# The Great Free Trade Debate and The Canadian Identity

Richard G. Lipsey

A Convocation Address
On the occasion of receiving the
Degree of Doctor of Laws, honoris causa

### CARLETON UNIVERSITY

86th Convocation, Spring 1987

The Great Free Trade Debate and
The Canadian Identity

by Richard G. Lipsey

Senior Economic Advisor

C.D. Howe Institute, Toronto, Ontario and

Professor of Economics

Queen's University, Kingston, Ontario

June 12, 1987 Carleton University Ottawa, Ontario

## The Great Free Trade Debate and The Canadian Identity

I am honoured by the degree you have bestowed on me today and I am doubly honoured by being invited to give the convocation address. What I want to do in my address is to share with you some thoughts about the Canadian identity. But first, let me explain why I have lately been thinking so much about the Canadian identity.

#### The Free Trade Issue

Back in 1983, I began a study of Canada's prospects as an international trading nation. Rather as I had expected, I found the outlook for Canada troubled by economic events and political decisions in the rest of the world. Rather to my surprise, I found myself driven to the conclusion that the important goals of preserving our existing access to foreign markets, and increasing that access, could best be served by negotiating a bilateral trade-liberalizing deal with the United States.

I published these views, and the arguments supporting them, in a book co-authored with Murray Smith. Since then, I have made literally hundreds of appearances — giving speeches, presenting briefs to parliamentary committees, and participating in seminars and public debates. In all these appearances, I have sought to explain my reasons for believing that a Canadian–U.S. free trade association is the best available route for assuring Canada's future as a trading nation, and for believing that something so simple as a bilaterally–negotiated free trade association is not going to compromise Canada's sovereignty any more than it is now being compromised by unilateral U.S. action.

In the course of the debate on the free trade issue, one naturally concentrates on the many important questions that arise from the suggested agreement. There is reason to believe that there will be net

economic gains. How large will they be? There are strong pressures operating today to curtail Canadian sovereignty, as well as to force some harmonization of social and economic policies with those in the United States. Will a free trade association strengthen these undesirable pressures, as opponents believe, or ameliorate them, as supporters believe? These are real and important questions.

But when all rational argument is finished, I have found that many Canadians, whether they support or reject the free trade initiative, have a deep-seated fear that the Canadian identity will in some way be lost as a result of such a deal. One can point out that other countries have preserved their national identities as a result of entering into associations that are either similar to or much more comprehensive than the one proposed between Canada and the United States. One can also point out that, although about two-thirds of the barriers to trade between the United States and Canada have been removed over the past few decades, Canadians have not lost their identity, and there is no apparent reason why the effects of removing the last one-third should be any different from past experience. Deep down, however, many Canadians seem to be insecure about their own identity; indeed, it seems to me that this insecurity is monumental, since it leads Canadians to worry that their fragile identity would be destroyed by trading a bit more with the United States. I sometimes wonder if there is not a lot of truth in the old quip that a Canadian is someone who has a national inferiority complex and is having a love affair with it.

I am not here to persuade you to accept my views on the free trade debate or to discuss the many important issues of economic gain and political sovereignty that are involved. But I do want to try to persuade you that a distinctive Canadian identity exists, and that it is so deeply rooted in our national experience that trading a bit more with the United States will not destroy it.

#### The Low Key Canadian Identity

In discussing the Canadian identity, it is helpful to compare it with other national identities. If one often chooses the comparison with the United States, it is only because Canada is closest to the United States geographically and culturally, so that to establish differences between the Canadian and U.S. identities is to establish the even greater differences between Canada and other, less similar countries. Much of what I say about these comparisons is based on my own experience, but some comes from the writings of others, particularly the American sociologist Seymour Lipsett, who has studied Canadian–U.S. differences in great detail.

