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THE FOREIGN POLICIES OF STATES IN ASYMMETRICAL DYADS:
AN EXAMINATION OF CANADIAN-AMERICAN INTERDEPENDENCE

by

Claire Dorothy Turenne Sjolander, B.A.(Hons.)

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A thesis submitted to the Faculty of
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fulfillment of the requirements for the degree of
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ABSTRACT

This study seeks to explain Canada-U.S. relations through the development of a theory about the foreign policies of states in asymmetrical dyads. It hypothesizes that Canadian foreign policy behaviour toward its dyadic partner can be explained by the interplay of several concepts; among these, the performance of both the Canadian and U.S. economies, the assessment of Canadian decision-makers concerning their nation's autonomous capabilities, and the strength of U.S. international leadership. Similarly, U.S. foreign policy toward Canada is hypothesized to derive primarily from its concerns over its economic performance and its international hegemonic status. Empirical tests are performed to assess these hypotheses, and the results demonstrate moderate support for the theory.

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INTRODUCTION

The study of international relations as a field unto itself, and the development of theories to explain generalized international phenomena, is a relatively recent development. Charles McClelland, for example, traces the growth of the study of international relations through a series of 'waves'. The field, he claims, finds its roots in the study of international law and diplomatic history, conditioned by a post-World War I interest in international organizations. It was not until the 1950s however, that a distinct study of international relations developed, drawing from the methods pioneered in many other social and behavioural sciences (particularly psychology, anthropology, sociology and the economics of development and growth) (McClelland, 1974:23). The field's development was further augmented by the introduction of a 'fourth wave', which gave rise to the use of "analytic and quantitative research concepts, models, and methods" (McClelland, 1974:23), focussing on the potential contribution of statistical analysis and computational techniques to the development of international relations theory.

The field of international relations is inherently interdisciplinary, deriving to a large extent from a variety of other academic subjects. The temptation has

always existed to break the field down into its component parts, rather than study the subject matter of international relations as a whole. This temptation has been strongly criticized (see, for example, Susan Strange, 1970). There has grown a realization that in particular, the political, or socio-political, facet of international relations must be brought into closer marriage with the economic realities of the international environment. Equally, the methods of international relations research have diverse backgrounds; from the case history approach of international analysis which draws so much from the tools of contemporary historical review, to the statistical methodology which derives from econometrics and mathematics. Each has made its own contribution to the development of the subject of international relations.

With the advent of the scientific method and the use of statistical techniques the field of international relations has grown in the direction of rigorous generalization and theory building. The study of any subject can lead in two directions: the researcher can seek to discover the uniqueness of a particular situation in an attempt to assess the exact nature of some facet of the subject under investigation, or he can seek to synthesize a general understanding of that particular subject in an attempt to discover the principles which govern its behaviour. Both approaches contribute

something to knowledge, though only through the pursuit of generalizations can anything be contributed of value to theory. Generalization permits the development of broad categories or types of phenomena which can be assessed using a theoretical framework.

In order to be able to properly evaluate the potential of any theory to explain a particular situation, or to evaluate the possible contribution of a theoretical framework to the field of international relations, it is first necessary to outline what comprises a theory. James Caporaso has defined a theory as a "deductively organized, logically interrelated set of hypotheses that serves as an explanation for some specified behaviour" (1976:355). He elaborates this definition to include the notions that a theory must define "empirically uninterpreted concepts", "rules of relations among these concepts that provide a determinate structure for the hypotheses", as well as some "empirical interpretation of these concepts" (1976:355). As well as this, Caporaso offers some criteria by which it is possible to evaluate research for its theoretical content. A theory requires deductive power, that is, one should be able to derive a large number of concrete propositions from its few general statements. A theory should be broad in scope, able to explain the greatest number of phenomenon relating to the subject area with which it is concerned. A theory, for Caporaso, must be parsimonious; this feature distinguishes it from a

descriptive piece of research work. A theory should be falsifiable, for if a theory cannot be refuted, at least in principle, then it cannot be said to contribute anything of value to general knowledge on a particular topic. Lastly, a theory should be able to provide some empirical fit, indicating that its propositions do indeed correspond, to some degree at least, to the reality of situations about which it hypothesizes (1976:356-357). Caporaso's criteria are useful in that they enable the analyst to translate the broad concept of 'deductively organized, logically interrelated set of hypotheses...' into a useful evaluative statement.

A theory, therefore, establishes laws of behaviour under which sets of phenomena can be subsumed. Theories are not specific to any discipline, and are as applicable to explaining relations between countries as they are to defining principles of economics or to establishing regularities in mathematics. Elizabeth Smythe, for example, has simply outlined the role of theory in the study of international relations. She writes; "A relationship or set of relationships between two international actors, such as Canada and the United States, is best understood by classifying them in some sort of conceptualization of types of relationships between pairs of actors (dyads) and then subsuming them under theories which deal with these particular types of relationships" (1980:122). The attempt to explain

relations between Canada and the United States in a theoretical framework as relations between states in asymmetrical dyads has been undertaken by the authors of the Asymmetrical Dyads and Foreign Policy Project.

The Dyads project, in its initial phases, essentially sought to explain Canadian foreign policy (or subordinate state foreign policy) in terms of economic performance and concern over autonomous capability, with the controlling conditions of systemic conflict (assessing the level of superpower conflict), dyadic conflict (assessing the level of conflict or cooperation displayed by the superordinate actor, the United States, toward the subordinate actor) and domestic demands (assessing the degree of subordinate state domestic support for policies calling for the expansion or restriction of relations with the superordinate actor) (see Tomlin et al., 1980; Dolan et al., 1982). In a subsequent theoretical reformulation, the project's authors included a measure of the superordinate state's economic health in an attempt to improve the empirical fit of the theory, and thus more confidently predict those factors influencing subordinate state foreign policy in an asymmetrical relationship (see Dolan and Tomlin, mimeo). In both instances, however, the aim of the research was not to define the specific nature of Canadian foreign policy toward the United States, but rather to achieve an understanding of such Canadian foreign policy by subsuming it under a theory which

defined a type of foreign policy relationship; in this case that of a subordinate state toward its superordinate partner under conditions of structural asymmetry. While in both cases the empirical results offered some encouragement and led to some interesting conclusions, the project's work suggested other areas to be explored. Whereas the project's authors directed their research to explaining subordinate state foreign policy, the theoretical formulations devised lent themselves to expansion into an assessment of the determinants of superordinate state foreign policy in an asymmetrical dyad, as well as to an investigation of the possible interactive effects of foreign policy objectives in determining each partner's foreign policy behaviour.

The modification of theoretical formulations, usually attempted in the expectation that a refined theory will achieve better empirical fit, and thus have improved explanatory power, raises questions as to the falsifiability of theory, however. If a theory is refuted in that an aspect of it, one of its postulates, is not lent empirical support, it is said to be falsified. The subsequent tinkering which takes place, the redefinition of some concepts, the addition of new conditioning factors and the removal of others, the modification of theoretical propositions, all can be seen as attempts by the theorist to 'save' his work. The theorist may argue that his work has not really failed, that it merely requires some

adjustment, that circumstances not previously considered had an unforeseen impact, or that his testing does not really measure the central precepts of his work. Despite these problems, it remains that the theory failed to achieve the level of empirical support deemed necessary, and thus was falsified.

The progress of scientific research is a gradual one. A theoretical framework may fail to reach the level of empirical content desired by its author and thus may be seen as falsified. While a theoretical purist may insist at this point that a new theory must be designed to take its place, bearing little or no relation to the falsified work, such a rigorous perspective assumes that nothing is worthy of salvation in the overthrown theory. Imre Lakatos describes such a purist as a dogmatic, or naive, falsificationist; he accepts a proposition as 'scientific' if it is nothing more than a falsifiable one (if it has potential falsifiers), and unconditionally rejects, without prevarication, any proposition which has been disproved on the basis of a pre-specified experiment (1970:96). As Lakatos comments; "According to the logic of dogmatic falsification, science grows by repeated overthrow of theories with the help of hard facts" (1970:97). This design for scientific development, however, is at best frustrating, and at worst necessitates that researchers struggle continually to re-discover the same set of phenomena, never having had an opportunity to

learn from the successes and failings of rejected theories.

Lakatos' sophisticated falsificationist is not so quick to judge. He considers a theory, T, falsified if and only if a new theory, T', has been proposed with the characteristics that;

- (1) T' has excess empirical content over T: That is, it predicts novel facts, that is, facts improbable in the light of, or even forbidden, by T; (2) T' explains the previous success of T, that is, all the unrefuted content of T is contained (within the limits of observational error) in the content of T'; and (3) some of the excess content of T' is corroborated (1970:116).

The sophisticated falsificationist does not insist upon the re-invention of the wheel, and readily admits that previous theoretical efforts may be worth preserving and building upon in order that theories may be better specified, and more predictive. The development of new theories rests strongly on the successes of past ones; a new theory is "theoretically progressive" if it offers some excess empirical content over its predecessor and "empirically progressive" if some of this empirical content is also corroborated (Lakatos, 1970:118). The aim of this paper is to undertake a progressive problemshift (a theoretical framework which is both theoretically and empirically progressive) based upon the work of the Asymmetrical Dyads and Foreign Policy Project. Theoretical frameworks are developed to explain

both Canadian and U.S. foreign policies, and are tested in the 1963-1980 period.

The essay which follows has been divided into five chapters, each written to cover one phase in the process of theory creation and testing. Chapter I provides an overview of Canadian-American relations in an attempt to base the subsequent theory in the observation of reality¹, as well as to provide a basis against which the results of the empirical analysis can be measured. The chapter does not attempt to deal with every event in the relationship between the two countries over the twenty year period between 1960 and 1980, but rather chooses to identify patterns of change and long-term trends.

Chapter II provides a survey of the literature on interdependence, concentrating on those aspects relating to relationship asymmetries and the power deriving from them. Interdependence literature does not offer a theoretical interpretation of the foreign policies of

¹In its overview of Canadian-American relations, Chapter I alludes to the "phenomenon to be explained," or the "explanandum phenomenon" (Hempel, 1965:336). The subsequent explanation attempts to make the explanandum expected by virtue of specific facts. These facts fall into two categories; firstly, particular facts which are relevant only to the phenomenon at hand, and secondly, uniformities expressible by means of general laws (Hempel, 1965:336). Using these facts, explanation may be conceived as a deductive argument, wherein the overview of Canadian-American relations describes the particular facts invoked, and the theoretical sections which follow are the general laws upon which the explanation rests. This kind of explanation is referred to as deductive-nomological explanation; "for it effects a deductive subsumption of the explanandum under principles that have the character of general laws," thus answering the question "why did the explanandum-phenomenon occur?" (Hempel, 1965:336-337)

states involved in asymmetrically interdependent relationships, but it does provide a definition of the parameter conditions upon which such a theory is based. The notion of structural asymmetry is particularly relevant to such a theoretical effort. Chapter III outlines the theory itself. Based upon the precepts of structural asymmetry, it attempts to define the determinants of both subordinate and superordinate state foreign policy within the dyadic framework. In particular, the theory stresses the impact of superordinate state concerns on the foreign policy making process of the subordinate state, postulating that the relationship between the two countries permeates the foreign policy orientation of the less powerful partner.

Chapter IV describes the paper's research design. It provides operationalizations for the main variables in the theory, and goes on to list the main hypotheses to be tested. The purpose of this chapter rests largely in establishing the technical tools necessary to test the theoretical framework presented in Chapter III. Chapter V gives the details of the results of the empirical testing performed, offering possible clues as to the reasons for both empirical failures and successes. The essay's conclusion attempts to assess the theoretical contributions made by this reformulation of the work of the Asymmetrical Dyads and Foreign Policy Project, evaluating the extent to which it constitutes a

theoretically and empirically progressive problemshift according to the criteria defined by Imre Lakatos.

In the final analysis, the essay attempts to contribute something to the growth of international relations theory and foreign policy analysis. It seeks to generate an understanding of the determinants of specific foreign policy behaviour under the conditions established by a particular type of interdependent relationship. It attempts, in the end, to offer some explanation for the working of the unequal relationship which exists between Canada and the United States. As John Holmes has written;

As a neighbour it is certainly better to be a Canadian than a Pole, for we have great advantage as well as disadvantage from the giant next door. Still it is an uneasy existence, life alongside an extraordinary power by divine right. The Power isn't really very good at seeing little sparrows fall, and it is difficult just to attract His attention.... The ways and means of living our unequal lives has puzzled us for centuries and will continue to do so (1981:2).

This essay, as have many others, tries in some way to offer a partial solution to that puzzle.

CHAPTER I

AN OVERVIEW OF CANADIAN-AMERICAN RELATIONS,
1960-1980

In the 1940s Canadian Foreign Minister Louis St. Laurent could declare that "it is not customary in this country for us to think in terms of having a policy in regard to the United States. Like farmers whose lands have a common concession line, we think of ourselves as settling, from day to day, questions that arise between us, without dignifying the process by the word policy." In the 1950s a Report of the Foreign Affairs Committee of the U.S. House of Representatives could state: "Canadian and the United States interdependence demands a new category of relationship. Canada does not stand in a position towards us of a 'foreign' country."

In the 1960s President Johnson could observe that "Canada is such a close neighbor that we always have plenty of problems there. They are kind of like problems in the home-town." By 1965 the U.S. and Canadian governments could agree in the Merchant-Heeney Report that "the nature and extent of the relationship between our two countries is such as to require, in the interests of both, something more than the normal arrangement for the conduct of their affairs with one another" (Swanson, 1978:1-2).

By the early 1980s, however, the tone of commentary on the state of the Canadian-American relationship had changed. No longer were the two countries like 'farmers whose lands have a common concession line,' the problems

between them 'like problems in the hometown.' U.S. News & World Report, in an editorial, "Friction with Canada," "deplored the end of good neighbourliness to the north" (Nelles, 1982:28). The Wall Street Journal accused Prime Minister Pierre Trudeau of hijacking the Canadian investments of American oil companies (Nelles, 1982:28). Stephen Clarkson, author of Canada and the Reagan Challenge, contended that the Canadian-American relationship had undergone a "severe crisis and shifted onto a new and treacherous path" (1982:4). Observers appeared to believe that somehow the Canadian-American relationship had indeed undergone a significant change in the post-war world. The exact nature of this change, in a relationship which is above all characterized by an incalculable number of transactions, including a trade volume which is greater than that between any two other countries (Senate Committee on Foreign Affairs, 1975:3), reflects a change in the international environment most aptly seen in the twenty years between 1960 and 1980.

(a) The Special Relationship

The international scenario following the Second World War is well known. The arrival of atomic, and subsequently of nuclear, weaponry onto the world stage had profound effects on the hierarchy of nations. The 1950s were dominated by the attempts of the United States and the Soviet Union to solidify their new international status as superpowers. The emergence of a bipolar system

In this period focused North American concerns upon the international environment, with a fear of the Soviet Union, pervading life during the Cold War. For their part, Canadians accepted and encouraged a leadership role for the United States, born of a certainty that in the end, Canada's interests lay with those of the United States in any international dispute. Canada equally encouraged the broadest possible international involvement on the part of the U.S., particularly in plans for the reconstruction and security of Western Europe.

The general similarity of Canadian and U.S. goals for world order and international security tended to minimize friction over global issues and imposed restraint in the handling of purely bilateral problem areas. When differences did arise over broader global issues, they were generally over specific tactics rather than over basic objectives or overall strategy. On the whole the analyst of that particular historical period is stuck by the extent to which the Cold War images of policy-makers in Ottawa and Washington converged (von Riekhoff, Sigler and Tomlin, 1979:10).

Lawrence Martin, in The Presidents and the Prime Ministers, contends that much of this goodwill stemmed from the relationship between Prime Minister Mackenzie King and President Franklin Delano Roosevelt (Martin, 1982). Roosevelt sustained an interest in Canada. "In office, he visited Canada more times than any other president, he had the prime ministers to Washington more than any other, and he kept the prime ministers more informed of major developments. He accorded Canada and

its leader the treatment of a major power. He came to know Canadians and Canadian issues" (Martin, 1982:8). The importance of personalities, however, is often exaggerated. Leaders of major countries are as a matter of course preoccupied by a host of problems above and beyond those of one bilateral relationship. Nevertheless, the harmonious alliance between Roosevelt and Mackenzie King did add stability to an already solid relationship.

It is from this period that the concept of the 'special relationship' came to be articulated. The term 'special relationship' is essentially an umbrella notion encompassing St. Laurent's prosaic description of friendly farmers, and the U.S. House of Representatives assessment that Canada is not to the United States a truly foreign country. The special relationship is characterized by relatively open access between Canada and the United States at all levels of government, enabling the quick and quiet resolution of many potential crises. This special character of the Canadian-American relationship, grounded in the fact that its impact "though unequal in its incidence on the two sides of the boundary, extends into virtually every aspect of the national life of each" (Merchant and Heeney, 1965:5), prompted Ambassadors Merchant and Heeney to remark in 1965 that "something more than the normal arrangement for the conduct of their affairs with one another" (1965:19) should exist. Furthermore, the articulation of the special relationship

led to the usage of the notion of 'quiet diplomacy', a unique form of publicly unobserved diplomatic communication devised to deal with the problems resulting from the close proximity of the partners and the pervasiveness of their relationship.

The Merchant-Heeney Report, Canada and the United States: Principles for Partnership, provides the focus for this notion of diplomatic understanding. In their report, Canadian-American 'quiet diplomacy' was recognized and encouraged as the norm of the relationship. "It is in the abiding interest of both countries that, wherever possible, divergent views between the two governments should be expressed and if possible resolved in private, through diplomatic channels" (1965:49). The pattern of quiet diplomacy which was then, and to some extent which would continue to be, the normal pattern for the conduct of Canadian-American relations has not always been favourably received. Lawrence Martin has commented that: "Much of the Canada-U.S. imagery presented to the rest of the world has been little more than imagery, little more than a reflection of the candy-coating called for in the Merchant-Heeney report..." (1982:7). Given recent assessments of the relationship, there does appear to exist reason for the suspicion that quiet diplomacy may have kept significant conflicts between Canadian and American governments out of the public eye.

Despite cries that the special relationship has acted

only to obfuscate the substance of Canadian-American relations, this 'specialness' did exist, at least in the immediate post-war period. The international climate, however, played a large part in determining the success of the relationship during this period. The United States had agreed to take an active role in the establishment and development of the post-war world, and Canada, largely as a result of the devastation suffered by the European nations during the Second World War, found itself in position of leadership and strength. The international orientation of the dyadic partners, accentuated by the apparent belligerence of the Soviet Union, lessened by comparison the importance of any bilateral difficulties. It would seem, however, that this period of "bilateral bliss" (Martin, 1982) was short-lived. By the 1970s, commentators had begun to hypothesize as to reasons for the apparent dissolution of the special relationship. As Lester B. Pearson himself has written of the period beginning in the early 1960s: "In recent years, the risk of all-out world war seems to have lessened. As one result, we have become more critical of some aspects of U.S. foreign policy" (Pearson, 1975:115). It appeared at least that the demise of the Cold War had engendered the demise of the special relationship.

(b) 1960-1962

The Diefenbaker-Kennedy years were turbulent ones in the development of Canadian-American relations. Much of

the battle was one of personalities. Diefenbaker "was suspicious of his [Kennedy's] wealth, youth, and arrogance. More importantly, he feared that his own star was being eclipsed by Kennedy's" (Martin, 1982:183).

Furthermore, the Conservatives as a party were committed to the assertion of "an independent national direction, in contradistinction to the 'Pearson pattern' which they saw as unduly acquiescent" (Bothwell, Drummond and English, 1981:208). The United States was seen as an inhibiting factor to the achievement of this independent national direction.

The irritants of the Canadian-American relationship were numerous during this period. Howard Green, Diefenbaker's Secretary of State for External Affairs, offended the American State Department in May of 1961 when he suggested that Canada could solve all American-Cuban problems in the wake of the Bay of Pigs fiasco. Kennedy, for his part, disregarded Diefenbaker's objections to the contrary when he appealed in a speech to Parliament that Canada join the Organization of American States. Personal relations between leaders were further complicated by the infamous "missing-memo affair" (Martin, 1982:191).

Diefenbaker was equally plagued by the nuclear weapons question; after cancelling production of a Canadian interceptor-fighter, the Canadian government bought American Bomarc missiles, but would not purchase the atomic warheads for which the missiles were designed

(Bothwell, Drummond and English, 1981:208). The Cuban missile crisis followed, leading to a serious dispute between the Canadian and American governments. Kennedy unilaterally announced that he had the full support and cooperation of the Canadian government in the matter of the missile crisis, which only succeeded in infuriating a Prime Minister already sensitive about perceived American intervention in Canadian affairs. The Diefenbaker government demanded its right to special consideration, based on the fact that Canada was an ally unlike all the others. Norman Robertson, then Under-Secretary of State for External Affairs, commented to Howard Green:

The information given to the Canadian Government of the United States intentions vis-à-vis Cuba does not seem to have constituted consultation as provided in these [NORAD] arrangements, as we understood them.... In fact it seems that the United States took a deliberate decision not to consult any of its allies in order to achieve maximum surprise and impact on the Soviet Union. The question arises for Canada whether the existence of NORAD presupposes special obligations which entitle Canada to special treatment over and above that accorded the other allies of the United States (Granatstein, 1981:353).

While the confrontation ended without an armed showdown, the confidence of the Canadian public in its government's ability to respond decisively to a crisis was shaken. In the recent study Canadian-U.S. Relations, the authors contend that the controversy surrounding the Cuban missile crisis "accompanied, and in fact actually

contributed to, the demise of the Diefenbaker government..." (von Riekhoff, Sigler and Tomlin, 1979:1).

Diefenbaker did not leave the prime ministership without a further indication of the extent to which Canadian-American relations had become embittered. Subsequent to the American publication of a hotly worded press statement castigating Canadian defence performance as well as several aspects of a recent Diefenbaker address, Diefenbaker took the unprecedented step of recalling his Ambassador to Washington (Martin, 1982:204). The significance of this action was obscured by Ambassador Ritchie's assessment that his absence would not be noticed or missed by those in Washington. He did, however, obey orders and return to Ottawa, but within a few days was back at his post (Martin, 1982:204).

