

Book Review: Canada and the United States:
Transitional and Transgovernmental Relations, by
A. B. Fox, A. O. Hero, Jr., and J. S. Nye (eds.)

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Book Reviews

CANADA AND THE UNITED STATES: TRANSNATIONAL AND TRANSGOVERNMENTAL RELATIONS, A. B. FOX, A. O. HERO, JR., and J. S. NYE, JR., (eds.), New York and London: Columbia University Press. 1976. Pp. XV, 443.

This book is a reprint of a 1974 special issue on Canadian-American relations of the scholarly quarterly, *International Organization*.¹ With the exception of a thirteen page index, the book contains no new material or revisions. Indeed, the original plates or matrices of the quarterly appear to have been used for the book.² Accordingly, this selection of essays reflects developments to 1974 at best. Without discussing the merits or demerits of publishing a recent issue of a periodical in book form, the absence of any disclosures on the title page or elsewhere that this "industry product" was published previously leads one to seriously question the practice of the publishers in this regard.³ Likewise, the notation of this book in at least one library acquisitions tool makes no disclosure of the earlier publication.⁴

The book, comprising some seventeen individual articles by authors "from diverse frames of reference and academic disciplines," is divided into five parts. The articles do reflect common "conceptual orientations" and the editors have succeeded in ensuring that the work has some overall continuity. There are, nonetheless, acknowledged lacunae such as immigration, transnational cultural influences, mass media, education, and science and technology.

Part I is an introductory article by Keohane and Nye entitled "Introduction: The Complex Politics of Canadian-American Interdependence." The authors submit that the "state-centric" approach to world politics and international organizations should be broadened to include the role of "non-governmental" and "transgovernmental relations." These relations are advanced as having great significance in cases of high economic and social interdependence among advanced industrial societies. Transgovernmental re-

¹ A. B. Fox, A. O. Hero, Jr., and J. S. Nye, Jr., (eds.), *Canada and the United States: Transnational and Transgovernmental Relations* (1974), 28 *International Organization* 595.

² There are very minor changes in the preface, none of which address the disclosure issue. This observation is not a reflection on the presentation of the book which has an attractive format with only one minor typographical error (p. 161).

³ Admittedly, this book may be considered more of a political science book than a law book, but see *Federal Trade Commission Guides for the Law Book Industry* (1976), 69 *Law Library Journal*. 71, 74 and 75, par. 256. 11(g). See also R. M. Taylor, *Law Book Consumers Need Protection* (1969), 55 *Am. Bar Assoc. J.* 553.

⁴ (1976), 8 *Law Books Published* 21.

fers to "direct interactions between agencies (governmental subunits)" where they "act relatively autonomously from central governmental control." Transnational refers to "interactions across the border in which at least one actor is nongovernmental."⁵ The purposes of these essays on the Canadian-American case study are to confirm the importance of transnational and transgovernmental relations and to illustrate "how issues arise, how they become politically important, what strategies actors use and what factors seem to affect the outcome of these processes."

Part II deals with "National Attitudes." Holmes deals with the "Impact of Domestic Political Factors on Canadian-American Relations: Canada." With no mention of the Trudeau government's "third option," Holmes uncovers a Canadian dilemma in its failure to find an appropriate alternative association to replace that "special relationship" with the United States which is generally considered to have run its course in the early 1970s. The tide in Canada appears to be very much against continentalism in resources, land and people.

The conflicts of the early 1970's have given Canada a better appreciation of its own strength with "drastic measures of self-sufficiency heretofore politically impossible" implemented and accepted.

