THE NORTH ATLANTIC TRIANGLE IN THE SECOND WORLD WAR

ABSTRACT

This article is based on an address delivered to the London Conference on Canadian Studies at Canterbury Christ Church University College, Canterbury, Kent, on Friday, 22 October 2004. It explores the post-Second World War triangular partnership involving Canada, Britain and the United States. The author discusses the significance of John Bartlett Brebner's North Atlantic Triangle.

Next year will mark the sixtieth anniversary not only of the end of the Second War, but also of the publication of John Bartlett Brebner's magisterial survey of "the interplay of Canada, the United States and Great Britain," *North Atlantic Triangle*. Wartime developments, notably in the field of external economic policy, undoubtedly influenced Brebner's analysis. A glance at what happened during the global conflict, however, also demonstrates the limitations of this perspective, both as a contemporary assessment of the policies and interactions of the three countries and as a basis for considering later events.

Born in Toronto, Brebner personified the interconnections about which he wrote, as he was educated at St. John's College, Oxford, and the University of Toronto. However, he is most closely identified with Columbia University in New York City, where he taught for many years. Even before *North Atlantic Triangle* was written, Brebner had examined various subjects within its ambit and he had inspired the great academic project of which his book would be the capstone.

North Atlantic Triangle was the culminating volume in a remarkable series of twenty-five monographs published by the Carnegie Endowment for International Peace on "The Relations of Canada and the United States." The director of the project, James Shotwell, was another Canadian who had taught history at Columbia University. Shotwell had taken Brebner's original proposal for a multi-disciplinary study of "Canadian and North American History" and transformed it into an extraordinary testament to the continental linkages. Thus, it was appropriate that the series should conclude with a book by Brebner. As Shotwell observed somewhat grandly, Brebner's *North Atlantic Triangle*, when it appeared in 1945, surveyed "the greatest single chapter in the history of international intercourse anywhere in the world."

That triumphant note was sounded at the end of the war in Europe, as the representatives of the victorious wartime allies gathered in San Francisco for an ill-fated attempt to translate that effective combination against common foes into a meaningful basis for continuing cooperation and collective security in the post-war world. For Shotwell and Brebner, whatever the uncertainty about the United Nations, there was considerably less doubt about the past and current performance of these three members of the "Anglo-Saxon polity," as well as the future prospects for partnership involving Canada, Britain and the United States. Even a cursory glance at wartime developments and pronouncements demonstrates how that perspective was justified.

Some of the best illustrations of the triangular relationship and its significance come in the area of Canadian external economic policy. That is hardly surprising. For some time, Canada had relied on a surplus in trade with Britain to offset a persistent deficit in trade with the United States. The final report of the Rowell-Sirois Royal Commission on dominion-provincial relations aptly described Canada's vulnerability. "Canada's position is similar to that of a small man sitting in a big poker game. He must play for the full stakes, but with only a fraction of the capital resources of his two substantial opponents: if he wins, his profits in relation to his capital are very large, and if he loses, he may be cleaned out."

What makes the wartime and post-war ledger even more remarkable, therefore, is the fact that wholehearted and comprehensive efforts at trilateral economic co-operation were undertaken in spite of chronic and daunting exchange difficulties. The war began with an end to sterling-dollar convertibility and it concluded with an abrupt termination of North American financial aid to Britain and other nations. Meanwhile, Canadian policy-makers anxiously watched their fluctuating reserves of gold and American dollars. Post-war measures in all three countries endeavoured to

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repair if not restore the pre-war situation and to provide a sound basis for recovery and reconstruction in Britain and Europe. Although negotiations were often fraught and the outcomes were not always seen as fair or reasonable by all parties, the overall effect of these policies and actions was an extraordinary demonstration of enlightened (and mutual) self-interest.

Canada's wartime financial assistance to Britain illustrates this theme – and the trilateral relationship – very well. Canadian aid to Britain went through various stages. Before the fall of France, it was limited and not especially generous. As the German threat increased and the British situation deteriorated, the mood and action shifted considerably. Canada effectively removed the dollar sign from transactions with Britain. Later, there was a magnificent gesture with the unprecedented and unmatched Billion Dollar Gift. Finally, Canadian supplies to allies, including Britain, were funded largely from successive appropriations for Mutual Aid. These measures underlined how vital was the United Kingdom to Canada, not only as an ally but also as an economic partner.