The Diefenbaker period in office brought with it friction in Canadian-American relations, undermining to some degree the 'special' feeling of the special relationship. The disagreements, to some extent the result of personality conflicts, were, however, quickly overcome. Basil Robinson, then working in the Prime Minister's Office, has pointed out that while it seemed at the time that Canadian-American relations had reached such an acrimonious level that they would never recover, the turmoils of the Diefenbaker era were quickly forgotten with the election of Lester B. Pearson (Robinson, personal discussion). Peyton Lyon, author of

the most comprehensive study of Diefenbaker's impact on foreign relations (Canada in World Affairs, 1961-1963), has also commented that despite the damage which appeared to come from Diefenbaker's handling of Canadian-American relations, the development of that relationship after Diefenbaker's period in office was amazingly smooth (Lyon, personal discussion).

(c) 1963-1968

The period 1963-1968 was marked by generally constructive relations between Canada and the United States, highlighted by the January 1965 signing of the auto pact. The Pearson-Kennedy relationship, though short in duration, stood in absolute contrast to the Diefenbaker-Kennedy fiasco, and contributed to a rapid healing process in top-level North American relations. The United States, far from being preoccupied with Canada, found itself involved in a war of crusade-like proportions to halt the spread of communism in Vietnam. Canadian questions were of secondary importance, although Washington did complain about the irritant of Canadian export incentive legislation which was designed to encourage car exports, and which simultaneously provided incentive for American automotive companies to increase the relative importance of their Canadian operations (Bothwell, Drummond and English, 1981:324). The auto pact discussions were thus opened to create a loose free trade area for automobiles and auto parts between the two countries, a pact which, in the short term at least was

to have beneficial effects upon Canadian production, employment, and car exports. As Pearson himself wrote: "The Auto Pact's real economic advantage to Canada was confirmed from the first by the way in which the [Senators from the key auto parts states in the] Senate of the United States reacted to it. They wanted to scrap it or have it amended " (Pearson, 1975:128). Despite the significance of the agreement for the Canadian and American auto industry (and despite the significance of that industry to Canada and the United States), it was apparent at the signing ceremonies that neither of the U.S. signatories, President Johnson and Secretary of State Dean Rusk, knew much about the details of the agreement (Martin, 1982:219). Clearly, Canadian-American relations, even extremely significant economic relations, were not of foremost importance to White House officials.

The question of foreign ownership became a significant one during this period with the Mercantile Bank affair. Citibank of New York's acquisition of the Canadian Mercantile Bank, despite warnings to the contrary from Ottawa, "touched off one of the sharpest quarrels of the Johnson-Pearson period" (Martin, 1982:232). The Canadian government, increasingly aware of the extent of American penetration into the Canadian economy, had come to the conclusion that "there were certain institutions of Canadian economic and financial life that must never be allowed to fall under foreign control" (Pearson, 1975:130), and banks were foremost

among these. In fact, the Royal Commission on Canada's Economic Prospects had recommended that control of Canadian chartered banks should be in the hands of Canadians, going so far as to suggest that measures should be taken to prevent control passing into the hands of non-residents (Gordon, 1977:213). Citibank's acquisition of Mercantile prompted the Canadian government to introduce legislation requiring Citibank to sell at least 75 percent of its shares in Mercantile to Canadians. This action by the Canadian government brought forth some very strong, and to Pearson, almost offensive, representations from Citibank officials. The U.S. Ambassador to Canada, Walter Butterworth, lent his support to Citibank, firing off a toughly worded diplomatic note which demanded that the Canadian government back down or face retaliation (Martin, 1982:232). A compromise was eventually reached, though without the goodwill of Citibank, exempting Mercantile from the Canadian ownership provisions of the Bank Act for a temporary five-year period.

The majority of conflicts in the Canadian-American relationship until 1968 were not so much of an economic, or even an exclusively bilateral, nature, however, but were related to American international activities. In April of 1965, at a ceremony at Temple University during which Pearson was scheduled to receive the school's World Peace Award, the Prime Minister made a speech which was to antagonize the White House greatly. Pearson had

decided to use the occasion to protest the United States' continuous air campaign on North Vietnam, the 'Rolling Thunder' operation. Pearson had chosen to give his speech without prior warning to the White House, contrary to customary diplomatic procedure. Johnson, in his anger, invited Pearson to Camp David, where he let his feelings be known in verbal (and physical) abuse (Martin, 1982:19,225). Additionally, Canada's desire for a bilateral air agreement with the Soviet Union, which would allow Soviet aircraft to make stops in Newfoundland on their way to Cuba, also raised the ire of the White House. Johnson sent a message to Ottawa that the United States "would not tolerate such an agreement" (Martin, 1982:232). From the American press came criticism of what appeared to be moves by Ottawa toward recognition of the People's Republic of China. Secretary of State Dean Rusk complained to Canadian Ambassador Ed Ritchie that Canada was behaving as a neutral power on the International Control Commission in Vietnam rather than attempting to support the position of the United States. During this same period, the American government grew sensitive to the wave of anti-Americanism which was hitting its allies, including Canada.

During the Pearson-Johnson years, the Merchant-Heeney Report was published, recommending that quiet diplomacy be accepted as the norm for the conduct of diplomatic relations between Canada and the United

States. Overall, relations during these years were not hostile.² The major transformations which would affect the two countries in later years were beginning to take place, however. The United States began to suffer more severely from what had become a chronic balance-of-payments deficit, whereas Canadian economic performance, bolstered by the Auto Pact, was improving. Signs of potentially serious unemployment problems were making themselves apparent in both countries. Perhaps most significant, however, were the first indications of changes in the American perception of its world position. Vietnam was beginning to take its toll on American conviction that they should be the defenders of democracy throughout the world. Despite the fact that Pearson had recommended that as Canadians "we should exhibit a sympathetic understanding of the heavy burden of international responsibility borne by the United States" (1975:115), such was not to be the case. As the United States began to accept a "new reality" in the changing view of its world role, Canada became more critical of United States policy (Canadian-American Committee, 1972:11).

(d) 1969-1977

The early Nixon years have come to be regarded as a turning point in Canadian-American relations (see Appendix). Harald von Riekhoff and Brian Tomlin have pointed out that integrative trends in the relationship

began to decline in the period after 1965, accelerating "after 1969 and reaching an all-time low during the 1971 summer crisis over the Nixon Administration's new economic policies" (1982:5). Prior to the 1971 summer crisis, however, the relationship seemed plagued by much the same kind of irritant as that which affected the relationship before 1968. In September 1969, the Nixon administration announced its plans to explode a one-megaton nuclear device on the Aleutian Island of Amchitka. This decision was taken without prior consultation with Ottawa; a serious oversight given the proximity of Amchitka to Vancouver. This unilateralism on the part of the Nixon administration did much to fuel an already rampant anti-American sentiment in Canada.

During this same period, Prime Minister Trudeau effected a cutback in Canada's NATO troop commitment amid considerable public controversy. This had repercussions in the White House, as U.S. officials expressed concern that such a move on the part of Canada would fuel isolationist sentiment both in the United States and in other NATO allies. Nixon was equally irritated by an ever increasing draft dodger and deserter problem as the domestic and international protests against American involvement in Vietnam became more forceful, and was particularly upset at the ease with which deserters spilled into Canada. Trudeau's push for sovereignty in the Arctic, heightened by the voyages of the U.S. tanker

Manhattan (which "focused attention not only on the potential wealth of the region and the threats to its exceptionally frail ecology, but also on the doubtful status of Canada's claim to jurisdiction over the Arctic waters" — Lyon and Tomlin, 1979:183), was not welcomed by the U.S. administration. Ottawa's 1970 legislation establishing a one-hundred mile pollution control zone in the Arctic which Canada would enforce was widely seen as a back-door approach to sovereignty claims designed to appease Washington by not abrogating U.S. fishing rights in Canadian waters. This approach was not successful in quieting the U.S., however, for "Washington...reacted with angry words, and President Nixon's subsequent decision to reduce the quota of oil imports from Canada was widely regarded as retaliation" (Lyon and Tomlin, 1979:184). This appeared to be a rare instance of issue-linkage in the Canadian-American relationship, and thus a breach in the normal conduct of diplomatic relations between the two countries.

Even the Arctic sovereignty crisis and the subsequent unease in Canadian-American relations paled by comparison with the 'Nixon shocks' of August 15, 1971. The United States had been plagued by a persistent balance-of-payments problem, made worse by the spiralling U.S. expenditures in Vietnam. American problems were the result of a fundamental system disequilibrium, the roots of which lay in the European and Japanese refusals

throughout the 1960s to appreciate the value of their restored currencies. The U.S. dollar, on the other hand, was protected from devaluation by the fact that it formed the basis of the capitalist world's economic system; the effect of which was the ability of the U.S. to finance its debts (primarily incurred by Vietnam) by selling ever increasing amounts of dollars. In effect, the United States was artificially propping up its currency by printing more money, money which was nominally backed by a gold standard. The printing of excess dollars fueled inflation, however, and inflation was becoming an ever more serious problem in the early 1970s. The European allies, for their part, were largely accepting and holding this infusion of American dollars, in order that the United States might resolve its balance-of-payments deficit.

The United States' position with regard to its balance-of-payments crisis was tenuous. The economic system was maintained to an extent by the willingness of the United States' allies to hold dollars, and as the dollar crisis worsened, the cooperation of the Europeans became more crucial. Despite the fact that the Europeans and the Japanese complained about the growing American deficit, they would assume no responsibility for their growing surpluses. The Germans and the Japanese remained intransigent regarding any proposals to revalue their currencies. France unilaterally reduced its dollar

holdings to a minimum, while calling for a return to the rigid application of the gold standard (Spero, 1977:49). It was becoming increasingly apparent that the United States could no longer count on the unquestioning support of its allies in times when it was not seen as the clear-cut economic giant of the industrialized world.

Against this background, Canada was experiencing surprising economic strength. Canada's dollar, floating since early June 1970, had risen up to par from 92¢ U.S. within a year. Canada's merchandise trade balance with the U.S., responsible for Canada's surplus position in its overall balance-of-payments, had been greatly helped by the shift in the bilateral balance on automotive products following the 1965 Auto Pact (Canadian-American Committee, 1972:7). Most significantly for the Canadian-American relationship, Washington officials began to notice the contrasting global situation between the two countries; "a basic U.S. deficit averaging \$5 billion over 1969-71 versus a Canadian surplus averaging over \$1 billion for these years" (Canadian-American Committee, 1972:12). The significance of Nixon's 1971 economic shocks was apparent in the different perceptions of this economic situation in the two capitals. "The opinion now prevailing [in Washington] is that Canada's new surplus position with the United States is soundly based and likely to persist...Canadians [however] are inclined to attribute their recent success to a

fortuitous coincidence of temporary influences and thus fear a return to traditionally large bilateral deficits..." (Canadian-American Committee, 1972:12).

On August 15, 1971, therefore, the Nixon administration, without consultation with its allies, took serious measures in an attempt to redress the economic problems of the United States. Nixon announced that the convertibility of the U.S. dollar into gold or any other reserve asset was suspended, effectively ending the relative currency stability of the period ruled by the gold standard. More significantly for Canada, however, the United States imposed a 10 percent surcharge on dutiable imports. Canadians were shocked to learn that the U.S. had no intention of exempting Canada from the surcharge provision of the Nixon administration, that Canada had been "made a target — not through an oversight, as on previous occasions, but as a result of U.S. measures that were clearly directed by U.S. Treasury Secretary John Connally at Canada as well as at Western Europe and Japan" (von Riekhoff, Sigler and Tomlin, 1979:20). While this action was sensible from an American point of view, given their assumption that the Canadian merchandise trade surplus with the U.S. was soundly based, it did raise serious concerns in Ottawa. The longer-term results of the Nixon shocks were not as serious in Canada as the initial doom and gloom forecasts had predicted, however (Lyon and Tomlin point out in fact

that "Canada escaped lightly from the Nixon-Connally economic offensive of 1971, and for several years...the prospects for the Canadian economy were better than those of the United States" —1979:123). The manner in which these economic measures were announced and carried out did mark a change in the previous conduct of Canadian-American relations, however. "Historically, Canada had come to expect immunity or partial immunity from such sweeping trade strokes. Historically, ample advance consultation would precede such a bold bilateral move. This time, there was neither" (Martin, 1982:243). Clearly, in Washington, Canada was no longer the close neighbour whose problems were those of the hometown. Perhaps for the first time in the post war period, Canada was seen by U.S. officials as a component part of their economic problems.

A host of other difficulties confronted the relationship at this time. Ottawa was blocking the American desire to transport oil from Prudhoe Bay, Alaska, in tankers along the Canadian coast. Washington was angering Ottawa with proposals to establish the Domestic International Sales Corporation (DISC). Ottawa was holding back on uranium sales to the U.S. Problems existed with defence production sharing arrangements, with the Auto Pact, with U.S. policy in Vietnam, and with Prime Minister Trudeau's apparent concessionary approach to the Soviet Union. It is in this climate that Nixon

made his 'more mature relationship' speech to the Canadian Parliament during an official visit to Ottawa in April 1972. Nixon's speech emphasized the need for mature partners to develop "autonomous independent policies" in order to ensure that each partner be self-reliant (Martin, 1982:251). This changed the fundamental assumptions of the special relationship. As John Holmes has pointed out, however, Nixon was "not so much recognizing the Canadian right to independence as proclaiming an American independence of special obligations" (1976:248).

Canada reacted to this articulated desire of the United States to change the nature of the Canadian-American relationship with unusual speed. "The shock effect of the August decrees provided a sense of urgency and produced a degree of consensus among federal government departments that had been notably absent..." (von Riekhoff, 1978:87). The principle of "consciously seeking to diminish Canadian dependence on, and vulnerability to, the United States" (von Riekhoff, 1978:88) became a guiding one for Cabinet, and was reflected in Mitchell Sharp's 'Third Option' paper; "Canada-U.S. Relations: Options for the Future." The paper, the thrust of which was toward the development of an industrial strategy for Canada, was in itself an explicit favouring of a foreign policy which attempted to reduce Canada's economic dependence on the United States,

and pointed in the direction of diversification of Canada's international transactions as a means to accomplish this reduction (Sharp, 1972). While over the long-term the strategy outlined by the Third Option paper was not pursued energetically enough to bring about any significant change in the nature of the Canadian-American trade relationship, it did indicate a change in the perception of the United States by Ottawa officials.

Economic unease in the Canadian-American relationship was often overshadowed in the 1972-1974 period by the Watergate scandal and the OPEC oil crisis on the one hand, and by the international disgust with the Vietnam situation on the other. A resolution was approved in Parliament condemning the American bombing raids in Cambodia of December 1972 which infuriated Nixon and Kissinger beyond any economic irritants. As a result of this public condemnation, Canada was cut off. "For months, the doors were closed to Ambassador Cadieux. Phone calls from Ottawa were not returned. The administration sent low-level officials to Canadian functions which clearly warranted top people" (Martin, 1982:256). Canada was not on the White House's favorite neighbour list. In addition, Canada withdrew its participation from the International Commission of Control and Supervision in Vietnam (ICCS) after the Commission proved to be ineffectual in bringing about any solution to the Vietnam problem. The Canadian withdrawal was earlier

than desired by Washington, leaving American officials with the feeling that they had been deserted by their ally and neighbour. The potentially serious effects of these Canadian moves were obscured by the heating up of the Watergate scandal, which diminished American contacts with all countries, including Canada. The establishment of the Foreign Investment Review Agency (FIRA) at this time, while irritating to White House officials, was equally overshadowed by Washington's far greater domestic concerns.

The Watergate years were ended with the Nixon resignation and the start of the Ford presidency. Troubled by serious domestic doubts which went to the core of the American system, the U.S. let slip many of its day-to-day concerns. The wounds of Vietnam were becoming more apparent — the United States was less able, and less willing, to assume its leadership role as the strength of the Western European allies grew more significant. Equally, Congress was beginning to exhibit stronger regional pressures and to clamour for protectionist measures in the resurgence of a new manifestation of a sentiment of nationalist isolation. The United States, in many respects due to the hardship of the Vietnam experience, felt shaken as to the legitimacy of its continued hegemonic role in military matters, as well as to the desirability of such a role. A survey reflecting changing U.S. attitudes illustrates this point. In response to the statement: "We shouldn't think so much

in international terms but concentrate more on our own national problems and building up our strength and prosperity here at home", the distribution of opinion over three time periods was as follows:

	<u>% of Sample</u>		
	<u>1964</u>	<u>1968</u>	<u>1971</u>
Agree	55%	60%	77%
Disagree	32	31	16
No opinion	13	9	7 (Canadian-American Committee, 1972:35)

The significant change in public perception from 1964-1971 reflects both doubt as a result of the Vietnam experience and an understanding of the international trends developing in the 1970s. Economic strength began to assume priority over military superiority (not that the military quest was abandoned, particularly by Pentagon staffers), and the United States faced stiffer economic competition. In 1972, the Canadian-American Committee assessed the developing situation in the following terms:

The world is no longer seen simply in bipolar terms, dominated by two thermonuclear superpowers of incompatible ideology, but more as one led by several economic superpowers, of which three (the European community, Japan and the United States) presently dominate international commerce and finance, potentially to be joined by the Soviet Union and China (1972:36).

Economic concerns were becoming paramount, and for the United States, Canada was 'un pays comme tous les autres', deserving of no special exemption or distinction. As both countries struggled to redefine their roles in a changing

environment, they were often at loggerheads.

As its role in world economic and political arenas evolved, the United States had become less willing to differentiate its policies to give Canada the special considerations it had received in the past.... Meanwhile, Canada was directing its policy initiatives toward reducing an apparent vulnerability to the United States and achieving a more distinct identity in economic, cultural, and foreign affairs (Canada-American Committee, 1978:1).

Each country's attempts to define a programme to compete with tougher international strategies seemed to have changed the fundamentals of the Canadian-American relationship.

(e) 1978-1980

The period beginning in 1977 and lasting through 1980 appeared to signify a new era in Canadian-American relations. Prime Minister Trudeau and President Carter were on good personal terms; terms which have been referred to as a "brotherhood of distress" shared as Trudeau and Carter felt themselves to be "unjustly buried under their respective troubles" (Nelles, 1982:28). During the Carter presidency, Washington and Ottawa signed an agreement to construct a multi-million dollar Alaska natural gas pipeline. In the winter of 1977, Ottawa approved the emergency export of oil and gas to the United States to help them through severe fuel shortages. The U.S. agreed to stall construction on the

Garrison Diversion project. Though an interim agreement to ease territorial disputes in east-coast fisheries was reached, it only signalled the onset of the "east coast fisheries follies" (Martin, 1982:269), where agreements with the White House also had to be sold to individual Congressmen and lobby groups.

The fisheries treaty was signed between Ottawa and Washington in early 1979. The treaty, however, never made it to the Senate floor for ratification, perishing instead in the Senate Foreign Relations Committee due to the vigorous protest of New England Senators pushing their regional concerns. Political parties have lost the clout to sway their members' votes in U.S. politics, making the passing of legislation increasingly more difficult for the President, no matter the party distribution in the Senate. In addition, the power of individual lobby groups has been growing in Washington, providing additional competition for the ears of senators. Given those circumstances, Canada could not have hoped to have its interests heard without strong representation on the part of the White House.

Such strong representation was not forthcoming. The Carter White House was troubled by more than its share of difficulties. The SALT II treaty was of greater concern to Washington officials than the Canadian fisheries treaty, and was consuming much of its time. Carter also experienced serious economic problems, as did Canada, in

the form of rampant inflation and rising unemployment. The Soviets grew bolder, invading Afghanistan without receiving a coherent and effective NATO alliance rebuke in response. (The Olympic Boycott and grain shipment halts were marked by alliance hesitation and dissension rather than by effective response.) Canada, meanwhile, was coming to grips with its own problems as the Parti Québécois came to power, won re-election and continued to pose a threat to Canadian unity. The ineffectiveness of the Carter White House was made clearly visible when a group of Iranian 'students' took the staffers of the American embassy in Tehran hostage. That a small country could humiliate the giant U.S. for over a year seemed a symptom of all that was wrong with the declining power, and fueled a return to a 'traditional' American role in the 1980 U.S. election.

Canada did win the love of the United States, however, when its Ambassador to Tehran, Kenneth Taylor, hid and brought to safety six Americans who had escaped immediate captivity in the embassy compound during the takeover by Iranian protesters. While there was a tremendous outpouring of affection from the relieved Americans, such affection did not translate itself into tangible benefits; the Senate, for instance, did not decide to ratify the fisheries treaty as a gesture of thanks. Stephen Clarkson has commented that as the Carter administration drew to a close, "no longer could

the Canadian-American relationship be judged just by the friendliness of the American president or the American public towards their northern neighbour" (1982:16).

During the final days of the Carter regime, Ottawa introduced the National Energy Program, which "proposed the reduction in the American control and ownership of Canadian energy resources from 75 percent to 50 percent" (Martin, 1982:276).

The National Energy Program was the culmination of a rethinking process by economists in the Department of Energy, Mines and Resources spurred initially by the world oil crisis of 1973. Stephen Clarkson has argued that it is possible to see the main thrusts in federal energy policy which evolved through the 1970s and which were consolidated and intensified in the NEP. He identifies these thrusts as firstly, the priority of freedom from oil imports; secondly, the target of greater participation by Canadians in the oil industry; thirdly, the assertion of federal paramountcy over resources as far as pricing and regulating were concerned; and fourthly, the extraction of industrial benefits for Canadian manufacturers in central Canada from the huge megaprojects still to be built (1982:61-67). Though the National Energy Program marked a departure from the normal Canadian orientation toward the bilateral energy relationship (where Canada largely complied with American assessments which considered "Canada our own for energy

purposes" — Clarkson, 1982:60), it was not directed primarily at American ownership of the Canadian oil industry, but rather toward "price increases and tax shifts to capture more economic rent for the federal government" (Clarkson, 1982:68), as well as toward a shift in the balance of power in Canadian federal-provincial relations.

The Canadian government seemed more intent than ever to reduce the Canadian dependence upon, and vulnerability to, the United States. Lawrence Martin, in his analysis of the years since 1960, concluded that: "The wounds suffered in American pride in the sixties and seventies were grievous — Vietnam, racial riots, assassinations, Watergate, economic decline, Soviet advances. Canadians and their prime minister weren't so sure they wanted to associate so closely with a falling giant" (1982:278). While this description may be simplistic, there did appear to have been a change in the conduct of Canadian-American relations over the twenty year period. This change may be attributable to the maturing of partners, as Nixon claimed in his 1972 address to Parliament, or may be the result of the more fundamental shifts occurring on both international and domestic levels. The United States sought to recover from the aftermath of Vietnam and Watergate, Canada attempted to come to grips with provincial divisiveness exemplified by the election in Québec of the Parti

Québécois, and the OPEC oil price increases continued to compound international uncertainties. The American Congress became more powerful in the 1970s, responding more directly to regional pressures and creating difficulties for nations attempting to negotiate treaties with the United States. Both countries also suffered through sharply worsening economic conditions, trying to deal simultaneously with the problems of inflations and unemployment.