Using source materials from the Canadian Institute of Public Opinion (CIPO) polls (1959-73) and the American Institute of Public Opinion (AIPO) polls (1971), the second article in Part II by Sigler and Goresky, identifies a number of patterns in "Public Opinion on United States-Canadian Relations."⁶ This essay brings clearly into focus the importance of transnational relations in influencing inter-state relations. Questions about the United States or Canada-U.S. relations are very common in CIPO polls, but few questions about Canada or Canadian-U.S. relations appear in AIPO polls. Indeed, the only poll dealing specifically with Canada was commissioned in 1971 by the Canadian Embassy in Washington. A number of tables are presented outlining Canadian attitudes to U.S. capital in Canada, Canada-U.S. trade, U.S. influence on Canadian way of life, and the Vietnam war. This study reveals, or confirms, the relative asymmetry in Canadian and American awareness of each other. The American public has a high regard for Canada but has little knowledge of the country or of the impact of the United States on Canada.

In Part III, the various authors examine eight "Issue Areas" in an attempt to explore the "extent to which issues that involve different types of transnational relations in different areas of activity lead to different governmental processes and outcomes."

⁵ In subsequent parts of the book, at least three authors — R. F. Swanson, "Defense Issue Area" at 188 and K. J. Holsti and T. A. Levy, "Bilateral Institutions" at 283 — attempt an expanded definition of transnational.

⁶ See T. Keenlyside, L. Leduc and A. Murray, *Public Opinion in Canada-United States Economic Relations* (Toronto: Canadian Institute of International Affairs, 1976) passim.

Wright and Molot present an incisive and lucid overview of "Capital Movements and Government Control." They illustrate the "dynamic whereby economic dependence is translated into political consequences and their outcomes." American capital restrictions (e.g., interest equalization tax, 1965 and 1968 Guidelines), their effect on the Canadian financial community, the special treatment accorded to Canada, and the price that has been paid for preserving reasonably free access to the American capital markets are examined with particular reference to the role of transnational and governmental actors. Transgovernmental actors moved to lessen Canada's dependence on the U.S. capital markets while transnational actors ensured that the capital linkage was left generally intact from 1963 to 1968. It is observed that in this context, "paradoxically" a greater Canadian self reliance emerged.

"Canadian-American Trade in Energy Resources" by Greenwood is the subject of the second article in Part III. In the past, transnational contacts and alliances flourished in this area without significant attention from central governments. The denial in 1971 of all applications for the export of gas by Canada's National Energy Board signalled, rather belatedly in some views, a more active governmental role in the energy field. The influence of environmentalists on central governments is documented, and possible institutional frameworks — one modelled after the International Joint Commission (IJC) — for dealing with bilateral energy matters are examined. It is trite at this juncture to observe that energy questions have become highly politicized in both countries. However, it is of significance that increased politicization has led to less cooperation, decreasing transnational interaction, and increasing governmental involvement.

The next two articles in Part III deal with the corporate interface and multinational enterprises. Litvak and Maule in the first of these articles on "Canadian-United States Corporate Interface and Transnational Relations" examine the nature of the "parent-subsidiary" relationship and the corporate decision-making framework in the context of the transnational system. The authors present a model setting out the principal components in that system, identifying transnational and interstate relations as well as interstate relations with transnational implications. Examples of U.S. government-initiated policies (DISC legislation), Canadian government-initiated policies (Mercantile Bank, Time and Reader's Digest) and jointly-initiated policies, (the auto pact, defence production sharing agreements) are examined and the responses evoked by these policies documented. The study shows that the "presence of the multinational enterprise promotes the interdependence of political and economic" issues between the two countries. In his article on the "Multinational Enterprise and Conflict in Canadian-American Relations," Leyton-Brown assesses the "impact on the host Canadian government of 27 identifiable cases of politicized conflicts" brought about by the activities of multinational enterprise. The chronological list in capsule form presents a bird's-eye view of those conflicts which have come to public attention from 1950 to 1971 (pp. 143-48). The litany identifies six different areas of conflict: export control, anti-trust, balance of payments policy, labour relations, foreign take-overs, and host government initiatives. A box score of the outcomes of the conflicts favourable to Canada would read as follows: twelve favourable,

thirteen unfavourable with two neutral. It is also noteworthy that, contrary to conventional wisdom, the "proportion of outcomes viewed as favorable by the Canadian government rose as the intensity of the conflict rose."