Canada's relationship with the United States was a critical factor in the reckoning throughout this process. The Billion Dollar Gift was granted in large part as a dramatic move to counteract the mistaken impression south of the border that, unlike the United States, Canada demanded cash for allied needs. It was also designed to avoid diversion of British purchases to American sources. Mutual Aid was enacted as a Canadian version of Lend-Lease for much the same reasons. Both arrangements – as well as the renewal of Mutual Aid – were preceded by accords with the United States that safeguarded or regulated Canada's precarious reserves of gold and American dollars. Without such protection of its own position, Canada would not have been able to treat Britain as generously as it did. The triangular relationship in the North Atlantic was especially obvious in the financial realm.

As the Canadian government looked forward to the post-war world, Canadian trade policy, and the financial means to underwrite it, was largely governed by concerns about the prospects for continuation of the triangular trading arrangement. Although there was a determined effort to diversify Canada's exports, with significant credits to potential customers to ease the transition, the British market was consistently identified as the key to Canada's post-war prosperity. However, Canadian ministers and officials were always mindful of American policy, whether in bilateral, trilateral or multilateral contexts, as they shifted their attention to peacetime possibilities. Even as they prepared to up their own ante as the game of poker resumed, the Canadians nervously eyed the American stack of chips and the British markers. As before, the outcome would depend on how each country responded to the change in circumstances. Canadian participants and observers worried almost equally about the implications of British retreat and American predominance.

External economic policy may provide the best illustrations of the operation of the "North Atlantic Triangle," but evidence from other domains may be cited in passing as well. For example, in the field of atomic energy, Canada's uranium and its scientific expertise enabled it to claim a seat, albeit as a junior partner, on the Combined Policy Committee. That engagement in this field was reflected after the war as well in its permanent membership on the Atomic Energy Commission. Thus, Canada participated in tripartite discussion of wartime and post-war policy in this vital area. Eventually, of course, American unilateralism scuttled that collaborative approach, but for a while it appeared to confirm the existence of a "special relationship" among three, rather than two, countries of the North Atlantic. In other words, there is no shortage of evidence of "the interplay of Canada, the United States and Great Britain."

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In spite of this commonality of background and attitudes, however, we should be careful not to generalize too readily about this glorious phenomenon of tripartite harmony. There were discordant notes in this period as well, especially as heard in Ottawa. In many instances, traditional or situational tendencies to exclude others from bilateral dealings manifest themselves.

Canadian scholars often emphasize the theory of "functionalism" (national representation on international organizations on the basis of actual or potential contributions) and how it was employed to justify a greater Canadian say in wartime and post-war decision-making. However, Canada was excluded from most of the combined boards established by the United States and Britain, with neither of the major powers especially anxious to concede authority to a lesser one such as Canada. Limited concessions were made on minor committees which did not undermine Anglo-American direction of the war. A similar story could be told about the wartime meetings at Dumbarton Oaks and the elaboration of the United Nations predominantly by the great powers, with countries such as Canada on the outside looking in.

Other aspects of wartime cooperation often involved incomplete or absent consultation beyond bilateral partners. Thus, Winston Churchill was miffed to learn afterward about the establishment of the Permanent Joint Board on Defence of Canada and the United States. For his part, King did not realize that the Anglo-American "destroyer-bases" deal would cover Newfoundland until it was too late to assert a Canadian interest there. Within the Commonwealth, of course, the United States was not directly involved, though its attitudes and influence sometimes hovered over the proceedings.

Even in the realm of external economic policy, there were numerous exceptions to the anticipated pattern of

trilateral dealings. The talks arising from Article VII of the Mutual Aid Agreement between the United States and the United Kingdom provide a case in point. These bilateral discussions were especially important to the development of commercial policy. The deputy minister of finance, Clifford Clark, was vexed that Canada should be relegated to the sidelines in these vital talks. As Clark put it, Canada was "the extreme case of the effects of the repercussions of UK and US relations." Yet Canada had to rely on intermittent consultation with each of its allies rather than full participation. Perhaps from habits developed within the Commonwealth, the British were more likely to keep Canada informed. Still, those briefings usually took place after the talks, with no opportunity for direct engagement in negotiations. The situation was much better with respect to the development of key financial institutions such as the International Monetary Fund and the International Bank for Reconstruction and Development. However, that distinction may be explained by the complexity of those questions and the opportunity which arose for Canadian technical experts to overcome significant differences between the British and American approaches in the interests of all concerned.

