

Since the end of the Cold War in 1989, political leaders have been searching for a new world order. This is curious, as the outline of such an order is in fact already taking shape before our eyes. This new order is being driven not by military or geopolitical considerations, but by the immutable forces of economics and technology. Its leaders are not generals or statesmen, but a vast army of entrepreneurs, innovators, investors and consumers who are fashioning a borderless world from the bottom up.

What is now missing is not a sense of where the world is headed over the coming decades, but the larger vision of how to get there. In years past, Europe and North America played a central role in building the new multilateral trading system, culminating in the recently formed World Trade Organization. We have each pursued deeper regional integration, first in the European Union and more recently in the NAFTA [North American Free Trade Agreement], which has, in turn, contributed to trade liberalization in Asia, in Latin America and beyond. But today Europe and North America appear strangely paralysed, seemingly unable to see a clear path forward, yet conscious that globalization is rendering the status quo obsolete.

The time has come to take the next logical step and construct free trade across the Atlantic. Already trade and investment flows justify a more structured economic framework – some \$250 billion in two-way trade, \$460 billion in investment, reflecting a combined transatlantic output of over \$2 trillion. Nor do statistics capture the essential quality of our economic relations; the extent to which North America and Europe are at the epicentre of a growing web of transborder investment, technology and ideas – the new arteries of the burgeoning global economy. For many industries, the existing continental arrangements, whether pan-American or pan-European, are simply no longer broad enough to encompass their interests. Global firms, operating in global markets, increasingly want global rules.

Beyond our trade and investment ties, Europe and North America remain the core of the global economic order. We share in principle, if not always in practice, a commitment to open markets and to the rule of law. Our political institutions, legal systems and cultural norms exhibit the same historical and intellectual roots. And in our two respective continental endeavours, in the European Union and to a degree in the NAFTA, we have created unique structures for regional economic co-operation and integration – structures that can, with imagination, provide logical building blocks for a yet more ambitious bridge across the Atlantic. Ours is a relationship that could be deepened more easily and more quickly than that between any other regions of the world.

But perhaps the real impact of transatlantic free trade would be felt in the world beyond. There is a palpable reluctance among some in the multilateral order to move much beyond the