



The Canada UK Colloquia

# **Britain and Canada in the 1990s**

Leeds Castle, England  
1989

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# Members of the Leeds Castle Colloquium

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*Mr Ian Davidson*, Financial Times.

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*Mr David Everett*, MP, Conservative Member of Parliament for Erith and Crayford.

*Sir Leslie Fielding*, Vice Chancellor, Sussex University.

*Mr Richard Gordon*, Director of Public Relations, Shorts/Bombardier.

*Mr John Hale*, Director, The Pearson Group plc; former Executive Vice-President, Alcan.

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*Mr Anthony Nelson*, MP, Chairman, British Canadian Parliamentary Group.  
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#### **Canadian Delegation:**

*The Hon. Donald S. Macdonald* PC, High Commissioner for Canada  
*Mrs Adrian Macdonald*  
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# Overview

*D.K. Adams*

The theme of the Colloquium, the future of UK Canadian relations, was explored in five sessions, each of the first four containing two papers, one from each side of the Atlantic Ocean offering different perspectives on the bilateral relationship.

Session I set the scene in its historic context. Peter Lyon for the UK chartered the peaks and troughs of British Canadian relations since the Second World War through seven phases of development. These, in summary, were the period of the wartime alliance; the years from 1945 and 1950 when the two countries were with others **co**-architects of **the post-war** international order; the Cold War partnership from 1950 to 1952 when power ratios were changing as Canada became a rising middle power side by side with Britain's relative decline; the re-appraisal years from **1957** to 1963; the Indian Summer of **1963-1968**, the Trudeau years of international change and finally the period of Progressive Conservative rule in Canada which saw new conjunctions and disjunctions in a multilateral context. In introducing his paper Lyon emphasised that he rejected linear history of either inevitable progress or inevitable decline, and that his paper reflected Canadian sources and events partly because Canadian policy has tended to be more self-defining and self-declamatory than that of the UK., and because Canadian commentaries have been more explicit and more sophisticated than those originating in the UK. He **analysed** what he called 'thick' and 'thin international relationships emphasising that the Canada-UK link has been 'thick', rich and diverse, made up of many strands, moulded by migration patterns, academic exchanges, cultural ties less and less originating in London and Ottawa - less governmental and more people-generated. His remarks concluded with a sketch of present problems and portents.

Robert **Boardman** of Dalhousie University introduced his paper with a disarming story of signs in a hardware store in Nova Scotia addressing hunting **licences**: Moose

\$40 Deer \$20 Small Game \$15. Senior citizens free. He questioned whether good relations are free, and emphasised the inevitability of tensions, irritants and pin-pricks!

Suez, the problems of South Africa, burden sharing within Nato, trade barriers, differential student fees and other issues had caused disturbances, but there had fundamentally been a good relationship since 1945. Since 1969 however it had perhaps been dwindling. By 1949 some Canadian observers were already saying that Canada was being forced to choose between London and Washington, and how to make the choice remains the question now. 1949 also saw the beginning of constitutional changes in the bilateral relationship with the UK. Since then Canada has taken the US connection further with the Trade Agreement of 1989, and the UK has been moving closer towards the European Community and the single market of 1992.

Boardman questioned whether there is still a mutually beneficial bilateral relationship, and found it increasingly difficult to locate either active pro-British opinion in Canada or a pro-Canada constituency in Britain. He pointed to the lack of interest in Canada by the British media for whom Canada, unlike the US, is not a point of reference. The British have difficulty in **recognising** a federal state as **decentralised** as Canada. He suggested that Europe may, in the **1990s**, become a more radical vehicle for improvement of the Canada-UK relationship. There had been a tentative re-discovery of each other in the **1980s**, but one of the questions for the 1990s is the identity of Britain in Europe. The direct relationship may be more important than via the Commonwealth, for each country has common problems; and although particular positions may differ there are underlying areas of commonality.

