

*External Pressure, National Response: Industrial Adjustment in Canada Since the 1970s.* By Prosper M. Bernard, Jr. (Lanham, Md.: University Press of America, 2009. 161 p., tab., bibl., index. ISBN 978-0-7618-4578-2 \$27.00US)

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This book presents a highly-condensed analysis of Canada's industrial adjustment policies over the past four decades. It is framed essentially to provide an account the demise of the country's National Policy of industrial protectionism in the face of increasingly irresistible pressures pushing in the opposite direction of North American market liberalization. The core argument of the study is that the strategy of economic nationalism (traced historically in chapter 3) is not as effective in overcoming the weaknesses inherent in Canada's political economy as that of liberal continentalism. According to the book's author, Prosper M. Bernard, Jr., such weaknesses were starkly revealed following the Nixon economic package of 1971, an "America First" initiative containing a number of trade and investment measures (aimed primarily at Japan and Western Europe) that brought into question the degree to which Canada could continue to rely on the United States as both a market for Canadian exports and a continuing source of investment.

Thus, chapters 4 and 5 largely relate the reasons for the failure of the instruments of national state intervention that the Canadian government designed to overcome the vulnerabilities exposed by the Nixon package. Such instruments, adopted and implemented during the 1970s and early 1980s, generally amounted to updated versions of the National Policy, including the Third Option; the Canada Development Corporation; the Foreign Investment Review Agency; the National Energy Program; and a range of so-called "mega-projects" aimed at bolstering industrial diversification and stimulating improved research and development.

It seems fair to say that this last gasp of statist intervention reached its apex with the introduction of the National Energy Program and its companion mega-projects initiative, the success of which depended heavily upon continuing high international oil prices, which in fact didn't last much beyond 1980. This short-lived exercise in strident economic nationalism not only failed to counteract the pull of continental economic forces, but was instead followed by a reverse commitment to liberal continentalism, primarily in the form of extensive deregulation during the mid-1980s and the Canada-US Free Trade Agreement of 1989.

Bernard counts liberal continentalism a major success by virtue of the fact that, unlike economic nationalism, it overcame the constraints that had stymied the statist interventions of the previous decade. In his study, the crucial constraints on adjustments in Canadian industrial strategy (in

addition to path dependence) had been economic bureaucracy, the federal system and the organizational structure of business. All are presented by Bernard essentially as impediments to, rather than generators of government economic policy. He thus leaves completely open the rather more central question of what factors operating in promotion of policy change are being constrained by those impediments. As argued in chapter 6, liberal continentalism worked successfully in overcoming Canada's economic weaknesses because it worked with, rather than against the grain of Canada's institutional realities, beginning with that government's program of deregulation in the mid-1980s and culminating in the free trade agreement at the end of the decade.

The main problem with this line of analysis is that it makes a reduction of obstacles to an industrial adjustment policy more central than the reasons for its initiation. Surely a change in policy orientation as massive and significant as a repudiation of industrial protectionism in favour of an endorsement of an open continental market requires more by way of explanation than a supposed relative decline in the effectiveness of existing policy constraints. Surely something central to Canadian society must have changed to inspire such a complete reversal of policy direction. Unfortunately, though, the reader will find little attention paid in this book to the central change that caused such a profound policy reversal. In the mind of this reviewer, that neglected causal factor was the abandonment of the National Policy by the Canadian business elite and its embrace of market liberalization on as broad a front as possible.

Prosper notes this change, but his analytic framework, as elaborate as it may be, does not allow him to afford it the deterministic weight it deserves. Bernard may well believe that his study has explained several of Canada's industrial adjustment policies (as promised in the title of chapter 2) simply by having framed them in the language of rational choice, including such concepts as relative gains, relation-specific assets, path dependence and third-party enforcement (of trade agreements). But to this reviewer, despite the application of such concepts, the analysis is almost completely descriptive, rather than explicative.

Early on in his analysis, Prosper accurately observes that the American-owned, branch-plant industries in Canada, whose "main goal was to occupy and service the domestic market," strongly supported Canada's National Policy in the late nineteenth century, but turned around to support free trade in the early 1980s (p.38). He also appreciates that the primary source of this about-face on Canadian protectionism occurred largely as a result of "the emerging pattern of cross-border investment and trade activities that contributed to the integration and specialization of production in key sectors of Canadian and American manufacturing and

services” (p.104), noting among other things that this development significantly raised Canada’s exposure to American trade protectionism (p.105). His problem is that the rest of his elaborate analytical framework serves to obscure, rather than underscore, this fundamental driver of the policy shifts which his book is meant to explain.

Thus, the value of this book to its readers is likely to depend very largely on the use they intend to make of it. If a reader is looking for a succinct, generally clear and reliably accurate overview of Canada’s several attempts at an industrial strategy between the early ‘70s and the recent past, he or she is likely to be relatively satisfied. (Course instructors might adopt particular chapters as usefully brief additions to their reading lists on appropriate aspects of Canadian political economy.) If, however, scholars of Canadian political economy are looking for an original causal analysis of the sources of change in Canadian adjustment policies over the past several decades, they can afford to pass on this study.

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## Medicine / Médecine

***Three Generations, No Imbeciles: Eugenics, the Supreme Court, and Buck v. Bell.*** By Paul A. Lombardo. (Baltimore: Johns Hopkins University Press, 2008. xiv + 365 p., ill., app., notes, index. ISBN 978-0-8018-9010-9 \$29.95).

An examination of the eugenics movement is an investigation into the convoluted manner in which science, technology, and medicine can be used to either express or suppress the human vagaries that make societies laboratories where those deemed ‘unfit’ are subjected to unequal treatment. Paul Lombardo uses the United States Supreme Court case *Buck v. Bell* to examine one such example. The historic case involving Carrie Buck who was sterilized following the Supreme Court’s validation of a Virginia law which mandated the sexual sterilization of people deemed “socially inadequate” was in Lombardo’s words “the legal high point” in the U.S. eugenics movement. As Lombardo illustrates, the 1927 case set a legal precedent the effects of which are still being felt. In examining the details of the *Buck* case and its journey to the Supreme Court, Lombardo methodically and systematically weaves together issues, trends, and events far beyond the minutiae of Buck’s life, but which significantly shaped the outcome of the legal case.