

policy expectations virtually ground to a halt as Canada failed to garner exemptions from key US economic measures. Personal, ad hoc methods seemed less well suited to this more complex and more uncertain environment which existed after 1971.

### Mulroney and the Americans

While in opposition, the Tories had expressed considerable disapproval over the manner in which the Trudeau government handled the United States. There was some improvement in the relationship in 1983, prompting *Maclean's* magazine to print a cover story entitled "Friends Again." However, controversy over cruise missile testing, acid rain and other potentially divisive issues rocked the relationship again in early 1984. During the 1984 election campaign Mr. Mulroney vowed to bring a new civility to the way in which Ottawa dealt with the United States. And, once in office, the Prime Minister made no bones about the fact that he was predisposed towards pleasing Washington.

On the surface, the relationship between Canada and the United States improved considerably in the few short months following the September 1984 federal election. Mr. Mulroney managed to establish a good rapport with his like-minded counterpart in Washington early on and worked hard at erasing the image that Canada and the United States were growing apart. In order to further this feeling, Mr. Mulroney undertook a number of initiatives which gave the impression that both Canada and the United States were in pursuit of the same fundamental goals. Inter alia, the Prime Minister promised to end the national energy program, his government passed legislation which replaced FIRA with Investment Canada, and he made some important symbolic endorsements of US foreign policy, such as support for the Strategic Defense Initiative (SDI). Mr. Mulroney even reversed his 1983 position on free trade, maintaining that Canada's entire economic strategy had to reflect new continental realities. The message, which was being promoted vocally in both capitals, was that the two governments (and, indeed, the two societies) did have similar philosophical and ideological priorities. And, to the great surprise of some observers, this new-found compatibility was, in itself, sufficient to jump-start the relationship.

### Trade more bilateral

With respect to scope and depth, all types of transborder contacts increased. On the commercial side, though much of this has to be understood in terms of the pattern of recession and recovery and on the strength of consumer demand in the United States, trade between Canada and the United States picked up considerably after 1984. Exports to the United States, which accounted for roughly 72 percent of total Canadian exports in 1983, exceeded 80 percent of the total by 1986. Trade between the two countries, which had leveled off between 1978 and 1983, grew by leaps and bounds in 1984, 1985 and 1986. On the diplomatic side, the replacement of brash political appointee Paul Robinson with career diplomat Thomas Niles as US ambassador to Canada in July of 1985 suggested that Washington viewed the relationship with greater seriousness.

The scope of the relationship was also enhanced by the regularization of an annual summit process between the two leaders and the establishment of ongoing consultative meetings between the US Secretary of State and the Canadian Secretary of State for External Affairs. While the Shultz-Clark meetings were designed to re-establish strong and productive government-to-government relations, it was the Reagan-Mulroney summit

meetings which gave this new-found friendship a strong and positive public image. The so-called Shamrock Summit, which took place in March of 1985, was an extravagant public demonstration of friendship which was meant specifically to advertise the fact that a more harmonious and more cooperative era was upon us.

However, by the time of the April 1987 summit it was clear that the optimism and the hype of the earlier summits was not translating into a greater level of cooperation on specific issues. Acid rain is a good illustration of this phenomenon. It has consistently ranked high on the Canadian agenda. In the beginning Canada agreed not to push it for fear it might derail the engine of cooperation. The next year the Reagan administration acknowledged its importance to Canada but made no concrete promises. In the third year promises were made but not kept. In sum, though even more promises have been offered, no real progress has been made.

The most dramatic change in Canadian-American relations, however, had to do with the institutional arrangements that govern the relationship. Specifically, at the behest of the Mulroney government, Canada and the United States successfully negotiated the Free Trade Agreement which took effect in January 1989. The negotiations themselves touched off a national debate in Canada over the desirability of formal economic integration with the United States which became the key — almost the only — election issue in the 1988 campaign. The Tories can legitimately take credit for seeing the negotiations through to an agreement — especially given the skepticism and opposition on both sides of the border. They have argued that the agreement represents a positive historic change in Canada's foreign economic policy and a considerable achievement for a first-term government.

### More structured relationship

What all of this suggests is that despite Mr. Mulroney's predisposition toward the United States and his specific promise to revive the special relationship, we have not returned to a situation characterized by quiet diplomacy, access based on special status, and exemptionalism. In fact, quite the reverse is true. What has happened is that while the relationship is more cooperative and more civil on the one level, it has become both more formal and more structured on another.

The very existence of a Free Trade Agreement provides a strong case for the argument that the special relationship has not returned. The need for an explicit framework to provide access to the US market and the need to settle disagreements through a binational dispute settlement mechanism both attest to the fact the "special" arrangements no longer work. More specifically, exemptions to key US foreign economic policies are rare, while conflicts over both markets and policies are becoming an even more common feature in Canadian-American relations. For example, at the precise moment when the two governments were in the midst of negotiations leading to the FTA, there was a major dispute over softwood lumber exports to the United States (with Canada eventually imposing a 15 percent export tax on softwood lumber in an effort to head off the imposition of a punitive US duty); there was a significant widening of measures introduced in 1983 aimed at restricting the sale of certain types of fish in the United States; and there was a successful GATT complaint against Canadian west coast salmon and herring which had been initiated by the United States.