

that may have few direct consequences for any particular third party should be assessed against their potential effects on the world economy and international trading system. Canada, along with all other major international traders cannot be indifferent to developments within the Union.

The current Intergovernmental Conference, which was launched in Turin on March 29, 1996, has a very broad agenda. Most items concern institutional and political reform, and the resolution of which, or non-resolution as the case may be, will be of considerable significance to the future political evolution of the Union. However, it is important to note that two of the more salient issues on the Union's current agenda, notably monetary union and the prospect of further enlargement, lie outside of the scope of the IGC. The commitment to EMU was undertaken at Maastricht, and guidelines for another round of enlargement have been developed at subsequent meetings of the European Council. Nonetheless, it is also fair to note that the IGC is taking place in the shadow of these issues, and that they have become politically linked to the more contentious items being dealt with by the Conference. In turn, these linkages are symptomatic of a more fundamental issue: namely differences among the member states (or "partners" as the members now refer to one another), over the eventual political character of the Union. In the view of a number of observers the point is being reached where it will be no longer possible to "fudge" differences over this question. The comment, attributed to Valéry Giscard d'Estaing, that progress in the building of Europe "has always been at the price of maintaining a persistent ambiguity as to its ultimate destination" now confronts the fact that a combination of internal developments and external changes demands a more explicit answer to the question of where the Union is going.

Internally, the degree of economic integration achieved in the European Community, and more importantly the degree of supranationalism involved in its management, have fulfilled many of the expectations of neo-functional theory concerning the "spillover" effect of functional integration into "high politics". It is not simply that the European Union represents a clear case of the contemporary blurring of domestic and foreign policy, but that national policies in both domains are increasingly shaped by membership in the Union. In many cases, even in issue areas not specifically spelled out as falling within Community or Union competence, it is difficult to draw a distinction between national and European policies. This result has been encouraged by a long standing "Europeanist" agenda that has been furthered by the fact that in different ways and at different times it has served key interests within the member states. This agenda has had also a transnational appeal and crucial institutional support in the Commission and in the European Parliament. In short, the process has not been as automatic or inevitable as neofunctionalist theory would suggest, but is the result of a political process that has reflected political needs over time.

The resulting penetration by Brussels into the internal policy making and implementation functions of the member states has reached the stage where issues of responsibility and accountability are increasingly beyond the ability of national parliaments to deal with.² It is this

²The general problem of the interplay between international and domestic factors in the determination of foreign policy is examined in Peter B. Evans *et al* (eds), Double Edged Diplomacy, Berkeley, University of California Press, 1993. See, in particular, the contributions of