The study of Canadian-American relations reveals ties fraught with crisis, relations which seem in a detailed analysis filled with uncertainty and doubt. The tendency exists in a day-by-day examination of any relationship to assume that every instance of disagreement is of the greatest significance, that every crisis will cause the relationship irreparable harm. This close examination, however, can obscure any truly significant change in the relationship, for in centering on the importance of each dispute, relationship trends can be concealed. Perhaps John Holmes has best evaluated this situation. He writes:

In the 1980s we are, needless to say, in a critical phase of the relationship between Canada and the United States. We always are. An illusion that goads us is that there is a solution, some understanding that would end all conflict, settle disputes by rule of law or perhaps do away with them altogether.... The first principle to accept is that crisis is normal

and more often than not, therefore,
no crisis (1981:2-3).

Many of the crises in the 1960-1980 period of
Canadian-American relations must be seen in this light.

CHAPTER II

A SELECTED REVIEW OF INTERDEPENDENCE LITERATURE:

THE POWER-DEPENDENCE RELATIONSHIP.

A review of the literature on post-war Canadian foreign policy and international relations brings to light two main perspectives. David Dewitt and John Kirton have classified this division as the "great debate between the 'middle power' versus 'satellite' perspectives of Canada's international position" (1982:1). The middle power perspective is advanced by authors of the 'liberal-internationalist' position on Canadian foreign policy, while the satellite perspective is advanced by subscribers to the theory of 'peripheral dependence.'

The liberal-internationalists, men such as Lester Pearson, John Holmes and Escott Reid, saw Canada emerge as an "extraordinarily committed and constructive world citizen, arguably the most internationalist nation in the global system" (Lyon and Tomlin, 1979:1). From the liberal-internationalist perspective, Canada's strength derives from its solid middle-power status, which depends upon active participation in the world system, and relatively continuous contact with other actors. These diverse contacts help to balance its pervasive ties with the United States. Additionally, reliance on joint

organizations within the North American context allows Canadian-American problems to be dealt with quietly, in fact removing them altogether from the political agenda. This derives from the practice of quiet diplomacy, established to deal with potentially explosive difficulties in order that the "level of friction on subordinate North American issues...[does] not impede, through the preoccupation of leaders or the deterioration of the diplomatic atmosphere, an effective dialogue on more significant multilateral issues" (Dewitt and Kirton, 1982:16-17). Essentially, the liberal-internationalists credit Canada with an active international concern and an overwhelming conscience, compelling the country to offer its services wherever needed, at whatever cost. This perspective, however, downplays the significance of problematic ties between Canada and the United States, treating potential difficulties as nuisances of North American life having little import to designers of Canadian foreign policy, for whom the international scene is more interesting and possessing of greater opportunities for Canada. Many internationalists have suggested that "Canada...was well on the way to becoming the world's first 'international' nation, a development that strengthened its sense of purpose, national identity, and resolve to resist total absorption into the American system" (Lyon and Tomlin, 1979:1). From the middle-power perspective, Canada is the international system's knight in shining armour, committed to far greater pursuits than

the solution of North America's bilateral difficulties.

The peripheral-dependence perspective, on the other hand, rejects this evaluation of Canada's internationalist tradition. According to promoters of this position, Canada's "post-war internationalism was at best exaggerated, and at worst a smoke screen behind which Canada was incorporated into the American empire" (Lyon and Tomlin, 1979:2). Therein lies the essence of the 'satellite' perspective, articulated by such authors as Kari Levitt, George Grant and Walter Gordon. Canada's nationhood has been but an evolution from British colony to American satellite. Pearson's comment that: "We like to think of ourselves as strong and free and are worried that we may have gone merely from the colonial frying pan into the continental fire" (1975:114) would find agreement among the peripheral-dependence authors. The early pattern of American economic dominance over Canada, resulting in a heavily U.S.-owned and controlled production sector, has left Canada obsessed with the U.S., thus accentuating its subordinate status (Dewitt and Kirton, 1982:24). As a result, Canada's foreign contacts with countries outside the bilateral framework are sporadic and issue-specific, not born of a continuing concern for the international environment. Throughout the international system, reasons the peripheral-dependence scholar, Canada's relative inactivity and inattention are unnoticed, largely because it is not seen as possessing interests or concerns greatly different from those of the

United States (Dewitt and Kirton, 1982:25).

While the liberal-internationalist proponent seems to underrate the significance of the Canada-U.S. dyad on the conduct of Canadian affairs, it appears equally true that the peripheral-dependence author has overestimated its importance. Certainly, for example, Canada is perceived as distinct from the United States by nations abroad, though a commonality of interests in some areas is understood as the natural consequence of the sharing of a continent between two similar countries. In interviews with over one hundred individuals in twenty-seven foreign capitals during the winter of 1975-76, the Canadian International Image Study (CIIS) found that Canada is largely perceived as an independent actor. In response to the statement: "Compared to most other countries, Canada acts independently in world affairs," three-fifths of the foreign elite concurred and only 15 percent dissented (Lyon and Tomlin, 1979:84). In response to the same statement, on the other hand, three-fifths of the Canadian elite dissented—perhaps indicating that Canadian fears of and obsessions with the United States have grown beyond all proportion.

What is clear, even in a cursory analysis of these two approaches, however, is that they do not capture the essence of the Canadian-American relationship. Canada is neither a wholly 'international' country, the problems of the world thought of as Canadian problems, nor a wholly dependent country, a mere chattel of the United States.

Somewhere between these extremes lies the truth of Canadian-American relations. The truth, however, must come to grips with the one undeniable fact of the Canadian-American relationship, a fact which neither of the preceding perspectives ignores. The Canadian-American relationship is, above all, an asymmetrical one.

(a) Asymmetrical Interdependence

An asymmetrical relationship is one between unequal partners. An asymmetrically interdependent relationship, while also between unequal partners, holds the potential for power to be derived from the relationship and for it to be used as leverage. It is this introduction of the element of power which underlies the political interest in the study of asymmetry.

The presence of a relationship, of ties between partners, does not necessarily signify the presence of interdependent relations. Interdependence is in effect "mutual dependence" (Keohane and Nye, 1977:8), or a mutual "external reliance on other actors" (Caporaso, 1978b:1). Interdependence involves "reciprocal...costly effects of transactions" (Keohane and Nye, 1977:9); for interdependence to exist, "events occurring in any given part or within any given component unit of a world system" must to some extent "affect (either physically or perceptually) events taking place in each of the other parts or component units of the system" (Young, 1969:726). Transactions (defined simply as "flows of

money, goods, people and messages across international boundaries" — Keohane and Nye, 1977:8-9) which do not involve costly reciprocal effects are signs of interconnectedness (Keohane and Nye, 1977:9).

Interdependence is rarely symmetrical. Just as situations of complete dependence (or pure asymmetric interdependence) are rare, so are situations of absolutely symmetrical interdependence (Caporaso, 1978a:18). This may be fortunate, for any absolute rarely provides an interesting case in the study of influence or power. As Robert Keohane and Joseph Nye have written:

It is asymmetries in dependence that are most likely to provide sources of influence for actors in their dealings with one another. Less dependent actors can often use the interdependent relationship as a source of power in bargaining over an issue and perhaps to affect other issues. At the other extreme from pure symmetry is pure dependence...; but it too is rare. Most cases lie between these two extremes. And that is where the heart of the political bargaining process of interdependence lies (1977:11).

Simply stated, uneven or asymmetrical interdependence is a source of power; a power which derives from the very nature of the interdependent relationship. "Where one of two countries is less dependent than the other, it can play upon this fact to manipulate the relationship" (Nye, 1976:132). It is then the relationship between power and interdependence which is of particular interest in foreign policy analysis, as this relationship presents partners with opportunities to manipulate each other.

(b) The Power Relationship

James Caporaso contends that the first link between power and dependence is that "structural asymmetries are a basis for power, i.e., these asymmetries provide the resources to affect others by depriving them of the desired exchange goods" (1978a:28). This power, deriving from the asymmetrical relationship, can be translated into decisional power; that is, the less dependent actor in a specific situation can threaten to use the resources available to it by virtue of the structural asymmetry to bring about intolerable costs to the more dependent partner. (For example, the less dependent partner can threaten to withdraw access to an important, imperfectly-substituted good which it supplies the more dependent party). In this manner, the ability to influence is a function of a decision taken by the less dependent partner, the basis of which lies in the structure of the relationship.

The dependence upon another for the supply of an important good does not necessarily establish the potential for an influence relationship; of itself, it does not necessarily constitute a dependence relation at all. Kenneth Waltz has commented that: "The nearness of a country's approach to autarky cannot be measured simply by amounts imported" for it is "not possession but

reliability of access that counts" (1970:211). In particular, Waltz points to the ~~security~~ security of the United States in its trade of bauxite and nickel from Latin America and Canada (1970:211). It is apparent, therefore, that it is not merely the ownership of important resources which gives power to any one partner. The question must be raised, therefore: What is power and how is it obtained?

Robert Dahl has devised what has come to be regarded as the classical definition of power. His interpretation of power as a relational attribute ("A has power over B to the extent that he can get B to do something that B would, not otherwise do" — 1969:80) has formed the basis of our understanding of the term. Dahl also speaks of the base of power, the means used to exert power, the amount or extent of power and the range or scope of power in his attempt to fashion an all-encompassing definition (1969:80-81). John Harsanyi adds a further two variables to Dahl's list; the costs of A's power over B (seen as the opportunity costs to A of attempting to influence B's behaviour) and the strength of A's power over B (seen as the opportunity cost to B of refusing to do what A wants him to do) (1969:227). Harsanyi's additional variables clearly add depth to an understanding of the functioning of the power relationship, as the costs to A or B need not be constant at all points in time, but may fluctuate along a continuum for any number of reasons even though the

'givens' of power (seen in Dahl's first four variables) may remain unchanged. Peter Bachrach and Morton Baratz add even further to the original conception of power in their analysis of the fundamental relational attribute of power. They write that power "cannot be possessed; that, to the contrary, the successful exercise of power is dependent upon the relative importance of conflicting values in the mind of the recipient in the power relationship" (1969:101). In effect, Bachrach and Baratz speculate that power can only be said to exist if the recipient is willing to abandon a set of conflicting values in the face of pressure; that power is only successful if the recipient backs down. This characterization of power relates directly to Harsanyi's inclusion of the notion of the opportunity costs of power; in particular, of the strength of A's power over B.

While these definitions do provide an idea as to what constitutes power, they give little idea as to the actual workings of power, nor do they provide insight as to the differences between power and influence (terms which are used interchangeably throughout their writings). Arnold Wolfers however comments that: "It is appropriate..., to distinguish between power and influence, the first to mean the ability to move others by the threat or infliction of deprivations, the latter to mean the ability to do so through promises or grants of benefits" (1962:103). While

this is obviously an oversimplification — influence is not only positive inducements and power is not only negative sanctions — it does serve to establish some delineation, however arbitrary, between the two terms. As Wolfers himself points out, "influence usually comes out second best in the competition with power" (1962:108). After all, a party is less likely to feel compelled to act against its wishes if it can expect promises or grants of benefits than if it sees as imminent the threat or infliction of deprivations. Power and influence are in fact the two sides of the same coin, and thus form the foundation of foreign policy. As Wolfers points out, power and influence "share the role of being the means par excellence of foreign policy. No country that has any external objectives can hope to attain them and yet operate without some degree of power and influence" (1962:105).

James Caporaso describes a further linkage between dependence and power which explains to some degree Kenneth Waltz's observation that reliance on imports does not necessarily constitute dependence; and therefore is not a power relation. Caporaso speaks of a 'structural power' quite different from the 'decisional power' which derives from the asymmetric relationship. Caporaso writes that:

...dependence, quite apart from its consequences for manifest decisional power, is itself a form of value-allocating process. Unlike most analyses of power, where the resources and capabilities of actors

are treated as inert and passive, the capabilities, structural positions, and asymmetric dependent relations are themselves capable of leading to certain distributions of values quite apart from the overt decisional process (1978a:28-29).

Caporaso here seems to be pointing to the power which arises out of the very nature of the relationship, for the mere existence of an asymmetrical structure predisposes the unequal relationship to operate in a prescribed manner. In this way, as Waltz points out, reliability of supply can be assured for the dominant relationship partner, as the asymmetrical structure has dictated that the lesser partner supply the dominant partner as a matter of course.

This assumption of the distribution of benefits from an asymmetrically dependent relationship is of itself only valid if the relationship is one of pure dependence, for in that way the structural properties of the relationship will on all issues and in all sectors favour the wholly independent party. Since, as has already been argued, it is unrealistic to expect that any relationship can be one of pure dependence or absolute asymmetry, it is also unrealistic to assume that structural asymmetry will always favour one party. It is the fact that the relationship is asymmetrically interdependent, that parties to the relationship are subject to reciprocal costly effects, which allows us to consider the impact of decisional power and the discretionary usage of this power. If a relationship is one of pure dependence, of

course, decisional power is of no import; the superordinate state will not need to apply any threat of sanction as the structure of the asymmetrical relationship will have preordained an always unequal pattern of relations.

Perhaps the best delineation of decisional power has been outlined by Jeffrey Hart. In his article, "Three Approaches to the Measurement of Power in International Relations," Hart outlines power as 'control over resources', 'control over actors', and 'control over events and outcomes' (see Hart, 1976). Caporaso's discussion of the decisional power which derives from the structural properties of an asymmetrical relationship corresponds most closely to Hart's first category, that of 'control over resources'. Hart terms this approach to the measurement of power "the most widely used and accepted approach to the study of national power" (1976:289). It is usually measured using such figures as gross national product, military expenditures and population (1976:289), providing raw data on the resources capability of any one actor. While these resources do derive from the structure of an asymmetrical relationship (one party will have greater capabilities than the other as a matter of definition), Hart points out that this approach to measurement rests on the assumption that "control over resources can be converted into control over actors or events" (1976:290). It would be simplistic to assume that

any country is always ~~able~~ or willing to convert its control over resources into power which can be effectively used, or, as Harsanyi points out, can bear the opportunity cost of effectively doing so (1969:227).

Robert Dahl's definition of power most closely corresponds to Hart's 'control over actors' approach; as Hart himself mentions, "...Dahl's definition of power as the ability of A to get B to do something which he would otherwise not do is a control over actors definition" (1976:291). As with Dahl's definition, Hart's 'control over actors' category is a difficult concept to measure. It has a multitude of facets and implies a multitude of possible outcomes, all of which cause conceptual problems, as well as considerable difficulty of measurement. In its complexity, however, the 'control over actors' approach approximates better than the 'control over resources' perspective the intricacies of power. In situations of asymmetric interdependence, both parties have some power, or some potential to exercise power.

The reason for the mutuality of power, even in asymmetric relationships, is that power is defined in terms of desired outcomes for the more powerful actor. If A has more power over B than visa versa, then B can still threaten noncompliance (at high cost, perhaps) in order to change A's behaviour (Hart, 1976:292).

The permutations of possible outcomes in considering the costs to both the dominant and dependent party in any situation make this approach difficult to evaluate. The 'control over actors' perspective, however, does take into

account the complexities of decision making on a national level. For example, Peyton Lyon has written that in their concern to strengthen Canada's autonomy vis-à-vis the United States, approximately three-fourths of Canadian decision makers "would give high priority to measures designed to increase Canada's control over its economy, even if this were to mean a reduction in living standards" (Lyon, 1976:24). Hart's control over actors' approach allows the researcher to consider what would seem to be the unpredictable, such as the nationalistic concerns of subordinate party decision-makers. A strict adherence to the 'control over resources' measurement method would not lead to a prediction contrary to the asymmetric pattern of resource distribution, and would thus favour the dominant party in any specific test of power.

Jeffery Hart's last characterization of power is defined in the 'control over events and outcomes' approach. Hart stipulates that this characterization of power is "based on a rational choice theory of power, in which the reasons for controlling resources or other actors arise out of the desire to achieve certain outcomes" (1976:296). A consideration of all possible outcomes, however, remains as complex as the 'control over actors' approach. Hart therefore chooses to make explicit a linkage between actions and events, and events and outcomes, as opposed to between actions and outcomes. He views events both as more salient to the actor and more

easily discernible for the researcher, given that there will be fewer events than possible outcomes, but that each event will be associated with at least one outcome (see Hart, 1976:296). While it is perhaps accurate that events are more discrete, and therefore far easier to deal with in an interim step between actions and outcomes, a concentrated study of events and associated outcomes does not necessarily reveal anything about the use of power over the long-term. (Of course, the study of 'control over resources' or 'control over actors' in particular situations equally does not necessarily reveal any clue as to the nature of power and its successful use in the long term). Yet it is precisely the study of power in the long term—the total of victories in the 'win' column versus defeats in the 'loss' column—which provides insight into the analysis of relationship trends.

Robert Keohane and Joseph Nye have attempted a long-term study of power precisely by focussing on discrete, identifiable events in Canadian-American relations (see Keohane and Nye, 1977). They have determined through their analysis (using only conflicts which reached the American presidential agenda), that Canada has 'won' more than its share of contentious issues in disputes with the United States, particularly in the post-war period, peaking in the 1960s. This focus on events and outcomes has led analysts to criticize that in this case, "Canada... could be winning the battles and

losing the war" (Lyon, 1976:22). As a Canadian official admitted, "We may win a lot of games,....but we are playing in the Americans' ball park, in accordance with their rules" (Lyon, 1976:22). Equally, the subordinate state, in this case Canada, may be choosing to take an aggressive stand only on those issues which it feels it can win, over which it feels it can exercise some 'control over events and outcomes.' A study guided by outcomes and discrete events may indicate the successful utilization of power in specific situations, but may not, for this very reason, be of much use in an analysis of relationship trends. A subordinate country may perhaps wisely decide against fighting a battle which seems predetermined by what Caporaso has listed as the structural power deriving from an asymmetrically interdependent relationship. While the subordinate country may therefore collect an impressive array of 'wins', these issues may not indicate the nature or trend of the overall relationship.

Power can be used effectively in an asymmetric relationship since power derives from such a relationship. Yet power is not as obvious as the most commonly used method of measuring it, the 'control over resources' approach, would suggest. While asymmetrical interdependence also implies an asymmetry of power, it does not imply an absence of power for the subordinate country. The manner in which power can affect such a relationship, and the facets of the relationship which are affected, are therefore of particular importance in

understanding the relationship between power and interdependence.

It is logical to assume that each successful exercise of power in an asymmetrically interdependent relationship will not lead to an identical response in every case. The successful use of power can lead to more serious consequences in some instances than in others. This is due to the fact that in not all cases is the partner against whom power is being brought to bear equally responsive or likely to suffer equal costs.

(c) Sensitivity and Vulnerability Interdependence

There has been, as Pierre Hassner has pointed out, an ever growing synthesis on both the conceptual and empirical levels in a discussion of the nature of interdependence (1975:404). In particular, there has been a growth in academic consensus over the use of sensitivity interdependence and vulnerability interdependence in the analysis of asymmetrical relations. Robert Keohane and Joseph Nye have been leaders in distinguishing between the two forms of interdependence and their impact on foreign policy (Richardson, 1981:88). Sensitivity interdependence deals with "degrees of responsiveness within a policy framework" (Keohane and Nye, 1977:12). It involves the existence of a structure of relations within which partners to an independent relationship are responsive to each other (Keohane and Nye, 1973a:160). Neil Richardson captures an important feature of sensitivity in stating

that it refers to "situations where an asymmetrically dependent country may, if necessary, adjust with little difficulty or long-run costs" (1981:88) to changes in the distribution of benefits within the asymmetrical relationship. A partner is sensitive, for example, if it can adapt to an abrupt change in trade relations within an asymmetrical relationship without necessitating a change in the structural framework. Sensitivity is measured by "the costly effects of changes in transactions on...societies or governments" (Keohane and Nye, 1977:12). Sensitivity interdependence measures the costs of transaction change within an existing structure, and as such, it effectively measures the "intensity of relations or the impossibility escaping the direct or indirect influence of external events" (Hassner, 1975:404). A country is interdependent, by this standard, if it suffers costly effects of transactions, and thus fulfills the most basic condition of interdependence as outlined by Oran Young.

Vulnerability, on the other hand, examines the costs of shifting policy frameworks, and rests "on the relative availability and costliness of the alternatives that various actors face" (Keohane and Nye, 1977:13). Vulnerability describes long-term costs, the "condition of an economically dependent country that would suffer long-run dislocations from...an interruption [of transaction flows], being unable to adjust with relative

ease or success" (Richardson, 1981:89). Vulnerability is distinct from sensitivity, and neither need exist in a parallel relationship with the other. As Pierre Hassner has written, sensitivity deals with interdependence on a process level (A alters the pattern of its transactions with B. B is sensitive if it suffers some costly effect, no matter how small), whereas vulnerability is concerned with interdependence on a structural level (can B make any changes to overcome the costly effects inherent in A's actions, and at what cost?).

The importance of vulnerability interdependence is its emphasis on potential costs, rather than on the actual costs implied in sensitivity interdependence. (see Keohane and Nye, 1973b:124). Its primary importance in an analysis of interdependence and power is its consideration of mutual perceptions. This evaluation of power is based on the perception that state A stands to lose less as a result of a structural distortion than state B (Keohane and Nye, 1973b:124), an observation which can modify the anticipated behaviour of both states as they view both the opportunity costs inherent in their use of power and in their ability to resist or deal effectively with a structural change. In effect, vulnerability interdependence is the "subordinate and/or support relationship" (Duvall, 1978:63), for it is at the basis of any interdependent ties. It relates closely to Caporaso's notion that power derives from the very fact of structural

asymmetry, for the underlying current of vulnerability interdependence predisposes an evaluation that the dominant party will 'win' specific contests due to the nature of the asymmetrical relationship.

