

## Canada's 'polite no' to SDI: A question of sovereignty?

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### Abstract:

*This chapter examines the Canadian government's reaction to the Strategic Defence Initiative and its impact on bilateral relations between Ottawa and Washington. Given Prime Minister Brian Mulroney's priority of improving relations between the two countries, his decision for Canada not to join the SDI research programme appears puzzling. Previous studies have suggested that Canada's 'polite no' was motivated by a desire to defend Canadian interests and sovereignty, as well as Mulroney's misgivings about the possibility of an arms race in outer space. By contrast, this chapter, based on newly declassified sources in Canada, the United States and the United Kingdom, argues that Mulroney's overriding priority when considering SDI was in fact closer economic cooperation with the United States. Conscious of public criticism within Canada of pursuing too close a relationship with the United States, Mulroney used his public rejection of SDI as a politically convenient means of demonstrating his defence of Canadian sovereignty days before unveiling his priority: free trade negotiations with the United States. As such, Canadian assessments of whether to participate in the SDI research programme had surprisingly little to do with broader strategic considerations.*

Despite its role as a founding member of NATO, Canada is largely absent from existing international studies of the late Cold War. On the Strategic Defence Initiative, Canada's position was unique within the Atlantic Alliance given the degree of cooperation between Canada and the United States on continental defence. Indeed, with the bilateral North American Aerospace Defence Command (NORAD) and the Distant Early Warning (DEW) Line, Canadian and American defence was closely integrated; Canada was thus the NATO member most likely to be directly implicated by the SDI announced by Reagan in March 1983. Moreover, September 1984 saw the election of Brian Mulroney, the most unabashedly pro-American Canadian Prime Minister of the Cold War era. Throughout his time in office (1984-93), Mulroney vocally pursued a policy of supporting the Reagan and Bush Administrations on defence, arms control, and East-West issues.

Given the degree of aerospace defence cooperation between the two countries, and Mulroney's pro-Reagan stance on many defence issues, it is therefore surprising that Canada refused to take part in the research programme for the SDI. In his memoirs, Mulroney explains the decision by claiming he 'found the thought of the weaponisation of

space and the creation of another costly arms race extremely disconcerting' and that his relationship with Reagan permitted him to be frank about this disagreement: 'true friends must look their counterparts in the eye and feel no hesitation in offering up the unvarnished truth'.<sup>1</sup> The most recent monograph on Canadian foreign policy under Brian Mulroney, meanwhile, points to Canada's decision on the SDI as an 'example of Mulroney's refusal to cave in to the Americans when Canadian interests were involved'; this interpretation is similarly maintained in other studies of Mulroney and his foreign policy.<sup>2</sup> Canada's negative response to join Reagan's 'Star Wars' initiative is presented as a principled stand taken by Mulroney to protect Canadian interests and to prevent an arms race in outer space. Drawing on newly declassified archival materials from Canada, the US, and the UK, this chapter challenges this depiction by revealing how the Canadian government arrived at its decision on SDI.<sup>3</sup> Specifically, the motivating factor was Mulroney's priority of launching free trade talks with the United States, and the SDI decision rested on the assessment of how much cooperation with the Reagan Administration the Canadian electorate might tolerate.

### **Canada and the 'Second Cold War'**

The federal election of September 1984 saw one of the most significant political shifts in Canadian history. The left-leaning Liberal Party, in power almost continuously since 1963, was reduced to just 40 seats in the 282-seat House of Commons, while the Progressive Conservative (PC) Party secured the largest parliamentary majority ever seen in Canada,

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<sup>1</sup> Brian Mulroney, *Memoirs* (Toronto: McClelland & Stewart, 2007), 349-53.

<sup>2</sup> Fen Osler Hampson, *Master of Persuasion. Brian Mulroney's Global Legacy* (Toronto: McClelland & Stewart, 2018), 224. See also Nelson Michaud and Kim R. Nossal (eds), *Diplomatic Departures: The Conservative Era in Canadian Foreign Policy, 1984-93* (Vancouver: UBC Press, 2001); Raymond B. Blake, *Transforming the Nation: Canada and Brian Mulroney* (Montréal: McGill-Queen's University Press, 2007), 9 and 431; and Guy Gendron, *Brian Mulroney: L'homme des beaux risques* (Montréal: Québec Amérique, 2014), 184.

<sup>3</sup> Due to the unique archival system in Canada, the vast majority of relevant papers related to the Mulroney government are held in the personal fonds of Brian Mulroney, and researchers require his personal approval to consult any documents. To date no historian has been granted even partial access to this fonds, which has contributed to the relative lack of studies on Canadian foreign policy under Mulroney. To overcome these limitations, this chapter makes extensive use of American and British archives in addition to Canadian files which were declassified specifically for this study.

with 211 seats and over 50% of the popular vote. Aside from the dramatic change in parliamentary arithmetic, the 1984 election ushered in notable changes in Canadian policies.<sup>4</sup> Under the premiership of Pierre Elliott Trudeau (1968-1984), the Canadian government had often espoused Canadian nationalism and what many saw as soft anti-Americanism, evidenced by such policies as the National Energy Program (NEP) and the Foreign Investment Review Agency (FIRA), designed respectively to encourage 'oil self-sufficiency' and to restrict takeovers of Canadian companies by American ones; the Canadian foreign minister in the early 1980s later recalled that 'Trudeau's whole approach to foreign policy was a "Canada First" policy'.<sup>5</sup> Such protectionist measures led to strains in the relationship with the Reagan Administration, with whom Trudeau openly clashed. By contrast, Brian Mulroney, leader of the PCs since 1983, campaigned on a pledge to restore 'super relations' with the United States and to give Reagan 'the benefit of the doubt'. 1984 thus saw a general shift in Canadian policy away from a leftish stance that sometimes strained relations with Washington to a more right-wing agenda on which rapprochement with the US featured prominently.

NATO's 1979 dual-track decision and the ensuing Euromissile Crisis were reflected in Canada.<sup>6</sup> As prime minister, Trudeau had supported NATO policy and the timely deployment of INF, distancing himself from proposals to delay or cancel deployment.<sup>7</sup> While Canada saw the rise of peace activism in the early 1980s, the controversy was not over the deployment of Cruise and Pershing II missiles in Western Europe, but rather over Trudeau's decision to allow the Americans to test air-launched cruise missiles (ALCMs) in northern Canada. While the decision on Cruise testing helped improve Trudeau's stock in Washington, it had a disastrous effect on his reputation domestically, particularly as Trudeau generally cast himself as a proponent of peace and nuclear arms control. The

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<sup>4</sup> So significant is this political shift that the best account of Canadian foreign policy in the Cold War, for example, takes 1984 as its endpoint rather than 1989. See Robert Bothwell, *Alliance and Illusion. Canada and the World, 1945-1984* (Vancouver: UBC Press, 2007).

