of Canada in the American Revolution and the War of 1812 were not annexation movements but military measures taken in efforts to defeat an enemy, the British. The first invasion against Canada that might be interpreted as an annexation move was made during the Canadian Rebellion of 1837.

The Canadians at this time felt that they had been done grievous injustice by British ministers, and popular sentiment flared high. Papineau, who was a prominent French-Canadian leader, started the rebellion against the British. Later William Lyon Mackenzie assumed the leadership of the movement. He went to the United States and raised a miniature army whose purpose was to invade Canada and set up a republic. The incident produced by Mackenzie's invasion is described from the Canadian point of view by John George Bourinot. He said, in part:

Mackenzie fled to the United States, and industriously set to work to violate the neutrality of that country by collecting bands of ruffians in the city of Buffalo for the purpose of invading Canada. The consequence was, that the frontier of Upper Canada was kept for months in a state of fever by his criminal conduct and two countries were brought to the verge of war. The raiders seized an island just above Niagara Falls on the Canadian side, as a base of operations, and a
vessel was freely allowed to ply between the island and the mainland with supplies. It soon became necessary to stop this bold attempt to supply the freebooters on Navy Island with the munitions of war, and a Canadian expedition was accordingly fitted out to seize the Caroline, the vessel illegally employed. She was cut from her moorings on the American side, her crew taken prisoners, one man killed, and the vessel set on fire and sent over the Falls of Niagara. This was clearly one of those junctures when no other means were available for protecting Canada from lawless attacks of men who found the Caroline of great assistance in their intended raids on Canadian territory. The United States authorities had made no special effort up to this moment to prevent this unwarrantable use of their soil by ruffians, and the Canadians were forced by every consideration of self-protection to take the law into their own hand.²

The Canadians were organized into secret societies vaguely organized along Masonic lines. These societies were known as Hunters’ Lodges. At the height of their operations there were perhaps 50,000 members whose declared purpose was the elimination of the British monarchical rule from North America. These organizations appealed to the frontiersmen along the borders of New York, Vermont, and Michigan who had suffered from the depression of 1837. Some of them were ready for adventure and joined these organizations.³

After the Caroline episode, Winfield Scott was sent to the northern border to restrain American citizens, and the situation was eased until

²John George Bourinot, "Canada and the United States: Their Past and Present Relations," Littell’s Living Age, CLXXX (June 29, 1891), 713.

³McInnis, op. cit., p. 152.
it was revived by Alexander McLeod, a Canadian who after imbibing too freely at a border tavern on the American side, confessed that he had killed Amos Dunfee, an American aboard the Caroline. He was arrested and his case dragged on to the serious detriment of relations between Britain and the United States. He was finally released and nothing came of the affair except ill feeling and new disputes. ⁴

The next wave of annexation sentiment toward Canada started after 1846 when England repealed the Corn Laws and during the height of the Manifest Destiny period. The attitudes of many Americans during this period are expressed by Frank B. Tracy:

There are many reasons for the union of Canada and the United States. The two peoples are homogeneous. In neither country is the population of a single race; but in both amalgamation of largely the same elements has been so carried on that the average American and the average Canadian have many points in common. Both countries would be stronger if united; and not only does the simple law just cited urge and demand their union, but Manifest Destiny has pointed to that result for years. The successive acquisitions of Louisiana in 1803, of Florida in 1819, and the Pacific West in 1846, 1848, and 1853, certainly indicated that the next step in the expansion of the United States would be the absorption of Canada. ⁵

The attitude of many Canadians during this period was favorable toward annexation. With the end of England's Corn Laws, in 1846, her markets were open to the world with no preference to colonies or to

⁴ Ibid., p. 155.

anyone else. Wheat which had gone from American fields to Canadian mills and then down the St. Lawrence to the sea flowed more cheaply through American channels to New York or some other eastern port and then to England, or to other ports abroad. Prices of food stuffs were no longer artificially stimulated. Canada had to compete against a system which enjoyed rail transportation, and in many instances shorter routes. The farmers, the millers, the river or canal boatmen, and all subsidiary enterprises suffered alike. 6

After the removal of colonial preference, Canada had control over her own fiscal arrangements. She eliminated all differentials, making her tariff schedules uniform when applied to other colonies, to the Mother Country, and to foreign nations. The reduction of duties on American manufactures was especially notable. Nevertheless, all the efforts of the Canadians to offset the losses caused by English free trade were unavailing. In the United States, Congress and popular opinion were engrossed in the Mexican War and its outcome, in the questions of territorial organization which arose from the acquisition of new territories, and in the presidential election. Canada could get no attention paid to her overtures looking toward some sort of reciprocal trade undertaking. Canada was appalled at the economic outlook of this period. 7

6Lester Shippee, Canadian-American Relations, 1849-1874, p. 5.
7Ibid., p. 6.
The Governor-General of Canada, Lord Elgin, was alarmed at the political discontent of the country which he blamed entirely upon the "commercial embarrassments." He felt that all the country needed to carry it through a transition stage was elevation of its economic status to an equality with that of its neighbor below the line. He said, "If free navigation is not secured for us, the worst, I fear, will come, and that at no distant day."  

To make things worse, Canada was having an immigrant problem. The Irish famine was driving thousands of destitute men and their families to Canada. During the summer and autumn of 1847 it was estimated that close to one hundred thousand refugees were landed at Quebec.  

In such a setting appeared the famous Annexation Manifesto. On December 7, 1849, this circular was drawn up and signed by 1,010 prominent English-speaking men in Montreal. It set forth the advantages that would come to Canada as a result of annexation to the United States and dealt with six proposed remedies for the then present ills of the country. The last remedy asked for

Friendly and peaceful separation from British connection, and a union upon equitable terms with the great North American Confederacy of Sovereign States.  

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8Ibid.  
9Ibid., p. 9.  
10John Charlton, "The United States and Canada," The Independent, LIV (July 17, 1902), 1711.
The latter course, the circular declared, was the only remedy that was worthy of being considered or that gave promise of adequate relief. The circular invited organization of Annexation Associations in the counties, townships, or parishes throughout Canada. Many signers of the Manifesto were leaders in political and business circles. Among the number were J. J. G. Abbott, afterward a Premier of Canada; L. H. Holton, who had a long and useful Parliamentary career; D. L. McPherson, afterward knighted; John Rose, afterward Finance Minister of Canada; A. A. Dorian, afterward leader of the Liberal party in Quebec and Chief Justice of that province. 11

The Manifesto served as a crystallizing point for political betterment and economic discontent. It probably appealed to the few who believed that there was no way out of the morass except by annexation; it served many English Tories who felt that the government was shot through by republicanism and tinged with inherent disloyalty; it received whole-hearted approval from a small group of Americans living in Canada and from the Irish who welcomed any method of weakening the Empire and flouting England. 12

The agitation, however, was not one-sided. Those opposed to annexation organized "connectionist" meetings, issued counter-manifestoes, and used newspapers in agitating against annexation and for

11 Ibid., p. 112. 12 Shippée, op. cit., p. 8.
continued political connection with England. Some of these tried to minimize the grievances which the annexationists listed, but most of them admitted that the situation was bad and that something must be done, although to them no condition could be so desperate as to demand the remedy of annexation.

In July of 1849, the British American League met to try to bring about some sort of collective action for alleviating Canadian ills and to put up a united front against threatened French domination. Although the High Church Tories of Upper Canada formed the backbone of the Convention, the Annexationists found themselves in a minority. When the League met again in November, the majority favored either a federation or a legislative union of the colonies. J. B. Gamble, one of the influential delegates, remarked, "A union of this kind would leave the people nothing to desire from annexation, because, in a few years, this country would be in quite as prosperous a state as the other side of the line." 13

By the summer of 1850 the annexation movement was on its last legs. Whatever strength the annexationist cause had was centered in Montreal and the Eastern Township. Outside these areas in Lower Canada it made no appreciable headway. In Upper Canada, although economic distress was as great as at Montreal, annexation made no headway at all. In Lower Canada adherents were principally from two

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13 Ibid., p. 9.
groups: Tory business men and politicians and radical French under the leadership of L. J. Papineau. Papineau’s newspaper, L’Avenir, presented all the possible advantages of a change of allegiance, but the Roman Catholic clergymen were opposed to annexation for they knew that in the United States their church would not have the privileged position it held in Canada. Therefore, the movement made little headway among this group which might have been a determining factor in the Annexation Movement.  

During the American Civil War, and for a period of five years following, the American government was confronted with a British-American political situation which suggested opportunities for territorial annexation. In the five years after the Civil War, in seeking adjustments of the Anglo-American international controversies arising during the war, its largest subject of consideration was the problem of the destiny of Canada—especially the problem of the destiny of the great Canadian Northwest which was affected by the result of the American westward movement and by the evolution of American and Canadian policies after the negotiation of the Oregon treaty.  

After the United States emerged from the Civil War victorious, the American government did not evade or postpone the settlement of

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14 Ibid., p. 15.

15 James Morton Callahan, American Foreign Policy in Canadian Relations, p. 299.
accounts with Britain. It was determined to secure indemnity for damages to American commercial cruisers during the war. For five years, negotiations continued for British settlement of the Alabama claims. Simultaneously, Canadian plans for consolidation of the eastern provinces of British America stimulated border difficulties and appeared to threaten American interests. The United States, consequently, contemplated a policy of annexation of all British North America as compensation for American claims for British violations of neutrality. 16

However, the United States would probably have been satisfied to accept just British Columbia in liquidation of the Alabama claims, since British Columbian sentiment at that time favored annexation.

In 1858 gold was discovered on the Fraser River, and in 1860 in Cariboo. Immediately Victoria, being the only settlement of any size, became the headquarters of adventurers and prospectors of every type. In three months after the gold was discovered more than twenty thousand immigrants entered through this port. The vast majority of these men were Americans, mainly from the deteriorating mines of California. 17

British Columbia was separated from the rest of Canada by the Rockies. Her trade, transportation, and connections bound her to

16 Ibid., p. 304.

17 Hugh Li. Keenleyside, Canada and the United States, p. 156.
California. Her people even used American postage stamps. Governor Musgrave objected to this practice and declared that he had "never heard of anything so undignified in any other place as importing the stamps of another nation for use in a British Colony."\(^{18}\)

It became evident that British Columbia could not remain an isolated British colony, and the colonists had to give serious thought to the two ways in which they might meet their problems. In many ways the most natural line of political development was annexation to the United States, while confederation with the other provinces presented almost insurmountable geographic and economic difficulties.\(^{19}\)

In 1869 Lord Granville proceeded to enumerate to the British Columbians the advantages of a union with Canada. Chief among them he listed the entrusting to the Dominion Parliament of national affairs and to the provinces "questions of local interest." He also referred to the possibility of transcontinental communication or "internal transit."\(^{20}\)

However, British Columbians were now anxious for Confederation. Discontent was rampant in the colony. They felt that England had given little but advice and that no prosperity would come to the colony unless connections by road and rail were formed with Canada.

\(^{19}\)Ibid., p. 191.
\(^{20}\)Ibid., p. 195.
As early as 1867 a petition had been sent to the home government by a group of citizens of Victoria asking that the colony be allowed to join the United States. Although this petition was denounced by many British Columbians, a second petition was circulated in 1869. This document was addressed to President Grant and requested him to intercede with the British government and to arrange for the transfer of the colony to the United States. 21

President Grant ignored the petition and its only effects were to provide fuel for American expansionist orators. The petition did, however, reach the United States Senate, and the Committee on Pacific Railways quoted from it in its report in 1869. The committee felt at that time that the construction of an American line to the north Pacific would inevitably result in the annexation of British Columbia. 22

To counteract annexation movements, a meeting was held in Victoria at which Amor de Cosmos, one of the most picturesque figures in Canadian history, argued eloquently in favor of confederation and in opposition to union with the United States. As a result of his efforts a committee was selected to go to Governor Seymour and urge him to seek confederation of British Columbia to the Dominion. However, the Legislative Council of British Columbia was controlled by the

21Keenleyside, op. cit., p. 162.

22Ibid., p. 163.
annexationists and the governor refused to support either cause, for fear of creating further dissension. 23

In the winter of 1869-1870 there was a resurgence of annexation sentiment. The editor of the British Colonist in the issue of January 28, 1870, wrote:

It no longer lurks in secret places and shuns publicity. It may be said, and doubtless with much truth, that the Annexationists are for the most part American citizens who, having adopted this colony as their home are naturally anxious that the institutions and the flag of their Fatherland should extend over it. But the party is not solely composed of such. 24

Two of the Victoria papers vigorously supported annexation and it was obvious that a crisis was approaching. The American people were again interested in the question as shown by the introduction of the Corbett Resolution in the United States Senate. This resolution contained instructions to the Secretary of State to "inquire into the expediency of . . . the transfer of British Columbia to the United States." 25 However, it was not acted upon.

The crisis came in British Columbia with the meeting of the Council in 1870. Governor Musgrave urged immediate consideration in terms of Confederation. Governor Musgrave's insistent character drowned out the protests of Dr. Helmcken, leader of the staunch Annexationists and the resolution for Confederation was passed. 26

23 Ibid., p. 165. 24 Ibid., p. 163.
25 Ibid., p. 165. 26 Ibid.
This was the turning point of the contest and on July 20, 1871, British Columbia became an integral part of the Dominion.

The promised railroad did not materialize as quickly as British Columbians expected and at intervals the people threatened separation from the Dominion. In 1878 the British Columbian legislature went so far as to notify Ottawa that separation was eminent unless a more energetic railroad policy was taken up, but with the completion of the Canadian Pacific Railway in 1885, the annexation movement quietly died away. 27

Moves toward annexation of British Columbia after the Civil War were very mild compared to moves made around the Great Lakes in this same period. The United States Secretary of State Seward was a great expansionist. To an audience in Boston in the summer of 1867, he declared, "I know that Nature designs that this whole continent, not merely these thirty-six states, shall be, sooner or later, within the magic circle of the American Union." 28

After the tide of the Civil War had clearly turned in favor of the Union cause, Seward began to speak in every opportunity in very decided tones of warning against the British policy concerning Confederate use of British ports and Confederate invasions from Canada.

27 Ibid.

These incidents helped to kindle the American attitude of expansion into Canada which ran so rife during and after the war.

During the war Confederate soldiers had gone to Canada with plans for seizing the armed steamer *Michigan* at Sandusky but captured the steamer *Philo Parsons* instead and unfurled the Confederate flag upon it. About the same time twenty-five Confederates, commanded by Lieutenant Bennet H. Young (apparently under instructions from Clement C. Clay, Jefferson Davis' secret agent), made a raid upon St. Albans, Vermont, and escaped by returning to Canada on stolen horses. Although Seward recognized that the Canadian executive authorities co-operated faithfully with American authorities, he and other Americans felt that Canada was responsible for the dangerous conduct of the Confederates.  