There is a strong Canadian identity, and one of its most distinctive characteristics is that it is very low-key. If Americans wear their patriotism on their shirt-sleeves, Canadians wear theirs sewn inside their undergarments. The concept of being 100 percent Canadian seems as unnatural to us as the concept of being 100 percent American seems natural south of the border. Could you imagine a parliamentary committee on un-Canadian activities similar to the House un-American Activities Committee made famous by the late Senator Joseph McCarthy?

The Canadian identity is so low-key, in fact, that we are often not aware of it. For my part, I never thought much about it until, many years ago, I became a visiting professor at the University of California at Berkeley and sent our children to local schools. Around Christmas, my wife and I found ourselves saying, "You know, we are raising foreigners." Nothing anti-American, or pro-American, was implied, just the simple observation that the attitudes we could see developing in our kids were profoundly foreign to us.

I rather like the low-key nature of the Canadian identity; I rather like the fact that we do not wear our patriotism on our shirt-sleeves. Our cool approach to being Canadian, however, creates problems when we are called on to judge issues such as supporting Canadian cultural industries or negotiating a free trade association with the United States. We only obscure the real and important problems involved in such issues when we think that the very basis of our national identity is at risk.

What, then, is the nature of this low-key identity? First, I will say a bit about what it is not.

#### What We Have in Common With Others

The Canadian identity does not make us utterly different from every other people in the world. Today, many cultural and behavioural patterns are found everywhere. Technological developments in communications guarantee that. They have made the world smaller and have created some substantial homogenizing pressures on our economy and on our day-to-day life. One can buy McDonald's hamburgers and Kentucky fried chicken not only in New York and Toronto but in London, Paris, Tokyo, and Bangkok. One can get Coca-Cola even in Moscow and Beijing. British programs dominate drama on U.S. public television. while U.S. sit-coms and detective dramas are popular throughout the English-speaking world, and beyond. Movies serve an international market; those made in the United States, through sheer numbers, dominate the English-speaking world, but Australian and British movies, and some recent Canadian successes, are also seen around the world. So cultural isolation is no longer possible even if a society wants it. We may deplore, or laud, these developments according to our individual values, but the homogenizing forces exist and apply universally, not just to Canada. But just as the Danes are no less Danish for sharing in this universal culture, so Canadians are no less Canadian.

Canadians also share many common experiences with all North Americans in general and with citizens of the United States in particular. These create some basic similarities among us, while setting us apart from people in other continents. We live in a vast new continent, where what we find old seems laughably new to people in

Europe and Asia. The immigrant status of all but the tiny minority of original occupants is still fresh in our collective memory. Few North Americans can go back beyond their grandparents without finding at least one immigrant, and many have a much more immediate experience with immigration.

But just as the Scots stay Scottish and the Irish stay Irish in spite of having many experiences and characteristics in common with the English, and just as the French stay French and the Germans stay German in spite of sharing some common heritage and experiences with other Europeans, so we Canadians stay Canadian in spite of having a set of experiences and characteristics in common with all other North Americans, and an even larger set in common with residents of the United States.

#### Canadian Groups

These are some of the things we share with others. What, then, makes us distinctive? Speaking in generalizations — as I must in the brief time at my disposal today — I distinguish five main groups of Canadians:

- the indigenous peoples, who were here before the European invasion;
- the original French colonists;
- o the original settlers from the British Isles, together with later immigrants from the same stock;
- ° older immigrants, who came before the Second World War; and
- onewer immigrants, who were part of the waves of people who, starting in the 1950s, came first from Europe and then from all over the world, and who transformed, and are still transforming, Canadian society. (It is hard to believe that the "Toronto the good" I knew as a graduate student from 1951 to 1953 has become the cosmopolitan wonder that is, in my opinion, one of the five great English-speaking cities in the world today.)

#### Historical Experience

Going back to our early history, we find a dramatic difference between Canadians and Americans. On the one hand, U.S. society was based on a revolutionary experience, a violent breakaway from the authority of the British crown. In Canada, on the other hand, Francophones and Anglophones, who were the dominant groups until after the Second World War, both had a counterrevolutionary heritage.