Ann Hollick's contribution on "Canadian-American Relations: Law of the Sea" presents a novel and refreshing treatment of a topic which has received intensive coverage. The author traces the relative positions of the two governments on the law of the sea issue showing the convergences of views in 1958 and the increasingly divergent views in the early 1970s. Indicative of the latter was the American reaction to Canada's 1970 *Arctic Waters Pollution Prevention Act*⁷ and its offer to litigate the issue before the International Court of Justice. Included in the article is a novel analysis of the decision-making processes in Ottawa and Washington in these matters. The future trends in trans-governmental relations in this area "appear unclear," although it is forecast that there will be more transgovernmental interactions in contrast to recent experience.

Swanson's article on "An Analytical Assessment of the United States-Canadian Defence Issue Area" attempts a refinement in the concept of trans-governmental relations to include "true intergovernmental transactions" as a three stage issue flow. The three stages are illustrated by reference to the closing of a United States base in Canada. While the very nature of the defense issue distinguishes it from the other issues discussed in Part III, it could be argued that from a transnational point of view it could be viewed as somewhat less complex. The methodology used and certain excesses in language have in this case led to an analysis which is at best elusive.

In "Canadian Labour in the Continental Perspective," Cox and Jamieson outline the transnational labour relations system and the place of different segments of Canadian labour in that system. The paradigm presented by the authors describes the system as "centre-periphery" producing benefits to the participants "in proportion to their centrality within it." The difficulties in Canada's shipping industry illustrated the early reluctance of the government to become involved in labour issues with transnational implications until politicization of these issues forced its hand. Other labour issues are examined and appear to confirm the theory that politicization tends to "strengthen Canadian independence in trade union affairs and to undermine the dependency relationship." However, aspirations in Canada for independence from the "continental system" conflict dramatically with those groups close to the centre which have a vested interest in the transnational system.

The final article in Part III by A. Scott deals with "Fisheries, Pollution, and Canadian-American Transnational Relations." He espouses the "common-property" approach to environmental resources. While important transnational groups have dominated the scene, increased government involvement is inevitable. Doubtless, many readers will take issue with the author's perception that "Canadian environmentalism is almost entirely an import from the United States." Both bilateral and multilateral international agree-

⁷ R.S.C. 1970, c. 2 (1st Supp).

ments have established institutions for the management of common property and public good resources. Not surprisingly the International Joint Commission is given a prominent place. However, it is speculated, rightfully I believe, that in the present political climate it is unlikely that additional resource management agencies of this model will be established. Hopefully, however, transnational actors will be vigilant and concerned enough to convince those in government that the concession of political autonomy is more than offset by the benefits of better (bilateral) resource and environmental management.⁸

Part IV of the book comprises five articles on "Integration, Institutions and Bargaining." In the first article of this Part, Robert Gilpin examines "Integration and Disintegration on the North American Continent." Observing that few writers have studied systematically the process of disintegration, the author analyzes the effects of economic growth and the processes of political integration and disintegration in North America. He does so in the context of English Canada, Quebec and the United States. It would seem to be a dramatic oversimplification to suggest that Canada is to the United States both economically and politically what Quebec is to English Canada. However, recent events do confirm that Quebec's aspirations are "one of the great continental issues yet to be answered." There is another reference to the "core-periphery" analysis used by Cox and Jamieson in their article on Canadian labour. In articulating a phenomenon which has become increasingly apparent, Gilpin concludes that "when the core and periphery represent different cultural, ethnic and political groupings," increased economic nationalism results in "powerful movements toward economic and political disintegration."

The article by Holsti and Levy on "Bilateral Institutions and Trans-governmental Relations Between Canada and the United States" marks a welcome return to some specific reference to transnational dispute settlement. The preponderance of emphasis of the earlier presentations is on transgovernmental bargaining or negotiation. The eighteen existing institutions established since 1909 are listed with the caveat however that a significant proportion of these are in a state of "suspended inanimation." Most transactions between Ottawa and Washington appear to be carried out through direct internal contacts between subunits of bureaucracy. It is also noted that there is an increased incidence in direct relationships between provincial and state governments. Consistent with the experience in other areas of social and economic integration there appears in North America to be no steady trend toward institution building.⁹ Governments may in the future find it necessary to implement greater control and supervision over bureaucratic and diplomatic activity.