A few days after the news of the St. Albans raids and just before the presidential election, reports and rumors were widespread that Confederates had left Toronto to make raids on Detroit and to start fires in principal northern cities on election day. Seward decided that because of these incidents the American government should increase the "observing force" on the Lakes. This was not in accordance with the Rush-Bagot Treaty of 1817 which had limited armed ships on the Lakes. Seward explained that this proposed action was

\[29\text{Callahan, op. cit., p. 280.}\]
only in self-defense and that it was necessary to meet conditions not anticipated in 1817. Fortunately, his threat of abrogation of this treaty was never carried out.

These events constituted the direct and overt acts upon which much of the American hostility to Canada was based. The bitter animosity between the United States and Canada which flared up after the Civil War was due to events that occurred at the conclusion of the war. These events were the Fenian raids.

As early as 1864 it was known that a military Irish-American organization, known as the Fenian Brotherhood, was planning to exploit popular anti-British feeling by using thousands of unemployed soldiers to filibuster against the British provinces. One wing of the Brotherhood wanted to concentrate its efforts on the British Isles, but in 1865 the larger, so-called "Canadian" wing, headed by John O'Neill, split off more or less on its own in order to engage in seven years of activity against the provinces. It claimed that the colonials were only waiting to rebel and that the United States would be glad to recognize and then absorb a new American republic following the Texas precedent.

With the ending of the Civil War greater impetus was given to the movement. The agitators believed that an attack on Canada would

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prove completely and easily successful, and would gratify their longing for excitement, their hatred for Great Britain, and their ideals of freedom. As a marching song expressed it:

We are the Fenian Brotherhood skilled in the art of war,
And we're going to fight for Ireland, the land that we adore.
Many battles we have won along with the boys in blue,
And we will go and capture Canada, for we've nothing else to do.\textsuperscript{32}

In the spring of 1866 Major T. W. Sweeney who had been an officer in the Union army became Secretary of War in the Fenian cabinet. He set forth very definite plans for an invasion of Canada. Arms and ammunition were collected at many places along the border. In Buffalo and other northern cities troops carrying the Fenian flag drilled daily in Fenian uniforms. In Cincinnati, committees had been appointed to visit all citizens "for the purpose of raising funds for the purchase of rifles to be used in the Irish army."\textsuperscript{33}

On March 14th the British Ambassador at Washington brought these events to the attention of the American Secretary of State and pointed out that American army officers were participating in them. American officials already knew of the Fenian committees and activities. Many prominent Americans actively and openly had encouraged the Irish leaders. In 1864 an "Irish National Fair" was held in Chicago for the purpose of raising funds to finance the attack on Canada

\textsuperscript{32}Keenleyside, \textit{op. cit.}, p. 147.

\textsuperscript{33}Ibid.
and the rebellion in Ireland which was to follow. To the directors of this fair, Postmaster-General Blair, a member of Lincoln’s cabinet, wrote, "I rejoice in the conviction that the days of Ireland’s oppressor are numbered. . . . Let us conquer in this struggle and there will soon be an end put to the sway of the oppressors of Ireland." Three American generals, two state governors, the Speaker of the House, and numerous Senators and Representatives sent letters of commendation, many of them following Blair’s example and enclosing checks. 34

All Americans, however, were not engaged in egging on the Fenian battalions. The majority of the better-class Americans were definitely opposed to the whole movement. The explanation of the failure of American officials to put a stop to the whole movement was probably due to the size and unity of the Irish vote.

The Fenians invaded Canada and clashed with the Canadian defenders at Ridgeway. The Fenians were well-trained veterans of the Civil War and the hotness of their fire threw the untrained Canadian volunteers into confusion. However, the Fenians decided to retreat since they did not want to challenge the force of regulars. They returned to Fort Erie and found that a small body of Canadians had arrived and taken possession of the town. Most of the men were captured, but O’Neill escaped and withdrew the remainder of his invading army back across the frontier. 35

34 Ibid., p. 148. 35 McInnis, op. cit., p. 237.
Although detachments of Fenians continued weakly to invade Canada at various points from Maine to Minnesota, the only other systematic attacks were raids upon Canada from Vermont and the Red River Valley. 36

John O’N eill was ordered arrested by General Grant, but after he and his men were tried and convicted they were unconditionally pardoned. 37

The last expedition of the Fenians, October 5, 1871, composed of forty men, was captured by a squad of American troops who arrested them and marched them back to the United States. This attack ended the Fenian activities. However, the old Canadian hostility toward the United States was fanned by them and their cause of federation was promoted. The general feeling in Canada was that American newspapers had urged on the Irish band; that minor officials had assisted them; and that the leaders of the country had failed to display reasonable care in guarding against violations of Canadian territory. Canada’s anger over the matter was later enhanced by the refusal of the American government to consider damages caused by the Fenians at the time of the Alabama arbitration in 1871. 38

36 Brebner, op. cit., p. 169.


38 Ibid., p. 154.
Reciprocal trade treaties between the United States and Canada have caused many controversies relating to annexation. Before the Civil War the North was sure that reciprocity would be merely the preliminary step to annexation which would increase the number of free states. The southern states, on the other hand, feared the annexation of the British provinces. 39

For years negotiations were carried on without success until 1854, as a result of the diplomatic methods of Lord Elgin, the Elgin-Marcy Treaty was drawn up and ratified. The treaty was to run for ten years and was subject to abrogation by either party on one year's notice. 40

The treaty was terminated by the United States on March 17, 1866. The primary factor in ending this mutually advantageous agreement was the hostility aroused in the United States by the attitude (real or supposed) of Canada during the Civil War. 41

However, many Canadians felt that the United States, by depriving Canada of all trading privileges, was trying to force her to agree to annexation. Regarding the repeal of the treaty, John George Bourinot said:

39 Brebner, op. cit., p. 155.
40 Keenleyside, op. cit., p. 298.
41 Ibid.
The causes which led to the repeal of a treaty so largely advantageous to the United States have long been well understood. The commercial classes in the Eastern and Western States were, on the whole, favorable to an enlargement of the treaty; but the real cause of its repeal was the prejudice in the North against the provinces for their supposed sympathy for the Confederate States during the War of the Rebellion. A large body of men in the North believed that the repeal of the treaty would sooner or later force the provinces into annexation, and a bill was actually introduced in the House of Representatives providing for the admission of those countries—a mere political straw, it is true, but still showing the current of opinion in some quarters in those days. 42

In 1905 the feeling against the United States for the abrogation of the Elgin-Marcy Treaty was still prevalent. The Honorable John Charlton, Member of the House of Commons in Ontario, wrote:

Annexation will not be considered. In 1866 the reciprocity treaty was abrogated; an attempt was made by Canada in 1873 to secure another treaty, but it was in vain. The United States has been hostile in her tariff treatment of Canada for nearly forty years. . . . Canada has sought a market for farm products in Great Britain. Our relations with that country are nine times greater than with the United States. It is impossible to talk about merging the two countries until we can adjust our trade relations and try others. 43

The Canadian government made several attempts after 1873 to negotiate reciprocity agreements with the United States, but all ended in failure until 1911. The powerful financial interests of the East, feeling that reciprocity would help them to gain control of the Canadian market, sent delegations to Secretary Knox protesting vigorously against

42 Bourinot, op. cit., p. 713.

a tariff war with Canada and favoring reciprocity. Attempts were made in some quarters to convince the American public that reciprocity would ultimately lead to the annexation of Canada. This idea was particularly stressed by the Hearst publications and unfortunately the statements of many responsible Americans followed the same line. President Taft made an incredible blunder while in the process of outlining one of the strongest arguments from the American point of view for reciprocity. "The amount of Canadian products that we would take," he declared, "would make Canada only an adjunct of the United States." 44

Champ Clark, Speaker-elect of the Sixty-second Congress, in the course of a debate over reciprocity, announced that "we are preparing to annex Canada." Other Senators were reported to have endorsed his sentiment. Clark's announcement and other reported senatorial utterances along similar lines spread all over Canada and scattered seeds of groundless suspicions that the United States was offering reciprocity as a means of annexing all or part of that nation. 45

The suspicions of American reciprocity during this period were expressed by Albert R. Corman:

The argument from the utterances of American leaders is more specific, but to my mind, not nearly so convincing.

44 Keenleyside, op. cit., p. 312.
45 "International Bad Manners," The Independent, LXX (March 16, 1911), 552.
Whenever American statesmen have bothered with us at all in the past, they have bluntly told us that annexation must be the price of our enjoyment of the American market. Of course, President Taft now knows that a whisper of annexation from his lips would kill the scheme upon which he has risked his political life; but he has not understood that to the point to the lightness of the bond binding us to the Empire is tantamount to confessing that the bond is easy to break. And there could be but one purpose from the American point of view, in breaking it. Less responsible leaders have talked annexation in connection with this very agreement. The Democratic leader—Speaker Clark is the most prominent; and the Democrats will probably come into power after next election. 46

The suspicions aroused by American leaders caused the only sensible workable trade agreement that had presented itself in seventy years to be rejected by the Canadians. Dafoe wrote:

The traditional Canadian fear of the Americans, the traditional American hope for northward territorial expansion, upon that occasion, came into violent collision with much resulting wreckage; but with something gained, in this important respect, that both traditions lost prestige by the outcome. Canada's contemptuous and scornful rejection of the only bona-fide friendly business offer ever made her by the United States added to American enlightenment as to Canada's fixed intentions not to be merged with the United States on any terms whatever, while we in Canada have plenty of opportunity to reflect upon the unwisdom of permitting the feelings derived from an ancient blood feud to warp our judgment in matters affecting present-day international relationships. 47

Talk of annexation of Canada almost completely disappeared after her rejection of the Reciprocal Treaty of 1911 and did not occur again, except as an issue in local Canadian elections, until World War II.

46 Albert R. Gorman, "Will Canada Be Lost?" Living Age, July 15, 1911, p. 103.

47 John W. Dafoe, Canada: An American Nation, p. 106.
When Britain was losing the war, Canadians began to ponder their fate. Jean Charles Harvey, a Canadian, saw annexation to the United States as the only possible solution of Canada’s future in case Britain lost the war. He wrote:

... Americans and Canadians, then, are inseparable. In peacetime, where our respective social machines function normally and without friction, we pay little attention to this phenomenon. But in such upheavals as that through which we are now passing, when all our intellectual powers are aroused and we are straining all our energies, we Canadians are compelled to look reality in the face, and to conform to the dictates of necessity. We have no alternative. We must live. Why should we not at this juncture of the world’s history, bring about a federation of the democracies that still remain free? ... The American federation, established long ago after much bloodshed, is today a society of 130,000,000 human beings who guarantee peace, power and progress among themselves. ... I believe that we could form, in North America, the most powerful and richest democracy in the world. 48

In 1943 a Gallup poll showed that 49 per cent of the population of Canada wanted her to remain in the British Commonwealth of Nations, and 24 per cent wanted her to become a part of the United States.

Major James H. Clark, Speaker of the Ontario legislature, made a speech in which he said that 40 to 45 per cent of the Canadians would vote for union with the United States. 49

After the war Toronto’s Financial Post took a poll of seventeen prominent Canadians and their answer to annexation was a decisive

48 Jean Charles Harvey, “A Canadian Asks Union with the United States,” Living Age, CCLIX (February, 1941), 512.

49 John P. Humphrey, “Canada,” from Julia E. Johnsen, Canada and the Western Hemisphere, p. 85.
"no." Two men said they thought political union a fine idea, but
"not yet." Quebec's free-thinking Senator Telephene Damien Bouchard believed in "closer and closer relations." 50

George Shea, financial editor of the Wall Street Journal, wrote in an issue of Look magazine in 1950 that the time had come "to think seriously of making the United States and Canada one country or to start with, at least an economic unit." 51 With these words the Canadians' sensibilities were once again ruffled. Shea's article dwelt exclusively with the economic and strategic aspect of a proposed union, but Canadians are still not inclined to listen calmly to overtures for continental union.

50 "Union Now," Time, XLVII (February 18, 1946), 43.

CHAPTER III

BOUNDARY AND FISHERY DISPUTES

The British and American negotiators who wrote the Treaty of Paris (1783) left to their descendants a legacy of ambiguous phrases. In attempting to decide the boundaries, these diplomats undertook to define exact geographical boundaries of which they had very inexact knowledge. The treaty resulted in the creation of problems which on several occasions led Britain and America to the verge of war, and which were for many years a constant source of disputes between the United States and Canada.

The Treaty of Paris, however, was not the only cause of boundary disputes. As American and Canadian settlers pushed across the continent, it became necessary to settle the disputes arising over division and demarcation. The Great Lakes, the Lake of the Woods, the central plains, the Oregon territory, and finally the Alaska boundary—each provided a new problem for dispute and disagreement.

Although the problems of Maine, Oregon, and Alaska created a threat of war, most boundary disputes between Canada and the United States have shown a remarkable record of conciliation and arbitration.
The first boundary dispute of importance arising after 1867, arose over ambiguous wording of the Treaty of 1846. The Treaty of 1846 said that the boundary would be carried from the Rocky Mountains along the forty-ninth parallel

... to the middle of the channel which separates the continent from Vancouver's Island; and thence southerly through the middle of the said channel of Fuca's Straits to the Pacific Ocean.¹

The language quoted above from the Treaty of 1846 was ambiguous because there were two main channels which might be described as separating "the continent from Vancouver's Island." These were the Canal de Haro and Rosario Strait. The sovereignty of a number of islands which in the fifties were attracting settlers depended upon which channel the treaty had intended to be the boundary. In 1854 the newly created legislature of Washington Territory incorporated San Juan Island in one of its counties.²

It then became necessary to define the boundary. In 1856-1857 a joint commission was appointed for this purpose. It held six meetings, but in December, 1857, had to admit final disagreement. The British commissioner had offered to compromise on a line passing between Orcas, Shaw, and Lopez islands on the east, and San Juan on

²Ibid.
the west. This would have given San Juan to Great Britain, and the American commissioner flatly refused.

As early as 1859 friction developed over San Juan. The island was occupied by a few American "squatters" and a Hudson’s Bay sheep station. An American shot a pig belonging to a Britisher and was reported to have been arrested and taken to Victoria for trial. General Harney, who was commanding American troops in Oregon, occupied the island with the purpose of preventing British interference with the American settlers living there. Great Britain protested, and arrangements were then made for joint military occupation.

In 1870 the United States census was to be taken and the question arose as to whether or not the inhabitants of San Juan were to be counted as American citizens. The British government offered to arbitrate the boundary but the United States refused. A convention was actually drawn up submitting the question to the President of the Swiss Confederation, who was to determine the meaning of the Oregon Treaty, or, if this proved impossible, to define what would be an equitable boundary, but the offer was rejected by the American Senate.

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3 Ibid., p. 18.

