

senior echelons of EAITC that the Department's European Bureau was too hemmed in by operational requirements to allow for bold ideas;⁴⁶ and 2) the combination of dramatic events taking place in eastern Europe and the Washington Embassy's own close monitoring of the increased intensity of EC-US dialogue served to make it a logical point of intellectual ferment for Canada's trade policy options. Whatever the exact reason, the conjecture that EAITC's European Bureau was not at the centre of deliberations in the process of looking at options for Canada's future relations with the Community, does not strike us as particularly unusual. Burney had, after all, been the PM's closest adviser as Chief-of-Staff and as Associate Under-Secretary of State for External Affairs, and could offer advice unburdened by the need to develop official consensus. His well-known scepticism about putting all of Canada's eggs in the multilateral basket added to his credibility in providing this kind of advice on trade policy.⁴⁷

Burney believed that there was a causal linkage between the management of trans-Atlantic trade and economic relations and the prospects for security and stability. He felt that the failure to agree on trade and economic matters could undermine prospects for security.⁴⁸ Most significant was the suggestion that the Framework Agreement and the GATT would not serve as optimal mechanisms to ensure Canadian access to the new European market. According to this view, because any EC-US bilateral agreement would create a privileged position for the United States while diminishing Canada's already small place in Europe, the two broad options available to Canada for enhancing Canadian access to and influence upon the EC were a Canada-EC Free Trade Agreement or an Atlantic Free Trade Association.⁴⁹ Canadian officials in Washington concluded that the latter arrangement was optimal since it permitted Canada to achieve influence which was not available through existing arrangements or, indeed, through a separate bilateral agreement. It would do so by imposing substantial obligations on the EC (as well as Canada and other participants) in areas currently within the exclusive competence of the EC which are the principal instruments for European integration.⁵⁰

There were a number of other indications that Canada's relations with the EC had gained priority in the Canadian Cabinet. As we have pointed out, Ottawa's belated recognition of Europe as a formidable political and economic actor had been encouraged by German Foreign Minister Genscher's proposal to Joe Clark for an EEC-North American Declaration "which would confirm shared principles and interests in openness and enhanced co-operation".⁵¹ Underlining Canadian interest in this proposal, correspondence between PM Mulroney and President Bush, although emphasizing the continued vitality and complementarity of NATO and the CSCE, did nevertheless make reference Mr. Genscher's suggestion of a trans-Atlantic