

the growth of separatist sentiment in Quebec; (2) the fostering of an independent Canadian identity in order to curb the growing influence of American culture in English-speaking Canada; and (3) the protecting of the Canadian economy against foreign domination, particularly the buying-up of Canadian industry and resources by U.S. firms. Most Canadians were keenly aware of the changes that were taking place in the United States; but few Americans appreciated the significant changes that were occurring in Canada as the Federal Government sought to persuade Quebecers that they were equals in their own country and as Ottawa moved towards a more independent policy *vis-à-vis* the United States. As the Trudeau Government sought to reduce Quebec nationalism, it pursued a policy of strengthening Canadian nationalism.

Americans began to realize that all was not well north of the border when, in 1970, leftist terrorists espousing an independent Quebec used violent tactics in Montreal – including the kidnapping and assassination of a government official – to stir up separatist sentiment in the province. The Trudeau Government invoked emergency powers and put down the violence within a few days; but the episode was given wide publicity in the United States, especially on television, and many Americans became aware for the first time that their cities had no monopoly on terrorism by underground groups. However, the effective way in which Canadian authorities dealt with the terrorists led Americans to conclude that Quebec nationalism was the work of only a few fanatics and that the great majority of Quebecers opposed independence. Indeed, most Americans believed that the large majority of French-speakers were loyal Canadians who only wanted more autonomy for Quebec.

In 1971 a mild crisis occurred in Canadian-American relations when the U.S. Government imposed a surcharge on all foreign imports and suspended the settlement of international accounts in gold. Until August 15 of that year, Canada and the United States had had what came to be called a "special relationship", which, in practical terms, meant that Canada was given preferential treatment in U.S. economic policy and trade matters. This time, however, the Nixon Administration refused to give Canada an exemption and the U.S. Secretary of the Treasury, John Connolly, was widely criticized by Canadians for the insensitive way in which he dealt with their government officials on the issue. Though the surcharge was lifted before the end of the year, the "shocks" of August 1971

brought the special relation to an abrupt end and caused the Trudeau Government to adopt a much tougher policy towards the United States on a whole range of bilateral issues.

The frustration of the Canadian Government was illustrated in the fall of the year when a group of American federal executives visited Ottawa in search of a better understanding of Canada's viewpoint. After some discussion of Ottawa's recent problems with the U.S. Treasury Department, a senior Canadian official remarked with emotion: "If you Americans would just give Canada as much attention as you give Cambodia!" His point was clear and valid; the United States had become so absorbed in the problems of the world that it had neglected relations with its closest ally and its largest trading partner. It was also clear by the end of 1971 that a new kind of relation would take the place of the old easy, informal ties that had typified postwar relations.

Third Option

Canada's view of what the new relation would be was contained in a long article that appeared under the name of Secretary of State for External Affairs Mitchell Sharp in the Autumn 1972 special issue of *International Perspectives*. Entitled "Canada-U.S. Relations: Options for the Future", this lucid exposition of Canada's national interests *vis-à-vis* the United States listed three options Canada could adopt in its relations with its southern neighbour: One, Canada could "seek to maintain more or less its present relationship with the United States with a minimum of adjustments". This option was rejected because Sharp believed that the "continental pull" meant that Canada would "have to run harder simply to stay in place" and that it would involve "a substantially reactive position on Canada's part". Two, Canada could "move deliberately toward closer integration with the United States". This option was seen as too great a threat "in terms of the Canadian identity". Three, Canada could "pursue a comprehensive long-term strategy to develop and strengthen the Canadian economy and other aspects of its national life and in the process to reduce the present Canadian vulnerability".

The Trudeau Government chose the Third Option. Mr. Sharp explained the new policy this way:

The basic aim of the third option would be, over time, to lessen the vulnerability of the Canadian economy to external factors, including, in particular, the impact of the United States and, in the process, to strengthen our capacity to

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