

United States was an accomplished and accepted fact. The war had propelled the United States into unquestioned preponderance as Canada's main trading partner and source of investment capital. Britain had dropped far behind, in second position and, even after the full recovery of the British economy and the restoration of convertibility, the British share of our trade was to follow a generally declining trend. This is the era of the "special relationship", of the new realities of military alliance and close defence co-operation, of increasing economic and cultural interaction, of exceptionally close personal ties between political leaders and senior officials of the two countries. Both countries had been thrust onto the world stage: the United States as the acknowledged leader and protector of a Western world which felt itself threatened by Soviet expansion; Canada as an important military ally and economic power.

The Canadian view of the United States was influenced in large part by the Cold War and by the conviction that U.S. leadership and active involvement in European and world affairs were essential for peace and security. Memories of U.S. isolationism and protectionism weighed heavily in shaping Canadian attitudes. NATO, the new Commonwealth and the United Nations provided congenial, multilateral frameworks for postwar Canadian diplomacy and served to mitigate and dilute to some extent the growing U.S. influence on Canada. The pattern of rising interdependence between Canada and the United States was generally viewed, at least until the end of the 1950s, as a natural and beneficial phenomenon, without wider and disquieting political ramifications. Politically significant expressions of concern about this trend began to manifest themselves in the late 1950s. However, it was not until the 1960s that this trend of opinion gathered strength and found roots in broader circles throughout the country.

This brief historical overview is useful in providing some sense of the shifting pattern of Canada-U.S. relations. It shows that the essential features of the relationship as it exists today took shape mainly in the period beginning with the Second World War. Any attempt, however, to assess the strength of the forces drawing the two countries closer together requires a more searching examination of their manifestations in the defence, economic, and cultural fields.

In the defence field, the pattern in this third era has been one of increasing co-

operation and co-ordination for the most part. Some of the highlights in this evolution were the 1940 Ogdensburg Agreement, which established the Permanent Joint Board on Defence (PJBD) as an advisory body to the two governments to co-ordinate plans for the defence of North America; the 1941 Hyde Park Agreement, extending wartime co-operation into the economic sphere; the establishment in 1946 of a Military Co-operation Committee; a joint declaration in 1947, continuing co-operation for North American defence into the postwar period; the North Atlantic Treaty of 1949, establishing the first and only formal alliance between Canada and the United States; the joint "Statement of Principles for Economic Co-operation" in 1950; the conclusion in 1958 of the North American Air Defence Command Agreement (NORAD), establishing an integrated anti-bomber defence system; the Defence Production Sharing Program, started in 1941, and continued after the war, which has involved substantial sales in both directions.

Extra-continental threats

The cornerstone of this defence relationship consisted in the mutual recognition that North America was no longer immune from extra-continental threats. Canada was considered by the United States as a vital and strategic area, while Canada recognized its strategic dependence on the United States to ensure its defence against an outside threat. It was this dual recognition which led in 1940 to a U.S. commitment to the defence of Canada and to a Canadian commitment to ensure that Canadian territory, air-space and coastal waters would not be used for hostile actions against the United States. With the Cold War, the development of nuclear weapons and the rising threat of long-range Soviet bombers in the late 1940s and the 1950s, the U.S. defence interest in Canada intensified; it was no longer sufficient to ensure that Canadian territory be denied to a potential enemy. The United States needed access to Canadian territory for radar warning systems, air-bases and other defence purposes. Canada shared the U.S. interest in an effective North American system and, generally, in protecting the U.S. nuclear deterrent capability. As long-range missiles were developed by the United States and the U.S.S.R., and the Soviet Union moved toward nuclear parity with the United States, this shared Canadian and U.S. interest became one of protecting the stabil-