4 Ibid.


6 Corbett, op. cit., p. 18.
Finally, it was agreed in Article 34 of the Treaty of Washington, 1871, that the Emperor of Germany would be asked to decide which of the two claims—Canal de Haro or Rosario Strait—was "most in accordance with the true interpretation of the Treaty of June 15, 1846."\(^7\)

The British argued that the channel mentioned in the treaty could be none other than the one which was most used and most accurately charted at that time. This, of course, was Rosario Strait. The Canal de Haro did not separate Vancouver Island from the mainland, but only from a scattered group of islands. The case was weak, and the readiness shown by Great Britain throughout the negotiations, to compromise, bore out this fact.\(^8\)

The most valid claim of the United States was founded upon the acknowledged fact that the only reason which led the negotiators of the Oregon Treaty to depart from the 49th parallel was to give all of Vancouver Island to Great Britain. The greater width and depth of the Canal de Haro was also used in an attempt to prove it the logical channel, and evidence seemed to indicate that some of the original negotiators had the Canal de Haro in mind.\(^9\)

The American case was prepared by George Bancroft, Ambassador to Berlin, and Admiral Prevost presented the British argument. Due to the insistence of Bancroft, the Emperor was requested to

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\(^7\)Ibid.  
\(^8\)Ibid., p. 19.  
deliver a decision designating either the Canal de Haro or Rosario Strait—no compromise was admissible.  

On October 21, 1872, Emperor William decided categorically in favor of the United States. His decision was based on the thalweg theory. Canal de Haro was proven to be the deeper channel. Thus the dispute was settled fairly and satisfactorily. However, the residents of Victoria, seeing San Juan Island lying at their door, were sure that Great Britain had once again sacrificed their interest to placate their great southern neighbor. This sentiment was expressed by P. T. M'Grath in a 1908 issue of Fortnightly Review:

The Canadians feel that in the past, at any rate, they have been despoiled of territory and humbled in prestige through the incompetence or indifference of imperial negotiators, who have almost always allowed themselves to be outwitted by their shrewder and more assertive American confreres. . . . The dispute over San Juan Island was another instance wherein Canada claims to have been a loser. This island lies on the Pacific coast south of Vancouver Island and the friction respecting it arose when the Oregon Treaty of 1846 was being negotiated. The two countries claimed it, and the Canadian complaint is that England first allowed it to be occupied by the United States and then become the subject of a losing arbitration.

From time to time after 1867, when Russia ceded Alaska to the United States, the British and American governments opened the question of a joint commission to define the boundary between Alaska and Canada.

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10 Ibid., p. 237.

The border between Alaska and British territory had been set by the Anglo-Russian Treaty of 1825. When the United States bought Alaska from Russia, the eastern boundary line was described as "a line of demarcation between the Russian and the British possessions in North America, as established by the convention between Russia and Great Britain in February 16-28, 1825." Secretary of State Seward had a map published indicating the boundary line and the British government did not protest it.  

But British acquiescence in the matter of the boundary of Alaska did not continue. About the time of the cession of Alaska to the United States, gold was discovered in British Columbia. The best way to the gold fields was up the Stikine River, and this fact brought up the question of a survey which would determine the exact location of the boundary line between British and American possessions. The matter was taken up with Secretary Fish. Fish said that he was satisfied as to "the expediency of such a measure," but that he feared Congress might not be willing to grant the necessary funds. In developing this plan further, in December, 1872, a bill was introduced proposing a survey of the boundary, but when it was found that the task would cost about a million and a half dollars and that it might stretch over a period of ten years, the matter was dropped.  

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13 Ibid., p. 133.
In the years following, matters became complicated along the border. American and Canadian settlers and trappers in the region of the Stikine River were in a constant state of commotion. In 1897 gold was found in the Yukon and Alaska, and the question took on new importance. Sir Julian Paunccefote suggested that a commission of three—one American, one Breton, and one neutral—be selected to adjust the difficulty and in the meantime an arbitrary line should be agreed upon. This suggestion was not accepted by the United States, but in June, 1898, a joint commission met at Quebec to discuss a number of international interests and difficulties. Canada made two proposals to this body in relation to the Alaska boundary; first, that a conventional line be drawn giving the Dominion Pyramid Harbor on Lynn Canal, and ceding the remainder to the United States; or, second, that the whole matter be left to arbitration in accordance with the terms of the Venezuelan arbitration. Both of these plans were rejected by the United States. 14

Finally, on January 24, 1903, the United States and Great Britain agreed to the formation of a joint tribunal to be composed of three "impartial jurists of repute" from each nation. The duty of this body was to adjudicate the provisions of the treaty. It was not an arbitral commission but a judicial board whose purpose was to interpret legally the Treaty of 1825. 15

When the Canadians learned that Great Britain had agreed to adjudicate the dispute, a great furor broke loose. The Canadians had insisted on arbitration and they felt that Britain, in not consulting them before agreeing to adjudication, had been unfair. Canada's reasons for wanting arbitration were expressed by a Canadian at the time:

The claims put forward by Canada are made in good faith, and based upon ground which, if disputable, is none the less solid. The issue is precisely of the kind to which arbitration is suitable. Yet the United States, which insisted upon arbitration in the Venezuela boundary difficulty, refuses it here, acts as judge and advocate in its own cause, and decides that there is "nothing to arbitrate." 16

In justifying the American refusal to arbitrate, T. W. Balch wrote:

The evidence in the case is all in favor of the United States, and shows that they are entitled, by long, uninterrupted occupancy and other rights, to an unbroken strip of territory on the mainland from Mount Saint Elias down to the Portland Canal. There is no more reason for this country to agree to refer its right to the possession and sovereignty of this unbroken Alaskan lisiere to the decision of foreigners, than would be the case if the English Empire advanced a demand to sovereignty over the coast of the Carolinas or the port of Baltimore, and suggested that the claim should be referred to the judgment of the subjects of third Powers. 17

American refusal to arbitrate was explained by the editor of Outlook in 1903:


17 T. W. Balch, "Canada and Alaska," The Nation, LXXIV (January 2, 1902), 11.
America has led the way in preaching and practicing arbitration. We have submitted a large number of cases to that method of settlement. But the Alaskan was not a case for arbitration. When, in 1898, the British Government finally and, we believe, reluctantly took up the Canadian claim and proposed arbitration after the manner of the Venezuelan case, our representatives on the Joint High Commission of that year pertinently showed that there was no analogy between the two disputes. Venezuela certainly had not been for seventy years in peaceful possession of her disputed territory. The Canadians, on the other hand, had chosen to question the validity of America's title to its own property long peacefully occupied, and made use of our title, this having received an important confirmation through prescription. The American Commissioners justly challenged their Anglo-Canadian colleagues to cite any instance in history where such a case was ever the subject of arbitration. 18

The selection of the "three jurists of repute" from each nation was of great importance since neither country could be satisfied unless it was assured of the impartiality of the judges. The British government, in response to the Canadian sentiment, nominated Louis A. Jette and Allen B. Aylesworth, two prominent members of the Canadian bar. The third member nominated by Great Britain was Lord Alverstone, who held the highest position in the Judiciary of the United Kingdom. 19

On February 18, 1903, President Roosevelt made public the announcement of the American nominees. They were Secretary of War Root, Senator Lodge of Massachusetts, and Senator Turner of

18"Adjudication and Arbitration," Outlook, LXXV (October 24, 1903), 440.

19Keenleyside, op. cit., p. 217.
Washington. A storm of protest swept over Canada, and the Dominion government took the unusual step of formally objecting to the appointment of the two Senators.

The following excerpts from Canadian newspapers reveal Canadian opinion of the American nominees and show the bitter feelings of Canadians over the appointments:

Last week it was announced that the three Commissioners to represent the United States on the Alaskan Boundary Commission would be Mr. Root, Secretary of War, Senator Lodge, of Massachusetts, and Senator Turner of Washington. . . . These appointments have been received with some disfavor in Canada. . . . The Toronto Mail and Empire calls upon the Dominion Government to protest. . . . the Mail and Empire declares that three men more disqualified by avowed prejudice or official commitment could not have been selected. . . . "Jurists of repute they are but impartial jurists they are not. . . . Secretary Root, being a member of the United States Government, is one of the parties to the dispute. The idea of a trial in which plaintiff or defendant should be a judge is too farcical to be thought of. . . . Senator Lodge has shown his unfitness for serving by his public utterances on the question. . . . A man so uncontrollably given up to an ex parte view cannot be accepted by this country as a member of the court. Senator Turner . . . has publicly stated that there is no case for reference. That is, he has made up his mind beforehand. . . . He, therefore, has rendered himself incapable of sitting on that tribunal. . . . It was hoped that the President would have selected his jurists from the Supreme Court of the United States. To men so chosen, Canada could have no objection. The Hamilton Herald says that ". . . the selection of these three men is little short of an affront to the British and Canadian Government. It means that President Roosevelt is determined not to have a fair settlement based on the evidence, but to make sure, in any event, there will be no danger of a settlement in harmony with Canada's claims." 21

20 Ibid., p. 218.
21 "The Alaskan Commission," The Outlook, LXXIII (February 28, 1903), 459.
President Roosevelt was the target of very heated criticism over the matter, as was expressed in the following article:

It was well known that President Roosevelt had, both before and after coming into his present high office, repeatedly expressed himself as absolutely opposed to the submission to arbitration of the right of the United States to continue in possession of its present Alaskan coast strip. About nothing had Mr. Roosevelt ever been more frank or more uncompromising than the Alaska question.  

In criticism of President Roosevelt John MacCormac wrote:

The last American President remembered with bitterness by some Canadians is Theodore Roosevelt for his forceful handling of the Alaska boundary. . . . Roosevelt's statement that Canada's claims for a Pacific port for her Yukon trade had been manufactured to get her in on the gold rush to Alaska, were "an outrage, pure and simple," and that the Canadians "acted in a spirit of bumptious truculence."  

The Canadians were so sure that the tribunal would not deal fairly with them that they even predicted that Britain would sacrifice their rights in order to cement friendly relations with the United States before the tribunal had met.

The London Times, which is exceedingly amiable in its discussion of all this matter, apparently assumes that Canada is right in the geographical contention, but that in view of the present war relations between Britain and the Americas, as "nations who count friendship better than territory," there is a chance that the United States will be let off with a "political compromise." The cheerful assumption at Washington that a happy way has been found to end the

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23 John MacCormac, Canada: America's Problem, pp. 135-136.
Alaskan boundary question, may, indeed, turn out to be true.24

The questions which the tribunal had to decide involved the correct interpretation of the Anglo-Russian Treaty of 1825 and of the Russo-American Treaty of 1867. These treaties provided that the eastern Alaska boundary line should follow a mountain ridge parallel with the coast, if there was one not more than thirty marine miles from the coast. If there was no mountain range at that distance, a line was to be drawn arbitrarily following the windings of the coast at thirty miles distance. The whole question was based on the interpretation of the word "coast."25

The United States claimed that the line was to be drawn not over ten marine leagues from the tide water. Canada claimed that the line should follow the clearly discernible coastal range paralleling the general contour of the coast and should cut across all inlets and fiords.26

After long inquiry and deliberation, Lord Alverstone, one of the British Commissioners, voted with the American Commissioners and the award was given to the United States.

This decision caused bitter feeling in Canada against Great Britain. Canadians felt that once again their interests had been

24."The Alaskan Commission," The Outlook, LXXIII (February 28, 1903), 459.
sacrificed and they at once began clamoring for control of their own foreign affairs. Canadian opinion of the award was expressed in the following manner:

There has been bitter talk in the Canadian Parliament, where the leader of the Opposition said Canada should have withdrawn as soon as it was known that she could have only two Commissioners, instead of three. Mr. Bourassa remarked that Canada should deal, not with the award, but "with the British politicians like Chamberlain, who sacrificed the best interests of the Dominion while Canada's sons were shedding their blood in South Africa."\(^{27}\)

Canadian resentment against Britain in regard to the award was expressed by Francis H. Turncock as follows:

The award of the Alaska Boundary Commission is likely to be a turning point in Canadian history. It may have momentous consequences for the British Empire. In Canada the award has been received with bitterness. It is a bitterness more sullen than clamorous. It is a bitterness which is more keenly felt by those who have been most loyal to British connections.

Canada's resentment is not so much against the United States as against Great Britain. Canada did not look for any generosity from the United States. She knew from past experience in diplomatic dealings with her southern neighbor that the Republic would insist on its pound of flesh. She could not blame the Washington Government for taking advantage of every legitimate means to secure what it conceived to be its rights. But, at the same time, she had hoped, if she did not expect, that the British Government would be equally strenuous in the maintenance of Canada's interests.

Naturally, the idea of annexation will not be popular at the present time—though many a Canadian has said in his wrath in discussing the boundary award, "We may as well go in for annexation, body and breeches, if Great Britain is going to allow us to be annexed piecemeal."\(^{28}\)

\(^{27}\)"Canada and the Boundary Decision," The Independent, LV (October 29, 1905), 2540.

\(^{28}\)Francis H. Turncock, "The Consequences of the Alaskan Boundary," The Outlook, LXXV (November 7, 1903), 604.
The American view of the decision was shown in the following article:

The Canadians have not done well to accuse Lord Alverstone of having given their case away at the instance of Messrs. Balfour and Chamberlain, in pursuance of the British policy of friendly relations with the United States. Lord Alverstone is a great lawyer and a great jurist, and his position on this tribunal was such as to permit him to deal with the subject before him absolutely upon its merits. It remains to be said, however, that it would have been much wiser and better for the British Government, if it were ever in any real doubt as to the justice of the position of the United States, to have consulted Lord Alverstone and other eminent authorities for its own private guidance. It would thus have learned that the Canadian contention had no substantial grounds to rest upon, and it could have said so frankly. It did not do well to arouse false hopes in the minds of the Canadians, who had nagged it into undertaking this costly method of arriving at a foregone conclusion. The position of the United States in the whole matter forms a new precedent of courtesy beyond any experience in the history of the dealings of nations with one another. For our government has, in a word, allowed the lord chief justice of England to decide that it may and ought to keep what is obviously its own. 29

The Alaska boundary dispute was the last serious boundary dispute between Canada and the United States. By 1909 the United States and Canada made a treaty whereby an international joint boundary commission composed of six members was created to deal with all disputes affecting Canadian and American rights, obligations, or interests on the frontier or elsewhere. The arrangements provided that the commission could act either as a tribunal or as a board of inquiry. The

commission was described by Justice Riddell, of Toronto, as "a minia-
ture Hague Tribunal" between Canada and the United States. It has
made all outside intervention unnecessary and has worked to the mu-
tual benefit of both countries.  

The Bering Sea fur seal arbitration is one of the important inci-
dents in American-Canadian relations because of the issue involved,
the tension of feelings aroused, the impressive staging of proceedings,
and the important results achieved.

In 1867 Russia ceded to the United States for the sum of
$7,200,000 all her territory and dominion on the continent of North
America and the adjacent islands. On the east the limit of the cession
was the boundary between the Russian and British territories that
had been so vaguely defined in the Anglo-Russian Treaty of 1825. On
the west a line ran due north from a point in the middle of the Bering
Strait and southwest from the same point and passed to the west of St.
Lawrence Island and the Aleutian Archipelago.  

Between 1868 and 1873, Congress passed a series of statutes
regulating customs, commerce, and navigation of this area. Among
other things, these statutes prohibited any person from killing fur
seals within the territory and its waters except under lease or permit

30 James L. Tyron, "The United States and Canada in Their
Hundred Years of Peace," Annals of the American Academy of Social
and Political Sciences, XLV (January, 1913), 64-65.