For their part, the Canadians were prepared to use bilateral means to their ends in international trade. When it tabled its preliminary offer to the United Kingdom during the war and in the run-up to the loan negotiations in early 1946, the Canadian government attempted to wrest specific concessions on trade from the British government, with only limited success. In that endeavour, their actions were not unlike those of their southern neighbours, who attempted to link non-financial concessions to their own economic settlement with the United Kingdom in late 1945. In neither instance were the interests of any third party taken into account.

There are further examples as well of economic measures that contradict the presumed logic of the North Atlantic Triangle. Each member of the triangle attempted to reach discriminatory or exclusive financial and commercial arrangements with other countries. That is, they acted much as one might expect, with due regard for their own interests first and foremost. The United States, the United Kingdom and Canada collaborated, whether bilaterally, trilaterally or multilaterally, as circumstances and perceptions of their respective self-interests required. As the smallest and least powerful of these countries, Canada was more keenly aware of its vulnerability and of the reality of interdependence. Hence the immediate, and apparently persistent, appeal *to Canadians* of the image of the North Atlantic Triangle and its implications.

However, as I have written elsewhere, the North Atlantic Triangle was "a peculiar geometric form apparently visible from only one of its vertices." I do not doubt or challenge the importance of Canada's relationships with Britain and the United States, whether in this period or at any other time in Canadian history. In my view, the key to understanding and explaining what diplomat and author Escott Reid has called the "golden decade" in Canada's international relations is the wide-ranging and effective collaboration involving Canada with its oldest and closest allies, Britain and the United States, in wartime and in the early years of the cold war.

Nor would I suggest for a moment that Canada, its policies and especially its actual or potential contributions did not matter to its principal allies. On the contrary, what Canada said and especially what Canadians did was taken into account by American and British policy-makers. Canada's positions and actions as an ally were often vital factors in the reckoning and in the outcome on a wide range of issues and initiatives. Unquestionably, the longstanding similarity, sometimes identity, of national values and interests among the three countries reinforced this tendency to tripartite collaboration. Differences were frequently about means rather than ends. For that reason, the image of the North Atlantic Triangle corresponded to the reality, *particularly as seen from Canada.*

But that is the nub of the matter. The triangular relationship was especially important to Canada as the third power among unequals. Consequently, it was more relevant, or visible, from a Canadian perspective. In his preface to a later edition of *North Atlantic Triangle,* historian Donald Creighton noted aptly how *Canadian* was the book. "A full and satisfactory account of the interplay of the countries would inevitably have given Canada a very minor, and even a marginal, position," Creighton wrote. "But in Brebner's thought Canada was not marginal. She was still central." For that reason, the geometric image is rarely employed in British or American scholarship, where the notion of the "special relationship" predominates. In those accounts, Canada is often absent or marginal.

In a similar sense, Canadian policy-makers could not overlook what their American and British counterparts said and did, though the reverse was not always so. Not surprisingly, the trend toward trilateral consultation and collaboration, which was evident in various fields of external policy, was most welcome from a Canadian perspective. For Canada, the confluence of British and American policies in world affairs during and after the Second World War was especially advantageous, given its ties to both countries.

As it was in 1945, the "North Atlantic Triangle" remains a particularly Canadian image, one with less relevance or meaning when seen from the United Kingdom, the United States or elsewhere. Simply because those of us who study Canadian foreign policy see it, that does not mean that the triangle is equally visible and meaningful from all vantage points and at all times. As Creighton observed, the "real purpose" of Brebner's volume "was to place Canada in the external circumstances which he believed had influenced her most." In that objective, the book was highly successful. In my view, whatever its limitations with respect to later years, the image of the "North Atlantic Triangle" is most apt in describing the circumstances that prevailed when J.B. Brebner's remarkable book was published.