In the discussion that followed opinion divided on a number of issues, particularly perhaps on the role of the Commonwealth. It was strongly agreed that both Britain and Canada benefit from membership, particularly with regard to the European Community. Others stressed the tensions between the 'old' and the 'new' Commonwealth, and the complications created both with the EC and the US. It was strongly emphasised that Britain is no longer able to solve UK-Canadian differences over fisheries, exports and newsprint, **etc**, except in the context of the EC. The EC and Canada-US each represent forms of regional association. How then to **re-energise** the bilateral relationship in this wider context?

How to reconcile political regionalism with industrial globalism? Perhaps a link between the European and the North American blocs can be provided by Canada. All discussants seemed to agree that we are passing through a transition towards a redefined international order in which concepts of national identity, influenced also by multi-ethnicity within the nation state, become less clear; but the Commonwealth does break down the cocoon of regionalism and that therefore there remains a wider structure for the **re-vitalisation** of the bi-lateral relationship.

The second session of the Colloquium was devoted to the changing political agenda. Professor John Meisel noted changing generational attitudes: his students finding concern about Canada-UK relations rather quaint and anachronistic with the intrusion of more challenging and interesting matters such as the changing processes in Eastern Europe, environmental concerns, the information revolution etc. But he continued to believe that the relationship offers positive possibilities in the context of increasing Canadian dependence on the US and Britain's movement towards Europe. He summarised the concerns of his paper, and the factors that both inhibit and encourage. Demographic changes in Canada, resulting in increased multiculturalism, diminish pro-British sentiment; internal constitutional problems **pre-occupy** attention,



and in many ways Canada is becoming more Americanized. Encouraging factors reside in the decline of one party dominance in Canada; in the growth of 'competitive federalism' which has seen the growth of international activity by provincial governments; in the initiatives taken by the private sector of industry and commerce and cultural associations, and in a lingering shared value system. In a number of areas Canada could benefit from the British experience and the UK, in its changed position of power, could find useful association with Canada.

Geoffrey Smith, in extended remarks that are not reprinted here as a formal paper, gave a masterly survey of the British political scene over recent years. He stressed that British politics have invariably been more ideological than Canadian, and particularly so in 1980s. He emphasised the difference within the UK between political regionalism and cultural and linguistic nationalism, saw a reversion to **two** party politics in a battle over the economy but with both major parties subscribing to the breakdown of the post-1945 consensus that problems were for Government alone to solve and placing increased emphasis on partnership between the private and public sectors.

In the discussion that followed, there was lively debate about the future of Canada in its present form and about a possible reconfiguration of the North American continent. The role of Quebec was considered at length and there was speculation about the balance of power moving towards the heartland and to the Pacific West. **Multiculturalism** in Canada was again voiced, and the openness of Canada to immigrants was emphasised. It was suggested that the north/south divide in the UK was reflected in Canada, between the metropolitan cities and the agricultural and primary resource producing areas. Should the UK adopt federal forms? But what does the Canadian experience suggest about the future of a federal Europe? How can the alienation of peoples from governments be prevented? One discussant suggested vigorously that Britain does have a federal structure, but that it is administrative, and not formally electoral.

There was considerable disagreement about student awareness of the other country. Relative prosperity with Britain has led to both continental and global travel, **including** to the US, much less to Canada, but it was also suggested that Canada is drifting away from Britain more than Britain is moving away from awareness of Canada. Concepts of alienation were discussed, relating to both countries, but again the theme emerged of Britain's necessary preoccupation with Europe as 1992 approaches. A positive suggestion that emerged was increased Canadian-UK co-operation and collaboration on issues relating to the global environment; this might compensate for the disappointments of the contractual link between Canada and the European Community.

Session III was devoted to the global perspectives of East/West and West/West. Paul Marantz saw history on fast forward as the Cold War died. Although East/West rivalry will 'remain, the parameters have changed. Posing the question of whether Canada's policies will harmonise with those of her allies, he suggested an affirmative answer, despite the variety of pressures such as military budget reductions, force reductions in Europe, differing national trading relations with the USSR. On global issues such as the Arctic and Antarctica he saw no divergence. Ian Davidson generally agreed with Marantz and stressed the grave implications for NATO of the end of the Cold War.