<sup>5</sup> Mark MacGuigan, *An Inside Look at External Affairs during the Trudeau Years. The Memoirs of Mark MacGuigan* (Calgary: University of Calgary Press, 2002), ed. P. Whitney Lackenbauer, p. 14.

<sup>6</sup> On the 'Canadian theatre' of the Euromissile Crisis, see Susan Colbourn, 'Cruising Toward Nuclear Danger?', *Cold War History*, 18:1 (2018), 19-36.

<sup>7</sup> Luc-André Brunet, 'Unhelpful Fixer? Canada, the Euromissile Crisis, and Pierre Trudeau's Peace Mission, 1983-84', *International History Review*, 41:6 (2019), 1145-1167.

revelation in March 1982 that Cruise missiles were to be tested in Canada sparked widespread protests across the country and provided a single issue behind which disparate local, regional, and national groups united. By 1983, major cities such as Toronto and Vancouver regularly saw marches of tens of thousands of protesters, who argued that the Cruise tests amounted to Canada contributing to an American-led nuclear arms race.

This was the context in Canada when President Reagan announced the Strategic Defence Initiative in a televised address in March 1983. The scheme, Reagan explained, would involve placing anti-ballistic satellites in outer space to provide a shield from missiles, thereby protecting the United States and its allies from any possible nuclear attack from the Soviets. The announcement exacerbated the tensions of the ‘Second Cold War’ and was seized upon by opponents of INF deployment – and indeed of Cruise testing in Canada – as a dangerous escalation of the arms race into outer space. To make matters worse, the Americans had not consulted with their allies before announcing SDI. Interestingly, Reagan’s statement coincided with a visit to Ottawa by Vice-President George Bush, who was encouraging Trudeau to maintain his support for Cruise testing in Canada despite domestic opposition. Bush also had the unhappy task of explaining the SDI to Trudeau. Canada’s ambassador in Washington, Allan Gotlieb, recorded that ‘Trudeau seemed quite shocked’ by the initiative, and particularly the implications for the Anti-Ballistic Missile (ABM) Treaty.<sup>8</sup> Later that year Trudeau cautioned Reagan that in his view ‘the scheme was potentially deeply de-stabilising’.<sup>9</sup>

In October 1983, partially in response to the pressures of the Canadian peace movement, Trudeau launched a peace initiative aimed at promoting dialogue between the superpowers and encouraging progress on arms control negotiations, while maintaining Canadian support for INF deployment. Among Trudeau’s proposals was a call for an anti-satellite ban to avoid the weaponisation of space, which had clear implications for the nascent SDI. Ultimately none of Trudeau’s proposals found broad support within NATO or among the

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<sup>8</sup> Allan Gotlieb, *The Washington Diaries, 1981-1989* (Toronto: McClelland & Stewart, 2006), 138.

<sup>9</sup> Washington Embassy to EXTOTT, 16 December 1983, RG25 25339, Library and Archives Canada (LAC), Ottawa.

nuclear weapon states, and instead managed to annoy several of Canada's allies, with Margaret Thatcher being the most hostile to the initiative. While Trudeau's peace initiative failed to have an impact internationally, it nonetheless proved remarkably popular at home. Trudeau's efforts were supported broadly across the country and the political spectrum, and even peace groups who were fighting against Cruise tests openly endorsed the initiative. It also demonstrated Canada's ability to pursue an independent foreign policy, distinct from Washington's, which contributed to its domestic popularity.<sup>10</sup> Consequently, in the 1984 election candidates of all parties came under pressure to commit to continue Trudeau's efforts at peace and nuclear arms control; both Mulroney and Liberal leader John Turner campaigned on promoting arms control and East-West dialogue, while affirming their support for Cruise missile testing in Canada and the implementation of NATO's dual-track decision.

Following the PC landslide, Mulroney arranged for an early trip to Washington to meet with Reagan. Meeting in the Oval Office barely two weeks after the election, Mulroney assured the President that he had campaigned on the pursuit of closer relations with the US, particularly in the economic sphere, and that his election victory 'was a massive endorsement of this position'.<sup>11</sup> That very day, however, Canada's new Secretary of State for External Affairs, Joe Clark, was addressing the UN General Assembly in New York. Clark, who had served briefly as prime minister in 1979-80, had been the PC spokesperson for arms control and disarmament since 1983 and pushed for the party to remain engaged in this area. At the UN, he pledged that the new government would maintain peace and nuclear arms control as a 'constant, consistent, dominant priority' in foreign policy.<sup>12</sup> With the SDI, however, the Canadian government faced a challenge in pursuing the two foreign policy priorities of closer relations with the United States and pushing for nuclear arms control.

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<sup>10</sup> Brunet, 'Unhelpful Fixer'.

<sup>11</sup> Memo of Conversation, 'Meeting with Canadian Prime Minister Brian Mulroney', 25 September 1984, 'Canada 1984' folder, RAC box 1, European and Soviet Affairs Directorate, National Security Council, Ronald Reagan Presidential Library (RRPL), Simi Valley, California.

<sup>12</sup> Quoted in Douglas Roche, *Creative Dissent. A Politician's Struggle for Peace* (Ottawa: Novalis, 2008), 186.