31 Keenleyside, op. cit., p. 243.
from the Secretary of the Treasury. No firearms were to be used or any other means employed that might tend to drive the seals away from their habitual breeding grounds. In 1870 the Secretary of the Treasury leased to the Alaska Commercial Company the privilege of killing 100,000 seals a year on the Pribilof Islands for twenty years.  

Conflict between the claims of the United States and the activities of British Columbian sealers came to a climax in 1886, with the seizure by the American revenue cutter, Corwin, of three Canadian schooners in the Bering Sea more than fifty miles from land. Judge Dawson of the United States district court at Sitka condemned these vessels to be sold and sentenced their officers to fines and imprisonment.

After a year of sharp protests from the British government, the President of the United States ordered that the ships and officers be released, but his orders were not carried out until October 12, 1887, and in the meantime six more schooners had been seized and condemned by the same judge.

In 1887 Thomas Bayard, American Secretary of State, opened negotiations with Britain, France, Russia, and Japan for an arrangement to protect the seal fisheries. He proposed that there be a closed season from April 15 to November 1 during which no seals could be

32 Corbett, op. cit., p. 41.
killed by firearms or other destructive weapons. Lord Salisbury, British Foreign Secretary, agreed to Bayard's proposal, but five days later Washington was notified that the necessary Order in Council and Act of Parliament could not be drafted "until Canada is heard from."  

Feeling on the Canadian Pacific coast had been mounting, over what was regarded, by Canadians, as an arrogant assumption of sovereignty in the open sea on the part of the United States, and a totally unwarranted interference with an industry from which many Canadians gained their living. The government at Ottawa prevailed upon the Foreign Office to consider the matter seriously and not to commit itself.

Upon this intervention from Canada, E. J. Phelps, American Minister to the Court of St. James, made the following comment in a report to Washington:

It is proposed by the colony of a foreign nation, in defiance of the joint remonstrance of all the countries interested, to destroy this business by the indiscriminate slaughter and extermination of the animals in question, in the open neighbouring sea, during the period of gestation, when the common dictates of humanity ought to protect them, were there no interest at all involved. And it is suggested we are prevented from defending ourselves against such depredations because the sea at a certain distance from the coast is free. The same line of argument would take under its protection piracy and the slave trade, when prosecuted in the open sea. . . .

33 James M. Callahan, American Foreign Policy in Canadian Relations, p. 440.

34 Corbett, op. cit., p. 42.
The use of the word "colony" in Phelps' report was resented bitterly by Canada. In August, 1883, George E. Foster, Acting Minister of Marine and Fisheries, prepared a memorandum for Lord Salisbury setting forth Canada's objections to Bayard's seal regulation proposal. The memorandum read:

It is a well-known fact that seals do not begin to enter the Behring's Sea until the middle or end of May; they have practically all left those waters by the end of October. The establishment of proposed closed season, therefore, prohibits the taking of seals during the whole year.

But the United States Government propose to allow seals to be killed by their own citizens on the rookeries, the only places where they haul out in Alaska, during June, July, September and October.

It is to be noted that the area proposed by Mr. Bayard to be affected by the closed season virtually covers the whole portion of the Behring's Sea in which the exclusive right of sealing has, during 1886 and 1887, been practically maintained by the United States Government. To this is added a part of the North Pacific Ocean, north of 50° of north latitude, and which commands, the approach of the seals to the passes leading into Behring's Sea. By the adoption of this area and closed season the United States would gain, by consent, what she has for two years held in defiance of international law and the protest of Great Britain and Canada.

The device, if successful, would feed and perpetuate the rookeries on St. Paul and St. George Islands, and add immensely to their value, while it cuts off at one blow the most valuable portion of the high seas from all participation by the sealers of all other nations. 35

This memorandum caused a suspension of negotiations. Further seizure of Canadian vessels took place in 1889. Negotiations were resumed with proposals from both sides for a modus vivendi and

35 Ibid., p. 45.
arbitration of the legal questions involved, including the legality or illegality of the seizures and condemnations, and the right of the United States to exercise general control which it claimed over the seal fisheries. However, it was not until June 15, 1891, that the two governments agreed, pending arbitration, to stop killing the seals until the following May. 36

This was followed by an agreement on December 18, 1891, by which each government appointed two commissioners to investigate all facts relating to seal life in the Bering Sea and to suggest measures for its preservation.

In spite of bitter protests from the commercial interests of both countries, the two governments proceeded with their efforts to reach a settlement on the various questions regarding the seal fisheries. On February 29, 1892, both nations signed a treaty of arbitration and in the following April they renewed the modus vivendi suspending sealing until the arbitral tribunal had rendered its decision.

The tribunal was composed of seven arbitrators, two appointed by Britain, two by the United States, one appointed by the President of France, one by the King of Italy, and one by the King of Sweden and Norway. It was agreed that they should be distinguished jurists in their respective countries.

36 Ibid., p. 46.
Great Britain named Lord Hannen, of the English Court of Appeals, and Sir John Thompson, Minister of Justice for Canada. The United States appointed Justice Harlan, Justice of the Supreme Court, and Senator John Morgan. The other members of the tribunal were Baron de Coursil, Marquis Visconti Venosta, and Gregors Gram. Paris was specified as the meeting place. The meeting began on February 23, 1893, and came to an end with the rendering of the award on August 15, 1893.  

Five questions were formulated in the treaty of 1892 for decision by the tribunal. The questions were:

Question I. What exclusive jurisdiction in Behring Sea, and what exclusive rights in the seal fisheries therein, did Russia assert and exercise before the cession of Alaska to the United States?

Question II. How far were these claims as to the seal fisheries recognized and conceded by Great Britain?

Question III. What body of water now known as Behring Sea included in the phrase "Pacific Ocean" as used in the treaty of 1825 between Great Britain and Russia; and what rights, if any, in Behring Sea, were held and exclusively exercised by Russia after the said treaty?

Question IV. Did not all the rights of Russia as to jurisdiction and as to the seal fisheries in the Behring Sea, east of the water boundary, in the treaty between the United States and Russia of March 30, 1867, pass unimpaired to the United States under that treaty?

Question V. Has the United States any right, and if so, what right, of protection or property in the fur seals frequenting the islands of the United States in Behring Sea when such seals are found outside the ordinary three-mile limit?  

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38 Corbett, op. cit., pp. 45-46.
The decisions of the arbitrators on each of the five questions submitted to them were as follows:

(1) Russia after 1825 had never asserted or exercised any exclusive jurisdiction as to the seal fisheries in Bering Sea beyond the ordinary limit of territorial waters.
(2) Great Britain had never recognized or conceded any such claim of Russia.
(3) Bering Sea as used in the Anglo-Russian treaty of 1825 was included in the phrase "Pacific Ocean."
(4) By the Russo-American Alaskan Treaty of 1867 all rights of Russia as to jurisdiction, and as to seal fisheries in Bering Sea east of the designated water boundary, were transferred unimpaired to the United States.
(5) The United States has not any right of protection or property in the seals of Bering Sea outside of the ordinary three-mile limit of the American islands which they frequent. 39

The tribunal also decided that the concurrence of Great Britain with the United States was necessary to establish regulations for the protection of the seals. In accord with this decision, Great Britain submitted concurrent regulations. These regulations were:

. . . (1) both Governments to prohibit sealing at all times within a zone of sixty miles around the Pribilof Islands; (2) a close season outside this zone from May 1 to July 31; (3) only sailing vessels to be used in seal hunting; (4) no nets, firearms, or explosives to be used. 40

These regulations were more strict than the terms previously proposed by Bayard. Canadians were gratified that Britain had won the case but they felt that the provisions regulating the sealing practically handed it over to the Americans.

39 Callahan, op. cit., p. 448.
40 Corbett, op. cit., p. 47.
The matter of compensation due for the seizure of the Canadian vessels was a lengthy and troublesome problem. Great Britain submitted the Canadian claims covering the case of twenty ships and thirteen officers.

In negotiations following the arbitration, Great Britain agreed to accept $425,000 in full and final settlement, but Congress failed to appropriate the money, and a convention was concluded on February 8, 1896, setting up a commission to investigate and determine all claims for seizure of shipping, imprisonment of officers, and any other injuries inflicted by United States officials. In December, 1897, this commission awarded Great Britain the sum of $473,151.26.  

The long process of arbitration and regulation did not put an end to international quarrels in the Bering Sea. The United States continued to press for complete abolition of pelagic sealing, on the ground that it would lead to the extermination of the seal herds. For many years Canada refused to forbid its citizens from hunting seals outside the limits defined by the tribunal. These matters were referred to the Joint High Commission in 1896, but they were ignored because of the Alaska boundary controversy.

It was not until 1911 that Great Britain and the United States reached an agreement to prohibit pelagic sealing in the Pacific Ocean north of 35° north latitude and east of the 180° meridian. Because

41Brebner, op. cit., p. 247.
the United States owned the Pribilof Islands, this left her in a position to pursue the sealing industry alone. This treaty assigned one fifth of the annual catch to Canada. In this same year another treaty was executed between Great Britain, the United States, Japan, and Russia which put an end to pelagic sealing in the whole Pacific from the thirtieth parallel northward. Canada was assigned fifteen per cent of the American catch on the Pribilof Islands, fifteen per cent of the Russian catch on the Commander Islands, and ten per cent of the Japanese catch on the Robben Islands. 42

The Atlantic fisheries have been a source of dispute between Canada and the United States since the American Revolution.

The fisheries question arose from the fact that prior to the Revolution England dominated the fisheries on the Newfoundland Banks. The American colonies shared in them, but in 1775, when the colonies revolted, Lord North introduced a bill in Parliament to deprive them of this privilege. The Treaty of Paris, in 1783, which closed the war, restored to Americans equal fishing rights with British subjects. These given rights were held until the War of 1812 abrogated the previous treaty. In the Peace of Ghent, in 1814, England refused to continue the privileges, so quarrels arose between the rival fishermen of the British Provinces and the United States. 43

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42 Corbett, op. cit., p. 47.

Quarrels continued to arise and in 1818 a treaty was negotiated between Great Britain and the United States in an effort to stop incidents that were leading up to the point of bloodshed between Canadians, Newfoundlanders, and Americans. The Treaty of 1818 became the root of all difficulties arising in later years over the fisheries.

The Treaty of 1818 granted the United States subjects the rights . . . (1) to fish in the inshore waters of the southwest coast of Newfoundland and the west coast, the Magdalen Islands, and Labrador; (2) to dry and cure fish on the uninhabited southwest coast of Newfoundland and on Labrador, this right to cease on any portion thereof as such became settled unless by agreement with the possessors of the ground; (3) to hold the fishing and drying privileges in common with British subjects.

In return the United States agreed to renounce forever all right to the fish within three marine miles to the coast of British North America not included in the foregoing areas, or to enter there for any purpose except wood, water, shelter, or repairs. 44

These clauses created the "headlands" disputes over whether the three marine miles should follow the sinuosities of the coast as the United States contended, or whether they were to be measured beyond a line drawn from headland to headland, across the mouths of bays, reserving as territorial waters all within that line, as England maintained. British interpretation applied not only to the great arms of the sea, such as the bays of Fundy and Chaleurs, but also to all indentations of the coasts. 45

44 Ibid.

The United States refused to admit the legality of the British interpretation. Americans argued that the "bays" in which she had in 1818 renounced the right to fish were only the small coastal indentations. 46

Between 1818 and 1854 the Provincial Legislatures of Canada, Nova Scotia, and New Brunswick passed many statutes based upon the treaty. They were more specific and more stringent in their application than the Treaty of 1818. In the years following, several American vessels were seized by Canadian authorities but they were rescued by the British. 47

In 1836 the Legislature of Nova Scotia passed what was known as the "hovering act," in which the hovering of American vessels within three miles of the coasts or harbors was sought to be prevented by imposing various regulations and penalties. From 1839 down to 1854 there were numerous seizures. 48

One notable case of seizure arose from an attempt to enforce the principle of the "headland doctrine." On May 10, 1843, the American schooner Washington, while fishing in the Bay of Fundy ten miles from the shore, was seized by a revenue schooner on the charge of violating the Treaty of 1818. She was carried to Yarmouth, Nova Scotia, where she was decreed in the Vice-Admiralty Court to be

46 Corbett, op. cit., p. 25.
47 McFarland, op. cit., p. 323. 48 Ibid.
forfeited to the Crown, and ordered to be sold with her stores. Later, under the Claims Convention of 1853, the case of this vessel was referred to a joint commission which disagreed. Then the case was given to Joshua Bates, an American financier connected with the House of Baring Brothers in London, who allowed the owners of the Washington the sum of $3,000 on the ground "that the Bay of Fundy is not a British bay, nor a bay within the meaning of the word as used in the treaties of 1783 and 1818." 49

As early as 1847 England proposed a reciprocity treaty governing the fisheries, but no agreement was reached by the two governments and relations between the two became more and more critical. When the excitement reached a high pitch and war was talked of, the British government, in 1854, sent Lord Elgin to Washington for a conference with Secretary of State Marcy. The result of the conference was the Reciprocity Treaty of 1854. In the first article of the treaty it was agreed by the high contracting parties, that, in addition to the liberties secured to the United States fishermen by the above-mentioned Convention of October 20, 1818, of taking, curing, and drying fish on certain coasts of the British North American colonies therein defined, the inhabitants of the United States shall have, in common with the subjects of Her Britannic Majesty, the liberty to take fish of every kind, except shell fish, on the seacoasts and shores, and in the bays, harbors and creeks of Canada, New Brunswick, Nova Scotia, Prince Edward Island, and of the several islands thereunto adjacent without being restricted to any distance from the shore; with permission to land upon the

coasts and shores of these colonies and the islands thereof, and also upon the Magdalen Islands, for the purpose of drying their nets and curing their fish: provided, that, in so doing, they do not interfere with the rights of private property or with British fishermen in the peaceable use of any part of the said coasts in their occupancy for the same purpose. 50

The fishery question which had loomed up so dangerously seemed to be settled by the Reciprocity Treaty of 1854, but in 1866 this treaty was abrogated by the United States. Reasons for American abrogation of this treaty which had worked so well for the mutual benefit of both countries were explained by a Canadian in this way:

The Fishery Question was temporarily settled in 1854 by the Reciprocity Treaty, which lasted until 1866, when it was repealed by the action of the Washington Government itself. At that time there was notoriously existent in the Northern States a strong desire to punish Canadians for their sympathy with the Confederate States—a sympathy entirely exaggerated. It was also believed that reciprocal trade had become so necessary to the Provinces—to those in the East especially—that they would eventually agree to a measure of trade which would be more favorable to American interests. Indeed there were some American politicians who openly advocated the using of the Question as a means of bringing about annexation. 51

After the abrogation of the Reciprocity Treaty in 1866, the British authorities resorted to the system of licenses which were issued to American vessels that engaged in inshore fishing in Canadian waters. In 1870 this system was discarded and preparations were

50 Ibid., p. 792.

51 John George Bourinot, "Canada's Relations with the United States," Forum, XXV (May, 1898), 331.
made at once for enforcing the provisions of the Treaty of 1818. In
1870 and for the next few years many seizures of American fishing
vessels were made.\footnote{52}

In 1871, the Joint High Commission which had been set up by
the Treaty of Washington to settle disputes between Britain and the
United States met at Washington. The fishery dispute received a great
deal of attention from the Commission. The Treaty of Washington
contained several articles regulating fishery relations.