Discussion focused on analysing what is happening in the East and on the Western response. The factors behind the Soviet revolution were seen to lie in a set of urgent

domestic priorities consequent upon the failure of the Soviet system to deliver economic security to its citizens. This failure has led to movement towards a capitalist culture, with inevitable political upheaval. The prospect of chaos was envisaged given the **difficulty** of controlling ethnic groups and the problem of nationalities in this stage of the transformation of the Soviet empire. Whether or not Gorbachev's policies are irreversible was believed to be an open question. Because events are unpredictable, **responses** are equally so. The general response must therefore be organic rather than prescriptive. What to do about Eastern Europe preoccupied the Colloquium for a considerable time. A particular problem was seen to be the lack of homogeneity of Eastern Europe; and the essence of the European Community, its agricultural support system, was believed to be unsustainable if extended to the East. It was therefore suggested that the EC could at present only offer short-term aid packages to the East, supplementing food supplies whilst waiting on events.

Unwieldy bureaucracies will need to change, technology transfer should be increased, encouragement of private sector investment and management support would help the East. But the West should also accelerate the process of European integration and the move towards monetary union. It was suggested that the idea of a new Marshall type plan was not appropriate and could not be delivered. It was also unrealistic because such a scheme pre-supposed the ability of the Eastern European nations to work together, which was believed to be unrealistic. As for private investment, reasonable return had to be expected for reasonable result. Most speakers reinforced the note of caution stressing the absence of an entrepreneurial class in Eastern Europe. It was emphasised that the West does not control the situation and that no-one does. The situation should be approached piece-meal, perhaps some form of association with the EC could be envisaged. Meantime don't arrest the forward momentum to 1992.

Discussion then reverted to the future role of NATO. There seemed to be a general measure of agreement on the inevitability of some degree of disarmament; and that the US for budgetary reasons might seek limited disengagement from Europe, but could Europe be left with the sole responsibility for European security? Canada, a participant in both world wars, should be fully drawn in to the negotiating process. The session concluded with confirmation of the need to emphasise uncertainty, but also with counter assertions that this should not be an excuse for inaction. A community of interest between East and West and West and West, exists and should be **re-affirmed**.

Introducing the session on North/South issues Bernard Wood claimed that to look at the North/South relationships of Britain and Canada on a comparative basis does make sense. Although Britain has always been closely linked to the Third World through the Empire Canada, which in 1945 had little experience, had since developed its own relationships. Whilst Britain has retained a lingering ambivalence towards former colonies Canada had developed general sympathy for emerging countries, has given strong support in the United Nations and on a per capita basis is providing more aid than Britain.

His paper traced the evolution of the North/South dialogue. This only gained impetus in the 1970s with the oil crisis, and then diminished. He saw the negotiations on the law of the sea as a parallel development that has become one of the most important sectors of Canadian diplomacy. The South's fundamental lack of bargaining power has witnessed the growth of protectionism in the North, International debts complicate the picture, as does the diminution and practical disappearance of the

ability of developing nations to play off East and West in the context of a massive new competition for limited resources. Although finding the general outlook ominous, Wood saw substantial idealism remaining in Canadian foreign policy, and a critical need to re-focus on the Third World, particularly with regard to problems arising from population explosion, environmental degradation, the drug culture and ethnic conflict.

Peter Unwin discussed the reasons why the North/South relationships had become unfashionable in the North. He found three main reasons: the excessive enthusiasm of some advocates of the dialogue, the domination of the East/West developments and the East's failure to sustain competition with the West, and too much emphasis on the problems of South Africa. In an increasingly organic global environment the developed world is no longer bi-polar and nor are North/South relationships. The rise of Asian industrial countries to world importance, and the development of India as a regional industrial power emphasise the beginning of a new phase. Within this general framework, however, the Commonwealth continues to provide a North/South dialogue that works.