## **The Mulroney Government and the SDI, September 1984 – March 1985**

By the end of 1984, the Canadian Government was sceptical of the benefits of the SDI. Visiting Downing Street in mid-December, Joe Clark suggested to Margaret Thatcher that the Allies ‘advise the US Administration to agree to limits on further research and development’ to prevent a new arms race in outer space. Thatcher disagreed, saying ‘the Americans must have the knowledge to develop a system if the need ever arose’, adding that it would be impossible to verify whether a country was pursuing research and development in this area. ‘The point where the crucial decision had to be taken was that of moving from research and development to production. Mr Clark suggested that it would be difficult to resist the momentum at that stage. The Prime Minister disagreed’.<sup>13</sup> In the event, Thatcher met with Reagan at Camp David later that month and convinced Reagan to adopt the ‘four points’ put to him by Thatcher, which entrenched the divide between research and implementation, which the UK supported, and implementation and deployment, which Reagan agreed would only take place after international negotiation.<sup>14</sup>

This clarification of the American approach to the SDI allayed some of Clark’s concerns, and in January 1985 – the very day Reagan was being inaugurated for his second term – Clark made a statement in the House of Commons setting out his government’s position on the SDI. He reiterated the decoupling of research and implementation agreed between Reagan and Thatcher the previous month, saying that while ‘it is only prudent that the West’ undertake research, ‘actual development and deployment of space based ballistic missile defence systems...would have serious implications for arms control and would therefore warrant close and careful attention by all concerned’.<sup>15</sup> An hour before he addressed the House, Clark rang the American Embassy to forewarn them and to summarise the points he planned to make in his statement. He assured them that ‘in his personal views (the) elements (of his address) seemed in line with [the] US position and

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<sup>13</sup> ‘Prime Minister’s Meeting with the Canadian Secretary of State for External Affairs at 10 Downing Street on Wednesday 12 December at 0900 hours’, FCO 82 1479, The National Archives (TNA), Kew, London, UK.

<sup>14</sup> Margaret Thatcher, *The Downing Street Years* (London: Harper Collins, 1993), 463-8.

<sup>15</sup> Statement by the Right Honourable Joe Clark, Secretary of State for External Affairs, in the House of Commons on USA-Soviet Arms Control Talks, 21 January 1985, MG32 B43 161, LAC.

[were] generally supportive'. The American officials privately agreed, recording that Clark was 'supporting the US Government as fully as politically possible without making an open-ended commitment of Canadian support'.<sup>16</sup> Reagan rang Mulroney four days later 'to express particular appreciation for recent comments by the Canadian Foreign Minister, Joe Clark, endorsing our Strategic Defence Initiative. We were very pleased, not only with Mr Clark's endorsement, but with his wider acceptance of US foreign policy positions', adding that given the political situation in Canada, he appreciated that 'it took considerable political courage to take such a forthright stand'.<sup>17</sup>

While Clark had expressed reservations about the US advancing with research on the SDI to Thatcher, just one month later he publicly endorsed American research in this area. The decoupling of research and implementation proved decisive in allowing the Canadian government to endorse the American project, and Clark's statement as well as the consideration showed by Clark and Mulroney by keeping the Americans fully informed contributed to Mulroney's overarching aim of improving relations with the US. The following month, the Canadian government further clarified its position, with Clark stating in the House of Commons 'that Canada would not be involved in SDI in any way'.<sup>18</sup> As the Director for Arms Control and Disarmament in the Canadian Department of External Affairs explained to the FCO, Clark had 'gone on record as saying that the Canadians would not take part in any SDI-related activities and would not join in research'.<sup>19</sup> For the Canadian government, this position struck the right balance between endorsing American research without getting directly involved. Clark's statements also allowed the Canadian government to present itself as a defender of arms control, insofar as they cautioned against the deployment of any missile defence system which opponents claimed would trigger a new arms race in outer space.

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<sup>16</sup> Rouse (US Embassy in Ottawa) to Secretary of State, 21 January 1985, 'Canada 1984', RAC box 1, European and Soviet Affairs Directorate, NSC, RRPL.

<sup>17</sup> 'President's Telephone Conversation with Canadian Prime Minister Brian Mulroney', 25 January 1985, 'Canada 1985', James A. Baker collection, RAC Box 1, RRPL.

<sup>18</sup> Briefing note, 'Prime Minister's meeting with Canadian Prime Minister, 11:30am, Tuesday, 30 April 1985', n.d., FCO 82 1626, TNA.

<sup>19</sup> 'Summary Record of a meeting with Mr Gary Smith (Canadian Department of External Affairs) on 7 March 1985', 15 March 1985, FCO 46 4489, TNA.

In an interview with a Canadian news magazine in early March, it was put to President Reagan that while the Canadian Government supports the SDI, ‘there has been an uproar each time it has been suggested that defense cooperation could lead to our actual involvement in the program’. Reagan reassuringly responded that ‘*we have absolutely no intention of pressing any of our allies to participate in this program.* It will be entirely up to Canada to decide the extent to which, if at all, it wishes to share in the research efforts’.<sup>20</sup> Later that month, Reagan and Mulroney met in Québec City for their first bilateral summit. While both Canadian and American records of the Reagan-Mulroney bilateral meeting on defence and arms control issues at the summit remain classified, the available evidence suggests that Reagan reiterated the position he had expressed in his interview earlier that month, namely that he appreciated that Mulroney would endorse American efforts without committing to Canadian involvement. Accordingly, at the summit the two governments agreed on a statement that the US research effort in SDI ‘is prudent and is in conformity with the ABM Treaty. In this regard, we agree that steps beyond research would, in view of the treaty, be matters for discussion and negotiation’.<sup>21</sup> This reiterated that the Canadian Government supported American research and development of the SDI, while maintaining that deployment must be preceded by negotiations. The statement, along with an agreement to renew the DEW Line (to be renamed the North Warning System) of NORAD in the Canadian Arctic, seemed to publicly confirm the close relations between the two countries on defence matters in particular. The successful summit came to be known as the ‘Shamrock Summit’, a reference to the two leaders’ Irish background and the fact that the summit took place on St Patrick’s Day. The positive rapport between the leaders was on full display at the summit dinner when they sang ‘When Irish Eyes Are Smiling’ together.

Unfortunately, this positive atmosphere of North American cooperation was quickly dissipated by comments made by the US Secretary of Defence Caspar Weinberger during the summit. In a brief television interview in Québec, Weinberger asserted ‘that Canada

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<sup>20</sup> ‘Responses by the President to Questions submitted by Maclean’s Magazine’, 6 March 1985, ‘Canada 1985’ folder, Cobb files, RAC Box 1, RRPL. Emphasis added.

<sup>21</sup> ‘Final SDI Language for the Defense Declaration’, n.d., ‘Canada 1985’ folder, Cobb files, RAC Box 1, RRPL.



might eventually be asked to station anti-cruise weapons on its soil', implying that such actions would be taken regardless of the position of the Canadian Government. According to *The Toronto Star*, 'to his dismay, the 67-year-old US Defense Secretary emerged as the star of the Shamrock Summit, managing in one brief television interview to overshadow President Ronald Reagan, re-ignite the nuclear weapons controversy and create a nasty headache for the Canadian government'.<sup>22</sup> Weinberger's ill-advised comments overshadowed the statements made by Reagan and Mulroney and opened the latter to criticism in the Canadian press and from the opposition that he was sacrificing Canadian sovereignty in the pursuit of closer relations with the US.

