

United States abroad. The left-of-centre and nationalist wing of the party lost influence, the right-of-centre and business-oriented wing gained the ascendancy in the Cabinet.

The NEP had been based on the idea that energy prices would continue to climb through this century as world oil resources declined. However, international oil prices instead began to fall, forcing a reconsideration of the NEP. The development of high-cost Canadian oil resources in the Arctic, the tar sands and the coastal waters now looked less attractive than it had a few years ago. Major projects have been postponed, and some of the Canadian companies on which the government was relying to compete with the multinationals are in financial difficulties. So in the end the NEP may prove to have been hardly worth the trouble it caused with the United States. Canada could perhaps have served its interests better simply by regulating more closely the activities of foreign-owned oil companies, taxing their profits more heavily, and expanding the role of Petro-Canada.

Together again

However that may turn out to be, both the Canadian and US governments had obviously decided by 1982 that it was time to end the "crisis" in the relationship and restore things to a more normal footing. Both let it be known that they were turning from public confrontation to quiet diplomacy, and it was said that new ministers in Ottawa and Washington had established warmer personal relations. That did not of course mean that all problems had been solved, or even that they were considered solvable, but only that the two governments would try in future to discuss their differences in a spirit of friendship and cooperation. Some anger toward Canada remained in the Congress, and there was still antagonistic legislation on the agenda, but US political attention turned toward more pressing domestic and international issues. The major question arising from the conflicts of 1981 was whether they were temporary flare-ups quickly doused, or whether they were symptomatic of a widening gulf between the two countries.

Stephen Clarkson, in his book *Canada and the Reagan Challenge*,⁶ was the most persuasive of the commentators arguing that 1981 had in fact been a turning point in the relationship demonstrating that the two countries were on diverging national courses. Clarkson saw the United States as committed to neo-conservative policies at home and abroad and determined to keep Canada in its place as an obedient junior neighbor, while Canada was committed to interventionist policies at home with the intention of reducing dependence on the United States. But it is now apparent that neither country is going in the direction Clarkson expected. The Reagan government is becoming less ideological and more pragmatic in its domestic policies and certainly in its relations with Canada. In Canada, the Liberal government has been replaced by a Conservative government which eschews both economic nationalism and intervention in the market.

As already noted, the election of the Liberal government in 1980 with its mildly nationalist and interventionist policies was more of a political accident than a reflection of public opinion, and over the longer term Canadian opinion has appeared to be moving to the right — that is to say,

toward a lesser role for government in the economy. It is not hard to argue now that Canada and the United States are on converging rather than diverging courses. To put it another way, the crisis of 1981 was probably an aberration and not the evidence of a long-term trend: two nationalisms clashed, to the alarm of both governments, which quickly modified their positions and returned to the task of managing their economic interdependence and integration. It would be quite wrong to assume, however, that there will not be serious disputes and fierce rows in future. The closer the relationship, the more interests are likely to be in conflict and the more bilateral disputes there will be. Rows are not evidence that the relationship is in trouble; they are evidence merely that there are a great many issues to be negotiated and, where possible, settled, in a dignified way. One quarrels, after all, not with strangers but with family and friends.

The growth of the Canadian cultural industries in the 1960s and 1970s has already been noted and the point made that this did not significantly reduce the exposure of Canadians to US ideas. In fact, the spread of cable-TV systems and the availability of the US Public Broadcasting System increased the exposure of Canadians to US television so that, by 1983, foreign, mostly US, programs attracted 85 percent of viewing in the peak evening hours on the English-language networks. The introduction of pay-TV and the decision to allow Canadians to receive foreign programs directly from satellites seemed likely to make even more US programming available. The increase in the number of movie houses improved access to US and other foreign films, and US magazines remained highly popular. Toronto and Montreal joined the US baseball leagues, and hockey was established as a continental sport. It is hard to measure the impact of such communications, but it is reasonable to assume that people sharing the same entertainments will come to share many of the same values and concerns, and that these will find their way onto the political agenda in both countries.

Growing alike

It is probably no coincidence that in recent years Canadians have been abandoning their own political culture and adopting the US model, without realizing what they are doing, and often with the encouragement of nationalists who might have been expected to defend traditional Canadian ideas and institutions. As that may seem a surprising assertion, it should be briefly explained. The United States grew out of a revolution against established authority, and its political system sought to guarantee the rights of the individual by limiting the power of authority, the state. The Bill of Rights prescribed areas in which government might not legislate, and the division of powers among the executive, legislative and judicial branches was intended to ensure there would be no abuse of the state's authority. In contrast, Canada was created by the established authority, the British Parliament, and its system, although designed by Canadians, naturally reflected this fact. Respect for authority and the supremacy of Parliament have been the central principles of the culture. While Americans were expected to be wary of the power of the state and to rely on private initiative, Canadians were expected to see government as the agency through which