Clearly, therefore, vulnerability interdependence is of major importance in any examination of an asymmetrical relationship. Pierre Hassner describes vulnerability as being defined by the "'costs of autarchy', or the common interest in maintaining the relationship" (1975:404). It is, undeniably, the underlying interdependence which contributes significantly to the conduct of any relationship. Largely because vulnerability interdependence draws so much of its power effectiveness from the perception of its existence, it is difficult to measure effectively. Sensitivity is more easily dealt with, and is tapped by the assessment of trade patterns (particularly concentration of trade indices; see Hughes, 1971), or by the measurement of cultural interchanges (media penetration, film distribution patterns and the like). Even with sensitivity, however, the measurement of effective control over resources can only approximate those costs involved in the changing patterns of transactions, and cannot of itself predict the resistance of the dependent party to relationship changes. It is important to recognize the two degrees of interdependence, and to consider their interplay with the costs of power in

any analysis of asymmetry, regardless of the effectiveness of tools to measure the extent of either interdependence. Equally, it is important to recognize that "patterns of sensitivity interdependence are not necessarily congruent with patterns of vulnerability interdependence" (Keohane and Nye, 1973a:161). In particular, a country which is sensitive to patterns of interdependence is not necessarily highly vulnerable to changes in such patterns. The undercurrents of an asymmetrically interdependent relationship, while perhaps difficult to isolate, are important to remember.

(d) Power and the Subordinate State

The discussion of power and interdependence has been undertaken by countless authors. There is general agreement that patterns of asymmetry produce the potential for power, power which results from 'control over resources', 'control over actors', as well as 'control over events and outcomes'. Despite analysis of the levels of interdependence, and the opportunity costs of power, there is an overwhelming sense that the dominant, or superordinate, country in an asymmetrical dyad holds all the cards. As Robert Keohane and Joseph Nye point out; "...the less dependent state is the one which possesses relatively lower costs from the termination or drastic alteration of the relationship. [This] points to the role of great powers as the 'definers of the ceteris paribus clause'" (1973a:160). And yet,

despite the apparent favouring of the superordinate state in any asymmetric relationship, the subordinate party is often successful in obtaining concessions or changes in the pattern of transactions which favour it. The link between power and interdependence, while obvious in its existence, is not as straightforward as it might initially appear. If state A is the superordinate party, or the less dependent country, in the dyad, it does not necessarily follow that A has the most power to bring to bear in any bilateral negotiation.

The determining factor in this observation lies in the fact that a world system contains more than one pair of countries. The asymmetrical dyad does not consume the whole attention of either partner; both domestic and greater international concerns distract the state from bilateral disputes and difficulties. The fact that bilateral problems are not the only problems for either country often works to the advantage of the subordinate state.

Albert Hirschman has sought to explain this fact by detailing the effect of economic dependence. He points out that a country whose trade or investment is dominated by another is likely, at some point, to devote a considerable amount of its attention to this preponderance of ties with the larger country in an attempt to lessen these ties. The larger country, however, only has a small percentage of its international dealings with the small

country which it dominates, and is therefore likely to be preoccupied by other more vital interests — such as its relationship with another larger power. As a result, Hirschman points out, a basic economic disparity has been translated into a disparity of attention, which favours the more dependent country (see Hirschman, 1978:47).

Allusions to this disparity of attention have been present throughout the literature on the large power/small power relationship. Arnold Wolfers, for instance, claims that the "power of the weak stems from the relationships between the great powers themselves," (1962:111) contending that larger powers are so preoccupied by their struggles with other large powers that they have little or no power resources remaining to deal with smaller countries seeking to gain advantage over them. This perspective assumes that power is a limited good, of which all countries — even large powers — only have a specified amount. During international struggles between large powers, therefore, all the power resources of these countries will be directed toward each other, allowing small countries to seek to gain advantage during these times of conflict. As Wolfers observes: "Weak countries awake to their interests and to conditions favourable to them do not fail to appreciate the advantages accruing to them, without their doing, whenever major powers are forced to concentrate on struggles among one another" (1962:112).

This approach necessitates the presence of several factors in the international system, however, the most important of which is the existence of great power conflict. During relatively peaceable times, therefore, weaker countries would have no appreciable power or ability to gain advantage, since the attention of larger powers would be free to rest on small countries. Equally, Wolfers seems to discount the presence of interdependent relations in the system, particularly the presence of alliances. During large power conflict, weaker countries, often allied to these larger combatants, might just as logically be more supportive of large countries, recognizing another large power as an international antagonist and realizing the potential for harm to themselves. Pearson, for example, commented that Canadians became more critical of the United States, more belligerent, once the possibility of all out war, which had existed throughout the Cold War tensions of the 1950s, had lessened (1975:115). The systemic corollary of the Asymmetrical Dyads and Foreign Policy Project echoes the same perception. "When the international system is polarized, the subordinate state will seek higher levels of transactions, will favour a greater degree of policy co-ordination, will align itself more with the superordinate target and will show less concern about the distribution of benefits than would otherwise be the case"

(Tomlin et al., 1981:31). While Arnold Wolfers does[↑] present a possible application of the disparity of attention principle, he also underplays the possibility of interdependence between those same large and small powers, and therefore ignores the possibility of interdependent support during systemic conflict. Particularly given the focus upon interdependence of this argument, Wolfers' omission would seem a notable oversight.

The precondition of large power conflict which Wolfers specifies would seem not to be necessary. Certainly Hirschman's comments on the workings of disparity of attention do not specify the necessity of such diversion for larger powers. In the same manner, Keohane and Nye comment on the diffuseness of the attention of great powers, in particular of the United States. They write; "...small states can often focus their attention on the United States government more effectively than the latter, with its many concerns and diffuse organizational structure, can do in return" (1973a:161). This analysis makes no stipulation as to the necessity of large power conflict, but points rather to the fact of the large power's diverse interests and concerns. Like Hirschman, Keohane and Nye assume that bilateral worries are secondary to international disruptions for a large power, and that any asymmetry of transactions between two interdependent countries results in an asymmetry in the level of attention—with the less

dependent country paying the lesser attention to the interdependent relationship.

The removal of conflicting relations as a precondition for small country advantage or gain allows the consideration of a disparity of attention on a more widespread level. It also allows for a subordinate country to negotiate gains more consistently from an asymmetrical relationship. A disparity of attention, however, does not indicate that the less dependent country will always possess the winning margin of advantage in any situation. The less dependent country is still less dependent, and has on its side the advantage of structural asymmetry. As the superordinate party in an asymmetrical relationship, the large country has more resources, and therefore more potential power to bring to bear in any bilateral disputes. The fact of a disparity of attention only establishes the subordinate party's opportunity to manoeuvre within the parameters of the relationship.

The ties between power and dependence are perhaps the most important in a consideration of asymmetrical interdependence. Power, after all, has often been considered the language of politics, the tool necessary for the successful conduct of foreign policy. As power derives so fundamentally from asymmetrical interdependence, such structural asymmetry conditions the entire relationship. The focus on power and its utilization within an asymmetrical dyad may provide the

best indication of the foreign policy alternatives
available to either party in the relationship.

CHAPTER III

THEORETICAL FRAMEWORK:

THE FOREIGN POLICIES OF STATES IN ASYMMETRICAL DYADS.

The success in the undertaking to reduce Canada's dependence on the United States cannot be determined by a mere act of will, no matter how serious the government's commitment to this specified goal may be. It will be affected by a great variety of factors, both domestic and international, over which the Canadian government has, at best, partial influence (von Riekhoff, 1978:89).

Calls to reduce Canadian dependence on the United States have stemmed from many quarters. Robert Gilpin, for example, makes reference to "the sudden emergence in the mid 1960s of intense economic nationalism and anti-Americanism in English Canada" (1976:269). As the nationalist contends, the United States may indeed be Canada's most significant problem, but it is unlikely that the U.S. considers Canada in a similar light. As John Redekop has written, "...we are dealing with a set of phenomena which involves two states and is quite accurately perceived in different ways in the two states. The lopsided relationship has overwhelming significance for the smaller state while having, in the main, little significance for the larger state" (Redekop, 1976:241).

The fact of the lopsided relationship, with its

inherent disparity of resources and the difference in its relative significance to each party, is one of the two most fundamental aspects of the Canadian-American relationship (the other being the exceptional level of interconnectedness between the two countries). These relational differences have an equally fundamental impact upon foreign policy, however, insofar as the means of foreign policy is power (Wolfers, 1962:105), and insofar as differentials in power are to some extent determined by differentials in resource capabilities and levels of significance. Foreign policy, as an analytic concept, is, "at a minimum, manifestly oriented to some aspect or objective external to a political system" (Morse, 1973:14), or, more simply, foreign policy is oriented to some aspect or objective external to the boundaries of the nation-state. Without some form of potential power, a state could not hope to have an impact upon any other state toward which its foreign policies were directed. The dyadic relationship existing between Canada and the United States serves as a useful focus to examine the effect of asymmetry upon foreign policies and foreign policy initiatives.

Structural asymmetry, as defined and elaborated by Caporaso (1978a) and Keohane and Nye (1973a,b; 1977), is necessarily the starting point of any theoretical framework dealing with asymmetrical dyads. (This same

underlying assumption is made by the Asymmetrical Dyads and Foreign Policy Project; see, for example, Tomlin et al., 1981; Dolan and Tomlin, mimeo). As outlined previously, structural asymmetry implies two basic propositions: there is between the partners a disparity in resources and a disparity in involvement (see Dolan et al., 1982:239). The disparity in power resources, which conditions the respective capabilities of the dyadic partners to influence the relationship, favours the superordinate party, a fact which is dictated by the very condition of structural asymmetry. (The country which has the greater power resources in an asymmetrical dyad is by virtue of this fact the superordinate state). The disparity of attention given to, and thus the disparity of involvement in, the relationship, equally conditions dyadic interactions. Disparity of involvement can be measured by transaction figures; trade, investment, media penetration, as well as by simple personnel figures; the percentage of individuals serving the state's foreign policy function whose prime orientation is towards the dyadic partner. This disparity of involvement has serious consequences for the subordinate actor, however, for while it may, as Hirschman suggests, favour the subordinate state in widening its room for manoeuvre without attracting either the attention of the superordinate actor or its inclination to counter such moves (1978:48), this

"asymmetrically intense involvement of the two actors...renders the subordinate actor more sensitive to changes in dyadic relations" (Dolan et al., 1982:390).

Within the framework of this structural asymmetry, there are certain assumptions which must be outlined, and certain definitions which must be discussed. Structural asymmetry is the focus of both interdependence and dependency theorists. As Caporaso points out, both perspectives "have a predominant focus on relational inequalities among actors and both are equally interested in the vulnerabilities of members of the global system resulting from these unequal relations" (1978b:1-2). The dependency perspective, however, has not until recently dealt specifically with the factors influencing foreign policy, choosing rather to address the "precise nature and meaning of structural asymmetry" (Tomlin et al., 1981:17). In this analysis of asymmetrical dyads, and more specifically, of their foreign policy orientations, the issue of structural asymmetry is not addressed per se, but rather the existence of structural asymmetry is assumed. The interdependence perspective, on the other hand, alludes itself more closely to the use of power, and thus more directly to specific outcomes of discrete foreign policy initiatives. While the dependence literature is not of itself a theory of foreign policy behaviour under conditions of structural asymmetry, the perspective does provide a concrete basis upon which such

theory can be built.

In outlining a theory of foreign policy under conditions of structural asymmetry, certain terms necessarily need to be clarified; in particular, foreign policy, foreign policy actor, and asymmetrical dyad. As mentioned previously, foreign policy is manifestly oriented to aspects external to the boundaries of the nation-state, and while foreign policy may admittedly have significant domestic consequences, its initial orientation is toward an attempt to change some feature of the international system. Foreign policy objectives represent the goals of the national actor as it seeks to alter the external environment, and as such are not easily observable, whereas foreign policy behaviour is manifest in the actual usage of power in attempts to alter specific aspects of the international system.

Foreign policy actors will be taken as "governments acting as the authoritative agents of national societies" (Tomlin et al., 1981:20). More specifically, however, the foreign policy actors defined here are also governments which are elected through some variation of the democratic process.) While other elements of society interfere with foreign policy outcomes (for instance, multinational enterprises have often been credited with having significant impact on the outcomes of foreign policy; see, for example, Murray, 1975), national governments are the prime initiators of foreign policy behaviour, and their

foreign policy objectives, in theory at least, most closely represent the objectives of a national society. The special condition of democracy reinforces this assertion, as the desire of governments to maintain their position will make them at least partially responsive to the desires of a national society. While authors have often alluded to the lack of government control over such instruments of international capital as multinational enterprises (perhaps the best known of these is Levitt, 1970), the question of control is not a significant one to this argument, nor is it one which is wholly accepted (see Warren, 1975). It is thus reasonable to consider governments as authoritative foreign policy actors, particularly given the orientation toward foreign policy used in this discussion, that is, foreign policy is aimed at a sphere outside the boundaries of the nation-state.

The asymmetrical dyad forms the basic unit of analysis used throughout this theoretical framework. As previously discussed, an asymmetrical dyad is "characterized by inequality between the two parties and intense involvement on the part of the subordinate actor" (Tomlin et al., 1981:21). The relationship, of necessity, must be interdependent rather than merely interconnected; that is, there must exist the presence or potential of reciprocal, though not necessarily symmetrical, costly effects. The labels superordinate state and subordinate state are at best relative; it is at least conceptually

possible to have a state as superordinate in one intense dyadic relationship and as subordinate in another. The asymmetrical dyad need not be an exclusive relationship for either party; theoretically, an actor can partake in any number of such relationships provided that the criteria of structural asymmetry and interdependence are met in each case.

(a) The International Power Network

Any serious consideration of power examines relationships, for power is not an attribute of an actor, but a social relation (Emerson, 1962:32). Despite this, however, there does exist a broader spectrum for the observation of power relations, based upon a rank-ordering of actors in a system, or a power-structure (Emerson, 1962:31). Richard Emerson sees this usage of 'generalized power' as meaningless when taken in and of itself, and as having only dubious application when considered over a finite set of relations in a power network, due to a "halo effect," or the blurring of power distinctions due to reputations (1962:31fn). The international system, as with any system of actors, however, operates not only on the basis of actual power, but also on the basis of the perception of power in other actors. Perception of power, for instance, underlies the successful use of threat in any confrontation. While there must exist some approximate correspondence between actual and perceived power (a small actor cannot threaten sanctions which it is

perceived as incapable of invoking with any likelihood of success), a power structure undoubtedly affects the workings of any system.

The international system of nations has long had its arbitrary power structure, delineating an international hierarchy. The notions of great power, middle power, and small power, as well as subsets of each, have long preoccupied social scientists (see especially Galtung, 1964), as have the effects of such assignment of status hierarchy upon the members of a system. While perhaps based upon some admittedly arbitrary criterion of power, the differences between power levels assigned to states creates a set of expectations of state behaviour, expectations which may themselves be pursued as goals of the state. In the post-war era, the important power differentiation between states has lain along the lines of great power (those which possess effective nuclear capability) and all other powers (those which do not). While this gross distinction is useful in an appreciation of absolute destructive capability, it does not clearly reflect the divisions between the many subsets of states. Equally, it does not take into account the preconceptions which accompany any actor into an inter-state relationship; preconceptions which can influence state actions towards each other.

Robert Keohane has offered definitions of state hierarchical rankings which are more sophisticated than

those using rough measurements of resource power (i.e., G.N.P., military expenditures, national resources) in their assessments (see, for example, Baehr, 1975:460).

Keohane bases his hierarchy both on actual power resources and on the perception of such resources. He writes:

A Great Power is a state whose leaders consider that it can, alone, exercise a large, perhaps decisive, impact on the international system; a secondary power is a state whose leaders consider that alone it can exercise some impact, although never in itself decisive, on that system; a middle power is a state whose leaders consider that it cannot act alone effectively but may be able to have a systemic impact in a small group or through an international institution; a small power is a state whose leaders consider that it can never, acting alone or in a small group, make a significant impact on the system (1969:296).

Additionally, a caveat is appended; "...in all cases, statemen's attitudes must have considerable basis in reality" (Keohane, 1969:296). While this hierarchical delineation of power may present some difficulty of operationalization, it is successful in combining both the perception of power and actual power resources. It comes to grips with the obvious difficulty involved in assuming perfect translation of power resources into power capability, thus presenting a more accurate, if somewhat less specific, understanding of those factors contributing to an individual state's ranking on such a power network.

While power is relational, and is best assessed in specific contests involving specified numbers of actors, a

nation's more or less arbitrary positioning in the international power structure conditions its outlook on its external relations, as Robert Keohane's definitions make clear. Although the asymmetrical dyad is the primary focus of this theoretical framework, it cannot be assumed that such a bilateral relationship exists without reference to the international environment. Both parties to the relationship have an international status ranking which to some extent conditions the workings of the dyad. This link to the international system is particularly apparent in the case of the superordinate state, which has already been identified as having a lesser degree of involvement in the bilateral relationship than its subordinate partner. The international status of dyadic partners, therefore, cannot be overlooked in an evaluation of their foreign policy relationship. In the specific instance of this paper, the asymmetrical dyad involves a great power - middle power relationship; that is, the relationship between the United States on the one hand and Canada on the other.¹ Between these two countries, there

¹The assignment of the international hierarchy rankings of great power to the United States and middle power to Canada has been made by several authors. Robert Keohane, for example, uses the United States and Canada as examples of great ("system-determining") and middle ("system-affecting") powers in his discussion of the definitions of international hierarchy rankings. John Holmes has often assigned the middle power rank to Canada, once calling it "middle-powered, middle-class, and ... middle-aged" (1976a:v). Peyton Lyon and Brian Tomlin have echoed this popular ranking of Canada in claiming that; "Since 1945 the role most frequently claimed by Canada, or

exists not only an asymmetry in power resources and intensity of involvement, but also an asymmetry in international status ranking, having an impact upon the foreign policies of both partners.

(b) Foreign Policy Goals

Foreign policy behaviour is perhaps best understood as deriving from specific foreign policy goals and objectives. A rational evaluation of behaviour is above all predicated upon the assumption that an actor's goals are fundamental to the establishment of its objectives, and that in turn, these objectives direct to some degree the resultant behaviour. Tomlin et al. assume that: "Governments conduct foreign policy in pursuit of the preeminent long-range goals of economic well-being and political autonomy" (1981:20). They argue that the improvement of popular welfare and the preservation of national existence are the two fundamental goals relevant to foreign policy; that while a state may also pursue other goals, these tend to be "either transitory in nature or merely serve in pursuit of the two basic goals" (Tomlin et al., 1981:21). In addition, they argue that this

assigned to it, has been that of a 'middle power'...." (1979:12). References to the United States as a great power, having reached the pinnacle of the international hierarchy, are even more prevalent. Robert Keohane and Joseph Nye have written of the U.S. "leadership role" and its international "preponderance" (1973a:165). John Holmes speaks of an "extraordinary power by divine right" (1981:2). Lawrence Martin has written of the United States as "the greatest country in the world" and, despite its difficulties, no worse than "a falling giant" (1982:278).

assumption is applicable not only to the governments of subordinate states, which form their primary concern, but to virtually all national governments (1981:21). These two goals are in effect the fundamentals of the traditional distinction between 'high' politics and 'low' politics, outlining concern with sovereignty on the one hand and economics on the other. In addition, these foreign policy goals are complemented by the significant domestic policy goal of government re-election.

Concern over national autonomy for all governments raises serious questions, the first of which is largely a definitional problem. Concern over autonomy does not imply a government's desire for perfect freedom of decision-making, or the ability to enact any aspect of legislation without reference to conditions present in the external environment. While autonomy does imply some freedom from outside interference, it does not equate with autarky. As Peter Evans has argued with respect to less-developed countries; "Autonomy does not mean autarky any more than 'self-reliance' means 'self-sufficiency'... For most poor countries greater autonomy must mean increased control over external economic relations, not their absence" (1972:342).

Autarky is largely an irrelevant option for any interdependent country (and would involve particularly high costs for the subordinate state in an asymmetrical dyad). As such, a realistic appraisal of autonomy does not imply total isolation. As James Caporaso points out, "the

opposite of dependence is interdependence — not autonomy. While autonomy rests on the idea of self-control, interdependence rests on the notion of mutual control". (1978a:18). The concept of autonomy to the subordinate state in an asymmetrical dyad is not, therefore, an expression of a desire for isolation or for a move to autarky. After all, "...for most countries..., the advantage of international involvement and the sheer impossibility of insulating themselves from the vicissitudes of international politics make autarky an unattractive strategy" (Caporaso, 1978a:17). Autonomy for the subordinate state is more accurately seen as a desire to increase the mutuality of bilateral interdependence; to in fact, decrease the disparity in relationship involvement rather than decrease the relationship ties.

An interdependent relationship implies reciprocal costly effects of transactions; each party to the relationship depends on the other and would suffer costs, no matter how limited, were the relationship terminated. Without costly effects, there is no interdependence. Equally, though, an interdependent relationship implies some gains, despite the transaction patterns conditioned by the presence of any structural asymmetry. Gains are necessary for a relationship to develop at all, for no actor will grow beyond initial isolation without the prospect of significant benefit. The balance of gains and costs (costs which are often viewed primarily in terms

of constraints on 'autonomy'), is well illustrated in Richard Cooper's analysis of economic interactions.

Like other forms of international contact, international economic intercourse both enlarges and confines the freedom of countries to act according to their own lights. It enlarges their freedom by permitting a more economic use of limited resources, it confines their freedom by embedding each country in a matrix of constraints which it can influence only slightly, often only indirectly, and without certainty of effect (1969:4).

Gains exist in an interdependent relationship as well as do costs. The balancing of these opposites inherent in any interdependent relationship does not dictate a move to isolation by a subordinate party, but rather indicates a desire to balance, or equalize, the costs and the gains to a greater degree. To the interdependent state, the gains of the relationship are significant enough to make isolation an unattractive option. Concern over the erosion of its autonomy, therefore, will lead the state to attempt to equalize its interdependent ties; by lessening them within specific parameters or by increasing the advantage derived from them. The continuum of dependent relations, as Caporaso (1978a:18) points out, does not include autonomy, but does include purely symmetrical interdependence. Given that certain reasons exist for the continued existence of even the most asymmetric of relationships, the goal of autonomy implies only a desire to redress the uneven distribution of benefits deriving from interdependence. The parameters of the interdependent

relationship itself never alter.