Weinberger created an even greater crisis for the Canadian Government the following week. In the margins of a Nuclear Planning Group meeting of NATO defence ministers in Luxembourg on 26 March, Weinberger handed his counterparts a brief letter inviting their governments to participate in the research programme for the SDI. To this unexpected invitation was attached the stipulation that governments must respond 'within 60 days', specifying 'the areas of your country's research excellence that you deem most promising for this program'.<sup>23</sup> Weinberger's letter was met with annoyance in many NATO capitals. After having the Reagan Administration publicly and privately reassure the Canadian government earlier that month that they would not be pressured into participating in SDI research, the US was now doing precisely this. Moreover, no warning was given to NATO governments before hard copies of the letter were handed out by Weinberger at the Luxembourg meeting, which ensured that every NATO leader felt he or she had been surprised by the invitation; indeed, the letter was released to the press before it was even received by all NATO governments. To add insult to injury, many leaders bristled at the 60-day deadline the Americans had imposed on the offer. Mulroney instructed his ambassador in Washington, Allan Gotlieb, to protest to US Secretary of State George Shultz, with a 'furious' response conveying that Mulroney 'feels "blindsided" or "tricked" or personally let down'. Reagan's National Security Advisor, Bud McFarlane, admitted

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<sup>22</sup> American Embassy in Ottawa to ISINFO, Washington DC, 'Media reaction – US-Canada Summit', 21 March 1985, 'Canada 1985' folder, Cobb files, RAC Box 1, RRPL.

<sup>23</sup> Weinberger letter to Defence Ministers, 26 March 1985, PREM 19 1444, TNA.

that ‘the White House view was that the handling of the SDI issues was inexcusable’.<sup>24</sup> Ty Cobb of the NSC similarly confessed that ‘frankly speaking, our insensitive handling of some issues (SDI, potential placement of missiles in Canada...) have bruised Mulroney’s feelings and caused him some political embarrassment’.<sup>25</sup> Weinberger belatedly sent follow-up letters to his NATO counterparts rescinding the 60-day deadline and explaining that his first letter was not intended to be read as an ‘ultimatum’, but the damage had been done.<sup>26</sup> At the end of April, a still-aggrieved Mulroney complained to Thatcher that:

the United States Administration had handled its allies clumsily on the issue. Mr Weinberger’s ultimatum on participation in research had been offensive. He had also been provocative on Canadian television about the possibility of deploying SDI related weapons on Canadian soil without even consulting the Canadian government.<sup>27</sup>

Weinberger’s invitation to allies to participate in the SDI research programme placed the Mulroney government in a difficult position. From January through March 1985, the Canadian government repeatedly endorsed American research in this area, while unambiguously stating that Canada would not be taking part in the research programme. At the time, such a position was positively received by the Reagan Administration. With the unanticipated invitation to have Canada join the project, however, Mulroney found himself having to choose between committing a politically difficult U-turn on his position of keeping Canada out of the SDI, or refusing to join the programme and thereby risk straining the relationship with the US which he was seeking to strengthen.

### **Crafting a Canadian Response, March – September 1985**

Upon receiving the invitation to join the SDI programme, Mulroney set up a Special Joint Committee on Canada’s International Relations, led by rookie MP Tom Hockin and Senator Jacques Flynn. The committee organised hearings across the country, featuring

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<sup>24</sup> Gotlieb, *Washington Diaries*, 290.

<sup>25</sup> Memo for John Poindexter from Ty Cobb, 27 June 1985, ‘Canada 1985’ folder, Cobb files, RAC Box 1, RRPL.

<sup>26</sup> Weinberger letter to Defence Ministers, 13 April 1985, PREM 19 1444.

<sup>27</sup> ‘Prime Minister’s Meeting with the Prime Minister of Canada at 10 Downing Street on 30 April at 1130’, 30 April 1985, FCO 82 1626, TNA.

testimony from peace groups, defence experts, and firms interested in participating in the SDI. Many saw this as a means of kicking the issue into the long grass, particularly as the committee's report was expected months after the initial 60-day deadline would have passed. To put pressure on the government, the opposition Liberal Party created their own Liberal Task Force on Peace, Security and World Disarmament, headed by shadow foreign minister Jean Chrétien. This task force of Liberal MPs organised their own hearings across the country, with peace groups heavily represented. They published an interim report in July that argued forcefully against Canadian participation in the SDI, reflecting Liberal Party policy on the question.<sup>28</sup> Meantime, Mulroney appointed a senior civil servant, Arthur Kroeger, to lead a separate investigation into 'the economic, strategic, and scientific implications for Canada if we participated in the program'.<sup>29</sup> He also sounded out MPs from different wings of the Progressive Conservative Party and Canadian diplomats abroad.

While these studies were proceeding, the Americans increased pressure on the Canadian government to reach a positive decision. In May, Clark met his opposite number, George Shultz, who had been briefed that 'Clark (and Mulroney) [were] politically embarrassed by [the] sudden Weinberger invitation to participate in SDI'. Shultz assured Clark that they 'appreciate your skillful management of SDI controversies in Canada, amid difficult circumstances' and added that they 'hope Canada eventually decides to sign on for [the] SDI research effort'.<sup>30</sup> Meanwhile, it was decided that letters should be sent from Reagan to several allied leaders, including Mulroney, to encourage a positive response on SDI. As Bud McFarlane explained, 'without making a direct request, th[is] letter... should hopefully help to spur [a] positive Canadian... [decision] on participation in SDI research'.<sup>31</sup> A letter was duly sent from Reagan to Mulroney underlining the importance of Alliance solidarity and reassuring him that 'we have made no decision to go beyond

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<sup>28</sup> 'Interim Report on Star Wars', July 1985, R11344 540, LAC.

<sup>29</sup> Mulroney, *Memoirs*, 350.

<sup>30</sup> 'Briefing Memorandum for Secretary of State before his dinner meeting with Joe Clark, Sunday May 19', n.d., 'Canada 1985' folder, Cobb files, RAC Box 1, RRPL.

