

relationship in the world. The 1989 Free Trade Agreement has taken this relationship to an even higher level. The FTA, which became effective January 1, 1989, was intended to remove over a ten-year period all tariffs on goods moving between the two countries. As was the case in 1854, 1911, and 1947, the free trade issue had its opponents, and in fact the Canadian federal elections of 1988 were seen by many as a referendum on the FTA.

Largely as a result of the early success of the FTA, on 1 January 1994 the much-expanded North American Free Trade Agreement (NAFTA) came into existence, bringing Mexico into the free trade equation. NAFTA was built directly on the existing foundation of the FTA, and incorporated many of its tariff reduction provisions, while further liberalizing trade in services, providing protection for investors and intellectual property, and establishing institutional means of resolving trade and investment disputes (Greyson, 1993; Lipsey *et al.*, 1994; Randall *et al.*, 1995).

Cross-Border Commerce and Contact: 1970-1995

With this extensive but necessary introduction to regional and continental economics in place, let us now turn from the macro-scale to the micro-scale and examine some of the positive, as well as negative, aspects of the last quarter century of trade and cross-border shopping along the 49th parallel west of the Rockies. While most of the quantitative data comes from U. S. and Canadian government sources, most of the accompanying opinions and observations are based on eight years of first-hand experience with the U.S. Customs Service at Blaine, Washington, three years of field work examining the Canadian economic presence in the Spokane-Coeur d'Alene