By Article XVIII of that treaty it was provided that in addition
to the liberty secured by the Treaty of 1818 to take, cure, and dry fish
on certain coasts of the British provinces, the United States should
have the liberty to take fish of every kind, except shellfish, on the
coasts and shores, and in the bays, harbors, and creeks of the prov-
inces of Quebec, Nova Scotia, New Brunswick, and Prince Edward Is-
land without being restricted to any distance from the shore. On the
other hand, similar rights were granted to British fishermen on the
eastern shores of the United States north of the 39° parallel. Fish
and fish-oil were to be admitted into each country free of duty. The
Newfoundland fisheries were placed on the same basis as those of the
other provinces.\footnote{53}

\footnote{52}{McFarland, op. cit., p. 327.}

\footnote{53}{Moore, op. cit., pp. 800-802.}
The British commissioners claimed that the United States would derive greater benefit from the treaty than the provinces so one of the articles provided that the United States should pay the British government for this excess of privileges. On November 23, 1877, an award was made in favor of Great Britain of the sum of $5,500,000, or nearly half a million dollars for each year during which the arrangement was to continue in force. The United States protested against the award, but it paid in due course. However, the United States availed itself of the right to give notice of termination of the fishery articles and they came to an end in 1885. A temporary arrangement was entered into for that year, under which the American fishermen continued to enjoy privileges that had been given them by the terminated articles, in consideration of President Cleveland’s promise of a recommendation to Congress that a joint commission should be appointed to consider the question of the fisheries and trade relations. The recommendations were submitted to Congress, but they were not adopted, and on the opening of the fishing season of 1886, seizures of American vessels were made.  

In 1888 a modus vivendi was negotiated between Canada and the United States, whereby, on the payment of an annual fee, American fishing craft were permitted to enter Canadian ports for the purpose

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54 John Bassett Moore, American Diplomacy, pp. 142-144.
of buying bait and supplies and for transshipping. The modus vivendi lasted until the Canadian Treaty of 1908 and the Hague Arbitration of 1909. 55

In the meantime Canadian and American tempers ran high. Canada wanted free entry for her fish into American ports and she wanted to gain a general reciprocity agreement. In return, she was willing to allow American fishermen to have access to disputed waters. The United States was not willing to admit Canadian fish because it would have crippled the New England industry. One Canadian expressed his feelings regarding the matter, in 1902:

The policy of the American Government in dealing with this vital question of the Atlantic fishery, for a great nation has been contemptible in the extreme. They ask in the meanest way every favor from their smaller British neighbors, but they will give nothing in return. It is thoroughly well known that without free access to Newfoundland bait, the Bank fishery could not be carried on by the American fishermen. It is also officially reported to the revenue officers that the so-called "American industry," the winter frozen herring business, is a gigantic fraud. Brought in free as "American products," there is not one thing American about the whole business except the Yankee gold that pays for the fish. 56

In 1905 the fishing question was revived by Newfoundland instead of Canada. Newfoundland, too, had adopted the licensing system and, like Canada, she cherished the hope that its fisheries might be used

55 Mowat, op. cit., p. 234.

to bring about a trade bargain with the United States. In 1902 it entered on negotiations which resulted in a draft treaty of reciprocity. Canada resented this because it would ruin her own chances for a trade treaty with the United States, so she brought pressure on the Imperial government to veto the agreement. Newfoundland then proceeded to adopt retaliatory legislation which excluded American fishermen from all privileges they had enjoyed. 57

The United States and Great Britain had signed a general arbitration treaty in 1908 and under the terms of this agreement it was decided that the whole fisheries dispute would be submitted to the Hague Tribunal. The headlands dispute, the right of commercial access to British ports by American fishermen, and the right of local authorities to impose regulations on the treaty coast of Newfoundland were among the main points which the tribunal had to decide. 58

The decision was issued in December, 1910. On the whole, it upheld the main British contentions. The right of fishermen to enter convenient ports for shelter and repairs was established, but they were denied a right to engage simultaneously in fishing and in trade. On the headlands dispute it was recommended that bays which were ten miles or less from headland to headland should be considered as

57 Edgar W. McInnis, *The Unguarded Frontier*, p. 301.

58 ibid., p. 302.
territorial waters to which the treaty did not give access. \(^{59}\) The Hague Tribunal settled the legal aspects of the fisheries controversy, but from time to time difficulties occurred.

Under pressure of war conditions, during World War I, an agreement was made allowing fishing vessels of each country all privileges accorded to domestic vessels, but in 1921 the United States cancelled its wartime legislation which had allowed Canadian vessels free access to American ports. This was a signal for the renewal of old difficulties. Within a week nine American vessels were seized by Canadian patrol boats for poaching in forbidden waters. The situation was further complicated by the enactment of the Fordney Tariff Bill which put a prohibitive on Canadian fish. \(^{60}\)

As a result of continued protests, the Dominion government finally notified the United States in 1923 that privileges that had been extended American fishing vessels in Canadian ports were discontinued. The matter rested there until World War II, when again restrictions were relaxed and relations between the two nations were extremely cordial.

\(^{59}\) Ibid.

\(^{60}\) Greenleyside, op. cit., p. 290.
CHAPTER IV

ECONOMIC RELATIONS

The history of independent commercial relations between Canada and the United States goes back to the middle of the nineteenth century. It was between the years 1840 and 1849 that Canada first took over the active control of its economic affairs. During this decade the last remnants of the Navigation Laws were abolished, and Great Britain, whose adoption of the policy of free trade had seriously injured Canadian commerce, was treated in the matter of tariffs as a foreign state. After Canada lost its tariff preference in the British markets, Canadian trade came almost to a standstill, and the United Provinces were forced to turn to the United States for aid. The desire for reciprocity became more and more insistent, and during the great depression of 1849 many Canadians advocated reciprocity as a means of preventing annexation, which was a prevalent sentiment of that day. Canadians went so far as to lower the Canadian tariff on American goods in the hope that the United States would follow suit, but their efforts were not effective. In 1848, the peak of the great depression, Lord Elgin, Governor-General of Canada, wrote to the Colonial Secretary that
property in most of the Canadian towns, and more especially in the capital, has fallen fifty per cent in value within the last three years. Three-fourths of the commercial men are bankrupt, owing to free trade.\(^1\)

The following year Elgin wrote to Lord Grey that some arrangement with the United States was vitally necessary and that he viewed with apprehension the "effect which is likely to be produced in Canada by a continued refusal on the part of the United States to accede terms of reciprocity."\(^2\)

Economic conditions in Canada did not improve, and early in 1854 Lord Elgin went to England and secured the needed authority to negotiate for all the British colonies in North America. In May he was in Washington. His means of getting a reciprocity treaty supported by a majority of the Senate were very amusing. Washington was highly excited about Negro slavery at this time. He had the support of the Republican party because its members believed reciprocity in trade would draw Canada into the orbit of the United States, and ultimately, they hoped, lead to annexation of the British colonies, which would become states opposed to the slave interests. Naturally, the Democratic Senators had no desire for this outcome. Therefore, Elgin's big task was to persuade Democratic Senators to accept the treaty. Doors were


\(^2\)Ibid.
readily opened to an earl, and, with the liberal consumption of champagne by Democratic Senators, Elgin was able to convince them that prosperity in Canada, which would come as a result of reciprocity, would check any movement toward this undesirable union. As a result of his realistic and highly efficient diplomatic methods, the Elgin-Marcy Treaty was ratified on June 5, 1854. 3

The treaty gave American fishermen full privileges in the Atlantic fisheries. The products of forests, farms, and mines were placed on the free lists by both countries. American vessels were allowed to use the St. Lawrence River and Canadians were given similar privileges on Lake Michigan. The treaty was to run for ten years, and subsequently was to be subject to abrogation by either party on one year's notice. 4

The result of this treaty was an immense stimulus to trade in the United States and Canada. The economic life of the two countries became closely integrated. Commodities were imported by the United States from Canada at one point in the long boundary line, and goods of the same type were exported to Canada at another point. Canadian fish, lumber, and farm products found a ready market in the large cities of the eastern states and American manufacturers had access to


4Hugh Ll. Keenleyside, Canada and the United States, p. 298.
greatly expanded sources of raw materials. In 1854 the total value of Canadian-United States trade was $3,480,000, while in 1856, the first complete year after the signing of the treaty, this total was raised to $57,000,000.  

The Elgin-Marcy Treaty was terminated by the United States on March 17, 1866. Reasons for abrogating this mutually beneficial treaty were numerous and varied. John W. Foster, an American Secretary of State, wrote:

It was limited in its duration to ten years and when this period was about to expire an effort was made to extend it for another ten years' term. The proposition was opposed in Congress on two grounds. First, it was contended that the treaty had operated very largely to the interests of Canada; that the free list was injurious to our fishermen and farmers and that our manufacturers reaped no benefit from it. It is very probable these objects might have been overcome by an enlargement of the free or favored list to include certain manufactured products to which the Canadians would have consented, for at that time their manufacturing interests were small.

But the second ground of opposition was of a more serious nature. The time when it became necessary for Congress to act upon the renewal of the treaty synchronized with the close of our Civil War in 1865. There existed at that time in the United States a deep feeling of resentment against the ruling class of Canada on account of its conduct during that great struggle. It was claimed that the Government of that country was in sympathy with the effort of the South to break up the Union; that rebel agents were warmly welcomed and permitted to set foot within Canadian territory warlike expeditions, which invaded the United States, and plundered its towns, seized our vessels on the Great Lakes, and compelled us to maintain on our Northern frontier a considerable military and naval force; and that the ruling classes were doing all they dared to aid in

Ibid.
the destruction of our Government, at a time when their people were growing rich by their free access to our markets. This feeling of resentment for this conduct was so strong that commercial considerations were in a great measure lost sight of, and the reciprocity treaty came to an end in 1866.

John Charlton, a member of the Canadian Parliament, answered Foster's explanation of the abrogation of the treaty:

Mr. Foster refers to the reciprocity treaty of 1854 and admits that it had a marked effect in enlarging commerce between the two countries. The truth is that this commerce quadrupled in ten years. The Civil War created an abnormal demand for Canadian agricultural and animal products, and the balance of trade was in favor of Canada, but the tendency was toward increased importation of American finished products, and exports and imports would have been equalized in a short time. When notice of abrogation was served upon the Canadian Government, an earnest effort was made by it to secure a continuance of the treaty, with such modifications as might be considered reasonable. . . . The overtures of the Canadian Government were rejected, and with scant courtesy, if the truth should be told, and a period of repression and essentially hostile American tariff legislation was entered upon, which was destined to produce bitterness and estrangement.

Mr. Foster says that there existed in the United States at the time of the abrogation of the reciprocity treaty a deep feeling of resentment against the ruling class in Canada, on account of their conduct during the Civil War. This feeling, it is intimated, was the chief factor in securing the abrogation of the treaty. That this feeling was a well founded one is more than questionable. The issue between the North and South was little short of a party issue in Canada. . . . The majority of the Canadian people sympathized heartily with the cause of the Union and 40,000 Canadians served in the Northern armies. . . . As to the charge that rebel agents were warmly welcomed and permitted to set foot warlike expeditions in Canada, it may be asserted without hesitation that the Canadian Government earnestly sought to maintain an attitude of neutrality. Rebel refugees were welcome to find an asylum and spend their money

6John W. Foster, "Commercial Reciprocity with Canada," The Independent, LIII (December 5, 1901), 2875.
in Canada. They may, in some instance, have abused the privileges of asylum, as in the case of the St. Albans raid—an act condemned by all parties in Canada—but the permission of the Fenian raid in 1866 may fairly be held to have been a more flagrant breach of neutrality and good neighborhood than was any movement having its initial steps in Canada during the rebellion. ⁷

The termination of the treaty dealt a heavy blow to American-Canadian trade. The westward expansion of settlement in the United States led to an improvement of economic conditions in that country, but in Canada the westward movement came later and the effects of the American tariff policy were really serious. Canadian resentment toward the United States was thus expressed by John Charlton:

Following the abrogation of the reciprocity treaty came the imposition by the United States of duties upon farm products. These duties were of an almost prohibitory character. It is not unlikely that the belief was entertained that Canada required access to the American markets for her surplus farm products, and that duties reaching to the limit of exclusion would force political union. If this opinion was entertained, events proved it to be utterly mistaken. The policy of repression at once begat bitterness and deep-seated resentment, and the two peoples commenced to drift asunder. The Canadian was put upon his mettle, and proceeded to cast about for new markets. ⁸

After the abrogation of the treaty in 1866, Canada sent mission after mission, of which some of the best known Canadian statesmen were members, to Washington in order to secure another reciprocity agreement with the United States. All their efforts to influence Congress

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⁷ John Charlton, "Reciprocity of Trade with Canada," The Independent, LIV (March 20, 1902), 667-668.

⁸ John Charlton, "Reciprocity with Canada," Forum, XXXII (January, 1902), 584.
to a generous consideration of the Canadian case were in vain. In 1869, Honorable John Rose, Finance Minister of Canada, was delegated by the Canadian government to go to Washington to negotiate a reciprocity agreement, but his efforts, likewise, were unavailing.  

In 1871, when the Washington treaty was being negotiated between Great Britain and the United States, a proposition was made by the American Commissioners to allow free wood, coal, salt, and lumber. Sir John Macdonald, who was the special representative of Canada on the British Commission, asked for time to consider the proposition, but the American Commissioners withdrew the offer and declined any proposition whatever relating to free interchange of commodities between the two countries.  

In 1874, efforts were again made to renew reciprocal trade relations through a treaty negotiated by the British Minister, Lord Thornton, and the Canadian Commissioner, George Brown, with the United States Department of State. This draft treaty put natural products on the free list and enlarged the provisions of the treaty of 1854 by putting on the free list all kinds of agricultural implements, and a list of thirty-seven other classes of manufactures. The treaty was not ratified.

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9 "The Importance of Canadian Reciprocity," The Independent, LVI (February 18, 1904), 374.