Dobell, in his article on "The Influence of the United States Congress

⁸ See A. Chayes, R.E. Stein, *The Avoidance and Adjustment of International Disputes* (Washington: American Society of International Law, 1975), passim.

⁹ Earlier findings that neither government is disposed to increasing the number of joint agencies or institutions or for that matter increasing the powers of existing institutions are confirmed (p. 254).

on Canadian-American Relations," examines a broad range of congressional actions affecting Canada. We are cautioned not to conclude from the inactivity of the House and Senate Committees dealing with Canadian problems that Congress is not interested in its neighbour to the north. Nonetheless, it is conceded that congressmen have not been generally aware of the impact of their actions on Canada until it is brought to their attention. The Canada-U.S. Interparliamentary Group brings Canadian and American legislators together for private exchanges, and Canada, following U.S. practice, has designated an officer to follow congressional affairs in order to provide information to congressmen. This study as well as the earlier study by Sigler and Goresky on public opinion, (p. 44) demonstrate rather pointedly the need for improved communications.

With the election of the Parti Québécois on November 15, 1976, the speculative article, "Quebec and the North American Sub-System: One Possible Scenario," by Latouche takes on added significance. In the debate leading up to the proposed referendum on the independence of Québec many of the discussions will doubtless focus on the direct and indirect impacts of such a course of action on the North American subsystem. Latouche has given us an articulate and comprehensive assessment of these impacts which merits careful consideration and reply.

The final article in Part IV by J. Nye, Jr. is entitled "Transnational Relations and Interstate Conflicts: An Empirical Analysis." The author focuses on significant interstate conflicts and develops a number of useful tables summarizing the dyadic conflicts in the 1950s and 1960s, the conflicts involving third countries, and conflicts on the presidential agenda with an assessment of the outcomes. In high level conflicts from 1929 to 1959, twenty percent of the outcomes were closer to Canadian objectives. In the 1960s this increased to fifty percent. The United States appears to do better in the area of its military objectives while Canada does better in the area of its economic objectives and in cases where transnational organizations play a significant role. The study has uncovered a number of surprising results including the tendency noted for the first time in Canada-U.S. relations towards linkages of issues by the U.S. in the early 1970s. It should do much to dispel some of the rather "resilient myths" regarding Canadian-American relations.

Part V of the book entitled "Conclusions" comprises an article by two of the editors, A. Fox and A. Hero, Jr. on "Canada and the United States: Their Binding Frontier." This concluding commentary makes reference, in appropriate chairperson style, to specific findings of the various contributors.

It is inevitable that in a work of this nature there will be some unevenness and that the objectives set out by the editors will not be met in all cases. This is particularly evident in Part III, Issue Areas, and is only partially explained by the difference in relative importance and complexity of some of the issues discussed. Acknowledging the embarrassment of riches facing the editors of this volume, contributions on the mass media in particular, and education would have been welcome additions. As indicated earlier, the importance of this work as a current reference is seriously impaired by the significant devel-

opments which have taken place over the past two and a half years in virtually every topic discussed. Nonetheless it does provide a wealth of material in an area where the need for more "information" has been demonstrated. There is a selected bibliography of major books, articles, government reports and other documents and an index has been added, both of which are useful. Hopefully it will stimulate continuing research and inspire parallel studies on Mexican-American relations.¹⁰

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¹⁰ For example see, "Open Border Strains Mexican-U.S. Relations," *The New York Times*/April 3, 1977, pp. 1 & 44; and S.C. McCaffrey, *Pollution Suits Between Citizens of the Republic of Mexico and the U.S.* (Heidelberg: Muller, 1976)