<sup>31</sup> Memo for the President from Bud McFarlane, 'Letters to Prime Ministers Mulroney and Nakasone', n.d., 'Canada 1985' folder, Cobb files, RAC Box 1, RRPL.

research'. Reagan also noted Mulroney's 'steadfast endorsement of the prudence of our research program and your thoughtful consideration of possible Canadian participation'.<sup>32</sup>

Within Cabinet, there was an enduring division over the question chiefly between Clark at External Affairs and the Minister for National Defence. The latter portfolio was initially held by Bob Coates, a long-standing ally of Mulroney who had helped dislodge Clark as PC leader in 1983. Coates was firmly on the right of the party and took a 'hawkish view of Star Wars'; the *New York Times* described him as 'a hard-liner on military issues who admired Secretary of Defense Caspar W. Weinberger'.<sup>33</sup> In November 1984, however, while visiting Canadian Forces Base Lahr in West Germany as one of his first overseas trips as Minister for National Defence, Coates snuck off the base with two aides to spend the night in a strip club. The *Ottawa Citizen* broke the story the morning of 12 February 1985, and that afternoon Coates announced his resignation in the House of Commons. Weinberger, for his part, struggled to understand why his counterpart had to resign over the issue: 'in this day and age no one, he remarked, resigns for simply going into a bar with stripteasers or hookers present. He found the whole affair very mysterious'.<sup>34</sup> Coates was replaced with Erik Nielsen, a Second World War veteran and longtime MP. The Americans reported the appointment positively noting 'Mulroney's choice of the experienced, tough-minded Nielsen signals continued, if not enhanced, commitment to increasing Canada's military contribution to the Western Alliance'.<sup>35</sup> Nielsen proved to be a staunch advocate of Canadian participation in the SDI, thereby continuing the clash between the ministers for National Defence and External Affairs on this issue.

On 23 August, the Special Joint Committee submitted its long-awaited report on SDI to the Cabinet, but failed to provide a decision on the issue. The American Embassy in Ottawa reported that 'the committee's Tory majority refused to decide on the issue and tossed the hot potato back to the government', while the opposition committee members from the

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<sup>32</sup> Reagan to Mulroney, 21 June 1985, 'Canada 1985' folder, Cobb files, RAC Box 1, RRPL.

<sup>33</sup> Mulroney, *Memoirs*, 349; 'Canadian Defense Minister Resigns in a Scandal', *New York Times*, 13 February 1985.

<sup>34</sup> Gotlieb, *Washington Diaries*, 279.

<sup>35</sup> Paul Robinson to George Shultz, 27 February 1985, 'Canada 1985' folder, Tyrus Cobb collection, RAC Box 1, RRPL.

Liberal and the socialist New Democratic parties reaffirmed their opposition to Canadian participation in the SDI.<sup>36</sup> A week later, Clark wrote to Cabinet colleagues affirming that ‘after consultation, in particular with the Minister of National Defence, it seems clear to me that no consensus has yet emerged’ within Cabinet.<sup>37</sup>

Ahead of a Cabinet meeting on 5 September at which a decisive discussion of the SDI question was scheduled to take place, Clark circulated a memo to Cabinet setting out his recommendation on the SDI. In it, he stressed that in inviting allies to participate in the research programme, the US was primarily ‘seeking political endorsement of SDI’, rather than looking to genuinely involve allies in a research collaboration. In Clark’s assessment,

the political endorsement of the SDI has in effect been satisfied for the US both in the Luxembourg Communique of March 1985 issued by NATO Defence Ministers and in the public recognition by a number of governments, including Canada, that US research is prudent in the light of Soviet research into ballistic missile defence systems.<sup>38</sup>

As such, Clark argued that, having already provided such political endorsement, Canadian participation in the SDI would be unnecessary on these grounds. The other consideration in favour of Canada joining the research programme was the potential of economic spin-offs and specifically job creation in Canada - a priority of the PC Government given the difficult economic situation in Canada at the time. On this point, however, Clark emphasised that the Special Joint Committee concluded that they had ‘not received evidence that participation [in the SDI] would result in significant job creation in Canada’, a conclusion ‘confirmed by the Government’s own confidential assessments’.<sup>39</sup> Indeed, Mulroney had been briefed that Canadian participation in the multi-billion-dollar research programme would result in no more than a paltry \$30 million per year in contracts for

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<sup>36</sup> American Embassy in Ottawa to Secretary of State, ‘Prime Minister Mulroney announces Government of Canada decision on Strategic Defense Initiative’, 7 September 1985, ‘Canada 1985’ folder, Cobb files, Box RAC 1, RRPL.

<sup>37</sup> ‘Memo to Cabinet. The Strategic Defence Initiative’, n.d. [circulated to Cabinet 30 August 1985], MG32 B43 190, LAC.

<sup>38</sup> ‘Memo to Cabinet. The Strategic Defence Initiative’, n.d. [circulated to Cabinet 30 August 1985], MG32 B43 190, LAC.

<sup>39</sup> ‘Memo to Cabinet. The Strategic Defence Initiative’, n.d. [circulated to Cabinet 30 August 1985], MG32 B43 190, LAC.

Canada.<sup>40</sup> Moreover, Clark pointed out that ‘current efforts to reduce government expenditures and limited resources available for research also suggest that, in any event, it would be difficult to make available new government funding’.<sup>41</sup> Some business leaders even advised that ‘Ottawa should stay out of Star Wars’, as they were confident that ‘Canadian firms can benefit from the \$40 billion SDI research budget without Ottawa committing itself to a binding formal agreement’.<sup>42</sup>

On the grounds that government-to-government participation would yield negligible economic benefits, and that political endorsement could be decoupled from direct participation in the initiative, Clark concluded that ‘there would appear at this time to be no specific role for government involvement in the SDI’.<sup>43</sup> He added that such an announcement by the government ‘should be accompanied by a reaffirmation of the importance the Government attaches to arms control’, particularly the ABM Treaty and the US approach to the Geneva negotiations, as well as Canada’s ‘determination to make an effective contribution both to NATO and to the defence of North America’ through NORAD.<sup>44</sup>

In the Cabinet meeting, the issue was decided when Mulroney came down in favour of Clark’s recommendations and the latter’s memo became the basis of Canadian policy on the SDI. On 7 September, Mulroney announced that the Canadian government supported American SDI research within the boundaries of the ABM Treaty, and that Canadian firms and universities would be free to bid on research contracts related to the SDI, but that the Canadian Government would not be participating in the programme. The position,

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<sup>40</sup> Mulroney, *Memoirs*, 350. It is unlikely Canada would have received even this amount; as Edoardo Andreoni explains in his chapter in this volume, the UK Government accepted the invitation expecting to receive \$1.5 billion in SDI-related contracts but by 1990 had secured less than \$82 million.