Francophone society was based on a rejection of the ideals of the French Revolution. Whereas post revolutionary France became a secular, increasingly urban society, French Canada remained a church-dominated, predominantly rural society. Francophone society has changed rapidly in the postwar decades, but the cultural heritage of this background remains.

The small original Anglophone population was given a decisive increase, and an important attitudinal slant, with the influx of refugees from the American Revolution. These <u>United Empire Loyalists</u> fled the United States because they rejected the ideals of the Revolution and wished to remain loyal to the British crown. They were true counter–revolutionaries, who gave a distinctive character to Anglophone society, particularly in Upper Canada.

Unlike the United States, Canada had no war of independence. Instead, our independence evolved over two centuries. This highly-civilized process is something in which Canadians can take pride, but it does not provide the same dramatic movie material as does the American Revolution. Here is one of the many reasons why our identity is low-key, while the U.S. identity is much more "up front".

#### Heroes and Myths

Canadians have no strong military tradition. During the War of 1812, Americans twice invaded Canada and were repelled. But most of the fighting on our side was done by British troops. Many Canadians fought willingly in two world wars, but our peace-time military has never had a strong presence in the public mind. Unlike the United States and many European countries, we have never fought a bloody civil war. No general has ever been prime minister of Canada, in dramatic contrast to the United States, where there is a tradition, stretching from George Washington to Ike Eisenhower, of electing successful generals as presidents.

Another, related part of our low-key, nonmilitaristic character is that we are not given to hero worship. "Trudeaumania" came as close to it as we have ever been with respect to our political leaders, but such emotions are as rare in Canada as they are common in the United States. A more typical Canadian attitude is that displayed toward William Lyon Mackenzie King. A distinguished leader who, in his time, was the longest-serving prime minister in the British Commonwealth, Mackenzie King was greeted with universal titters whenever he appeared in newsreels (the media for animated visual news for my pre-TV generation). Compare this embarrassed detachment of Canadians from their leader with the universal hatred or love (depending on whom you asked) that Americans felt for Mackenzie King's contemporary, Franklin D. Roosevelt. Even at the age of 12, it struck me forcibly that there was something very different in the way in which Canadians and Americans regarded their respective national leaders.

Canadians are not great myth-makers or myth-believers. We neither generate great outpourings of pro-Canadian propaganda nor believe much of the propaganda that we do generate. Anyone who has had serious dealings with Americans, no matter how much respect they have for them, has noted the difficulties inherent in relationships with people who believe deeply in their own national mythology. Let me give you one of the many available examples.

Americans tend to see international politics as a battle between the forces of good, currently led by the United States, and the forces of evil,

currently led by the Soviet Union. Among other things, this leads
Americans to support even the most horrible tyrannies as long as they
profess to be anticommunist, and to oppose relatively moderate regimes
that indulge in the rhetoric of the left. As one senior Canadian diplomat
recently said to me, "Canadians don't like dictatorships, Americans don't
like dictatorships of the left."

#### Geography

Strong geographical forces also shape the Canadian identity. All North Americans tend to see themselves in a battle of man versus nature (and only lately have some come to worry about not destroying important aspects of nature in the process). Among North Americans, however, Canadians tend to see themselves as a small band of people up against a vast wilderness — the second—largest country in the world inhabited by a mere 25 million people. Americans, on the other hand, tend to see themselves as victors over nature — 250 million people in a slightly smaller and certainly more benign part of the continent.

The effects of this different view of nature can be seen in many ways, including the novels we read and the fictional heroes with whom we identify. Canadians often identify with the heroic failure, someone who fights a glorious battle against the forces of nature, or fate, but who ultimately loses. Americans are more inclined to identify with the triumphant victor over seemingly overwhelming forces, even when it stretches credulity to believe that anything but defeat could have come out of the situation. Looking at nature, "survival" is the name of the game for Canadians; for Americans, it is "conquest".