11 Ibid.
by the Senate. Charlton wrote that if this treaty had been ratified,

... it would have brought Canada and the United States into a business and social relations so intimate that it is an interesting question to what extent the blending of the two peoples in interests and affinities, political and social, would have gone. The United States took occasion to give an example of supreme folly, by refusing to ratify this treaty.12

A strong movement in favor of reciprocity was inaugurated in Canada in 1887 and continued until the elections of 1891. The Liberal party in the Canadian Parliament, under the leadership of Sir Wilfrid Laurier, adopted a policy of unrestricted reciprocity. While this movement was in active operation in Canada, great efforts were made to secure sympathy and support from recognized authorities in the United States. Representatives Hitt and Butterworth in the House and Senator Sherman took a course decidedly favorable to reciprocity with Canada. Some of the great commercial organizations such as the Boston’s Merchant Association, the New York Board of Trade and Transportation passed resolutions favorable to a large measure of reciprocity between the two countries, but no action could be obtained from Congress in the matter. 13

Nevertheless, when the Liberal party, under Sir Wilfrid Laurier, came into power in 1896, hope was revived that reciprocity with the United States might again become feasible. The Liberal policy toward


reciprocity was expressed as follows by Edward Farrer:

Canadian Liberals have always insisted that an increase of commercial intercourse between Canada and the United States would tend to do away with the controversies—petty but irritating, like a cinder in the eye—which grow out of the enforcement of a high tariff on each side of the boundary, or, to speak more correctly, out of the unneighborly spirit which Protection is apt to generate. If, they said, England's trade with Canada should suffer, as it most likely would, she would profit immensely by the removal of cases of differences with the United States. 14

Shortly after the Liberal government had been formed, the Joint High Commission, nominally between the United States and Great Britain but really between the United States and Canada, was called into meeting. The British government was represented by Lord Herschel. The Canadian members of the Commission were Sir Wilfrid Laurier, Sir Richard Cartwright, Sir Louis Davis, and John Charlton. The United States was represented by Senators Fairbanks and Gray, and John W. Foster, John A. Kasson, Nelson Dingley, and Thomas J. Coolidge. 15

The purpose of the Joint High Commission was to consider various questions between the two governments. Reciprocity was expected to be a foremost subject but the question of the Alaskan boundary caused the reciprocity issue to be pushed aside. 16

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15 Longley, op. cit., p. 407.

16 Ibid.
By 1900, Canada had given up hopes of securing reciprocity and was threatening tariff reprisals. John W. Foster showed some concern over these threats in 1901. He wrote:

It is reported that in an address before the Canadian Manufacturers' Association on the 6th instant, Sir Wilfrid Laurier announced that since 1866 Canada had been sending delegation after delegation to Washington in an endeavor to secure reciprocity. No more delegations, he said, would be sent.

On the same day Hon. John Charlton spoke before the Chamber of Commerce in New York on the trade relations between the two countries, and in the course of his address he manifested great dissatisfaction with the tariff of the United States as it affects Canada, and later at Washington he is reported as saying that "Canada is tired of present arrangements, and if the United States does not permit her to sell more in American markets, she is likely to provide that the United States sell less in her own markets. . . . It should be a reciprocity of trade or a reciprocity of tariffs."

These declarations indicate that the Canadian Government regards the commercial attitude of the United States as unfriendly, and that it has in contemplation a resort to tariff reprisals. Every right-minded American must see these declarations with regret, and it becomes us to inquire whether they are well founded. 17

By 1904, American sentiment had taken a more friendly turn toward reciprocity. The editor of Outlook went so far as to advocate unrestricted trade. He wrote:

Those on both sides of the line who believe in reciprocity disclaim the right to ask anything either of Canada or of the United States that is not for the distinct and general interest of both. They believe, that a fairly unrestricted trade would show a vastly greater total than the actual amount of exports and imports. While freer trade between the two countries would benefit both, the only natural and logical

17 Foster, op. cit., p. 2874.
position of these contiguous countries is commercial union. The ultimate ideal should be to make trade between the United States and Canada as free and unrestricted as it is among the several states of our own country. It should not obstruct the free enjoyment of natural advantages. The boundary between Canada and the United States, except that formed by the Great Lakes, is purely artificial, and the Great Lakes themselves seem designed to promote commerce rather than to be an obstacle to it. The intention of nature seems so clear that we may say, "What God has joined together let no man put asunder." 18

By 1907, the quest for reciprocity was reversed. Now delegations to Ottawa succeeded delegations to Washington. The reason for this change was that the immense immigration into the United States since the Civil War had resulted in the rapid occupation of the West. The best farm lands were taken and the forests and mines were being exploited. The industrial development had been so great that new supplies of raw materials were becoming more necessary and foreign markets had to be developed for the finished products or American industry would be affected. American industrialists realized that Canada served both as a depository of raw materials and as a market for manufactured articles. The industrialists, by this time, had established a firmer control over legislative and executive departments of the government and they demanded the negotiation of a reciprocity agreement with Canada. The newsprint industries and railroad companies were most urgent in their quest for reciprocity. James Hill's

18 "Canadian Reciprocity," The Outlook, LXXVIII (December 31, 1904), 1066.
influence on Congress was shown in this way:

As early as 1906 James J. Hill, the railroad potentate of the Northwest, had begun to advocate reciprocity so volubly and so cogently that in the Senate debate of 1911, William E. Borah could refer to him as "the real author of reciprocity in this country of late years" and could say of him that "he has furnished all the arguments I have ever, as yet, heard advanced in its behalf."19

The United States began to look more and more favorably upon closer trade relations with Canada, but Canada was suspicious of this new American policy and remained indifferent to American overtures. The whole matter was crystallized by the Payne-Aldrich Tariff of 1909 and brought to a definite conclusion in the Canadian elections of 1911.

In the Payne-Aldrich Tariff the United States for the first time employed the principle of maximum and minimum rates. The minimum rates were to be the general and permanent duties, while an additional 25 per cent of the value of the commodity was added to form the maximum rate. The higher duties were to be enforced at the discretion of the President against all nations discriminating against American goods. Canada considered this threat unfair. The United States admitted that the British preference did not mean discrimination, but the American negotiators asked Canada to accord the United States as favorable terms as those Canada had given France in 1910. The American tariff was already higher than that of Canada, so the Canadian government told the American Commissioners who had come

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19 L. Ethan Ellis, Reciprocity, 1911, p. 9.
to Ottawa in March, 1910, that the concessions would not be made. It seemed that a tariff war was inevitable, but when the Democratic candidates favoring reciprocity with Canada showed unexpected strength in the American elections, the Republican administration changed its course. After a discussion with Honorable W. S. Fielding, Canadian Minister of Finance, President Taft declared Canada eligible for the minimum rates. Fielding promised certain minor reductions and agreed to enter negotiations for a general discussion of reciprocity. 20

President Taft sent Secretary Knox, Chandler P. Henderson, Counselor of the State Department, and Charles P. Montgomery, chief of the customs division of the Treasury Department, to negotiate the reciprocity agreement. The Canadian negotiators were Honorable W. S. Fielding, Minister of Finance, Honorable William Paterson, Minister of Customs, and James A. Russel, a tariff expert. 21

The treaty negotiated provided for the abolition of duties on a number of staple articles of trade between the two countries and a reduction of duties on many others. On wheat and other grains, dairy products, fruit, vegetables, fish, eggs, poultry, cattle, and other animals the duty was abolished entirely by both countries. The United States made rough lumber free and Canada replied by letting in cottonseed oil without a duty. Both countries abolished the duty on tin and

20 Keenleyside, op. cit., pp. 310-312.

21 "Reciprocity Program," Review of Reviews, XLIII (March, 1911), 278.
tin plates and on barbed-wire fencing. The agreement provided that print paper was to become free by removing all restrictions on the exportation of pulpwood. Canada reduced to the United States its duties on farm implements. Canada reduced its duty on coal and cement and the United States did the same on iron ore and dressed lumber. The United States proposed to reduce the duties by a total of approximately $5,000,000, and Canada by $2,500,000.  

The Reciprocity Bill was passed by the House of Representatives, but the Senate failed to act before adjournment March 4, 1911. President Taft called a special session and the bill was passed on July 22, 1911.  

Time after time Canadian proposals of reciprocity had been refused by the United States, but it seemed that at long last the objective of Canadian diplomacy was about to be achieved. All that remained for Canada to do was to implement the agreement it had so long tried to achieve.

The Canadian general election of 1911 seemed to be an inexplicable phenomenon. The great majority of the Canadian people had been educated in the belief that reciprocity with the United States would mean prosperity in Canada, but in the election the Conservative party, whose whole campaign was based on opposition to reciprocity, won  

\[22\text{Ibid., p. 279.}\] \[23\text{Keenleyside, op. cit., p. 313.}\]
133 seats in the Parliament, in comparison to eighty-eight seats for the Liberals. 24

Explanations for rejection of the treaty were to be found in the fact that manufacturing and financial interests in Quebec and Ontario had organized, advertised, and subsidized the opposition. Anti-American sentiment among the Canadians and unfortunate statements by certain American statesmen were even more responsible in causing its rejection.

Industrialists' opposition to reciprocity was expressed by George Foster:

In a word, you desire to make Canada for trade purpose like unto a State of the Union, except that you do not propose to employ your capital within her borders. You will draw her raw resources to your very own country and work them up by your very own people and of course reap the profits. Canadians may find employment in rough work, cutting timber and loading it, mining ores and shipping them, raising stock and putting it on board Mr. Hill's cars, producing grains and drawing it to trains headed southward. Well, all that you wish to do to benefit your country we wish to do to build up our country.

If raw materials form the basis of industrial development we are in no hurry to invite the exploitation by 90,000,000 of people who have squandered their own. . . . If the working up of such material is a sure way to population, wealth, and national prosperity, why should we not proceed to manufacture and finish it and then to distribute it by our own transport lines for our own home wants and then to export our surplus through our own seaports and by our own merchant marine? We have fought a long hard fight against distance and geography in order to consolidate our own wide-flung territory and have succeeded.

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The reciprocity pact cuts straight across this development and this ideal, disconnects our provinces, attacks our industries, taps our east and west connections by north and south lines, and menaces our national solidarity. 25

Canadian ill-feeling against the United States was revived by a letter that President Taft wrote to Colonel Roosevelt regarding Canadian reciprocity. In this letter, dated January 10, 1911, there occurred this paragraph:

The amount of Canadian products we would take would produce a current of business between Western Canada and the United States that would make Canada only an adjunct of the United States. It would transfer all their important business to Chicago and New York with their bank credits and everything else, and it would increase greatly the demand of Canada for our manufactures. I see this as an argument against reciprocity in Canada, and I think it is a good one. 26

Champ Clark, Speaker of the House, made several careless remarks intimating that reciprocity would lead to annexation. Even the American press was critical of American leaders and blamed them, to some extent, for the defeat of reciprocity. The editor of Outlook wrote:

After a hotly contested struggle the Canadian Liberals were defeated. The Liberal Government had identified itself with the policy of reciprocity with the United States; and it was Sir Wilfrid Laurier's bold espousal of the cause of freer commercial relations between the two countries that led to his political downfall. He fought a gallant fight against various commercial, industrial, and transportation interests, against old-time prejudices and a recrudescence of antagonism to the


26 "Canada and the Reciprocity Plot," Review of Reviews, XLV (June, 1912), 667.
United States. . . . Unfortunately, the Speaker of our House of Representatives, who, like many other American public men, is not always a responsible statesman, gave occasion for the revival of this old-time cry by what he probably meant to be a humorous remark. The rapidly dying antagonism between the Dominion and the United States was revived; many bitter things were said about Americans and many ungracious things about President Taft. It partially explains the Liberal Defeat; it does not touch the permanent relations between the two countries. Their destiny is not only to divide the work and development of the continent between them, but to act in peaceful co-operation; and short-sighted politicians on either side of the line can only temporarily defeat that destiny. 27

Economic relations between the United States and Canada were not affected by Canada's rejection of reciprocity until after World War I. Canada and the United States were both able to find ready markets for their exports. Therefore, the old quarrel was not taken up again until the 1920's. The record of economic relations was very dismal until 1935.

The United States swung over to an extreme of high tariffs. First came the Fordney-McCumber and then the Hawley-Smoot schedules. These tariffs terribly damaged Canada's trade. 28

The Literary Digest had this to say about the effect of the Fordney-McCumber tariff on Canadian exports:

Compared with the Fordney measure, the effects of the McKinley and Dingley legislation on Canada were nothing, according to some Canadian observers who call attention to

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27 "Canada Defeats Reciprocity," The Outlook, XCIX (September 30, 1911), 250.

the "harm" the new American tariff provisions may do to Cana-
dian prosperity. . . . The Fordney measure affects no less
than nine-tenths of the value of all the farm products exported
to the United States in 1920, writes the Ottawa correspondent
of the London Economist, who says further, "It affects 40
per cent of all the exports to that country last year, or an
amount equal to over 25 per cent of the value of all exports
to all countries." What is more, the McKinley and Dingley
tariffs, we are told, related to only one branch of Canadian
industry, namely, agriculture, but the new Fordney bill
touches at least five, and this informant adds: "It will hit
the fisheries a stunning blow and that at a time when they are
least able to bear it. For some non-ferrous minerals the
export market will be virtually cut off, and the same may be
said of certain manufactured products, the surplus of which
has found a ready market in the United States, and can find
it in no other country. 29

Ten years after the rejection of reciprocity by Canada, the old
slogan of 1911, "No Truck or Trade with the Yankees," had no sup-
porters in Canada. Sir Robert Borden, who had risen to power over
the ruins of the reciprocity agreement, was most earnestly advocating
closer relations with the United States. He pleaded with his successor
to appoint a Minister Plenipotentiary at Washington to lay before the
administration a proposal for the negotiation of another agreement
similar to that which the Canadian people had declined a decade be-
fore. 30

Congress was not disposed to grant reciprocity. As the depres-
sion years came on, the Protectionists became stronger and stronger.

29 "Fordney Gloom in Canada," The Literary Digest, LXXX
(September 3, 1921), 19.

30 D. M. LeBourdais, "Canadian Reciprocity Again," The North
American Review, CCXIV (December, 1921), 759.
Trade and tariff restrictions were piled up to protect home markets from foreign goods. Senator Capper of Kansas, a prominent leader of the farm bloc, was most emphatic in his denunciation of reciprocity with Canada.  

In 1927, Prime Minister Mackenzie King once more made reciprocity overtures. He said in an address to the Canadian Parliament:

We believe that the defeat of the 1911 proposed reciprocal trade agreement between the United States and Canada, more than to all other factors combined, may be traced to the cause of existing economic depression in the Maritime Provinces. Our policy remains one of seeking to advance as opportunity affords mutual trade agreements in natural products.

Prime Minister King's overtures were rebuffed. The Hawley-Smoot Tariff went into effect and became one of the main issues in the Canadian elections of 1931. Richard Bedford Bennet, Conservative leader, defeated Mackenzie King to become Prime Minister. He represented the party that had opposed reciprocity in the past. He believed that Canada's ills were caused by American economic penetration of Canada and by United States tariff regulations. He declared that Canada would have to adopt a policy of economic nationalism and imports of large quantities of goods from the United States would have to stop.

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31 "Reciprocity's Ghost Stalks Again," *The Literary Digest*, XCIII (April 9, 1927), 12.