<sup>41</sup> ‘Memo to Cabinet. The Strategic Defence Initiative’, n.d. [circulated to Cabinet 30 August 1985], MG32 B43 190, LAC.

<sup>42</sup> Statement by Dave Clark, President of Dynamic Systems Inc., to the Liberal Task Force, 27 May 1985, R11344 541, LAC.

<sup>43</sup> ‘Memo to Cabinet. The Strategic Defence Initiative’, n.d. [circulated to Cabinet 30 August 1985], MG32 B43 190, LAC.

<sup>44</sup> ‘Memo to Cabinet. The Strategic Defence Initiative’, n.d. [circulated to Cabinet 30 August 1985], MG32 B43 190, LAC.

described by Mulroney as ‘an honourable compromise’, was quickly dubbed Canada’s ‘polite no’ to Star Wars.<sup>45</sup>

### **A ‘polite no’ to Star Wars... and an enthusiastic ‘yes’ to free trade**

While Clark’s arguments regarding the political endorsement of the SDI and the limited economic spin-offs for Canada were undeniably factors in this decision – and have been identified as such in early studies<sup>46</sup> - newly available archival evidence suggests that Mulroney’s decision to not have Canada participate in the SDI research programme was motivated overwhelmingly by an altogether different consideration: the priority of launching free trade negotiations with the US. Ever since Mulroney’s meeting with Reagan in Washington in September 1984, the prime minister had been pushing for greater economic cooperation with the US, which he considered the key to reviving Canada’s economy. Mulroney dismantled the protectionist NEP and FIRA during his first year in office and planned to announce the opening of free trade talks with the United States in September 1985. Given this overriding policy priority, Mulroney found that the SDI decision could be a particularly useful tool for managing domestic politics, specifically concerns about protecting Canadian sovereignty in the face of closer cooperation with the superpower.

In the spring of 1985, the British High Commissioner in Ottawa, Sir Derek Day, had noted that while ‘over defence, arms control and East-West issues [Mulroney] has taken a pro-NATO, pro-US line’, Day warned that the Canadian Prime Minister ‘has to protect his flank against criticism for undue subservience to the US’, predicting ‘this will temper his response on e.g. participation on SDI research’.<sup>47</sup> He later observed that on the SDI, ‘the

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<sup>45</sup> Mulroney, *Memoirs*, 352.

<sup>46</sup> See Maureen Appel Molot and Brian W. Tomlin (eds), *Canada Among Nations 1985: The Conservative Agenda* (Toronto: James Lorimer, 1986) and David Bercuson, J.L. Granatstein, W.R. Young, *Sacred Trust? Brian Mulroney and the Conservative Party in Power* (Toronto: Doubleday, 1986).

<sup>47</sup> Day to FCO, ‘Canadian Prime Minister’s visit to London’, 22 April 1985, FCO 82 1625, TNA.

Canadian [government's] desire to avoid being seen as a slavish follower of US policies looms large'.<sup>48</sup>

In June, the CIA similarly reported that 'the Tories have been under constant attack from the media and the opposition for making excessive concessions to the United States on such matters as foreign investment and acid rain', explaining that 'Mulroney himself is more vulnerable on all bilateral issues than was Trudeau because he lacks a reputation for being hard-nosed with Washington'. The report warned that, 'with decisions approaching on SDI, the renewal of NORAD, and the possible initiation of a campaign for liberalized bilateral trade – all likely to involve even closer US-Canada ties – *we think that Mulroney probably believes that he must establish his credibility as a nationalist*'.<sup>49</sup> Mulroney and his foreign minister were clearly thinking along these lines. In March 1985, Clark explained to Mulroney that

over the next few months... we need to find some areas where our actions can define a difference between Canada and the United States. We cannot create artificial differences, but we should not miss the opportunity to assert genuine differences of approach, particularly when that assertion involves no direct conflict with US policy.<sup>50</sup>

The Canadian Government's priority remained pursuing closer bilateral economic ties with the US, which involved not only maintaining good relations with the Reagan Administration – which Mulroney had successfully established in his first months in office – but also the visible demonstration of Canada's independence from the United States in order to reassure public opinion within Canada.

Such considerations were given new impetus with the eruption of another crisis in bilateral relations in July 1985. The Canadian Government was informed that the American icebreaker *Polar Sea* would be travelling through the Northwest Passage – a series of straits between Canadian islands in the Northwest Territories. The long-held Canadian position is

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<sup>48</sup> Lady Young's Visit to Ottawa: Call on Mr Clark, 29 May', Sir Derek Day to FCO, 30 May 1985, FCO 82 1623, TNA.

<sup>49</sup> CIA Memo (for Tyrus Cobb), 'Ottawa to Step Up Pressure on Orlikow Case', 18 June 1985, 'Canada 1985' file, Cobb files, RAC Box 1, RRPL. Emphasis added.

<sup>50</sup> Mulroney, *Memoirs*, 385.



that these are internal Canadian waters, while the Americans consider it an international waterway. Controversially, the Canadian government was informed of the *Polar Sea's* voyage, but the Americans did not request permission to travel through what are, in the Canadian view, internal Canadian waters. First reported by the Canadian press at the end of July, the *Polar Sea* affair became yet another example of the Americans' seeming disregard for Canadian sovereignty and of taking advantage of Mulroney's policy of eagerly pursuing closer relations with the United States.<sup>51</sup>

The American Embassy in Ottawa reported that 'the cooperative approach taken by the Canadian Government towards the *Polar Sea* passage has unleashed a torrent of criticism from the political opposition, academics and the media charging that... the new supportive relationship of the Mulroney Government with the US has once again led to an erosion of Canadian interests. The issue has become politically extremely sensitive...'.<sup>52</sup>

The Canadian peace movement, for its part, was also intensifying its anti-SDI activities over the summer of 1985. In May that year, a longstanding court challenge brought by peace groups to prevent Cruise missile testing by the Canadian Government was finally rejected by the Supreme Court, a decision that effectively brought the anti-Cruise campaign in Canada to its unsuccessful conclusion. The leader of Operation Dismantle, one of Canada's largest peace groups, announced that the peace movement 'would now turn their attention elsewhere – in fact to SDI.'<sup>53</sup> Canada's leading peace organisations cooperated over the summer of 1985 to plan 'a Canadian campaign to stop Star Wars'.<sup>54</sup> As early as March 1985, the Director for Arms Control at Canada's Department of External Affairs warned that 'for Canada the SDI would be as actual now as INF was for Europe'.<sup>55</sup> Peace

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<sup>51</sup> American Embassy in Ottawa to USINFO, 'Media reaction – voyage of Polar Sea', 31 July 1985, 'Canada 1985' folder, Cobb files, RAC Box 1, RRPL.