While this interdependence-oriented autonomy can surely be seen as a logical goal for the subordinate partner, given the volume of its transaction ties concentrated within the dyadic relationship, it is more difficult to accept that the superordinate state has an equal concern, or indeed, any concern, for its autonomous status within the dyad. Robert Keohane and Joseph Nye mention that the great powers can be construed as the "'definers of the ceteris paribus clause'" (1973a:160). They do, after all, determine the rules of the game, and their knowledge of the power which they possess to "alone, exercise a large, perhaps decisive, impact on the international system" (Keohane, 1969:296) leaves little reason for them to doubt the autonomous decision-making capabilities inherent in their status. A state which is as very nearly autonomous as is possible in an interdependent world is unlikely to dwell on feelings of inadequacy and frustration at any small, if at all perceived, erosion of its autonomy resulting from its dyadic relationship with a smaller power. Conviction on the part of great power decision-makers that their country can alone have a decisive impact on the international system does not engender worries about the whittling away of any independent capabilities. The interdependent relationship may indeed constrain the autonomy of the great power, but the asymmetry of that relationship is

such that any constraints can at best be minor. The great power, despite—and perhaps because of—interdependent relationships, is still great.

What of the great power, then? Its government worries about national economic welfare as do the governments of other states, but it does not trouble itself directly with questions about its autonomous capabilities. It does not need to. The superordinate state does not reflect concerns about its ability to preserve its status within the parameters of the bilateral relationship; its preservation worries are much more multilaterally oriented. The great power is concerned with those intangible factors which define its 'greatness,' centered upon its hegemonic role in the international system. A complete set of traits is associated with the great power, including particularly a leadership role in a formal, or more often, informal, alliance of like-minded lesser countries. The great power, anxious about its status, will not focus its attention upon the dyad, but will worry about its ability to maintain a much broader role of international predominance. Rather than worry about its autonomy, the superordinate great power state worries about its continued ability to encroach upon the autonomous capabilities of others; its foreign policy goals therefore include the maintenance of its hegemonic role in the international system.

Both the superordinate and subordinate state of the

great power — middle power dyad share the major foreign policy goal of economic well-being. Their concerns to preserve national autonomy, however, express themselves in different ways. The subordinate state has as its second goal a desire to increase the mutuality of bilateral interdependence, thus increasing its autonomous capability vis-à-vis the superordinate state, whereas the superordinate state aims to maintain its position of international predominance. The concern of both the subordinate and superordinate states to maintain the status quo, that is, their mutual desire for re-election, conditions the pursuit of these differing foreign policy goals, however. While re-election is properly a domestic concern, it has clear foreign policy implications. Interdependence has served to blur the distinction which, in more insular times, could be made between foreign and domestic policies. Edward Morse, for instance, comments that:

The growth of international interdependence and the transformation of domestic structures, not only increase the likelihood of undesirable policy consequences but also serve to externalize domestic policies and internalize foreign policies; that is, the internal aspects of predominantly externally oriented policies and the external aspects of predominantly internally oriented policies have become more significant (1973:23).

The primarily domestic goal of a government to remain in office has a number of implications for the analysis of its foreign policy measures, insofar as the government

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perceives that certain courses of action in either its economic or autonomy/hegemony goal areas can aid its re-election hopes. Equally, in the case of severe domestic dissension, the government, given the limitations of time and personnel at the higher levels of decision-making, will concentrate more of its attention on its internal problems than would otherwise be the case. In such a situation, therefore, some concentrated involvement is diverted from external contacts, including the dyadic relationship, and the two prime foreign policy goals will be pursued less emphatically.

Domestic goals condition the formulation of a government's foreign policy goals. The maintenance of economic prosperity, or the preservation of national autonomy/international hegemony can be viewed as means to achieve a government's prime domestic goal. Economic prosperity does much to preserve a stable domestic environment, while the government's safeguarding of national autonomy lessens mass outcry of nationalist sentiment, and the close observation of great power status maintains a level of national pride and a feeling of domestic self-importance. The active pursuit of the two main foreign policy goals can ensure the success of the government's overriding domestic consideration. As such, foreign policy and domestic goals are not so much competitive areas of government policy as they are complementary, and it is only in instances of internal havoc that foreign policy initiatives and responses would

become secondary concerns.

Tomlin et al. stipulate that a government will perceive political autonomy and economic well-being as "competing goals in its foreign relations within the asymmetrical dyad" (1981:22), in effect stating that the two goals are perceived to be essentially zero-sum. This assertion is based on their assumption that in the short-run political autonomy and economic well-being are differentially related to increased dyadic relations; that is, that political autonomy decreases, and economic well-being increases, with increased dyadic ties. Given this assumption, there is reason for postulating the competition of these goals; if economic well-being for the subordinate state is seen as deriving from closer relations with the superordinate party, the goal of economic prosperity may indeed conflict with the preservation of autonomy. This implies, however, that it remains economically advantageous to seek closer ties with the superordinate state, irregardless of the latter's economic performance. In instances of a decline in economic conditions within the superordinate state, there is a complementarity between lessening relationship ties, thus increasing political autonomy, and maintaining an acceptable level of economic performance. As Dolan and Tomlin acknowledge in their theoretical reformulation of the asymmetrical dyads framework, the initial assumption that "economic benefits [for the subordinate state] are expected to result from increased relations [with the

superordinate state] may be correct only during periods of U.S. economic growth" (mimeo:11). The rational pursuit of the foreign policy goal of economic well-being by the subordinate state government dictates that it would not attempt to develop closer ties with its superordinate partner during the latter's periods of sustained economic downturn.

Equally, it is difficult to accept that the superordinate state goals of economic well-being and the preservation of hegemonic authority might necessarily be competing.¹ Rather, these goals appear to be complementary, as economic strength for the superordinate state cannot but contribute to an emphasized leadership role. Conflict may arise in periods of heavy military expenditures which are deemed necessary to preserve the hegemonic role, particularly if this expense of public dollars is perceived as undercutting social welfare and contributing to a lowered standard of economic well-being. The explicit competition between goals in this case may not be so much between economic well-being and hegemonic authority as between international status and the desires of a populace; thus indirectly, between hegemony and the government's domestic goal of re-election. Certainly, however, the superordinate state's foreign policy goals do not express themselves in zero-sum competition.

The foreign policy goals of both the subordinate and

¹The Asymmetrical Dyads and Foreign Policy Project upon which this work is based did not theorize about the foreign policy of the superordinate state.

superordinate states are not within themselves competing. Rather, subordinate state worries of autonomy and economic performance interchange priority rankings, largely depending upon societal concerns to which an election-conscious government attempts to respond. Upon occasion, economic worries are greater for the public, while worries of autonomy—though not surpassing concerns for economic performance—have more significance to government officials. For the superordinate state, prioritization again takes place determined in part by the concerns of society. While economic performance is of paramount importance, worries about international status maintenance for the great power form a significant part of the superordinate state's political culture, and thus this goal can also have considerable public support. In no instance, however, does one foreign policy goal assume permanent priority over the other in either the subordinate or superordinate state.

(c) Foreign Policy Objectives

Foreign policy goals can be translated into foreign policy objectives, in order to establish the theoretical link whereby goals can be directly brought to influence relations between actors. The goals of economic well-being, autonomy, and international hegemonic authority can be translated into objectives which either reveal a desire for relationship change or a lack of desire for such change. As the authors of the

Asymmetrical Dyads and Foreign Policy Project have

theorized;

In asymmetrical dyads there are two categories of foreign policy objectives: those which reflect a desire for change and those which do not. The change category can be conceived on a single continuum, displaying a reinforcement objective on the one end of the spectrum, regulation on the other, and accommodation as a mixture of the reinforcement and regulation objectives somewhere along the continuum. The no desire for change category will be manifested whenever the maintenance of the status quo is the principal foreign policy objective (Tomlin et al., mimeo:13).

Reinforcement implies a decision to increase dyadic ties, regulation a desire to control dyadic ties (though not necessarily to decrease them), accommodation a desire to reconcile competing foreign policy goals, and maintenance a desire to preserve the status quo, largely because of satisfaction with dyadic ties. The task of measuring foreign policy objectives will not be undertaken in this analysis. The description of objectives provides the theoretical link necessary for the logical evaluation of foreign policy behaviour, however, and as such plays an important part in foreign policy analysis.

Foreign policy objectives are defined firstly by the interplay of diverse foreign policy goals. As has been outlined, Tomlin et al. assume that the subordinate state will view the goals of political autonomy and economic well-being as having an opposite relationship to increased dyadic relations. Given this assumption, for example,

concern over economic performance would prompt the subordinate state to seek closer ties with its superordinate partner, leading to the pursuit of a reinforcement objective, whereas emphasis on the goal of political autonomy would lead to a desire on the part of the subordinate state for a decrease in dyadic ties, seen in the pursuit of a regulatory objective. The foreign policy objectives of the superordinate state are similarly determined in part by the emphasis which it places on its goals of international hegemony and economic well-being.

The foreign policy goals outlined previously are translated into foreign policy objectives through related exogenous variables. The goal of economic well-being in the subordinate actor is assessed by a measure of the health of the subordinate state's economy; a measure of the health of the superordinate state's economy will likewise provide an assessment of the goal of superordinate state economic well-being. The goal of superordinate state hegemony can be examined by a measure of relative international capability assessing great power economic and military strength. The goal of subordinate state autonomy is given meaning in an evaluation of both its concentration of linkages with the superordinate state (as used in the Asymmetrical Dyads and Foreign Policy Project; see Tomlin et al., 1981:23-24), and its level of satisfaction with the distribution of benefits deriving from the asymmetrical relationship. This composite measure provides an indication of the subordinate state

decision maker's perception of the costs or benefits accruing to the state from links with its superordinate partner. An assessment of the extent of a nation's autonomy is largely dependent upon the perception of constraints to that autonomy; and the perception of such constraints in turn influences the extent to which the foreign policy goal of national autonomy is emphasized. A measure of the level of satisfaction with the distribution of benefits deriving from the asymmetrical relationship combined with a measure of linkage concentration creates a measure which attempts to tap the effect of such decision maker perception. For example, a positive assessment of a high concentration of linkages indicates greater satisfaction with the interdependent ties than a positive assessment of a low level of linkage concentration, given that a high concentration of linkages can be conceived as a greater threat to autonomous capabilities.

As outlined above, foreign policy objectives are defined in part by the interplay of foreign policy goals. In the case of the subordinate state, however, foreign policy objectives are also partially determined by the economic well-being and the international hierarchical status of its superordinate partner. For example, if the superordinate state is economically healthy while the subordinate state is concerned over its economic performance, the subordinate state will pursue a

reinforcement objective in the expectation that it will benefit through a spill-over effect from a closer association with an economically healthy state. Conversely, if the superordinate state is experiencing a period of general economic downturn while the subordinate state is concerned over its economic performance, the subordinate state will pursue a regulatory objective both out of fear of a possible worsening of its economic condition due to a spill-over from the superordinate state and out of a realization that such a spill-over may have already precipitated its economic difficulties. In the same way, the subordinate state reacts to the international hegemonic position of its superordinate partner. When the superordinate state is strong, and maintains a solid international profile, while the subordinate state has few worries over its autonomous capabilities, the subordinate actor will at least pursue a maintenance objective, and, given the potential of beneficial economic ties, may pursue a reinforcement objective. In such a case the subordinate state feels comfortable with its identification with the superordinate actor given the latter's strong international leadership position and an international climate which permits such a definite hierarchy of nations to emerge. On the other hand, when the superordinate state feels pressure to its hegemonic position and uncertainty about its international role, a subordinate state unconcerned over its autonomy will be wary and perhaps critical of close association

with a 'falling giant', seeking at best an accommodation objective, and, when threatening economic conditions loom, pursuing a regulatory objective.

The subordinate state reacts to the superordinate state in its determination of foreign policy objectives due to its position in the asymmetric relationship. The disparity of involvement inherent in the dyadic relationship "generates sensitivity to changes in relations"; that is, the "asymmetrically intense involvement of the two actors in the relationship renders the subordinate actor more sensitive to changes in dyadic relations" (Tomlin et al., 1981:19). As Tomlin et al. comment, this characteristic of structural asymmetry "is assumed to condition the orientation of the subordinate actor toward the relationship" (1981:19). It is this disparity of involvement which creates the impetus for the subordinate state's awareness of the superordinate partner's status at any point in time, and which defines the need for the subordinate state to take this status into account in the formulation of its foreign policy objectives.

The way in which the subordinate and superordinate state goals specifically translate into foreign policy objectives is summarized in the matrices below (Table 1 and 2). Table 1 defines the foreign policy objectives of the superordinate state as functions of the underlying foreign policy goal of economic well-being and international hegemony, transformed through two related

TABLE 1
DETERMINATION OF FOREIGN POLICY OBJECTIVES: SUPERORDINATE STATE

Assessment of Great Power
Economic and Military Strength

Relatively High
(less emphasis on
hegemony goal)

Relatively Low
(more emphasis on
hegemony goal)

Maintenance	Reinforcement
Regulation	Accommodation

Satisfactory
(less emphasis
on economic well-
being goal)

Unsatisfactory
(more emphasis on
economic well-
being goal)

State of Economy
of Superordinate
State

TABLE 2
DETERMINATION OF FOREIGN POLICY OBJECTIVES: SUBORDINATE STATE
Assessment of Great Power Economic and Military Strength
and

State of Economy of Superordinate State

	Strong international status	Weak international status	Strong international status	Weak international status
Relatively Low (less emphasis on autonomy goal)	Satisfactory economic performance	Unsatisfactory economic performance	Unsatisfactory economic performance	Satisfactory economic performance
Relatively High (more emphasis on autonomy goal)	Maintenance	Accommodation	Accommodation	Accommodation
Unsatisfactory (less emphasis on economic well-being goal)	Accommodation	Regulation	Regulation	Accommodation
Relatively Low (less emphasis on autonomy goal)	Reinforcement	Regulation	Regulation	Accommodation
Relatively High (more emphasis on autonomy goal)	Accommodation	Regulation	Regulation	Regulation
Unsatisfactory (less emphasis on economic well-being goal)				

Perception of Costs
of Concentration
of Linkages with
Superordinate State

and

State of Economy
of Subordinate
State

exogenous variables (state of the domestic economy and assessment of great power economic and military strength). From this table, for example, it is apparent that under conditions of international economic and military strength and satisfactory domestic economic performance, the superordinate state will pursue the goal of relationship maintenance.

Table 2 predicts objectives not only based upon the value of the exogenous variables for the subordinate state, but also upon the variable values of its superordinate partner. The table indicates, for example, that when the superordinate state faces conditions of international economic and military strength and satisfactory economic performance, while the subordinate state has less emphasis on the foreign policy goal of autonomy and more emphasis on the goal of economic well-being, the subordinate state will pursue a reinforcement objective. Under these circumstances the subordinate state, concerned over its economic performance, will perceive that closer association with an economically healthy superordinate state will benefit its own economic health. The way in which the circumstance of the superordinate partner affects the foreign policy objectives of the subordinate state is apparent from this table, revealing the degree to which the subordinate state is responsive to the bilateral environment.

(d) Foreign Policy Behaviour

Objectives, deriving from goals, are in the end translated into behaviour. Foreign policy behaviour is the only concrete facet of the foreign policy process which the analyst can observe; it is from foreign policy behaviour that objectives and goals can be construed. In this sense, an accurate observation of foreign policy behaviour may be the most crucial phase of the analyst's work.

Foreign policy behaviour is used in this theoretical structure in the same way in which it is applied in the Asymmetrical Dyads and Foreign Policy Project, that is, "foreign policy behaviour consists of those discrete official actions in which governments engage in order to influence the external environment" (Tomlin et al., 1981:27). Equally, the project assumes that "the foreign policy behaviour of a government is generally commensurate with its foreign policy objectives" (Tomlin et al., 1981:27). This assumption is logical given the rational actor paradigm employed; the rational pursuit of foreign policy goals implies that behaviour corresponds to specified objectives in order that these may be reached. Malevolence on the part of a foreign policy actor is always possible, of course, and behaviour may be engaged in which would purposefully confuse the foreign policy target. Trickery requires a tremendous expenditure of time and energy, however, and it would seem logical to

assume that should purposeful confusion continue throughout the approximately twenty-year period under examination, an interdependent relationship would no longer exist, no matter the costs of its termination.

To fully assess the translation of foreign policy objectives into behaviour, however, it is necessary that the dimensions of such behaviour, as well as their relationship to the objectives, be examined. In order to stipulate the exact nature of the relationship between objectives and behaviour, five dimensions of foreign policy behaviour are identified.¹ Foreign policy behaviour is concerned with: 1) the level of transactions; 2) the extent of policy coordination; 3) the extent of policy alignment; 4) the distribution of benefits and costs; and 5) the affective orientation of the individual foreign policy action (Dolan and Tomlin, mimeo:8). The definition of each is as follows: the level of transactions dimension refers to "behaviour which attempts to affect or which expresses a preference about the nature or level of transactions in the dyad;" the policy coordination dimension refers to "behaviour establishing or utilizing formal bilateral institutions or, if falling outside such institutions, which attempts to achieve similar, complementary or joint policies in the dyad," or, on the other hand, behaviour which leads to "the

¹For a more complete description of the dimensions of foreign policy behaviour and the relationship between objectives and behaviour, see Tomlin et al., 1981; Dolan and Tomlin, mimeo.

termination or refusal to use formal bilateral institutions, or the reluctance to work together outside formal institutions to achieve similar, complementary, or joint policies in the dyad;" the policy alignment dimension refers to "behaviour which supports or opposes the position or policy of the...[dyadic partner];" the distribution of benefits dimension refers to "behaviour which attempts to affect or which expresses a preference about the distribution or level of benefits (or costs) which stem from bilateral arrangements and relations;" and the affect dimension refers to "behaviour expressing hostility or friendship toward the...[dyadic partner]" (Dolan et al., 1982:394-395).

Each of the foreign policy objectives corresponds to a specific orientation on each of the foreign policy behaviour dimensions. As such, the reinforcement objective will clearly seek to increase the level of transactions and the degree of policy coordination (Dolan et al., 1982:395); the subordinate state seeks reinforcement when it perceives that it can achieve economic well-being through closer association with an economically healthy superordinate state, and the superordinate state seeks reinforcement when it wants support from its dyadic partner to reassert an uncertain international hegemonic role. Both of these actor desires imply an increased level of transactions and policy coordination. In the same way, a reinforcement objective

implies support on the policy alignment dimension, and at least an appreciation of a potentially favourable distribution of benefits. (While neither state may in fact be satisfied with the existing distribution, a reinforcement objective implies that they at least expect a positive change in the bilateral relationship. As such, it is unlikely that, seeking to reinforce relations, a state would express loud and long dissatisfaction with the dyadic arrangement; see Tomlin et al., 1981:29). The affect dimension "refers to the style or orientation of the action" and has the "weakest theoretical links with the objectives because by definition it refers not to substance but style" (Dolan et al., 1982:397). Style often reveals a functional purpose, however, and it is at least rational to state that a positive or 'friendly' orientation on the affect dimension will accompany the reinforcement objective.

The regulation objective, using roughly the reverse theoretical arguments, implies a decrease in the level of transactions and policy coordination dimensions, a lack of support for, or effective dissociation with, the policy alignment dimension, and likely vocal dissatisfaction with the distribution of costs and benefits (Tomlin et al., 1981:29). Whether a move to regulation implies a negative affect is not so clear, however. It is possible to conceive of instances of a regulatory foreign policy objective which is expressed in a positive light, if only

not to disrupt the dyadic arrangement more than necessary (Dolan et al., 1982:395). The accommodation objective reflects a desire to "manoeuvre between two conflicting aims" (Tomlin et al., 1981:29), and as such is likely to reflect a mix of behaviour orientations, both within and across the behavioural dimensions. Lastly, the maintenance objective reflects a satisfaction with the relationship status quo (such as would be the case under conditions of good economic performance and low autonomy, or low hegemony, concerns). The actual foreign policy behavioural orientation, therefore, is likely to be moderate on all dimensions; that is, "the actual foreign policy behaviour undertaken is that defined by the midpoint on the respective dimension" (Tomlin et al., mimeo:22). Given that the motivation of a maintenance objective is to preserve the status quo, no behaviour would be reflected on any dimension which would either lead to an increase or a decrease in relationship ties.

As Tomlin et al. assume, foreign policy behaviour is generally commensurate with foreign policy objectives (1981:27). Distortion between objectives on the one hand and behaviour on the other does occur, however, particularly given that foreign policy is in part the study of reactive behaviour. Foreign policy initiatives and responses are closely interrelated within an interdependent dyadic relationship. Robert Keohane and Joseph Nye, for example, distinguish between societal and

policy interdependence, and establish the links between them. Societal interdependence, they write, "refers to the extent to which events in one society (not necessarily, controlled or monitored by governments) affect events in another" (1976:8). Closely linked societies, such as those of Canada and the United States (where ties not only affect the realm of economics but also the social and cultural realms), create conditions whereby one society has an impact upon the other. In this case, Canada is affected more by events in the United States than vice versa (Keohane and Nye, 1976:8). Policy interdependence, on the other hand "refers to the extent to which governments are affected by one another's policies so that they react to changes in policy by the other side" (Keohane and Nye 1976:8). Keohane and Nye argue that governments have become increasingly sensitive to societal interdependence, becoming less tolerant of the external impact upon domestic social and economic life as they seek to increase their control over these. This increased awareness of, and sensitivity to, societal interdependence often results in the attempt by government to intervene in the affected transnational system in the expectation that it will gain the advantage of rearranging the existing pattern of transactions to its own benefit. In a dyadic relationship, however, efforts to alter transaction patterns on the part of one government may often lead to countervailing measures taken on the part of the other

government. Countervailing action may therefore "create a situation of policy interdependence, in which the success of each government's efforts to control transnational flow is dependent on the actions of the other government" (Keohane and Nye, 1976:8).

Policy interdependence, arising as it does from situations of societal interdependence under conditions of increasing government intervention in social and economic life¹, has an obvious impact upon foreign policy: There is, after all, a large component of foreign policy which is purely reactive. As Peyton Lyon has questioned; "How can we do other than react to situations that we are powerless to prevent?" (1970:26). All foreign policy is to some degree reactive, though perhaps asymmetrically so (middle powers, for instance, may find themselves to be more reactive than great powers, given their disparity in potential international influence), and it is unquestioned that certain policy initiatives on the part of one government will bring about a reaction from the government of the dyadic partner. The presence of an interdependent policy framework, therefore, conditions to some degree the realization of foreign policy objectives, as the policy response or initiative of one dyadic partner will be seen to have a qualifying effect on the resultant foreign

¹Jeanne Kirk Laux has written of the increasing intervention of the state in the economy as the "cliche of our time" (1978:110). In particular, she comments upon the prominent role of the Canadian state in national economic development, noting the "basic acceptance of that role at the level of political ideology" (1978:112).

policy behaviour of the other.