32 Ibid.
The Bennet tariffs, and the Ottawa Agreement of 1932, which was designed to keep the British Empire's markets for its own members, went into effect in retaliation to American tariffs. As a result, there was more than a 60 per cent decline in American-Canadian trade from 1932 to 1935. 33

In 1935 Mackenzie King and the Liberals were returned to power in Canada. Franklin D. Roosevelt and the Democrats were in power in Washington. It was the first time since the Civil War that the liberals in Canada and the Democrats in the United States, both historically the parties of free trade and low tariffs, were simultaneously in power. 34

King had promised the Canadians that within ninety days after his election, he would present them with a reciprocity agreement with the United States. One month after his election he was in Washington. The purpose of his visit was explained by a Time reporter:

"I thought it would be a pleasant thing," said Mr. King, "to pay a courtesy call upon your President." That was a magnificent understatement. What the new Canadian Premier thought would be a "pleasant thing" was to do something that looked virtually impossible, to fulfill a prime promise that got him elected last month. That promise was to make a reciprocal trade treaty that would restore United States-Canadian Trade. 35

33 M. Grattan O'Leary, "Reciprocity with Canada," The Commonwealth, XVIII (May 19, 1933), 66.
34 "Pleasant Thing," Time, XXVI (November 18, 1935), 12.
35 Ibid.
Franklin Roosevelt and Mackenzie King were men with a great deal in common. Both were noted for their agreeableness and both were anxious to promote goodwill in North America. On the second day of King's visit, President Roosevelt announced:

The Canadian Prime Minister and I, after thoughtful discussion of our national problems, have reached a definite agreement which will eliminate disagreements and unreasonable restrictions, and thus work to the advantage of both Canada and the United States. 36

By the terms of the Reciprocity Treaty of 1935, Canada lowered her tariffs to about pre-Bennett rates or lower on some 767 imports from the United States. Important kinds of machinery including automobiles, electrical devices, radios, refrigerators, and agricultural machinery were included as well as books, films, meat, eggs, wheat, vegetables, and fruits. Tractors, cotton, lemons, and magazines were put on the free list. In general, the United States received the Canadian intermediate tariff or better on 75 per cent of its normal exports to Canada and a guarantee of unconditional and unrestricted most-favored-nation treatment except in so far as the British Empire was concerned. In return, the United States maintained the free list that accounted for 44 per cent of Canada's normal exports to the United States which included products like newsprint, rough timber, wood pulp, nickel, and asbestos. The United States also reduced tariffs roughly from Hawley-

36 Ibid.
Smoot to Fordney-McCumber levels on 60 per cent of Canada's normal dutiable exports. 37

The treaty was very moderate but it had its bitter opponents in the United States. Secretary of State Hull, in defense of the treaty, said:

Through log-rolling and similar insidious methods they harassed Congress and succeeded in securing the notoriously unsound Hawley-Smoot Act of 1930, which, more than any other factor, was responsible for our loss of exports to Canada aggregating $600,000,000. The reeked national scandal thus attending the passage of this act is well remembered. . . . The many millions of wage-earners thrown out of employment from 1929 to 1933 and farmers thrown into conditions of bankruptcy during the same period, who know their present improved and steadily improving conditions, will, I imagine, think twice before giving heed to the small but powerful Hawley-Smoot wrecking crew. 38

The Reciprocity Treaty of 1935 stopped all bickerings and controversies regarding trade relations between the two nations. Reciprocity ceased to be a political issue and was heard of no more.

Trade relations were made even more agreeable between the United States and Canada in 1937. Mackenzie King conferred with President Roosevelt and then went on to Europe to the Imperial Conference in London. A three-way trade agreement was made that even enlarged the flow of trade between Canada and the United States. 39


39 Hutchinson, op. cit., p. 110.
After the fall of France, Roosevelt and King met at Ogdensburg, New York, on August 7, 1940. Further trade concessions were made in order to allow the armament program to be speeded up. 40

In April, 1941, King and Roosevelt met at Hyde Park and made the two nations into a single economic unit for war production. The Hyde Park Pact provided that the United States and Canada should furnish each other with the defense articles which each was "best able to produce." Under this pact supplies were pooled, complementary industrial plants were developed, and agricultural programs were meshed. For purposes of war production, the boundary between the two countries was virtually erased. 41

The Hyde Park Agreement was never formally cancelled and some measure of economic co-operation continued after the war. But the dismantling of wartime controls stopped most of the machinery of the agreement. Canadian-American economic relations gradually returned to peacetime basis.

Then came the Korean War, and the need once again to strengthen Canadian-American partnership. On October 26, 1950, Secretary of State Dean Acheson and Canadian Ambassador Hume Wrong signed a six-point statement of "Principles for Economic Cooperation" between

40 Ibid.

41 "Bargain with the United States," Newsweek, XXXVI (November 6, 1950), 48.
their countries "to enable us better to prepare ourselves for any military emergencies which may arise."\(^{42}\)

\(^{42}\)Ibid.
CHAPTER V

RECENT RELATIONS

It was ironic that during the years immediately following World War I, ordinary social relations between Americans and Canadians were blighted by conflicting conceptions of the share which each country contributed to the war effort. Countless futile arguments took place without convincing Americans about the heroic efforts which Canadians had contributed preceding American entry into the war. On the other hand, Canadians were not convinced that in 1917 American naval assistance averted the imminent collapse of the Allied cause attributable to submarine activity, and that American money came into play just when Allied financial resources were exhausted, and that a million and three quarters of fresh American soldiers gave the Allies the margin which enabled them to defeat Germany. Misunderstandings were made worse because both peoples had been misinformed about the achievements of their forces in relation to the total Allied effort.

The significant circumstance behind these misunderstandings was that Canada had suffered more from the war than the United States. The Dominion nearly exhausted its capacities, human and economic, by plunging into the war from 1914 to 1916 on an expanding scale.
which it was barely able to sustain during 1917 and 1918. Canada, with about one thirteenth of the population of the United States, suffered two thirds as many casualties.  

Irritation over the American attitude toward war debts, war glory, and the League of Nations was extremely prevalent in Canada. But as the World War receded into history and the disappointing nature of its results became obvious, it finally ceased to be worth-while disputing about who had won it. The American attitude toward its legacy of debris was resented in Canada, but when Britain stopped paying them, there was nothing left to resent.

Friction regarding the League of Nations was longer lasting. Canada's membership in the League represented a distinct advance in its international status. When the United States objected to the Covenant because it gave the British Empire six votes to America's one, Canada felt that this action was an attack upon its new international status.

The general idea of world co-operation for the maintenance of peace naturally appealed to Canada because it was not a strong state. Although Canada was favorably situated and had no fear of foreign aggression, it was dependent on world economic and political stability for world trade on which its prosperity was based. The League offered a meeting place in which Britain and the United States could be brought

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into close co-operation in world affairs, to the benefit of Canada. American rejection changed all these prospects.  

Though many Canadians reproached the United States for letting the League down, their own government consistently declined any obligation to maintain or strengthen it. Canada voted against the Draft Treaty of Mutual Assistance proposed by the League Assembly of 1923, and it did the same to the Geneva Protocol of 1924, when its principal delegate reminded the Assembly that Canada lived in "a fire-proof house far from inflammable materials."  

Not many Americans know about Canada's contribution to better American-Canadian relations in 1921. Among the many disturbing questions which caused friction in relations between Britain and the United States in the years following the war, one of the most serious was the Anglo-Japanese Alliance. This pact, which originated in 1902, had been extended to 1921. In that year the question of its renewal came up before the Imperial Conference in London. The United States took a very active interest in the matter of its proposed renewal. The aggressive plan of action which Japan had pursued on the Asiatic mainland during the war had threatened to interfere with American interests in the Far East, and had revived fears of a possible clash in the Pacific.  

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2Edgar W. McInnis, The Unguarded Frontier, p. 344.

3Alfred L. Burt, A Short History of Canada for Americans, p. 280.

4Ibid., p. 278.
Canada was not a Pacific power, so the alliance did not affect her directly, but Canada was interested in the effect it had on Anglo-American relations. When the question of the renewal came before the Conference, New Zealand and Australia vigorously supported its continuation, but Arthur Meighen, Canadian Prime Minister, was vociferous in his demand that it be discontinued. Meighen realized that if a clash should take place while the alliance was in effect, Canada's position would be most difficult. The dislike which was manifested toward the alliance in the United States, and the possible effect of that dislike on Anglo-American relations, was something Canada viewed with alarm.

The Canadian Prime Minister insisted that if some agreement was necessary for security in the Pacific, it should be formed on a wider basis in which the United States should be included. Meighen was able to convince Lloyd George that preservation of good relations between the United States, Britain, and the Dominions was of first interest to the Empire.  

The treaty did not expire until the next year and within that year the Washington Conference was held and treaties were made that made it possible for Britain to drop the Anglo-Japanese Alliance without too much laceration of Japanese susceptibilities.  

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5 John W. Dafoe, Canada: An American Nation, pp. 125-126.

6 McInnis, op. cit., p. 338.
Although Canada had been responsible for manipulating the cancellation of the Anglo-Japanese Alliance and had made possible the Washington Conference, it did not receive a separate invitation to the Conference. Canada did participate in it, but Canadians felt that the United States did not appreciate their new evolution toward independent status and that the United States would do nothing to help Canada advance toward that goal.  

Relations between Canada and the United States became very strained on several occasions during the prohibition period in the United States. When the Eighteenth Amendment went into operation, the Canadians neither understood nor approved the experiment. Smuggling sprang up immediately. American authorities could not cope with the situation without co-operation from across the border.

The State Department in 1923 asked Canada to cancel the British registry of American-owned vessels that were known to be engaged in liquor smuggling. Canada was also requested to refuse clearance on ships with liquor cargoes that were destined for American ports.

Although the Canadian Prime Minister always displayed a willingness to co-operate, the Canadian Parliament was reluctant to put restrictions on its own commerce. Early in 1924 the State Department

7Ibid., p. 339.

was notified that exportation of liquor was not prohibited by Canadian law and clearance could not be refused to a ship with liquor cargo regardless of the port for which it was bound. 9

Finally the persistence of the State Department led the Canadian Prime Minister to ask that a mission be sent to Ottawa to discuss methods of preventing wholesale importation of liquor from Canada. The scope of the conference was much wider than the Prime Minister had expected. The United States delegates requested a discussion of the whole question of commercial smuggling. They again requested that clearance be denied ships with liquor cargoes destined for the United States. They asked the privilege to seize and search ships engaged in illicit traffic on the Great Lakes, and regulations to force all vessels to proceed to the port for which they cleared. They asked that clearance be denied all liquor-carrying boats of less than 250 tons regardless of the destination shown on their papers. The American delegates requested that Canadian officials report to American authorities all shipments by land or air in order to curb overland smuggling. An arrangement for the extradition of persons violating the liquor laws was also broached. The American delegates promised Canada permission to ship intoxicants from one Canadian port to another across American territory. Parliament was not in session at the time of the conference.

9 Ibid., p. 713.
so no action was taken. When Parliament did meet, no action was taken because not many Canadians were sympathetic with the position of the United States. The excise on liquor was bringing in a lucrative income for the government and Canadian brewers and distillers were profiting immensely from American prohibition. 10

However, American prohibition brought problems to Canada as well as profits. When Buffalo, Detroit, Duluth, or Seattle underwent periods of strict law enforcement, vagrants, rum-smugglers, criminals, prostitutes, and other undesirables allied with the liquor traffic would migrate across the border. Canada's law enforcement agencies had to be increased to handle this undesirable influx. 11

As problems increased for both nations, co-operation became an absolute necessity. On January 13, 1924, Secretary of State Hughes and the British ambassador signed an agreement, which was approved later by the Canadian government, whereby American authorities were permitted to board and to search vessels outside the three-mile limit (but not beyond the distance which could be traversed by the suspected vessel in one hour). Acting under this authority, in March, 1929, an American Coast Guard cutter pursued and sank the Canadian rum-running schooner, I'm Alone, in the Gulf of Mexico near the coast of

10 Ibid.

11 Hugh Ll. Keenleyside, Canada and the United States, p. 357.
Louisiana. Correspondence between Secretary of State Stimson and the Canadian Minister was very courteous concerning the matter, but Canadian public opinion was rather outraged for awhile. A Canadian wrote:

The case of the schooner *I'm Alone* offers another example of the genius of American officers for disregarding other people's laws. The schooner *I'm Alone* was a rum-runner of Canadian registry which, on venturing close to the coast, was called upon to halt by American Coast Guard patrol. The schooner's commander preferred to return to sea, turned tail and ran, as the patrol cutter hurried in pursuit. The pursuit continued over two and a half days. At length the *I'm Alone* was bombarded and sunk two hundred and fifteen miles from the American coast. . . . What happened? Did the United States offer immediate amends to Canada for scuttling a ship of Canadian registry? No. Did Washington apologize? No. . . . The latest suggestion is that although the *I'm Alone* was of Canadian registry and flew the Canadian ensign at her mast, her actual ownership was American, a suggestion which so far lacks proof. Even though it were truth, you will find it difficult to convince a Canadian that it is lawful for armed American vessels to fire on ships flying the Canadian flag on the high seas.12

Secretary Stimson suggested a willingness to submit the subject to arbitration and the Canadian government promptly accepted his proposal. The commissioners, to whom the Canadian and American briefs were submitted in 1931 and 1932, presented a joint interim report and recommendations on June 30, 1933, and a joint final report on January 5, 1935. They decided that the "admittedly intentional sinking of the suspected vessel was not justified by anything in the

Convention. " Therefore, they recommended that the American government should apologize to the Canadian government for the illegal sinking and pay to it $25,000 for amends and that it should pay the captain and crew the sum of $25,666.60 as compensation. The owners of the ship were proven to be American citizens, so the commission decided that no compensation should be paid to them for the loss of the ship and its cargo. In accord with the recommendations, Secretary of State Hull promptly tendered an apology and took steps to obtain an appropriation for payment of the compensation. 13

During the six years that the I'm Alone incident was being settled, Canada became more co-operative with the United States in aiding in prohibition enforcement. The Canadian House of Commons passed by a practically unanimous vote a measure to forbid clearances of prohibited beverages to the United States in March, 1930. This enactment was tantamount to a treaty between the two countries. 14

In urging the approval of the measure by Parliament, Mackenzie King said:

The danger of possible delicate and difficult situations arising between the United States and Great Britain over rum-running on the Atlantic is as nothing compared to the delicate situation that at any moment may rise on our international frontier if this thing is permitted to continue. So perilous do


I believe the situation to be that I would no longer assume responsibility in the matter of External Affairs in this regard if I were not sure that I had the support of this Parliament in any policy which I believe to be necessary to prevent a condition which might prove perilous to this country any day.  

Many Canadians did not approve of their government's acquiescence to American wishes. It was contended by those who disapproved of the "Liquor Treaty" that it only diverted the rum-running from the Canadian border to the French islands of St. Pierre and Miquelon and thus deprived Canada of a large source of revenue.

The problems arising over prohibition were settled finally in 1933 by the repeal of the Eighteenth Amendment to the Constitution of the United States.

The problem of the St. Lawrence Seaway has been before the public of Canada and the United States for more than fifty years. The dream of a through channel on the Great Lakes and the St. Lawrence River goes back as far as 1895. In that year the governments of the United States and Canada appointed a Deep Waterways Commission to consider the feasibility of deepening the St. Lawrence seaway to make it navigable for ocean-going vessels. The Commission reported unanimously in favor of the construction of a seaway.

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15 Roberts, op. cit., p. 21.


