

Northern Railway was completed from the Great Lakes to Seattle (Schwantes, 1993). Perhaps more than any other businessman of his day, Hill understood the significance of the border and the opportunities it presented. Map 5 shows that his choice of a route parallel to the international boundary and sandwiched between the rival Canadian Pacific and Northern Pacific was not as foolish as many contemporaries believed. At points where the Great Northern could not make a direct connection, Hill extended numerous tentacle-like spur lines right up to the border (Martin, 1976).

Although the border was in place for the entire last half of the nineteenth century, it was, for the Pacific Northwest at least, little more than a symbolic nuisance until the arrival of the transcontinental rail net during the 1880's and '90's. By this point, two distinct national economies had emerged, and trade issues and disputes which had previously been centered east of the Great Lakes began to assume a truly continental cast (Bennett *et al.*, 1989).

U.S.-Canada Trade, 1846-1989

The concept of free trade between Canada and the United States is not, as many of our students seem to think, a product of the Reagan-Mulroney decade of the 1980's. The issue runs like a scarlet thread through the entire history of both nations, beginning with the political reorganization of the continent that occurred between 1763 and 1783. In the decades prior to 1867 and Confederation, the economy of British North America--like its new cousin to the south--grew dramatically as a result of international market demands for raw materials. During the 1840's, however, Britain began to