The degree of perfect interdependence determines in part the degree to which each dyadic partner is responsive to policy measures taken by its opposite number. Equally, however, responsiveness to policy interdependence is a function of government/state intervention; that is, growing intervention leads to a growing responsiveness to policies taken by other states which effectively disrupt the workings of the internal social or economic system. As Jeanne Kirk Laux points out, this intervention is in itself a function of the presence of interdependent relations, for "recognition of global interdependence could not not but incite Canadian policy makers to seek to regain some measure of national autonomy—given the expanded post-war responsibilities of the Canadian state in the economy and the vulnerability of that economy to external developments" (1978:118). In the industrialized world, interdependence has brought about a concern for autonomy, and oftentimes the solution deemed most appropriate has been government intervention in the social and economic processes of the nation. Clearly, then, policy interdependence serves to skew the correspondence between foreign policy objectives and foreign policy behaviour, though it does not eliminate the relationship between these two.

The presence of policy interdependence in a dyadic framework necessitates the adoption of conditioning variables to qualify the relationship between the exogenous variables (which translate foreign policy goals), foreign policy objectives and foreign policy behaviour. Reactive foreign policy behaviour, inevitable in an interdependent relationship, predicates the inclusion of a measure of the opposite partner's foreign policy behaviour in an assessment of state foreign policy. Subordinate state foreign policy, for example, must take into account the previous foreign policy behaviour of the superordinate partner, given that a state not only initiates foreign policy actions but also responds to the initiatives of others. The previous foreign policy behaviour of one partner has a positive relationship to the foreign policy behaviour of the other; in keeping with reactive behaviour, a positive assessment along any dimension of foreign policy behaviour will lead to an inclination on the part of the dyadic partner to respond in kind.

Government intervention in the social and economic processes of a nation, also conditions foreign policy behaviour. While policy interdependence occurs because of the presence of societal interdependence, such societal interdependence is only recognized at the governmental level once governments seek to increase their control over

domestic social and economic life. This attempted control renders government more sensitive to societal interdependence, and less tolerant of external impact upon domestic life. Government intervention is most easily assessed in terms of government expenditure on social concerns, as the concepts of 'big government' and 'government spending' and their association with interventionist tendencies demonstrate. Government expenditure has an inverse relationship with foreign policy behaviour, given that this expenditure has developed in part as a means to control growing interdependence. More specifically, therefore, the greater the extent of government expenditure, the greater the expectation of regulatory foreign policy behaviour. A positive assessment along a particular foreign policy dimension, therefore, corresponds to a low level of government expenditure.

(e) Theoretical Structure

The previous theoretical arguments can be summarized into a brief theoretical structure. To begin, the assumptions underlying this work include:

- 1) structural asymmetry and its attendant propositions, a disparity in resources between partners, as well as a disparity in the level of attention given to the relationship;
- 2) foreign policy actors are democratically elected governments, which are therefore responsive—at least to some degree—to societal concerns; and

3) the asymmetrical dyad is one between a great power and a middle power, the basis of which lies in the international status hierarchy.

The postulates of the theory begin by specifying foreign policy goals; economic well-being and autonomy (or the more balanced distribution of dyadic costs and benefits) for the subordinate state, and economic well-being and hegemonic authority for the superordinate state. The superordinate state's concern for its hegemonic role reflects its international orientation, and brings to light the fact that bilateral problems are not its primary focus. The subordinate state's concern with its autonomy within an interdependent framework, on the other hand, reflects the prominence of dyadic relations in its foreign policy orientation. Additionally, both states are guided by the domestic policy goal of re-election, which conditions the level of attention given to foreign policy goals altogether, as well as the emphasis given to any one of these goals.

The theory moves on to specify the foreign policy objectives which can be pursued to reflect a particular foreign policy goal. These objectives—reinforcement, regulation, accommodation, and maintenance—express actor desires either to change the dyadic relationship or to accept the current status quo. They relate to the specified foreign policy goals through four exogenous

variables; the state of the subordinate actor's economy, the state of the superordinate actor's economy, the subordinate state's concentration of linkages with the superordinate state modified by the subordinate state's level of satisfaction with the dyadic distribution of benefits, and a relative international capability measure assessing of great power economic and military strength. The foreign policy objectives matrices (Tables 1 and 2) derived from the combination of exogenous variables reflect the impact of the asymmetric relationship upon the foreign policy decisions of the subordinate state, as well as the lack of impact of that relationship upon the superordinate state. It is clear from this matrices that the subordinate state is the more sensitive dyadic partner.

The foreign policy objectives are then related to foreign policy behavioural orientations. These concern the level of dyadic transactions, the degree of policy coordination, the degree of policy alignment between dyadic partners, the distribution of costs and benefits deriving from the interdependent relationship, as well as the affective orientation of each dyadic partner toward the other. There exists an assumption of general congruence between foreign policy objectives and the behaviour resulting from these. Foreign policy behaviour, however, is also conditioned by the opposite dyadic partner's previous foreign policy actions, as well as by

government expenditure, and these factors necessarily assume some of the responsibility for distortion between objectives and behaviour.

The logical connections between foreign policy goals, as defined by the theory's exogenous variables, foreign policy objectives and foreign policy behaviour are illustrated in Figure 1. This model effectively summarizes the development of the theoretical structure outlined herein, and makes explicit the relationships between various concepts. It provides the basis for the process of hypothesis creation and theory testing which follows.

FIGURE 1:
A MODEL OF THE FOREIGN POLICIES OF STATES IN ASYMMETRICAL DYADS¹

¹Derived from Tomlin et al., 1981:34, "Figure 1: A Model of the Foreign Policy of the Subordinate Actor in an Asymmetrical Dyad."

CHAPTER IV

A RESEARCH DESIGN OF FOREIGN POLICY BEHAVIOUR

The relationship between variables defining any element of behaviour can be experimentally tested in an attempt to give empirical content to theoretical constructs. In the social sciences, testing occurs in a less than perfect experimental environment, however, leading many to describe disciplines within the social sciences as "nonexperimental" (Judge et al., 1980:452). Experimental scientists, it is argued, can design carefully controlled investigations in order to ensure that sufficient sample information is present to precisely estimate the parameters of their particular model. Nonexperimental scientists, on the other hand, must usually use passively generated data, that is, data which is proposed and collected for administrative or commercial, rather than research, purposes. This data often does not provide enough information as to the parameters of any specific model, and can obscure the precision of the answers for which the scientist has questions (Judge et al., 1980:452). The difficulties inherent in attempting to lend empirical substance to social science theory should not dictate against any such testing, however, for the discovery of empirical

limitations can serve to refine existing hypothesis, as well as define auxiliary ones. As Dolan et al. point out, this modification process constitutes acceptable scientific practice as long as new hypotheses are eventually put to the test (1982:418). Imre Lakatos describes this process of theoretical modification as a "theoretically progressive problemshift" (1970:118) if each new theory has some "excess empirical content over its predecessor, that is, if it predicts some novel, hitherto unexplained fact" (1970:118).

The process of theoretical 'fine-tuning' is not without its dangers, however. While James Caporaso's outline of criteria for theory evaluation does include fit or empirical adequacy, which the process of fine-tuning is intended to improve, it also includes the criteria of generality or scope, parsimony, and falsifiability¹ (Caporaso, 1976:356-358). The addition of auxiliary hypotheses limits the scope of the theory by restricting the generality of variables or the range of the time sequence under investigation. Auxiliary hypotheses also limit theoretical parsimony in that they move the theory closer to an extended description and summary of the data, thus partially negating the "simplifying functions of theory" (Caporaso, 1976:357). Most importantly perhaps, auxiliary hypotheses limit the extent of the theory's falsifiability. In its most basic conceptualization,

¹ Caporaso's fifth criterion is deductive power, which he describes as greater the higher the theorem-to-axiom ratio (1976:356).

falsification requires that a theory be refutable in principle. As Caporaso discusses, however, Karl Popper has added to the basic understanding of falsifiability, contending that a theory is falsifiable "to the extent that its predictions are risky or improbable" (1976:357). The more complicated the theory, in the numbers of auxiliary hypotheses or restrictive parameters added to improve its empirical fit, the less risky or improbable the theory becomes. There exists therefore a thin line between theory refinement for the sake of empirical support and refinement which results in the elimination of data which could potentially falsify the theory. In addition, the pursuit of empirical adequacy is restricted by the very nature of social science research in its use of passively generated data. Theory refinement, and the addition of auxiliary hypotheses, therefore, must be engaged in only after "the empirical limitations [of the theory] have been established" (Dolan et al., 1982:418).

(a) Operationalization of Variables

The testing of the theoretical framework outlined in the preceding chapter will be accomplished in an analysis of Canada's foreign policy behaviour toward the United States and the United States' foreign policy behaviour toward Canada during 70 consecutive quarterly periods between January 1963 and June 1980. Canada and the United States were chosen because they satisfied the requirements of the underlying theoretical assumptions: structural asymmetry, democratic systems of government and

presence of a great power-middle power relationship. That the conditons of structural asymmetry are satisfied between these two countries is obvious; there exist significant interdependent ties which bind the relationship in matters of trade, investment, resource and energy supplies, as well as in matters of defence or environmental concerns. While the extent of each nation's dependence on the other is not symmetrical, and it can be argued that Canada is by far the more vulnerable party, the extent of these ties leaves each country sensitive to any disruption in transactions, as well as aware of the potentially costly effects of such disruptions.

That there exists a disparity in resources between Canada and the United States is equally without question; both countries have long been perceived as the quintessential middle and great powers, complete with the attendant resource disparity. The disparity in the level of attention given to each partner is equally apparent; Canadians have long been accused of being obsessed with the United States, unable to choose a side in what has been perceived as a love-hate relationship, and devoting endless words and arguments to the subject. Willis Armstrong, writing on the American perspective of the Canadian-American relationship has commented that, "Canada is far from the minds of most American most of the time, and probably it is fair to say that most Americans have no

perceptions of Canada at all" (1961:1). Peyton Lyon, responding with the Canadian perspective of the relationship, has discussed the same fact, making reference to the "benign ignorance about Canada that tends to prevail throughout the United States" (1976:14). It is certainly true that the United States feels no obsession toward Canada in the same manner as Canada is preoccupied with the United States.

The purpose of the analysis of Canada-U.S. relations does not lie in the confirmation of the presence of a structurally asymmetrical relationship, however, but rather in the assessment of the effect of selected factors upon each state's foreign policy behaviour within the parameters of this asymmetrical framework. The research design establishes Canadian foreign policy as deriving from four exogenous variables — the state of the Canadian economy (the economy of the subordinate state), the state of the American economy (the economy of the superordinate state), the concentration of linkages of the subordinate state with the superordinate state modified by the level of the subordinate state's satisfaction with the distribution of dyadic costs and benefits, and the international hegemonic status of the superordinate actor. These variables effectively measure the subordinate state's achievement of its major foreign policy goals, satisfactory economic performance and autonomy, as well as take into account the superordinate

state's foreign policy goals of satisfactory economic performance and international hegemony, since these factors significantly affect the subordinate state's pursuit of particular foreign policy objectives (see Table 2, Chapter III). In addition, the research design incorporates two conditioning variables; the foreign policy behaviour of the superordinate state at $t-1$, as well as the Canadian federal government's expenditure as a percentage of Canadian GNE, which assesses the extent of government intervention in the social and economic processes of the nation, and allows for an estimation of the possibility of the presence of policy interdependence.

The exogenous variables used to assess American foreign policy behaviour number only two; the state of the economy of the superordinate actor, and its international status. These reflect the superordinate state's major foreign policy goals of satisfactory economic performance and international hegemonic status. Unlike the research design outlined for the subordinate state, the superordinate state design does not incorporate any measure of the success of the subordinate state's foreign policy goals. This derives from the assumption that the primary focus of the superordinate state is international, and thus beyond the bounds of the dyadic relationship, whereas the focus of the subordinate state is dyadic, lending much greater importance to the presence of the dyadic partner. As with the design for the subordinate

state, however, two conditioning variables are included in the superordinate state design; the foreign policy behaviour of the subordinate state at $t-1$ and the total of American federal government spending as a percentage of American GNE.

These conditioning variables modify the predicted relationship between the exogenous variables and the endogenous variables measuring foreign policy behaviour.

For both the subordinate and superordinate states, foreign policy behaviour is tapped by the same division of behavioural variables — transactions, policy coordination, policy alignment, distribution of costs and benefits, and affective orientation. The first four measure different facets of Canadian or American foreign policy behaviour toward their dyadic partner, while the fifth assesses each country's attitudinal predisposition toward the relationship (Dolan et al., 1982:400). Together, these endogenous variables measure each state's foreign policy behaviour.

The measure of the state of the economy for both the subordinate and superordinate actors is computed on a quarterly (three-month) basis, using several indicators of economic performance as determined in the Asymmetrical Dyads and Foreign Policy Project.

$$\begin{aligned} \text{State of the Economy - Canada (CDE)} = & Z (\text{GNE}) - Z (\text{Percent Unemployment} \\ & - Z (\text{CPI}) + Z (\text{Current Account Balance with All Countries})^1 \end{aligned}$$

¹The equation for the state of the Canadian economy, as well as for every other equation with variables preceeded by the

where Gross National Expenditure (GNE) is computed in constant 1971 Canadian dollars, seasonally adjusted;

Unemployment is the percent of the Canadian labour force, seasonally adjusted;

Consumers Price Index (CPI) is seasonally adjusted; with 1971 serving as the base year;

Current Account Balance is in constant 1971 Canadian dollars

The measure of the state of the U.S. economy taps the same facets of economic performance.

State of the Economy - United States (USE) =

$$\begin{aligned} & Z (\text{GNE}) - Z (\text{Percent Unemployment}) \\ & - Z (\text{CPI}) + Z (\text{Current Account Balance} \\ & \quad \text{with All Countries}), \end{aligned}$$

where Gross National Expenditure (GNE) is computed in constant 1971 U.S. dollars, seasonally adjusted;

Unemployment is the percent of the U.S. labour force, seasonally adjusted;

Consumers Price Index (CPI) is seasonally adjusted; with 1971 serving as the base year;

Current Account Balance is in constant 1971 U.S. dollars

The measure assessing the costs or benefits of the concentration of linkages between the subordinate state and the superordinate state, computed on a quarterly basis, is in part adopted from the Asymmetrical Dyads and Foreign Policy Project. Their measure of linkage concentration "assigns equal weight to the trade and investment aspects of the dyadic relationship and gives expression to the

letter "Z", has been calculated using standardized, or Z-, scores. The Z-score transformation standardizes the scale of a variable of interval-level measurement, generating a new variable with a mean of 0 and a standard deviation of 1 (see. Nie et al., 1975:187).

significance of the U.S. share in Canada's overall foreign transactions as well as to its relation to the Canadian economy as a whole" (Dolan *et al.*, 1982:401).

Concentration of Linkages (C) =

$$\left\{ \left[Z \left(\frac{\text{Trade with U.S.}}{\text{Total trade}} \right) + Z \left(\frac{\text{Trade with U.S.}}{\text{GNP}} \right) \right] / 2 \right. \\ \left. + Z \left(\frac{\text{Dfi U.S.}}{\text{Dfi All Countries}} \right) + \left(\frac{\text{Dfi U.S.}}{\text{Gross Fixed Capital Formation}} \right) \right. \\ \left. + Z \left(\frac{\text{Portfolio Investment U.S.}}{\text{Portfolio Investment all Countries}} \right) \right] / 3 \} / 2,$$

where Trade is calculated in current Canadian dollars, seasonally adjusted;

GNP is in current Canadian dollars, seasonally adjusted;

Direct investment (dfi) and Portfolio investment from abroad measure the net inflow in current Canadian dollars, seasonally unadjusted;

Portfolio investment includes bonds and debentures, common and preferred stocks, and new issues;

Gross Fixed Capital Formation is in current Canadian dollars, seasonally unadjusted.

The measure of the subordinate state's assessment of the costs or benefits of its concentration of linkages with the superordinate state is modified by a measure of the subordinate state's level of satisfaction with the dyadic distribution of benefits. The inclusion of this measure conforms to the theoretical assumption that autonomy cannot equate with autarky; and that, therefore, a subordinate state's concern over the degree of autonomy it possesses will not necessarily translate into a desire to reduce the concentration of linkages it has with its

superordinate partner. Autonomy within an interdependent dyadic relationship is more accurately perceived as a desire to increase³ the mutuality of bilateral interdependence, and such a desire would develop not only from an examination of linkage concentration but from an assessment of the costs and benefits accruing from the relationship. The measure of costs and benefits is derived from one of the endogenous foreign policy behaviour variables, which are discussed in further detail below. It is assumed in this measure that the government decision-making apparatus does not perceive only cost and benefit assessments which occur at any one specific point in time, and in fact, is not likely to be able to react in the short-term over a perceived change in the distribution of relationship benefits. There is a time-lag which intervenes in the process of identifying a change in benefits distribution, and in translating that change into a modified assessment of foreign policy goals, a different pursuit of foreign policy objectives, and a resultant altering of foreign policy behaviour. This time-lag is captured in the measure of the distribution of costs and benefits by lagging the variable one time period (three months). Additionally, the inverse of this lagged measure of distribution of benefits was taken. All the foreign policy dimension scales, which will be discussed later, correspond to a positive value for a positive assessment, and a negative value for a negative assessment. The

effect of taking the inverse of the distribution of benefits measure is such that the value for the measure assessing the costs or benefits deriving from the dyadic concentration of linkages will be greater, the greater the concentration of those linkages and the greater the dissatisfaction over the existing distribution of dyadic benefits.

It is important to remember that this measure attempts to evaluate the perception of the value of dyadic linkage concentration on the part of subordinate state decision makers, rather than merely the extent of linkage concentration. A high value for the level of linkage concentration modified by a value reflecting an assessment of high relationship costs results in a strongly negative (though numerically positive) assessment of the value of relationship linkages, and will, as outlined by the theoretical framework outlined in Chapter III, lead to behaviour discouraging dyadic ties. A high value for the level of linkage concentration modified, on the other hand, by a value reflecting an assessment of high relationship benefits results in a strongly positive (though numerically negative) assessment of the value of relationship linkages, and will lead to behaviour approving of dyadic ties. A null value for the endogenous variable measure of dyadic costs and benefits reflects an assessment that no change in the particular dyadic distribution is necessary, and, when combined with the

level of dyadic linkage concentration, will result in a value of zero for the measure assessing the costs or benefits deriving from the concentration of linkages. A decision-maker assessing that no change in one area, such as linkage concentration, is necessary, however, frees himself to concentrate, on other issues of greater importance at that time, effectively putting aside any perception of linkage concentration. A null value for the measure of perception of linkage concentration reflects this 'putting aside' of consideration of the goal of autonomy. The final measure of concentration of linkages, therefore, was determined as follows:

$$\text{Concentration of Linkages (CDC)} = C \times (CDDIST_t - 1),$$

where C is the measure of concentration of linkages between the subordinate and superordinate states in the dyadic relationship;

(CDDIST^{t-1}) is the Canadian foreign policy behaviour assessing the distribution of dyadic costs and benefits lagged one quarter.

An approximation of the superordinate state's international status was determined by a measure of relative international capability which assesses great power economic and military strength. The data was again collected on a quarterly basis and emphasizes the international position of the United States vis-à-vis its allies and its adversaries. International capability was determined by a variety of factors establishing the United States' position as a percentage share of the output of either its allies or its adversaries. Monetary indicators

were chosen as they provide a concise approximation of international performance which is easily translated to become comparable across many different countries. In addition, a measure of the U.S. balance of payments was included in recognition of its function as an arbitrary international indicator of economic strength. A consistently poor balance on current and capital accounts is seen, though perhaps not accurately, as a sign of economic difficulty, which can lead to both domestic and international doubts about a nation's leadership position.

International Status (IS) =

$$\begin{aligned} & Z \text{ (U.S. GDP as a percent of OECD total GDP)} + Z \text{ (U.S. balance of payments)} \\ & + Z \text{ (U.S. military expenditure as a percent of total NATO military expenditure)} + Z \text{ (U.S. military expenditure as a percent of total WTO military expenditure)} \end{aligned}$$

where U.S. gross domestic product (GDP) and OECD member's GDP figures were assessed by OECD data;

U.S. balance of payments is captured by the balance on current and capital accounts, in current U.S. dollars, seasonally adjusted;

U.S., NATO, and WTO military expenditures are taken from estimates determined by SIPRI (the Stockholm International Peace Research Institute).

The endogenous variables attempt to capture the complex nature of foreign policy behaviour, and as such are conceived in terms of four distinct behavioural dimensions: transactions, policy coordination, policy alignment, and distribution of benefits, as well as a measure of affective orientation which of itself does not constitute foreign policy behaviour. These five

dimensions of foreign policy are both conceptually and empirically distinct, as determined by the authors of the Asymmetrical Dyads and Foreign Policy Project (Dolan et al., 1982:402fn).

The dimensions of foreign policy are derived from the data base of the Asymmetrical Dyads and Foreign Policy Project. This data base consists of a "comprehensive collection of international events, defined as official actions undertaken by authoritative decision-makers, and their agents, in efforts to influence the external environment" (Dolan et al., 1982:402). Abstraction of the events, as defined, was accomplished following a set of rules¹, in order that all events would involve Canada and the United States. The events were abstracted from two primary sources: The Globe and Mail, largely because of its position as the most prestigious 'paper of record' in Canada, and the Monthly Report on Canadian External Relations (now titled International Canada), published by the Canadian Institute of International Affairs as a monthly chronology of important developments in Canadian external policy (Dolan et al., 1982:403).