17 "Great Lakes-St. Lawrence Seaway Project," Congressional Digest, XXV (October, 1946), 229.
In 1897 the United States appointed a board of engineers to consider the physical phases of the problem and in 1900 this board reported in favor of a waterway on United States territory.\textsuperscript{18}

The United States and Great Britain entered into the Boundary Waters Treaty in 1909. This treaty has served as a basis for all negotiations regarding the waterway up to the present time. Article XIII of this treaty provided that

\ldots in all cases where special agreements between the High Contracting Powers (Canada and the United States) are referred to in the foregoing articles (of the treaty) such agreements are understood and intended to include not only direct agreements between the High Contracting Powers, but also any mutual agreement between the United States and Canada expressed by concurrent or reciprocal legislation on the part of the United States Congress and the Canadian Parliament.\textsuperscript{19}

Charles P. Craig, a Duluth lawyer and investment banker, organized the Great Lakes Tidewater Association in 1919. It was one of the most efficient propaganda agencies in American history. In the year that the agency was organized it was able to get the matter before the International Joint Commission. Under specific Congressional authorization, the International Joint Commission undertook an extensive investigation of the St. Lawrence project, both as a seaway and as a source of hydro-electric power. After holding hearings in the United States and in Canada, and receiving a technical report from engineers it had appointed, the Joint Commission unanimously recommended to

\textsuperscript{18}Ibid. \textsuperscript{19}Ibid.
Congress the early undertaking of the deep-sea project over the St. Lawrence route. 20

During the 1920's the project was vigorously pushed by Charles P. Craig and Herbert Hoover. The project had the strong support of the farmers of the Middlewest and the Northwest. The cities on the Lakes had visions of themselves as ocean ports and were extremely enthusiastic. In 1924, President Coolidge appointed Herbert Hoover, then Secretary of Commerce, as chairman of the St. Lawrence Power Commission, which became known as the Hoover Commission. The proposed water-power and navigation development was once more the subject of exhaustive investigation and in 1926 a joint board of engineers, three from each country, submitted a report. The Commission reported (1) that the construction of a shipway from the Great Lakes to the Atlantic was imperative for the relief and future development of the continent; (2) that the shipway should be constructed on the St. Lawrence route; (3) that the development of the power resources of the St. Lawrence should be undertaken; and (4) that negotiations should be entered into with Canada in an endeavor to arrive at an agreement. The board of engineers attached to the Hoover Commission presented complete plans for the construction of the proposed seaway. 21

20 Samuel McKee, Jr., "The Heart of a Continent," *Survey Graphic*, XXX (March, 1941), 158.

21 Ibid., pp. 158-159.
In 1932 in accordance with the recommendations of the Hoover Commission, the United States and Canada negotiated a treaty which was sent to the Senate for ratification. From November, 1932, to February, 1933, the Senate Committee on Foreign Relations held hearings and finally reported the treaty favorably. In March, 1934, the treaty was brought to a vote in the Senate and was rejected because it did not receive the necessary two-thirds majority. 22

After several months of negotiation between the United States and Canada, a tentative plan was worked out by which the two countries would enter into an agreement, but not a treaty, which could be approved by a majority vote of both houses of Congress and thus avoid the test of the two-thirds vote of the Senate. Early in 1940 President Roosevelt appointed a St. Lawrence Advisory Committee, consisting of officials of the State Department, the Army Engineer Corps, the Federal Power Commission, and the Power Authority of the State of New York. A similar committee was appointed by the Canadian government. On March 19, 1941, after receiving the survey of the Commission, an agreement was signed at Ottawa for the construction of the waterway. 23

Following the attack on Pearl Harbor the project was shelved like so many other long-range projects. President Roosevelt believed

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22 "Great Lakes-St. Lawrence Seaway Project," Congressional Digest, XXV (October, 1946), 230.

23 Ibid.
that it should be continued because he considered it to be vital to defense, but the opposition was too great for it to be carried through. Congressman Ploeser, from Missouri, knowing the sentiment of a large segment of public opinion and arguing against the project, said:

Every bit of waste on the part of the people, or the government, sets back the date of victory; every bit of waste on the part of the government also places a greater burden on our people. The only way to win the war is to spend all of our energy on the necessary things. There isn't any stretch of the imagination that permits a logical person to argue that the St. Lawrence Seaway is necessary to the war effort. 24

After the war, in 1945, Senator Alben Barkley tried to get Congressional approval of the Seaways Agreement of 1941. His resolution was put on the Senate calendar but was not brought up. Similar resolutions have been shelved by each successive Congress.

In February, 1951, President Truman sent a committee headed by Secretaries Acheson and Marshall to make a positive case for the project before the House Public Works Committee. He stressed that the seaway was vital to Western defense and incidentally to United States-Canadian unity. The chance for Congressional approval of the 1941 Canadian-American agreement was little better than usual. The anti-seaway lobby was still deeply entrenched in Washington. Canadian patience was wearing thin with the United States. External Affairs Minister Lester Pearson said:

24 Walter C. Ploeser, "Win the War—Or Build the St. Lawrence?" Vital Speeches, VIII (April 1, 1942), 383.
The Americans say we are dragging our feet in world affairs. The biggest and largest dragging of feet I have known in my entire career is that of the Americans on the St. Lawrence Seaway. 25

Opponents of the seaway have long tried to convince the public that the project is unsound, but unbiased investigators have concluded that it is sound from an economic and engineering point of view. If the seaway were built it would: (1) Extend the whole North American seacoast by 8,000 miles, transforming such cities as Chicago, Detroit, Cleveland, and Toronto into deepwater ports where inland shipyards could be located in wartime. (2) Provide a low-cost inland route for shipment of iron ore to Midwest steel mills from the rich new deposits being developed in Labrador. (3) Speed overseas shipment of United States and Canadian farm products, especially wheat, which now has to be transshipped twice. (4) Pump 3,400,000 h.p. of urgently needed electric energy into New York, Ontario, and Quebec. 26

American strategists are strongly behind the seaway. They maintain that, since the Mesabi is running out of ore, it is vital to American defense to have an inland route to Labrador that would be safe from submarine warfare. This new argument has also won over many major manufacturers such as General Motors, Nash-Kelvinator, and Ford. 27

The project would cost Canada $412,000,000 and the United States $523,000,000. It would take six years to build, and it would

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25 "Put Up or Shut Up," Time, LVII (February 26, 1951), 36.

26 Ibid.

27 Ibid.
provide 15,000 jobs. For North Americans such a massive undertaking is not a real obstacle. The real block to the seaway has been the anti-seaway lobby. Its members include railroads fearful of losing traffic, coal and power companies fearful of low-cost competition, and seaports from Boston to Galveston that would lose shipping. This condition has been able to defeat the efforts of every United States President since Wilson. 28

United States Secretary of Commerce Sawyer, Charles E. Wilson, Dean Acheson, George C. Marshall, and Interior Secretary Oscar Chapman told the House Public Works Committee in May, 1951, that Canada was preparing to proceed with an all-Canadian route alone if action was not taken by the end of 1951. The United States would be obliged to pay many times over in tolls what the original cost would have been. Newsweek for May 7, 1951, reported:

As the House Public Works Committee closed hearings this week history seemed ready to repeat itself, and Canadians, who have been talking the project for half a century, were fed to the teeth. The seaway now promised to be the biggest break in Canadian-American relations since the Smoot-Hawley tariff. 29

The coming of the Second World War, like the first, significantly affected American-Canadian relations. It brought the two nations closer together than they had ever been before. Franklin D. Roosevelt

28Ibid.

29"Seaway: Canada Wants Action," Newsweek, XXXVII (May 7, 1951), 44.
was perhaps the only American President ever to be genuinely popular in Canada. In 1938, Canada appreciated his saying that the United States would "not stand idly by" if Canada were threatened by aggression. After the fall of France in 1939, Roosevelt's plan of "all aid to Britain short of war" brought Canadian and American policy into close agreement. At the same time the two countries took joint measures for the security of North America.  

The meeting between President Roosevelt and Prime Minister King at Ogdensburg, New York, on August 17, 1940, resulted in the establishment of a Permanent Joint Board on Defense. The function of the board was to "consider the defense of the Western Hemisphere in the broad sense." The defense plans of the Permanent Joint Defense Board provided for defense not only of the land portions of the two countries but also of the approaches by land and sea to North America.  

Two days after the organization of the Permanent Joint Defense Board, Churchill told the British that his government was prepared to lease bases to the United States for the defense of the Western Hemisphere. On September 3, 1940, President Roosevelt announced that the United States was leasing for ninety-nine years a string of six air

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30 C. P. Stacey, "The Twentieth Century," in George W. Brown, Canada, p. 149.

31 Report of the Canadian Chamber of Commerce and the Chamber of Commerce of the United States, November, 1941, in Julia E. Johnsen, Canada and the Western Hemisphere, p. 126.
and naval bases extending from British Guiana to the Bahamas and that he had acquired outright similar bases in Bermuda and Newfoundland in exchange for fifty over-age destroyers. 32

On December 29, 1940, Roosevelt announced, "We must be the great arsenal of democracy." That involved financing the opponents of the Axis, freezing Axis and Axis-controlled assets in the United States, and reaching out to help Canadian garrisons and air patrols to Newfoundland, Greenland, and Iceland in order to protect deliveries halfway across the Atlantic. 33

By April, 1941, Canada could not produce the American dollars needed for its purchases in the United States. President Roosevelt and the Canadian Prime Minister met this situation by arranging at Hyde Park for increased American purchase of war materials from Canada and for the administration of Lend-Lease to Great Britain through Canada. Canada declined Lend-Lease for itself. 34

After December 7, 1941, all military and economic barriers were abolished between Canada and the United States. Six agencies were formed between the two nations that made their economic and military resources almost as one. These agencies were the Canada-United States Joint Board on Defense, Joint Economic Committees of

32 Brubner, op. cit., p. 324. 33 Ibid., p. 325.

34 Report of the Canadian Chamber of Commerce and the Chamber of Commerce of the United States, November, 1943, in Julie E. Johnsen, Canada and the Western Hemisphere, p. 139.
Canada and the United States, Joint War Production Committee of Canada and the United States, Material Co-ordinating Committee of Canada and the United States, Joint Agricultural Committee of the United States and Canada, and Joint War Aid Committee. 35

Canada and the United States participated in three other agencies with other nations. These agencies were the Combined Production and Resources Board, Combined Raw Materials Board, and Combined Food Board. 36

The Material Co-ordinating Committee was probably next to the Joint Board on Defense in its usefulness in fostering co-operation between the two nations. This committee brought about the pooling and distribution of strategic raw materials available in Canada and the United States on a basis that assured maximum utilization of the resources in carrying out the war program. Through subcommittees on forest products, copper, zinc, nickel, and other ferro-alloys, the production of these vital war materials was increased, transportation to factories was facilitated, civilian consumption was regulated, and vital information on stocks, production, and consumption of strategic raw materials was exchanged. Full co-operation permitted supplies of critical and strategic materials to be allocated between the two countries on an equitable basis. 37

35 Ibid., p. 135. 36 Ibid. 37 Ibid., p. 137.
In actual military operations Canadian and United States forces served jointly in Newfoundland, Iceland, Alaska, and the Mediterranean. The closest integration that existed in the military forces was between the air service and special services. Many Canadian soldiers were trained in the United States, and many American soldiers were trained in Canada. United States naval units co-operated with Canadian and British naval units in maintaining the North Atlantic supply routes. 38

One of the most conspicuous examples of Canadian-American co-operation during the war was that of the building of the Alaska Highway. The Alaska Highway was originally planned as a peacetime development, although military reasons had been advanced for its construction after Japan started aggressive moves in China. In 1938 commissioners were appointed in both the United States and Canada to study the project, but when the war started nothing had been done. In 1941, however, Canada built a system of airways which connected the United States with Alaska. After the Japanese attack on Pearl Harbor and after the airway had been brought into operation, the road became a military necessity. On February 26, 1942, the Permanent Joint Board on Defense recommended that the road be built in order to service the airway. The recommendation was immediately approved by both governments. 39

38 Ibid., p. 135.

It was agreed that the United States would extend and improve the air route, and would also take the major share in building a highway capable of carrying heavy military traffic. By almost super-human effort the highway was opened from Dawson Creek, British Columbia, to Fairbanks, Alaska—a distance of 1,533 miles—before the end of the year. 40

The agreement between the Canadian and American governments in connection with all joint works on Canadian soil was that at the end of the war the American interests in them would be liquidated and turned over completely to Canada at a valuation to be agreed upon by both nations. This agreement was fully and honorably carried out, but in a very short time Canada found that it was not able to maintain the highway. Within a few months after the highway was turned over to Canada long sections of it were in ruins. Because of unsettled world conditions and the highway's strategic value to the United States in case of war with Russia, the American government asked Canada that the highway be placed under the supervision of the Joint Board on Defense. The United States is again maintaining the highway.

The construction of the Alaska Highway was responsible for the United States undertaking another great project on Canadian soil. In order to supply fuel for airplanes and motor trucks in case the Pacific

40Vernon C. Fowke, "Western Canada," in George W. Brown, Canada, p. 208.
supply routes were cut off, the United States laid plans for the giant
Canol project. The purpose of the project was to expand oil produc-
tion at Norman Wells, in the Northwest Territory, to its maximum,
build a refinery at Whitehorse on the highway, and construct a pipe-
line and highway six hundred miles through the Mackenzie Mountains
to supply the refinery with crude oil from Norman Wells. The project
was completed at tremendous cost, but it never operated efficiently at
any time. The United States and Canada had agreed to offer the pipe-
line and refinery for sale at a valuation set by two appraisers, one
named by Canada and the other named by the United States. The
Canadian government was to be given first option to purchase it, but
in 1945 the project was abandoned, the wells capped, and the pipe-line
left idle. 41 United States Army engineers and officials connected with
the project were severely criticized for the excessive waste involved
in the unsuccessful project. Investigations by Congress have revealed
that large-scale grafting on the part of American and Canadian citizens
took place during the construction of the Canol project. Nothing will
be done concerning the final settlement of the project until it can be
definitely determined what value the project is to Canada or the United
States.

41 Ibid., pp. 207-208.
American-Canadian co-operation did not end with the war. Serious controversies with Russia, which began immediately, made Americans more conscious than ever of the military importance of Canada. In February, 1947, it was announced in Ottawa and Washington that informal and limited military collaboration would continue. The Permanent Joint Board on Defense was continued, and arrangements were made for the exchange of officers and facilities between Canada and the United States. Canada, however, did not give the United States possession of bases on Canadian soil. The arrangement between the two countries provided that each should continue to control establishments within its own territory. 42

Since the war Americans have come to understand the place of Canada in the economic, political, and military framework of the United States. Canada has become the United States' best customer, its greatest outside supplier of resources, and the area of its largest foreign development. Canada is vital to the United States, because the United States could not tolerate an alien ideology on its closest flank. Militarily, Canada is more vital to the United States than any other area of the world, and in a way, Canada is the United States' only companion in any current or future siege. 43

42 Stacey, op. cit., p. 149.

43 Bruce Hutchison, "Canadian Ideals and United States Dollars," American Mercury, LXXV (June, 1948), 665.
Exactly how Canada and the United States will be bound together in the new world order is as yet hard to predict, but there can be little doubt that their relations will become much closer than they have ever been in the past.
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