#### Government as a Partner

Our evolutionary background and our geography have helped to create among Canadians the view of government as a friend, an inevitable partner in our attempt as individuals to tame a hostile environment. To Americans, more of whom came from continental Europe and whose history includes the experience of throwing off British rule, government

is a potential enemy. Since their part of the continent was conquered more by individual than by co-operative effort, Americans see no reason why government should be a necessary partner in their exercise of individualism.

Canadians have much greater respect for law than is typical of Americans. I have stood on a street corner in Toronto with a single other pedestrian, and with not a car in sight, waiting for the light to turn green — behaviour unimaginable in most large U.S. cities (or, I should add, in Montreal or Quebec City). Attitude surveys of Canadians show a much higher respect for, and trust in the honesty of, the police than found among Americans. Canadians commit far fewer murders. Canadian cities work, are clean, and are relatively safe in ways that few large U.S. cities are. In what country but Canada could a police force — the RCMP — be a much-loved national symbol?

Our view of government as a partner has given Canadians a solidly based, small-l, liberal tradition. Americans, under presidents from Roosevelt to Johnson, had their liberal period, but then they joined much of the rest of the world in a "shift to the right". Under Ronald Reagan, many of the New Deal and Great Society programs have been dismantled, and poverty has increased substantially. Canada has also had its "shift to the right", but the Mulroney government's modest measures look positively socialistic when compared to those of the Reagan administration. Indeed, such is the strong Canadian attachment to our whole set of social programs that a conservative government has been reluctant to touch them even where, by common consensus among experts, they need substantial overhaul. Can you imagine Ronald Reagan speaking of his "sacred trust" to preserve the existing social welfare system root and branch?

The point of my argument is that there are deeply ingrained differences between Canadians and Americans, not that one of us is better than the

other. To make that point, let me give you a major example of where I prefer American attitudes.

#### Respect for Personal Liberty

One of the things that follows from some of the characteristics I have already mentioned is that Americans have a much stronger sense than do Canadians of the importance of personal liberties. Americans start with the attitude that the state is the enemy and that "eternal vigilance is the price of liberty." One way in which this attitude is manifested is the American belief that the ends do not justify the means if the means include any infringement of the personal liberties of Americans. (I wish I could say the same for their attitudes toward the personal liberties of Central Americans.) For example, evidence that the police gain through illegal means is forever tainted and cannot be used in U.S. courts. No doubt, some guilty persons avoid prosecution as a result, but Americans see this as the price of protecting their liberty. In their view, allowing tainted evidence to be used provides the police with a strong incentive to infringe on personal liberties -- by making illegal searches, for example -- in order to gain evidence that they suspect exists but have no legal means of obtaining.

Canadians take a different view. Most of us are more inclined to believe that if the ends are important enough, such as bringing a dangerous criminal to justice, the means can be justified even when they include infringements of personal liberties. As a result, in Canada, evidence obtained in searches that are not strictly legal can often be used in subsequent legal proceedings. There is no doubt that individual liberties have sometimes been infringed on as a result, but Canadians seem to feel that the state can be trusted to exercise a measure of restraint and only indulge in such behaviour when the ends really do justify the means.

I do not find myself agreeing with this attitude; my reading of world history tells me that individual liberties are very fragile and that the state all too often does become the enemy of personal liberty. So, in

this crucial aspect, I wish Canadians were more like Americans. Be that as it may, every thoughtful observer who has looked at this aspect of social attitudes has had no doubt that there are profound differences between the characteristics of the two peoples.

#### The Immigrant Experience

Another way in which we are different is in our immigrant experience. In the United States, society was transformed by the enormous waves of immigration that occurred in the late nineteenth and early twentieth centuries and that largely ended by the 1920s. Although Canadians had an important influx of immigrants during that period, and although these immigrants transformed the societies of many regions, the influences of the established Anglophone and Francophone communities remained predominant through that period.