Following abstraction, events were coded along specific variable categories, among which were the five foreign policy dimensions. A quarterly aggregate measure of each foreign policy dimension was compiled for the

¹The rules are outlined in A Manual for the Identification and Abstraction of Canada-United States Events, Research Report No.2 of the Asymmetrical Dyads and Foreign Policy Project, Carleton University, 1979.

purpose of testing the theory. An ordinal-level index was constructed for each of the foreign policy dimensions from the raw data, with intensity weights ranging from +3 to -3. For example, on the transactions scale, +3 would denote complete support for the implementation of precise steps to increase the level of transactions between dyadic partners; +2 would indicate a preference to increase transactions; +1 would imply a lack of concern with increasing transactions; 0, total neutrality or satisfaction with the current level of dyadic transactions; -1, an expression of concern or dissatisfaction with the existing high level of transactions; -2, a preference to decrease the level of transactions; and -3, complete support for the implementation of precise steps to decrease the level of dyadic transactions¹. These scales were constructed as overall measures of the intensity of action on the part of the Canadian government directed toward the U.S., or the American government directed toward Canada. An interval level scale was then constructed with the aid of a panel of academic experts of Canadian foreign policy for each of the foreign policy dimensions (see Dolan et al., 1982:404fn). These intensity scales were used in the testing of the theory.

¹The coding rules are outlined in A Manual for the Coding of Canada-United States Events, Research Report No. 3 of the Asymmetrical Dyads and Foreign Policy Project, Carleton University, January 1980.

In addition to the exogenous and endogenous variables defined above, the theory also postulates conditioning variables which modify the relationship between the specified exogenous variables and dimensions of foreign policy behaviour. These conditioning variables are, for the subordinate state, the foreign policy behaviour of the superordinate state lagged one time period (one quarter), and the total of Canadian federal government expenditure as a percentage of Canadian GNE. For the superordinate state, the conditioning variables include the foreign policy behaviour of the subordinate state lagged one quarter, and the total of American federal government expenditure as a percentage of American GNE.

The measure of lagged foreign policy behaviour taps the theoretical assumption that foreign policy is to some degree reactive, and that nations not only act in the international arena given the dictates of their own specific foreign policy goals and objectives, but also as a reaction to or in response to the foreign policy initiatives of others. Both measures of previous foreign policy behaviour are created from the sum of the five dimensions of foreign policy. This index is problematic because it adds together dimensions which are conceptually and empirically distinct; that is, each measures a separate dimension of foreign policy, and it is questionable whether the sum of these constitutes a new concept, 'foreign policy behaviour'. Theoretically,

however, scores on each of the dimensions of foreign policy behaviour enable the analyst to determine which foreign policy objective has been pursued by a particular state. It is possible, therefore, to determine that a regulation objective, for instance, would result in a lower total score of foreign policy dimensions (likely a negative score) than a maintenance or accommodation objective (likely a neutral or mid-range score), which in turn would result in a lower total score than a reinforcement objective (likely a positive score). This summated index, therefore, while perhaps incapable of determining any value which can properly be said to resemble foreign policy behaviour, does provide, at least in a general sense, an indication of the foreign policy orientation of the state toward its dyadic relationship. For the United States, Canadian foreign policy behaviour, computed quarterly and lagged one time period, forms one of the conditioning variables.

$$\text{Canadian foreign policy behaviour (CDEP)}^{t-1} = (\text{CDTRANS} + \text{CDPOLY} + \text{CDPOSN} + \text{CDDIST} + \text{CDAFFT})^{t-1}$$

where CDTRANS is the Canadian behaviour on the transactions dimension;

CDPOLY is the Canadian behaviour on the policy coordination dimension;

CDPOSN is the Canadian behaviour on the alignment dimension;

CDDIST is the Canadian behaviour on the distribution of benefits dimension;

CDAFFT is the Canadian affective orientation toward the United States.

The conditioning variable for Canada, the previous foreign policy behaviour of the United States, is calculated in the same manner.

$$\begin{aligned} \text{U.S. foreign policy behaviour (USFP)}^{t-1} = & \\ & (\text{USTRANS} + \text{USPOLY} + \text{USPOSN} \\ & + \text{USDIST} + \text{USAFFT})^{t-1} \end{aligned}$$

where USTRANS is the American behaviour on the transactions dimension;

USPOLY is the American behaviour on the policy coordination dimension;

USPOSN is the American behaviour on the alignment dimension;

USDIST is the American behaviour on the distribution of benefits dimension;

USAFFT is the American affective orientation toward Canada.

Finally, the conditioning variable of federal government expenditure as a percentage of GNE provides an indication of the presence of policy interdependence. As earlier discussed, policy interdependence occurs because of the presence of societal interdependence. Societal interdependence is only recognized at the government level, however, once governments seek to increase their control over domestic social and economic life. This attempted control renders government more sensitive to societal interdependence, and less tolerant of external impact upon domestic life. One way to measure the extent of government intervention in the social and economic processes of domestic life is to calculate the percentage of total gross national expenditure which is accounted for by government expenditure. Given the theoretical assumption that

national governments are the prime initiators of foreign policy behaviour, only federal government expenditure was considered in this analysis.

Canadian Government Expenditure (CDEXP) = Z (CDEXP)

U.S. Government Expenditure (USEXP) = Z (USEXP)

where U.S. Government Expenditure (USEXP) includes federal defence expenditures.

(b) Hypothesis creation

The operationalization of the variables to be used in the process of theory testing makes possible the elaboration of the hypotheses which are to be tested. Hypothesis creation and testing is a significant part of theory development. James Caporaso has given a simple description of the way in which theory construction is inseparable from hypothesis creation.

I define a theory as a deductively organized, logically interrelated set of hypotheses that serves as an explanation for some specified behaviour. A theory has three components: (1) A series of empirically uninterpreted concepts, some of which are variables... (2) rules of relations among these concepts that provide a determinate structure for the hypotheses; and (3) some empirical interpretation of these concepts (1976:355).

The elaboration of variables, such as state of the economy, autonomy, international status, and foreign policy behaviour, as well as the concepts of subordinate and superordinate states, interdependent asymmetrical dyad, foreign policy goals and objectives, provide the first essential ingredient in the process of theory

creation or theory modelling. The hypotheses which follow make explicit the manner in which the exogenous and conditioning variables relate to the endogenous variables measuring foreign policy behaviour, thus establishing 'rules of relations' among the theory's concepts.

Subordinate State: H1) Transaction Behaviour
(Canada)

$$= \text{USE} - \text{CDE} - \text{CDC} + \text{IS} + \text{USFpt}^{-1} - \text{CDEXP},$$

H2) Policy Coordination Behaviour

$$= \text{USE} - \text{CDE} - \text{CDC} + \text{IS} + \text{USFpt}^{-1} - \text{CDEXP},$$

H3) Alignment Behaviour

$$= \text{USE} - \text{CDE} - \text{CDC} + \text{IS} + \text{USFpt}^{-1} - \text{CDEXP},$$

H4) Distribution of Benefits Behaviour

$$= \text{USE} + \text{CDE} - \text{CDC} + \text{IS} + \text{USFpt}^{-1} - \text{CDEXP},$$

H5) Affect Dimension

$$= \text{USE} - \text{CDE} - \text{CDC} + \text{IS} + \text{USFpt}^{-1} - \text{CDEXP},$$

where USE is the state of the U.S. economy;

CDE is the state of the Canadian economy;

CDC is the assessment of the distribution of dyadic benefits deriving from the concentration of linkages between Canada and the United States.

IS is the American international hegemonic status;

USFpt⁻¹ is U.S. foreign policy behaviour lagged one quarter;

CDEXP is Canadian government expenditures as a percentage of Gross National Expenditure (GNE).

These hypotheses establish the relationships between the variables as they pertain to the various dimensions of foreign policy behaviour. For example, transactions behaviour is hypothesized to correlate positively to the

state of the U.S. economy, inversely to the state of the Canadian economy, inversely to the assessment of costs and benefits deriving from the concentration of linkages between Canada and the U.S., positively to the hegemonic status of the United States, positively to previous American foreign policy behaviour and inversely to Canadian government expenditure as a percentage of GNE. Canada would want increased transactions with the United States when the state of its economy was poor and the state of the American economy was good, when its assessment of the distribution of dyadic benefits deriving from its concentration of linkages with the U.S. was good, when the international status of the United States was strong and secure, and therefore its leadership role clear, when previous U.S. foreign policy behaviour toward Canada had been positive, and when its expenditure in the domestic social and economic processes was low, thereby making it less sensitive to external interference.

In the same way, a series of superordinate state hypotheses were developed.

Superordinate State: H6) Transaction Behaviour
(United States)

$$= USE - IS + CDFPt^{-1} - USEXP,$$

H7) Policy Coordination Behaviour

$$= USE - IS + CDFPt^{-1} - USEXP,$$

H8) Alignment Behaviour

$$= USE - IS + CDFPt^{-1} - USEXP,$$

H9) Distribution of Benefits Behaviour

$$= USE + IS + CDFPt^{-1} - USEXP,$$

H10) Affective Dimension

$$= \text{USE} - \text{IS} + \text{CDFP}^{t-1} - \text{USEXP},$$

where USE is the state of the U.S. economy;

IS is the American international hegemonic status;

CDFP^{t-1} is Canadian foreign policy behaviour lagged one quarter

USEXP is U.S. government expenditure as a percentage of Gross National Expenditure (GNE)

The hypothesis testing undertaken was in the form of various regression analyses designed to control for the effect of first-order and second-order autocorrelation of the residuals, which if unadjusted biases the estimates of the variance explained. Autocorrelation is a particular characteristic of most time-series data, for data are autocorrelated if "there is some predictability from the past of a series to its current values" (Gottman, 1981:33). This is particularly significant in regression analysis, since this statistical tool "assumes that the residuals from the regression are a set of uncorrelated numbers" (Gottman, 1981:57). Both the uncorrected variance-explained term (R^2) and the corrected term ($\overline{R^2}$) are presented in the analysis of the results.

CHAPTER V

ANALYSIS AND DISCUSSION: THE FOREIGN POLICIES OF STATES IN ASYMMETRICAL DYADS

The results of the hypothesis testing for subordinate and superordinate state foreign policy, using the examples of Canada and the United States, are reported in Tables 3 and 4. Overall, the results obtained from the autoregressive model are stronger for Canadian foreign policy than are the results for U.S. foreign policy, though in neither case is the variance explained particularly great, the highest $\overline{R^2}$ being .31 for the Canadian foreign policy alignment dimension. Additionally, all the variable signs are not in the expected direction, with United States economic performance in the autoregressive model of U.S. foreign policy performing consistently in the opposite direction than anticipated. The expectation that the conditioning variables would impact upon the relationship between the exogenous and endogenous variable proved accurate, with the highest partial correlation ($r=.60$) registered by lagged Canadian foreign policy behaviour on the policy coordination dimension of U.S. foreign policy.

TABLE 3

Multivariate, Autoregressive Model of Canadian Foreign Policy, Canada and U.S. Economic Performance, Assessment of Linkage Concentration, International Status, U.S. Foreign Policy, and Canadian Government Expenditure.

HYPOTHESIS	DEPENDENT VARIABLE	(b coefficient) (standard error) (t-ratio) (partial r)	Canadian Economic Performance	U.S. Economic Performance	Assessment of Linkage Concentration	International Status	U.S. Foreign Policy	Canadian Government Expenditure	R ²	R ²
(1)	Transactions dimension		-.18 1.34 -1.34 -.12	.49 1.77 .23 .02	-.41 .13 -.39 .00	-.61 .99 -.23 -.03	-.10 .27 -.96 -.12	-.50 2.56 -2.51a -.30	.31	.24
(2)	Policy coordination dimension		-.28 .75 -1.48 -.18	-.62 .91 -.31 -.03	.11 .79 .96 .12	-.23 .48 -.98 -.01	.14 .16 1.19 .15	-.16 1.16 -1.02 -.13	.24	.16
(3)	Alignment dimension		-.55 1.25 -4.11a -.46	.48 1.29 4.05a .46	.25 .16 .24 .03	-.11 .66 -.84 -.11	.28 .31 2.91a .34	-.16 1.52 -1.74 -.22	.37	.31
(4)	Distribution of benefits dimension		.15 2.54 .74 .09	.12 3.01 .57 .07	.21 .26 1.71 .21	.51 1.64 2.08a .25	-.51 .55 -.41 -.05	.22 3.96 1.30 .16	.19	.11

HYPOTHESIS	DEPENDENT VARIABLE	TABLE 3 (cont'd)				Assessment of Linkage Con- centration		R ²	$\overline{R^2}$
		Canadian Economic Perfor- mance	U.S. Economic Perfor- mance	(b coefficient) (standard error) (t-ratio) (partial r)	U.S. Foreign Policy	Canadian Government Expenditure	International Status		
(5)	Affect dimension	-.50 .97 -2.92 ^a -.34	.77 1.12 .46 .01		-.29 .11 -.26 -.03	-.29 .58 1.49 .18	-.10 .22 .89 .11	.36	.30

N = 69

a = Statistically significant at $\leq .05$

TABLE 4

Multivariate, Autoregressive Model of U.S. Foreign Policy,
U.S. Economic Performance, International Status,
Canadian Foreign Policy, and U.S. Government Expenditure.

HYPOTHESIS	DEPENDENT VARIABLE	U.S. Economic Perfor- mance	Internat- ional Status	Cdn Foreign Policy	U.S. Gov't Expendi- ture	R ²	$\overline{R}^2$
(6)	Transactions dimension	(b coefficient) - .26 (standard error) 1.82 (t-ratio) -1.64 (partial r) - .20	- .51 1.47 -1.76 - .21	.14 .46 1.23 .15	- .54 4.49 -2.04a - .25	.13	.08
(7)	Policy coordination dimension	- .25 .40 -2.24a - .27	- .31 .35 -1.38 - .17	.52 .11 6.06a .60	- .11 1.08 - .56 - .07	.24	.20
(8)	Alignment dimension	- .26 1.59 -1.94a - .23	- .28 1.36 -1.09 - .14	.38 .41 3.90a .43	- .24 4.15 - .10 - .01	.20	.15
(4)	Distribution of benefits dimension	- .15 2.92 - .89 - .11	.47 2.33 1.55 .19	.26 .71 2.28a .27	- .26 7.17 - .93 - .11	.11	.05

TABLE 4 (cont'd)

HYPOTHESIS	DEPENDENT VARIABLE	U.S. Economic Perfor- mance	Inter- national Status	Cdn Foreign Policy	U.S. Gov't Expendi- ture	R ²	R ²
(10)	Affect dimension	(b coefficient) -.34 (standard error) .93 (t-ratio) -2.20 ^a (partial r) -.26	-.34 .76 -1.20 -.15	.37 .23 3.44 ^a .39	-.13 2.32 -.52 -.01	.17	.11

N = 69

^a Statistically significant at $\leq .05$

(a) Results: Canadian Foreign Policy

Of the hypotheses tested to explain Canadian foreign policy, only the affect dimension (H5) performed as expected throughout the model. The international hegemonic status of the United States performed in the opposite direction than anticipated for three of the hypotheses, the transaction dimension (H1), the policy coordination dimension (H2), and the alignment dimension (H3), implying that Canada seeks greater transactions, increased policy coordination, and offers more support for the position of the United States when the latter's international status is in some doubt or is questioned. These findings contrast with the theoretical expectation that the subordinate state will express a willingness to intensify its relationship with its superordinate partner when the latter's hegemonic status is secure. The results indicate rather that the subordinate state expresses a positive orientation toward the dyadic relationship, and is satisfied with the distribution of benefits deriving from it, during periods of superordinate state economic and military strength, but does not translate such an orientation into a desire for closer relationship ties. Any judgement as to the accurate effect of U.S. hegemonic status upon Canadian foreign policy must be made cautiously, however, for the partial correlations in all

three cases are very slight (r from $-.01$ to $-.11$), while the partial r for each of the other two hypotheses ($H4$ and $H5$), with international status performing in the expected direction, is much greater ($.25$ and $.18$ respectively).

Equally perplexing, the lagged measure of United States foreign policy performed as expected in only three hypotheses ($H2$, $H3$, and $H5$), with a fairly large effect on the alignment dimension ($r = .34$); while performing in the opposite direction on the transactions and distribution of benefits dimensions ($H1$ and $H4$). Again, however, the partial r values for the unexpected behaviour of U.S. foreign policy are small ($r = -.05$ for $H4$ and $-.12$ for $H1$), making judgement on the effect of American foreign policy in the previous quarter on Canadian foreign policy behaviour uncertain. It is possible that a time lag of one quarter is too great; that Canadian decision makers react quickly to present U.S. foreign policy as well as to previous U.S. foreign policy. In that case, a sudden shift in American foreign policy could negate any intended reaction to previous dissimilar policy.

The state of the U.S. economy had a fairly consistent, though largely negligible effect on Canadian foreign policy behaviour in four of the five hypotheses tested. On the alignment dimension ($H3$), however, the state of the U.S. economy had a significant impact on Canadian foreign policy behaviour (partial $r = .46$), the

dimension upon which the state of the Canadian economy equally had its most substantial impact (partial $r = -.46$). Overall, the impact of the state of both the United States' and Canada's level of economic performance upon Canadian foreign policy behaviour was smaller than anticipated, although the Canadian economic variable consistently performed in the expected direction.

Perhaps most disappointing for the theory relating to Canadian foreign policy behaviour was the performance of the assessment of concentration of linkages measure. Its impact upon the model of foreign policy tested was extremely limited in all cases (the largest partial r obtained was .21), and in three hypotheses (H2, H3, H4) its effect was in the opposite direction to that predicted. These results stand in marked contrast to the performance of the concentration of linkages variable in the initial test of the Asymmetrical Dyads and Foreign Policy Project, where in hypotheses tested to explain the same dependent variables, "linkage concentration performed in the expected direction in all equations, four of which are at a significant level..." (Dolan et al., 1982:415). This would indicate that the measure of the subordinate state's level of satisfaction with the dyadic distribution of benefits does not contribute anything of benefit to the explanatory power of the linkage concentration measure; in fact, it appears to confuse the impact of the variable on the hypotheses tested, and reduce its overall impact.

Several explanations for this result are possible. In particular, the aggregate quarterly measure of distribution of benefits used may have obscured many of the sharply negative or positive assessments of dyadic distribution, resulting in a relatively moderate value for each time period. As the value for distribution of benefits in each case approaches zero, there is a depressing effect on the value measuring linkage concentration. This depressing effect could have substantially reduced the variance explained in the modified concentration measure by obscuring any significant changes.

In addition, the modified concentration of linkages measure assumes that a highly positive evaluation of the benefits deriving from linkage concentration will lead to a desire for greater relationship ties. It may be, however, that a positive assessment, no matter how strong, simply reflects a great degree of satisfaction with the existing linkages, and does not indicate a desire for a greater number of relationship ties. Even the highly satisfied decision-maker may be concerned about autonomy if an existing, however beneficial, level of linkage concentration were to increase. Some measure of the degree of the subordinate state's satisfaction with the linkage concentration it possesses with the superordinate state makes theoretical sense, however. A subordinate state would not feel its autonomy threatened in any sense

requiring priority foreign policy attention if it felt satisfied that the existing linkage concentration, no matter its level, was of benefit to it. It is possible, however, that the distribution of benefits measure does not accurately capture the degree of satisfaction with the dyadic concentration of linkages; the subordinate state may in this case feel satisfied with the distribution of benefits in the relationship, while still being concerned with the erosion of its autonomous capability due to the perceived unfavourable impact of a high level of linkage concentration.

The total of Canadian government expenditure as a percentage of Canadian GNE performed as expected on four of the five hypotheses, that is, every hypothesis except the distribution of benefits dimension. The partial r values, while not large, are relatively consistent (ranging from $-.30$ to $-.13$ for the four hypotheses where direction was as expected). The distribution of benefits dimension, on the other hand, has a different relationship to the level of government expenditure than originally postulated. While a lower level of government expenditure leaves a government less aware of and sensitive to external interference, and therefore more likely to favour increased transactions, increased policy coordination or increased policy alignment, it may not have substantial input in a decision concerning the distribution of dyadic benefits. It may be, rather, that in assessing its level

of satisfaction with dyadic distribution, a government does not give any thought to its level of spending, its trade and investment initiatives, or whatever it may be doing to affect the relationship, but rather assesses the status quo, without any particular thought to the ways in which it might make a contribution toward the improvement of distribution of dyadic benefits. Overall, however, the performance of Canadian government expenditure as a percentage of GNE was more important and consistent than any other variable in the equation, indicating that such a measure does play a part in the determination of foreign policy behaviour.

(b) Results: U.S. Foreign Policy

The hypotheses generated to explain U.S. foreign policy were far more consistent in their successes - and failures - than the hypotheses dealing with Canadian foreign policy. Overall, the variance explained in each case was smaller than the variance explained in the Canadian foreign policy hypotheses, but a close observation of the results leads to an immediate assessment of why this is so. The independent variable, the state of the U.S. economy, did not perform as expected in any one of the five hypotheses tested. The impact of economic performance upon superordinate state foreign policy behaviour was thought to be positive in all cases, that is, for example, the United States would only seek closer transactions with Canada when its economy was

performing well but its international hierarchical status was in question. Theoretically, a superordinate state would choose to turn to its allies, including its dyadic partner, in times of status insecurity (if only to reaffirm its hegemonic role), while it would choose to disengage from active international pursuits given poor economic performance. A superordinate great power is, after all, in a better position to attempt to achieve complete autarky, or perfect autonomy, than any other state. The traditional great power response to economic difficulties has been isolationism and protectionism, born of the perception that the international system did not aid in the solution of complex economic problems, but often compounded them. The economic chaos of the late 1960s and the early 1970s, for example, resulted in the 1971 Nixon shocks, which clearly attempted to regulate American international economic dealings. The literature on interdependence, rare in the late 1960s and early 1970s, grew to some extent in response to the perception of a decrease in U.S. autonomy, or of an increase in U.S. interdependence. Articles with titles such as "Independence and Interdependence" (Nye, 1976) and "The Big Influence of Small Allies" (Keohane, 1971) tried to interpret interdependent relations to an uneasy United States.

Despite these signs that superordinate great powers, at least, would seek to retreat from the international

economic system rather than become further embroiled in it during times of poor economic performance, the empirical evidence determined by the testing of U.S. foreign policy behaviour hypotheses would seem to indicate that the reverse argument is in fact the true one. With only one partial r value below $-.20$, it would also seem apparent that the effect of the U.S. economy on its own foreign policy behaviour is consistent, though moderate. This unexpected result constitutes a partial refutation of the theory, for while it does not dismiss the importance of a measure of U.S. economic performance, it does point to the fact that this economic performance is more likely to engender a desire for closer dyadic ties under conditions of poor economic performance than more distant ties. There is the possibility that such behaviour on the part of the superordinate state is apparent only in its interdependent dyadic relationships; that while it feels insecure about the international economic environment as a whole, it does not feel that its autonomous power is eroded within the dyadic framework. Returning to 'home base' under conditions of poor economic performance may not provoke isolationist sentiment against the subordinate dyadic partner to the same extent as is provoked against the international economic environment. Equally, the superordinate state may choose to divert trade and investment relationships from those states which it perceives are affecting its level of economic performance

to the subordinate state, over which it knows it has power by virtue of the structurally asymmetrical relationship which governs the dyad.