Questions of multiculturalism and **ethnicity** dominated the early discussion, with the Colloquium being vigorously reminded that within a decade 90 per cent of the world's population will be non-white, and that there remains too much focus on the minority. Population migration should be central to foreign policy, and with Britain consumed in the ongoing debates about Europe, the Commonwealth could be the vehicle through which Canada will define its foreign policy in this regard. The two countries could split on the issue, which went well beyond the economic.

A dissenting voice expressed frustration at much of what was called wishful thinking on the matter of aid, given the underspending on existing commitments and with the effectiveness of **programmes** reduced by bureaucracy and corrupt practice. Therefore, it was suggested, the climate of public opinion was unlikely to change. Other speakers stressed the need for renewed energy in the North/South dialogue, but believed that the limitation on the Commonwealth as a motor force was the absence of the United States, Japan and Western European nations, without whom issues could not be resolved. The UN also has limited potential and private investment is inhibited by the defaulting on debts. It was strongly suggested that the North should open its markets to the developing world, but that protectionist attitudes inhibit such freedom of trade. An interesting discussion ensued on the importance of intermediate technology and technology transfer, which had not been a major theme of the formal presentations, but no firm conclusions were reached.

It was however perhaps generally agreed that for Britain it is not a choice between the European Community and the Commonwealth, for the latter provides an essential bridge between North and South. The bilateral relationship of Canada and the UK has to be seen in the context of wider associations, and in the different roles each has the ability to play in the several groupings of nations. To the extent that the Commonwealth has become a forum for criticism of Britain by its former colonies, Canada is a positive force for reconciliation of differences and a useful bridge between the North and South.

Opening the session on changing economic agendas, Claude Forget went beyond his paper's preoccupations with the free trade agreement between Canada and the US and discussed the dominant assumptions of the post-1945 world based on a liberal, multi-lateral trade environment stemming from **Bretton Woods** and GATT. A long period of relatively open trade relations among developed nations was perhaps ending.

The accumulation of foreign debt challenged established assumptions, and suggested the necessity of trade surpluses to service those debts.

In a world in which developed countries moved towards protectionism, Canada might find it difficult to resist pressures to turn the **FTA** into a customs union. The economic and demographic realities of the North American continent are such that the smaller parties want to exist in a wider context. Were the US to falter in its commitment to a liberal trade environment who could take up a burden? Within the EC Britain could establish a constructive position, as both an insular and international nation more able than most member states to resist the pressures of continentalism. Here OECD could be a useful mechanism. Were GATT to founder because of a chasm between the developed and less developed countries it is doubtful that the Commonwealth as such could fill the gap. Federalism is not necessarily a weak form of **organisation**. It may be necessary but it can work, in both Canada and the EC. In the process of harmonization of differences openness can be developed. In Canada, as in Europe, culture goes beyond language.

Sir Leslie Fielding usefully stressed the evolving situation in Europe and its implications for the UK Increasingly Britain's trade was moving towards Europe, and a sense of European identity developing. Canada must regard these developments with sensitivity for all aspects of British life, and the way its people think, are being transformed as 1992 approaches. Crucial, however, is that the internal market does not turn in on itself, and here the UK's bilateral relationship with Canada, and the wider links through the Commonwealth, are of importance. The discussion that followed embraced widely differing opinions on the implications of European developments, with significant emphasis on the difficulties confronting the establishment of the single market and the development of its external relations.

Session IV continued with a presentation by Margaret Sharp on technological change and development that brought together earlier strands of discussion. She stressed global and regional trends in **technology**, and in the world context the danger of mercantilism. She discussed the history of technological change, and its social impact, analysed the implications of the oil crisis of the 1970s and the opportunities provided for new entrants by the development of micro-electronics. Uncertainties in economic status however breeds uncertainty and destroys confidence, and older industrial societies need to confront new challenges. She suggested that the new world order needs to be based on collaboration rather than competition. Although there has been a period of Euro-pessimism, the European performance had not been that bad. Some R & D levels, as in Germany and Sweden, had been competitive with the Japanese, and in industries such as pharmaceuticals and aerospace Europe had done well. In information technology governments had poured money into national enterprises, and perhaps this had inhibited concentration, so leading to relative weakness. Concentration was necessary for global competition, but Fortress Europe was the wrong way to go, Europe whilst encouraging concentration, must maintain an open stance, and Canada should likewise use its influence with the US.