In Canada, the immigration that transformed the national society began after the Second World War and has yet to end. The racial mix of the immigrants was different in the two countries, with a higher proportion of non–Europeans coming to Canada. Attitudes also differed among European immigrants to Canada, many of whom were not fleeing political persecution or genuine famine to anything like the same extent as were the earlier immigrants to the United States. Of course, we have opened our doors to refugees from Eastern Europe and Asia, but partly by virtue of the times in which we live, and partly because of the different economic and political conditions in Western Europe, attitudes of the typical immigrant to Canada in 1960 differed from those of the typical immigrant to the United States in 1880.

I could go on listing national differences for literally hours, but already I am running short of time. I have, however, saved what I regard as the most spectacular illustration of our unique national identity to the last.

#### The Separatist Crisis

When the United States passed through its crisis of national unity, the issue was settled by a bloody civil war. To say this is not to cast aspersions on Americans; their behaviour was par for the course — throughout history, most people have resorted to arms when presented with the possibility of a breakup of their nation.

A decade ago, Canada had its crisis of national unity. With the election of a PQ government in Quebec, the breakup of the country became a distinct possibility. And what did Canadians do? Did we follow the example set by most of the rest of the world and rush to take up arms against each other? No. We took to the debating stand, we held seminars, and in countless other ways we talked, and we talked, and we talked. While we argued, bureaucrats in Ottawa worried, not about battle plans, but about the vexing problem of how such national capital as the armed forces would be split up in the event of Quebec's separation!

And when the national debate was over, what did we do? We had a vote. And who voted? The province considering secession voted; the rest of us watched while making it clear that if Quebecers voted for separation, then separate they could. Go to Sri Lanka, East Timor, Spain, France, Iraq, China, or India, to mention just a few countries where separatist minorities are currently being subjected to military or police persuasion and see what response you get if you were to suggest that the secession issue should be settled by a vote taken solely in the area where the minority communities reside.

We resolved our conflict over national unity in a way that has few precedents in all of recorded history — I can think of less than half a dozen. As movie material, our experience palls beside the United States' dramatic and bloody civil war; can you imagine a Canadian David O. Selznick producing the epic "Gone with the Referendum"? But as a civilized method of conflict resolution, it stands superior to almost all other historical experiences. If that is not something to be proud of, I

do not know what is. Yet, such is our low-key Canadian identity, such is our reluctance to blow our own horn, or even to know we have a horn to blow, that most Canadians regard the resolution of the 1970s "Quebec crisis" as something to be embarrassed about and quickly forgotten, rather than to be proud of and remembered as setting a standard of civilized behaviour for all time.

#### Conclusion

So there it is. There <u>is</u> a distinct Canadian identity. It is deeply rooted in our history, our geography, and our human experience. Like all other national identities, it has warts as well as beauty spots. In many cases, the latter are very admirable indeed, and the former — like them or not — help to make us what we are. It is an identity of which we can be justly proud. Long may it stay low-key. Long many we not be national chauvinists. Long may it last and, although it must evolve in ways that are hard to foresee under the impact of heavy immigration, we can be confident that it will stay distinctive.

So when you come to make up your minds on the Great Free Trade
Debate, listen to all of the arguments and try to assess the evidence.
Some of you will then decide you are for and some of you will decide you are against the proposal. That is your privilege as citizens of a democracy. But base your decision on how you appraise the real economic and political issues that are at stake, not on the mistaken belief that the Canadian identity, of which we are justifiably proud, is so skin-deep that it will not survive eating one more McDonald's hamburger, watching one more installment of "Dallas", or doing five percent more trade with the Americans. Do your country, and your national identity, the honour it deserves by understanding that it is more than skin-deep; that not only is it admirable, it is also deeply rooted, and that whatever sensible or misguided policies we follow in the future, our identity as Canadians will be around for quite some time.

© Richard G. Lipsey

Published by Public Relations and Information Services Produced by Graphic Services

1.2M 1987 07 Project 138