The most important determinant of superordinate state foreign policy within the dyadic relationship is neither of the exogenous variables, however, but a conditioning variable. Canadian foreign policy lagged one time period, in marked contrast to the performance of American foreign policy in the testing of the Canadian hypotheses, performs consistently strongly and in the expected direction in every case (the partial r values are as follows: H7) .60; H8) .43; H10) .39; H9) .27; and H6) .15.

It is possible, however, that the United States reacts more slowly to Canadian foreign policy than vice versa, largely because Canada is for the U.S. but one country in its wide number of international relationships, and a country which is not perceived as one likely to cause severe economic or military disruptions. The lag time in responding to Canadian foreign policy orientations may be the best example of Hirschman's (1978) disparity of attention principle; it simply takes the superordinate state a long time to notice any modification of subordinate state behaviour toward it. Canada, on the other hand, may respond much more quickly to changes in U.S. foreign policy, largely because it is already

devoting a large number of resources to simply paying attention to the dyadic relationship.

(c) Results: Overall Assessment

The overall results suggest that some modification of the theoretical framework is needed. The modest amount of variance explained (ranging from a high of .31 to a low of .05) brings to light the first problem; that of the fit or empirical adequacy of the theory. The review of the hypotheses suggested one significant problem — the performance of the variable measuring the state of the U.S. economy. Subsequent tests of the theory should either predict the opposite effect of economic performance on foreign policy behaviour, or should assign to the variable a 'threshold' of economic performance below which the superordinate state would not wish closer ties with the subordinate state, but above which the superordinate state would feel secure within the confines of the dyadic relationship irrespective the level of economic performance.

Additionally, there are several problems inherent in the data which can depress the amount of variance explained, as outlined in Dolan et al. (1982). Part of the problem is a function of measurement error, symptomatic of the difficulties involved in the use of event data. The use of aggregate data to measure economic performance, linkage concentration, international hierarchical status and government expenditure introduces

some dissonance in the analysis for it assumes perfect information on the part of government decision-makers, whereas it is their perception of their nation's position on any of these measures which actually influences their behaviour. It is unrealistic to expect that policy makers know instantaneously of the level of their country's economic performance when making foreign policy decisions, particularly when such aggregate data is revised by the publishing institution on the basis of new information for several time periods beyond the date of its original applicability. Additionally, the aggregating of the data into quarters can serve to obscure some potentially important relationships, as well as add an element of randomness which demonstrates itself as unexplained variance (Dolan et al., 1982:418-419).

The decision to explain conceptually and empirically distinct elements of foreign policy behaviour with the same exogenous and conditioning variables also created difficulties mirrored by unexplained variance. As Dolan et al. (1982) point out; when the same terms are used to explain independent dimensions of foreign policy behaviour, "it is impossible for a large amount of variances of more than one dimension to be explained statistically" (419). The creation of a different theoretical framework for each of the foreign policy dimensions limits to an even greater degree the parsimony, scope and to some extent, the theory falsifiability,

however. The decision to further complicate a theory is never a straightforward one, as there always exists the trade-off between empirical adequacy and parsimony.

Finally, one of the more interesting facts to derive from the process of hypothesis testing engaged in was the contrasting performance of Canadian and U.S. government expenditure. In the Canadian case, government expenditure was consistent, and revealed an important determinant of Canadian foreign policy. In the case of the United States, however, government expenditure, while always performing in the expected direction, was only once of any importance (H6; partial $r = -.25$). Several ideas suggest themselves. Canadian government expenditure, throughout the 1963-1980 period is consistently higher than U.S. government expenditure during the same period, averaging approximately 17% of gross national expenditure¹, as compared to an average of roughly 8.5% for the United States government², including a high rate of defence spending. Perhaps there is a 'threshold' level of government expenditure below which government spending has no real impact upon foreign policy behaviour.

Additionally, however, it is possible that state and provincial expenditure as a percentage of GNE has an impact upon foreign policy behaviour, though these

¹Statistics for government expenditure as a percentage of Canadian GNE were derived from those compiled in the Bank of Canada Review.

²Statistics for government expenditure as a percentage of U.S. GNE were derived from those compiled in the Survey of Current Business, a publication of the U.S. Department of Commerce.

national subunits do not technically have any claim on the foreign policy process.

State expenditure comprises a greater proportion of gross national expenditure in the United States than does federal level expenditure. Theoretically, the intervention of governments — regardless of their level within the national hierarchy of government — sensitizes policy makers to the existence of external interference in domestic social and economic processes. There is no reason as to why such external pressures should not be felt at the state or provincial levels in the same manner as these are felt at the federal level, creating similar desires to restrict interdependent relations. This state level expenditure may partially explain the growing regionalism of the United States Senate, for example, as Senators defend ever more strongly the state interests they represent and the foreign policy postures which derive from these. Canadian provincial governments on the other hand, have been more active in representing their foreign policy interests to Ottawa, as well as in representing their interests with provincial offices abroad. While national governments do act as the authoritative agents of national societies, and do play a role as the prime initiators of foreign policy, they do not necessarily hold a monopoly of foreign policy interest. In addition, state and provincial activism in the area of foreign policy may be an accurate reflection

of societal foreign policy concerns, as provincial and state governments represent a more distinct and monolithic population than do federal governments.

CONCLUSION

Imre Lakatos, in his paper "Falsification and the Methodology of Scientific Research Programmes," established the criteria by which a series of theories could be termed a progressive problemshift, and by which previous theoretical frameworks could potentially be falsified (1970). It has been the aim of this paper to develop such a progressive problemshift, using as a basis the work of the Asymmetrical Dyads and Foreign Policy Project. This conclusion will provide an assessment of the degree to which this research goal has been successful.

The Asymmetrical Dyads and Foreign Policy Project posits that there exists a relationship between the performance of the subordinate state's economy and the concentration of linkages between the subordinate and superordinate state on the one hand and the subordinate state's foreign policy behaviour toward its dyadic partner on the other. In addition, the project's authors established conditioning factors which can modify the relationship between the exogenous and endogenous variables; systemic conflict, dyadic conflict, and domestic support within the subordinate state for increased or reduced relationship ties within the dyad

(see Tomlin et al., 1981; Dolan et al., 1982).

The project's authors later specify that subordinate state foreign policy is also partially determined by the economic performance of the superordinate state, and in so doing, improve the empirical content of the theory (Dolan and Tomlin, mimeo). This research work sought to further modify the theoretical foundations established by the Dyads project.

The theoretical framework outlined in Chapter III reinterpreted several concepts introduced by the project. Though the major underlying assumption of structural asymmetry was retained (Chapter II provided a comprehensive discussion of the theoretical implications of asymmetry), new assumptions were added. Firstly, the theory assumed that the governments of both the subordinate and superordinate states were democratically elected, establishing at least their anticipated responsiveness to societal concerns. This assumption did not imply a direct link between societal demands and government action, but rather indicated that both governments are at least conscious of domestic pressures. Secondly, the theory assumed that the dyadic relationship is one between a great and a middle power, whose status ranks are determined by the international hierarchical power structure. These status assignments condition the international behaviour of the dyadic partners, and, particularly in the case of the superordinate state,

determine to some degree their foreign policy goals. These new assumptions, while adding further precision to the theoretical structure, limit its parsimony, and to some degree, its falsifiability, in that the theory has become less risky or improbable (see Caporaso, 1976:357).

The theoretical postulates were aimed at establishing not only the determinants of subordinate state foreign policy within a dyadic relationship, but also the determinants of superordinate state foreign policy. In attempting to do so, the theoretical framework is at least theoretically progressive over the work of the Dyads project, in that it has some excess empirical content over its predecessor (Lakatos, 1970:118). It can be argued, however, that the work of the Dyads project never intended to explain superordinate state foreign policy, and that any theoretical modification can only be judged progressive against theoretical postulates which similarly address themselves to the question of subordinate state foreign policy behaviour. In attempting to devise progressive reformulations, therefore, several aspects of the theory pertaining to the subordinate state were modified.

Subordinate state foreign policy behaviour within the dyad was assessed to be determined both by its economic performance and its perception of the value of the concentration of linkages between it and the superordinate state, as well as by the economic performance of the

superordinate state and its hegemonic status. The inclusion of superordinate state conditions to assess subordinate state foreign policy was predicated on the theoretical assumption of disparity of relationship involvement existing between the subordinate and superordinate states. As a result of the deeper involvement of the subordinate state in the dyad, it was assumed that the international and domestic concerns of the superordinate state would have a substantial impact upon the determination of the subordinate state's foreign policy objectives. The measure of superordinate state international hegemony, for example, captures to some degree the extent of systemic conflict, used as a conditioning variable in the Dyads theoretical formulations. An increasing degree of superpower conflict usually engenders an increasing degree of superpower defence expenditure. These changing expenditure figures are captured in the military spending component of the international status index, and as such at least partially introduces the variable of superpower conflict to the theoretical structure. Additionally, the original Dyads concentration of linkages measure was modified by an assessment of subordinate state satisfaction with the distribution of dyadic costs and benefits. In this manner, the concept of autonomy was deemed to better approximate the realities of an interdependent relationship, wherein the desire of the subordinate

partner is not so much greater autonomy as an increase in the mutuality of interdependence. It was hoped that this measure of the concentration of linkages would capture not only the fact of relationship ties, but the perception of these, and thus better approximate the subordinate state's desire for greater autonomy. Additionally, subordinate state assessment of the distribution of dyadic benefits mirrors, to the extent that the government is sensitive and responsive to societal pressures, domestic assessments of the dyadic relationship, thus incorporating into the model some indication of domestic concerns.

Two new conditioning variables were also included in the theoretical structure constructed to explain subordinate state foreign policy behaviour: superordinate state foreign policy at $t-1$, and subordinate state government expenditure as a percentage of gross national expenditure. Superordinate state foreign policy behaviour was included on the basis of the theoretical postulate that a large part of foreign policy behaviour is reactive, that states often cannot initiate new foreign policy objectives, but are left merely to respond to situations already existant in the international environment. This variable also reflects the degree of superordinate conflict directed toward the subordinate state, and thus partially includes an assessment of the level of dyadic conflict in the new model. The measure of government expenditure in relation to gross national expenditure

brings to light a potential modifier of foreign policy behaviour not included in the model specified in the Dyads project. This measure takes into account the fact that governments are not generally appreciative of foreign interference which in any way limits the effectiveness of their policy initiatives. The more a government is involved in the social and economic processes of society, therefore, the more likely it is to be sensitive to the effects of foreign intervention, and thus, the more sensitive it is to the costs of interdependence.

In this model of subordinate state foreign policy behaviour, the Lakatosian criteria of excess empirical content as well as the retention of the unrefuted content of the Dyads theory have been at least partially met. The major elements of the project theory have been retained, though many have been somewhat modified, and new concepts have been added in the expectation that these could improve the precision of the theory's predictive power. As well as devising a model of subordinate state foreign policy behaviour, the paper also develops a theory of superordinate state behaviour. This structure includes variables measuring the performance of the superordinate state's economy, its international status, the subordinate state's foreign policy behaviour, and the level of superordinate state government expenditure as a percentage of gross national expenditure.

The empirical results of the process of hypothesis testing were somewhat disappointing, however. The variance explained for each of the ten hypotheses tested was low, and several variables, notably U.S. economic performance in the model of U.S. foreign policy behaviour, failed to perform in the expected direction. The modified measure of assessment of concentration of linkages did not have any real impact on Canadian foreign policy behaviour, suggesting that the variable reformulation engaged in did not add any empirical precision to the theory. The measure of Canadian government expenditure did have a moderate impact on the hypotheses tested, at least partially supporting the theoretical framework in that respect, as did the measure of previous Canadian foreign policy in an evaluation of U.S. foreign policy behaviour, though these results were significant to less than .05. Both these variables were lent some empirical support, and should be retained in further testing.

Was this theoretical reformulation part of a progressive problemshift in the Lakatosian sense? The answer cannot be an unequivocal yes or no. Some excess empirical content was proposed, many of the elements of the original theory were retained, though with some modifications to these, and some of the excess empirical content of the reformulation was supported, though certainly not to the desired degree. The theoretical conception advanced by this paper did constitute a

problemshift, though only elements of it proved to be progressive, and perhaps, given the lack of strong empirical support, much of it can be viewed as degenerating (Lakatos, 1970:118). The original Dyads formulation certainly cannot be falsified on the basis of work outlined here, for "there is no falsification before the emergence of a better theory" (Lakatos, 1970:119). The field of international relations theory is a relatively new one, however, and the application of scientific principles and methods to it newer still. Modification of existing theory in order to achieve progress in the field is a legitimate scientific pursuit, regardless of the successes or failures which it may engender. The words of Thomas Kuhn are encouraging.

As in individual development, so in the scientific group, maturity comes most surely to those who know how to wait. Fortunately, though no prescription will force it, the transition to maturity does come to many fields, and it is well worth waiting and struggling to attain. Each of the currently established sciences has emerged from a previously more speculative branch of natural philosophy, medicine, or the crafts at some relatively well-defined period in the past. Other fields will surely experience the transaction in the future. Only after it occurs does progress become an obvious characteristic of a field (1970a:245).

APPENDIX

The concept of a turning point or change in Canadian-American relations, marked by the 1971 summer crisis over the Nixon administration's new economic policies, has been given currency in much of the literature on Canada-U.S. relations. Stephen Clarkson, for example, has argued that the 'Nixon Shocks' brought about a period of relationship uncertainty (1982:8), and Harald von Riekhoff has contended that the August measures altered the perception of the Canadian Cabinet toward the relationship, leading it to accept "the principle of consciously seeking to diminish Canadian dependence on, and vulnerability to, the United States" (1978:87-88). In order to assess the validity of this concept of turning point, a quarterly value was obtained for each foreign policy behaviour dimension for both Canada and the United States during the 1963-1980 period under investigation from the data of the Asymmetrical Dyads and Foreign Policy Project (a full description of the creation of measurement scales for the foreign policy dimensions is contained in Chapter IV). These values as obtained therefore reflect quarterly evaluations of the state's desire for an increase or a decrease in the level of dyadic transactions; desire for an increase or a decrease in the

extent of dyadic policy coordination; the state's support for or opposition to the position or policy of the dyadic partner; the extent of state satisfaction with the distribution of benefits deriving from the relationship; and the degree of hostility or friendship expressed toward the dyadic partner. A negative behavioural value indicates disfavour toward that aspect of the relationship (such as a desire for a decrease in policy coordination); whereas a positive behavioural value indicates support for that relationship dimension.

A quick glance at Table 5 reveals some consistency in the number of negative and positive appraisals along the various foreign policy dimensions for both Canada and the United States in each quarterly period. The greatest exception is to be found in the four year period between 1969 and 1972, where the level of negative relationship assessments reaches its highest point. This is consistent with the time period assigned to the relationship turning point (the early Nixon years), and supports the appraisal by Harald von Riekhoff and Brian Tomlin that integrative trends in the relationship began to decline in the period after 1965, accelerating "after 1969 and reaching an all-time low during the 1971 summer crisis over the Nixon Administration's new economic policies" (1982:5). Additionally, in another article, Michael Dolan, Brian Tomlin and Harald von Riekhoff found that negative assessments of the Canadian-American dyad were

TABLE 5

Conflictive/Cooperative Behaviour by Quarters

Canada ^bUnited States ^c

Period ^a	trans. policy posn. dist. afft.					trans. policy posn. dist. afft.				
1963-01	+	+	-	+	-	+	+	-	+	+
02	+	+	+	-	+	+	+	+	+	+
03	+	+	-	-	+	+	+	+	-	+
04	+	+	-	-	+	+	+	-	-	+
1964-01	+	+	+	+	+	+	+	+	+	+
02	+	+	+	+	+	+	+	-	+	+
03	+	+	+	+	+	+	+	+	+	+
04	+	+	+	-	+	+	+	+	+	+
1965-01	+	+	+	+	+	+	+	-	+	+
02	-	+	+	+	+	+	+	+	+	+
03	+	+	-	+	+	+	+	+	+	+
04	+	+	+	+	+	+	+	-	+	+
1966-01	+	+	+	+	+	-	+	+	-	+
02	+	+	-	+	+	+	+	+	+	+
03	-	+	+	+	+	-	+	-	+	+
04	+	+	-	+	+	-	+	-	+	+
1967-01	-	+	-	+	+	-	+	-	+	+
02	+	+	+	+	+	+	+	+	-	+
03	+	+	+	+	+	+	+	+	+	+
04	+	+	-	+	+	+	+	+	+	+
1968-01	+	+	+	+	+	+	+	-	+	+
02	+	+	+	+	+	-	+	+	-	+
03	-	+	+	+	+	-	+	+	+	+
04	-	+	+	+	+	+	+	+	+	+
1969-01	+	+	-	+	+	+	+	-	+	+
02	+	+	-	+	+	-	+	-	+	+
03	+	+	-	-	+	+	+	+	-	+
04	+	+	+	+	+	+	+	+	+	+
1970-01	-	+	-	-	+	+	+	+	-	+
02	+	+	-	+	-	+	+	-	+	+
03	-	+	-	+	-	+	+	-	-	+
04	+	+	-	+	+	+	+	+	-	+
1971-01	+	+	-	+	+	+	+	-	+	+
02	-	+	-	-	+	+	+	-	-	+
03	+	+	-	-	-	-	+	-	-	+
04	+	+	-	-	-	+	+	-	-	+
1972-01	+	+	-	+	-	-	+	-	-	-
02	-	+	-	-	+	+	+	-	-	+
03	-	+	+	-	+	-	+	+	+	+
04	-	+	-	-	+	-	+	-	-	+

TABLE 5 (con't)

Conflictive/Cooperative Behaviour by Quarters

Canada ^bUnited States ^c

Period ^a	trans. policy posn. dist. afft.					trans. policy posn. dist. afft.				
1973-01	+	+	-	+	+	-	+	-	+	+
02	+	+	+	+	+	+	+	+	+	+
03	-	+	-	-	+	-	+	+	+	+
04	-	+	+	+	+	+	+	-	+	+
1974-01	-	+	-	+	-	+	+	-	+	+
02	-	+	-	+	+	+	+	-	-	+
03	-	+	-	+	+	+	+	-	-	+
04	-	+	-	+	+	-	+	-	-	+
1975-01	+	+	-	+	+	-	+	-	-	+
02	-	+	-	+	+	+	+	+	-	+
03	-	+	+	-	+	+	+	-	-	+
04	-	+	-	-	+	+	+	-	-	+
1976-01	+	+	+	-	+	+	+	+	+	+
02	-	+	+	+	+	+	+	+	+	+
03	-	+	-	+	+	-	+	-	+	+
04	+	+	-	-	-	-	+	-	+	+
1977-01	+	+	+	+	+	+	+	+	+	+
02	+	+	-	-	+	+	+	-	+	+
03	+	+	-	+	+	+	+	-	+	+
04	+	+	+	+	+	+	+	+	+	+
1978-01	+	+	+	+	+	+	+	+	+	+
02	+	+	+	-	+	+	+	+	-	+
03	+	+	+	+	+	+	+	-	+	+
04	+	+	+	+	+	+	+	+	+	+
1979-01	+	+	+	+	+	+	+	+	+	+
02	+	+	+	+	+	+	+	+	+	+
03	+	+	+	+	+	+	+	-	+	+
04	+	+	+	+	+	+	+	-	+	+
1980-01	+	+	+	+	+	-	+	+	+	+
02	+	+	-	-	+	+	+	+	+	+

^a Periods are divided in quarters; 01 = January-March;
02 = April-June; 03 = July-September; 04 = October-December.

^b Canada, dimensions of foreign policy behaviour are as follows:
trans = transactions; policy = policy coordination; posn = policy
alignment; dist = distribution of benefits; afft = affective
orientation

^c United States, dimensions of foreign policy behaviour are as
follows:
trans = transactions; policy = policy coordination; posn = policy
alignment; dist = distribution of benefits; afft = affective
orientation

prevalent in the 1970-1972 period on the part of both partners (1981).

Despite this marked change in relationship assessment by each partner over the 1969-1972 period, no lasting negative assessment of the relationship seems to have evolved as a result of the 1971 summer crisis. The period from 1973 to 1980, in fact, appeared to return to the same level of negative and positive relationship assessments as was the case in the period prior to 1969. This assessment must be taken with a note of caution, however. The aggregation of data into quarters may well have obscured sharp conflictive periods, drowning these with longer-term low level positive assessments of the dyadic relationship. Additionally, the aggregation of the data into quarterly periods does not allow for a specific assessment of which conflicts were responsible for which disturbances in the data.

Most importantly, perhaps, it is impossible to tell from the data whether any significant change has taken place in the 1963-1980 period, or whether the 1969-1972 period merely represents a time of sustained dissension, followed by a return to a state of relationship normalcy. Dean Pruitt has argued, for example, that in stable situations, "the level of output on the relevant dimension does not stand perfectly still but rather oscillates around some equilibrium point" (1969:393). In every relationship, there are vicious and benevolent periods,

which in their own occurrence do not necessarily alter the equilibrium point of the relationship. It is only when one party goes too far along some dimension that a runaway vicious or benevolent period begins, which may change the relationship equilibrium point, effectively altering the rules of the game (Pruitt, 1969:394^U). This suggestion has been advanced by Dolan, Tomlin and von Riekhoff (1981) in their theorizing about the nature of the intense period of Canadian-American relations in the early 1970s. In order to define whether such a shift in the fundamental conduct of the relationship has occurred, however, it would be necessary to examine not only the direction of Canadian and American foreign policy behaviour, but the intensity of such behaviour. If a threshold of change could be determined with any confidence, then perhaps a change in equilibrium point could be said to have taken place. A far more extensive time series than one which merely covers 1963-1980 would be needed, however, particularly since this series has only one time frame which can potentially qualify as the signal of a relationship change. The intensity of behaviour in this time period should appropriately be compared to other similarly difficult periods in the relationship, in order to properly assess the conflictive level reached in 1969-1972 in relation to the long term of Canadian-American relations. Only then would it be possible to confidently ascertain whether the relationship had indeed undergone

significant changes, finding a new equilibrium point and a new definition of relationship normalcy.

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