

Chapter I

INTRODUCTION

Because of its origins and its traditional ties with the two mother countries, Canada has always looked across the Atlantic to Europe. Until the Second World War, however, Canada's relations with Europe were in practice limited almost entirely to Britain and, to a much lesser extent, France. Before the war, the bulk of Canada's world trade was within the Canada-Britain-United States triangle and the wartime co-operation followed a similar pattern.

Canada emerged from the last war as a leading military and industrial power. It participated actively in the organization of the post-war world and in the programmes of post-war rehabilitation, while the war-ravaged countries of Europe were in relative decline. These developments brought Canada into closer contact with the countries of Western Europe, but the main focus of Canadian foreign policy at that time, apart from relations with the United States, was in the United Nations and the Commonwealth. When hopes for a United Nations system of collective security foundered on the cold war and the accompanying fear of Soviet aggression in Europe, Canada took an active part in the formation of the North Atlantic Treaty Organization (NATO) alliance, both to safeguard the free world's security and also to provide the nucleus of an Atlantic Community.

The possibility of an Atlantic Community is still a distant prospect, however, and the Commonwealth has been profoundly modified. There is a growing trend towards continentalism and regionalism in the Atlantic area and the transatlantic links on which Canada used to rely are no longer the same. Moreover, Canadian interests have been expanding in recent years in other regions, such as the Arctic, the Pacific and the Third World.

Europe nevertheless remains of special importance to Canada. While the United States is by far the most important market for Canadian ex-