

What we have witnessed since the early Seventies has been the ending of one era and the beginning of a new period in Canada/United States relations. The change involved the ending of the "special relationship" between Canada and the United States. What are the factors that produced this change and what are the distinguishing characteristics of these two phases in Canada/United States relations?

The earlier period began with the Second World War and continued to the early Seventies. It saw the United States and Canada thrust to the forefront of the world stage -- the former as the leader of the West and the latter as an important military and political ally and economic power. This was the period of close political and military co-operation, and increasing economic and cultural interaction. Co-operation in defence was marked by a series of agreements running from the 1940 Ogdensburg Agreement, which established the Permanent Joint Board on Defence, to the 1958 North American Air Defence Command Agreement, which established an integrated anti-bomber defence in response to the Soviet threat. In the economic field, the pull of continentalism was magnetic. There occurred that phenomenon with which we are all too familiar -- the rapid expansion in United States control and development of Canadian industry, particularly in the extractive industries like mining and petroleum. The cultural penetration of Canada through television, radio, films and publishing during this period was also heavy.

But, while United States influence on so many aspects of Canadian life was growing during this period, changes in the international environment, within Canada and especially Canadians' perceptions of their national identity and independence, were also occurring. These developments were eventually to lead to a change in relations with the United States.

This new feeling of being Canadian is reflected very sharply in the economic field. The issue is our economic independence. I have already cited figures showing the degree to which we are dependent on the United States in trade and investment. A cross-section of various polls taken in Canada in 1972 indicated that 88.5 per cent of Canadians thought it important to have more control over our economy and that two of every three Canadians considered the then level of American investment in Canada too high. This growing preoccupation with the economic vulnerability of Canada was greatly increased with the introduction of the United States economic measures of August 1971. Although they were global in impact, their effect in Canada was great, in part because of the high concentration of our trade with the United States and the affiliated structure of