

Pearson warned that, as the two countries became more interdependent, relations between them would become more, not less, difficult. As interactions increased, conflicts of interest and differences of views were also bound to increase. Preserving harmony in the relationship would require careful and sensitive management.

In recent years, however, the occasional strains and difficulties that have affected relations between the two countries have also had a more basic and deep-seated source. In a Canada undergoing profound and rapid changes associated with industrialization, urbanization, improved education, cultural development and a major reassessment of values, there has been a growing and widely-felt concern about the extent of economic, military and cultural dependence on the United States, and the implications for Canadian independence.

Apart from the relationship itself, which has become more complex, public attitudes in Canada have also changed. In the past, Canadians have generally supported an easy-going, pragmatic approach to our relations with the United States in the belief that Canada's separate national existence and development were fully compatible with an unfolding, increasingly close economic, cultural and military relationship between the two countries. Many Canadians no longer accept this view, or at least do not regard it as self-evident. It is widely believed that the continental pull, especially economic and cultural, has gained momentum. In this on-going national debate, the fundamental question for Canada is whether and to what extent interdependence with the United States impairs the reality of Canada's independence. How strong has the continental pull become? Can it be resisted and controlled and, if so, at what price?

I. The Continental Pull

It is important and instructive to view the evolution of Canada-U.S. relations in longer-term historical perspective. In terms of Canada's relative dependence on the United States, it is possible, as recently suggested by an American political scientist, to distinguish three main historical periods.

Three phases

The first, lasting until Confederation and some two decades beyond, was an era in which the United States was viewed as posing a military threat to Canada, although the intensity of that threat was steadily diminishing and trade with the

United States was becoming important. Reciprocity in trade had been a major issue just before Confederation and in the long recession of the 1880s and 1890s, there was even a movement in Canada in favour of union with the United States. But Canada depended mainly on Britain for its security, for investment capital and as a market and source of imports. The Treaty of Washington in 1871 eliminated most of the outstanding U.S.-British issues in North America, and the settlement of the Venezuela dispute in 1895 finally marked the end of the U.S. threat to Canada and to the British Empire. Canadian perceptions of the United States as a military threat, however, were to linger on for many years thereafter.

The second period may be viewed as an era of gradual transition, characterized by a movement from internal autonomy to full external sovereignty — achieved by the Statute of Westminster in 1931 — and by a gradual transfer of military, economic and cultural dependence from Britain to the United States. This period lasted until the Second World War. The transfer of strategic dependence from Britain to the United States became fully apparent and accepted in the 1930s with the mounting threat of war in Europe. President Roosevelt pledged U.S. defence assistance to Canada in speeches first in 1936 and more clearly in 1938 in Kingston, and Prime Minister King responded with assurances about Canada's continental defence obligations.

In economic terms, the United States had already surpassed Britain as Canada's main source of imports by the turn of the century. Britain, nevertheless, continued to be Canada's main market until after the First World War, and remained about as important as the United States until the Second World War. Free trade with the United States — the reciprocity issue — was a major national issue in 1911, but Canadians rejected this course for fear of its longer-term political implications. The shift from Britain to the United States as the primary source of new investment capital had taken place before the First World War. By and large, however, the inter-war period was characterized by a relative balance in Canada's relationship with Britain and the United States; it was still the era of the Atlantic Triangle.

Strategic dependence

The third period begins with the Second World War and extends to about the present. Canada's strategic dependence on the