Ian Stewart stressed that the purpose of economics is the welfare of the people and endeavoured to put the discussion towards consideration of the public **good**. He considered the pressures exerted both by the FTA and the EC on social as well as economic and fiscal structures, but the Colloquium declined his invitation. Discussions reverted to **organisational** features of both the EC and the Commonwealth, of the problems of agriculture, trade restrictions and government, Rather lively debate ensued.

Session V was orchestrated by a critical review by D C Watt. He observed that the Colloquium had become **pre-occupied** with what governments do rather than with people and opinions, thereby seeming, **superficially** at least, to align himself with Ian Stewart. He felt that there is a gap of 3,000 miles between Britain and Canada, and that the bilateral relationship is perhaps marginal to the major interests of the two countries. He saw a danger of the two countries drifting further apart, and suggested that each needs to be reminded where the San **Andreas** fault lies in each country. He emphasised rural/urban tensions; the problem of the under-classes, the existence of centrifugal tendencies. Perhaps the **FTA** and Britain's commitment to Europe did in fact weaken the bilateral relationship. And is the Commonwealth a serious multi-lateral grouping or a congress of bilateral connections? Doubts were cast upon the presumed North-South divide given the role of Japan, South Korea, Singapore etc. The problem of Africa, of the security of small and **vulnerable** states, of refugees, had not figured large in the Colloquium discussions, but they are ones in which both the UK and Canada have interests. **Industrialisation** in Eastern Europe has produced major ecological disasters and economic imbalance which must be confronted. Watt suggested that old-fashioned categories inhabit our minds, and that inspiration must be sought in the imagination.

By invitation Peter **Dobell** constructed a balance sheet of the discussion at Leeds Castle, suggesting that there are three dimensions to the Canada-UK relationship. These are the inter-governmental, business and commercial links, and personal **relationships**. The last he found declining as the percentage of Canadians of British background declines, although Britain also serves as a gateway to Europe.

Business and commercial links had been touched on with the Colloquium, and no doubt these would continue. But Canada in addition to looking South to the US was also looking West to the Pacific. With regard to inter-governmental relations he **re-emphasised** that in Canada the several provinces are increasing their own inter-governmental links, and that many issues that had been decided with London now have to embrace Brussels. Increasingly, therefore, it might be said that the bilateral relationship has increasingly become a more complex **multi-form** relationship.

Wider **discussions** ensued in which differences were pointed to in the Canadian and British responses to the Commonwealth, Canada seeing it as an opportunity, Britain tempted to see it as a ball and chain. Canada peacekeeping forces were referred to as suggesting a wider role for Canada in **the** UN, and attention reverted for a while to the Canadian experience of federalism, which could be useful to Britain with regard to the EC. It was observed that Britain cannot be Canada's Trojan horse in Europe, nor Canada be Britain's with regard to the US.

The closing session rehearsed a number of the positions previously adopted. It was believed that Canada had a role to play in forming the architecture of the new Europe but it was also observed that in the years since the Dalhousie meeting in **1984** there had developed a great perception of the UK and Canada drifting apart, largely due to the renewed vitality of Europe, a European renaissance that would give it a global role by the year 2000. Despite an attempt to draw the Colloquium to consideration of vital national interests rather than the more amorphous concept of 'relationships', academic, kith and kin and cultural, members generally resisted this challenge with an extended discussion of immigrant assimilation.

The inter-action of perceptions and interest was however, fully **recognised**. Canada's increasing capital investment in the UK, e.g. Canary Wharf, Shorts of Belfast, was noted, and a possible role for Canada as a broker, albeit in restricted

spheres, between the UK and the US was seen as a potentially significant mechanism for the reconciliation of national differences. The Colloquium agreed on the need to capitalise the existing assets of the bilateral relationship, in full awareness of the changing global environment. Living as we do amid the bonfire of old certainties centres of stability are important. Good relations should not be taken for granted those that exist should be treasured.