<sup>52</sup> American Embassy in Ottawa to Secretary of State, 'Comments to the press about the Polar Sea voyage', 2 August 1985, 'Canada 1985' folder, Cobb files, RAC Box 1, RRPL.

<sup>53</sup> Richard Baker to Michael Pakenham, 'Canada: Public Attitudes to NATO, Defence and Arms Control', 31 October 1985, FCO 46 4490, TNA.

<sup>54</sup> 'A Call to endorse and participate in a Canadian campaign to stop Star Wars', n.d. [early 1985], MG28 I218 43, LAC.

<sup>55</sup> 'Summary Record of a meeting with Mr Gary Smith (Canadian Department of External Affairs) on 7 March 1985', 15 March 1985, FCO 46 4489, TNA.

groups also informed the Liberals' interim report on the SDI, released in July, which argued strongly against Canadian participation and which added to pressure on the government to turn down the American invitation.

It was against this backdrop that a Cabinet retreat was held in Mulroney's hometown of Baie-Comeau, Québec, in August 1985 to discuss the upcoming parliamentary session. The Cabinet was briefed in particular on the challenges facing Canada-US relations:

Concerns in Canada about national sovereignty have been stimulated by the debates on SDI and enhanced trade, as well as by the Polar Sea's Arctic crossing. Given the number of potentially high profile Canada-US issues before the Government (e.g. trade enhancement... SDI, NORAD, Northwest passage), it would be useful to consider the linkages between individual measures.<sup>56</sup>

It was also noted that 'the US Administration appears more relaxed about the timing and the formality with which allies signal their desire to participate in SDI research... The decision on SDI will have to take into account the coherence of Canadian defence and arms control policy, as well as the broader relationship with the United States'.<sup>57</sup> Cabinet was also prompted to consider 'how can the crucial issues affecting the Canada-US relationship over the near term be sequenced and linked? These include: trade enhancement, SDI'.<sup>58</sup>

Interestingly, the Special Joint Committee on Canada's International Relations set up by Mulroney in the spring of 1985 had been charged with looking at just two specific issues: in addition to the SDI, it was asked to study bilateral trade with the US. Aside from highlighting the centrality of bilateral relations with the US in the PC Government's view of international relations, this also reveals that these two seemingly separate issues were linked by the Government and that the committee was responsible for considering them together. Several witnesses who testified at the committee's hearings over the summer of 1985 commented on the linkage between the two questions. As the director of United Auto Workers Canada noted, the two issues 'are not separate questions. They are linked in the most fundamental way... The debate on free trade is... very much a debate about how

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<sup>56</sup> 'Cabinet Work Program for the Coming Year: Background Information and Strategic Questions', 16 August 1985, MG32 B43 188, LAC.

<sup>57</sup> 'Cabinet Work Program for the Coming Year', 16 August 1985, MG32 B43 188, LAC.

<sup>58</sup> 'Cabinet Work Program for the Coming Year', 16 August 1985, MG32 B43 188, LAC.

much we treasure our sovereignty. The debate on Star Wars is about how we will use the sovereignty we still have.’<sup>59</sup>

Following the Committee’s ambiguous report – which endorsed free trade negotiations with the US but refused to offer a recommendation on the SDI – events proceeded briskly in the first week of September (a week made even more eventful with the birth of Mulroney’s fourth child on 4 September). As we have seen, on 5 September Clark affirmed that Cabinet was still divided over the SDI. That day, the Macdonald Commission, headed by former Liberal finance minister Donald Macdonald, released its highly anticipated report, which advised the Canadian Government to pursue free trade negotiations with the United States. That very day, the Prime Minister’s Office ordered Ambassador Gotlieb to immediately return to Ottawa – taking the highly unusual step of sending a plane to Washington to bring him to the Canadian capital as quickly as possible. Meeting at the Prime Minister’s residence, Mulroney explained to Gotlieb that he had made several decisions that directly impacted Canada-US relations. ‘First, he planned to propose a free-trade agreement with the United States... Secondly, Mulroney decided that the government will not participate in SDI’. Mulroney explained that while he would continue to publicly endorse American research efforts in this area, ‘the Opposition, the NDP, the media, all the anti-US elements in our society, would make SDI participation by Canada the endless focus of debate, hostility, and division’. Gotlieb concluded ‘that the PM saw these... decisions as linked, political trade-offs among each other’.<sup>60</sup>

At the inner Cabinet meeting the following day, Mulroney ‘announced that he intended formally to ask the US Government on September 17, 1985, to enter into negotiations with Canada leading to the liberalization of Canada-US trade’.<sup>61</sup> It was explained that ‘domestically, conclusions of both the Special Joint Committee on Canada’s International Relations looking into the issues of SDI and bilateral trade with the US and the MacDonald Royal Commission have created a public groundswell favourable to the opening of

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<sup>59</sup> Testimony before the Special Joint Committee by Robert White, Director UAW Canada, 26 July 1985, R11344 542, LAC.

<sup>60</sup> Gotlieb, *Washington Diaries*, 318-9.

<sup>61</sup> Memo, ‘Canada-US Trade Initiative’, 12 September 1985, MG32 B43 186, LAC.

negotiations with the US'.<sup>62</sup> An extensive communications strategy was circulated, which stressed that this trade liberalisation did not constitute a weakening of Canadian sovereignty.<sup>63</sup>

Mulroney publicly announced the Government's decision on the SDI the next day, 7 September, having first spoken with Reagan on the telephone to explain the Canadian position.<sup>64</sup> He reaffirmed Canada's support for America's research efforts in the SDI and insisted that Canada is 'always the first to provide support to the United States'. While Canadian firms and universities would be free to participate in the research, Mulroney stated that 'Government-to-Government cooperation would not be in Canada's interest because the Government of Canada would not be in a position to "call the shots"', adding that the 'decision reflects Canada's sovereign status and independent foreign policy'.<sup>65</sup> Mulroney's decision was received positively by the opposition Liberals, the NDP, and nearly all Canadian media outlets.<sup>66</sup> Leaders of the Canadian peace movement also welcomed the announcement, while demurring that Mulroney was 'making the right decision for the wrong reason', namely that he 'decided to say no because otherwise he would be "walking into a political minefield" with Canadian public opinion', rather than because 'Star Wars research is dangerous to the world'.<sup>67</sup> In the event public opinion in Canada was fairly divided over the SDI; according to one poll published at the end of August, 42.3% opposed Canada joining the SDI research programme, with just 40.5% in favour.<sup>68</sup> Importantly, the Cabinet was briefed that 'opinion polls show support for SDI especially if there is the prospect of significant employment spinoffs'. On the other hand, ministers were briefed that 'recent industrial studies have shown limited economic spinoff

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<sup>62</sup> 'Canada-US Trade Initiative', 10 September 1985, MG32 B43 186, LAC.

<sup>63</sup> 'Canada-US new bilateral trade initiative Communications Strategy', n.d., MG32 B43 186, LAC.

<sup>64</sup> In his diaries, Reagan summarises his exchange with Mulroney, concluding 'All in all I think there is no problem' with the Canadian position on SDI. Reagan, *The Reagan Diaries* (New York: Harper, 2007), 351.

<sup>65</sup> American Embassy in Ottawa to Secretary of State, 'Prime Minister Mulroney announces Government of Canada decision on Strategic Defense Initiative', 7 September 1985, 'Canada 1985' folder, Cobb files, Box RAC 1, RRPL.

<sup>66</sup> 'Canada opts out of "Star Wars" defence plan', *The National*, Canadian Broadcasting Corporation, 7 September 1985, [www.cbc.ca/archives/entry/1985-canada-opts-out-of-star-wars](http://www.cbc.ca/archives/entry/1985-canada-opts-out-of-star-wars)

<sup>67</sup> 'Peace groups pleased by rejection of Star Wars', *The Globe and Mail*, 8 September 1985.

<sup>68</sup> 'Star Wars splits Canadians', *The Ottawa Citizen*, 31 August 1985.

benefit from SDI'. As such, they could expect that support for the SDI, based on the prospect of job creation, would diminish when these jobs proved illusory.<sup>69</sup>

In the days that followed Mulroney's SDI announcement, the Prime Minister made a series of statements and public appearances to squeeze every last drop of political capital from the SDI decision. On the news programme *Question Period*, Mulroney explained the thinking behind his Government's decision on the SDI:

It was my view – and the view of my colleagues – that above and beyond everything else is the independence of this country and our capacity to conduct an independent foreign policy as we determine it... *Our sovereignty and our independence are the hallmark of this government.*<sup>70</sup>

A few days later, the PMO communicated to the Reagan Administration 'that political pressures [in Canada] require that they make some announcement about the commencement of US-Canada discussions this week'.<sup>71</sup> Mulroney sought to take advantage of the credibility he had gained by standing up to the US over the SDI in the name of the defence of Canadian sovereignty to quickly announce closer economic ties with the US. This was confirmed in a telephone call between Mulroney and Reagan on 26 September, during which the SDI decision was not even mentioned; within weeks it was already water under the bridge and the 'super relations' Mulroney had strived to establish with the Reagan Administration were fully intact as the leaders pursued bilateral trade liberalisation.<sup>72</sup> The Canada-US Free Trade Agreement was ultimately signed in January 1988, despite consistent accusations from the opposition that the agreement compromised Canadian sovereignty and would turn the country into the 51st state.<sup>73</sup>

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<sup>69</sup> Memo to Minister from Steve Probyn, 'P&P - 05/9/85', 4 September 1985, MG32 B43 188, LAC.

<sup>70</sup> Brian Mulroney interviewed by Pamela Wallin for *Question Period* (CTV), taped 13 September, aired 15 September 1985, 'Canada 1985' folder, Cobb files, RAC Box 1, RRPL. Emphasis added.

<sup>71</sup> Memo for Bud McFarlane from Stephen I. Danzansky, 'Administration Support for Canada Free Trade Area – Proposed Telephone Call: Mulroney to Reagan', 17 September 1985, 'Canada 1985' folder, Cobb files, RAC Box 1, RRPL.

<sup>72</sup> Memo, 'President's Telephone Conversation with Prime Minister Mulroney of Canada', 26 September 1985, 'Canada 1985' folder, Cobb files, RAC Box 1, RRPL.

<sup>73</sup> The best account of the free trade negotiations to date is Derek Burney's, *Getting It Done: A Memoir* (Montreal: McGill-Queens University Press, 2005); see also Hampson, *Master of Persuasion*, 10-38. The November 1988 federal election was framed as a referendum on free trade with the US and returned another PC majority government, allowing Mulroney to ratify the agreement.

## Conclusion

Canada's negative response to the American invitation to join the SDI research programme saw an ardently pro-American Canadian government reject an initiative highly valued by President Reagan. Until March 1985, Mulroney and Clark went to considerable lengths to publicly back the American initiative, while reassuring Canadians that their country would not be directly involved in the project. Weinberger's surprise invitation to join the SDI research programme upended the Canadian position and placed the Mulroney government in a difficult situation. The *Polar Sea* episode of July 1985 was another American action that left Mulroney vulnerable to accusations of failing to protect Canadian interests and sovereignty. In such circumstances, the Mulroney government considered the range of bilateral issues and chose trade-offs to ensure that its priority, liberalised trade with the US, which was hoped would revive the Canadian economy, could proceed unhindered. Giving the Americans a 'polite no' allowed him to present himself as the champion of Canadian sovereignty in the face of American demands which were not in Canada's national interest – precisely the image he wanted to convey to Canadians as he launched controversial free trade negotiations with the US.

Paradoxically, the 'polite no' was not an expression of strains in the bilateral relationship or even of reservations over the SDI programme. Indeed, the Canadian decision whether to join the SDI research programme had astonishingly little to do with the SDI itself. Other chapters in this volume show how the desire to influence American policy on SDI, the fear of falling behind in terms of technology, or the potential of SDI to disrupt the strategic situation determined European governments' responses to the American invitation. For the Canadian government, by contrast, the decision on SDI rested on the assessment of how much cooperation with the Reagan Administration the Canadian electorate could tolerate. In this, participation in SDI was seen as a pawn that could be usefully sacrificed to demonstrate Mulroney's commitment to Canadian sovereignty with limited damage to the bilateral relationship with Washington. This was seen by the Canadian government as an

invaluable means of protecting its flank as it pursued the priority of closer economic relations with the United States.