progress.[19]

Finally, the Miami Summit was significant as it served as the occasion for the Prime Minister of Canada and the Presidents of Chile, Mexico and the United States to announce their decision to begin the process by which Chile would accede to the NAFTA, thereby providing a concrete regional example of the will to move forward.[20]

The impact of the APEC and western hemisphere initiatives was soon felt in another direction - across the Atlantic. In late 1994, Canadians first launched the idea of a trans Atlantic free trade arrangement - potentially going much beyond current multilateral commitments in the WTO toward a special European Union-NAFTA link. Both Prime Minister Chrétien and Minister for International Trade MacLaren spoke early and clearly - and initially to skeptical audiences.

Recognizing the reality that north Atlantic security ties had fallen away to a considerable degree with the end of the Cold War, the Canadians focused more sharply on the economics of the relationship. In this regard, important changes have occurred over the past 30 years. Through all the shifts, however, the trade, investment and technology links have remained strong and fundamental to prosperity on both sides of the Atlantic.[21] Moreover, both North America and Europe retain their basic commitment to open markets and to the rule of law, which must exist if countries are to formalize their rights and obligations internationally. Yet both Europe and North America have traditionally focused their treaty-based economic relations through the WTO and its predecessor the General Agreement on Tariffs and Trade (GATT), while pursuing greater integration closer to home. This has led to a perception of drift in the formal economic relationship between the two continents in

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[19] See section 9 of the Summit of the Americas, "Plan of Action", Miami, December 9-11, 1994.

[20] See the "Four Leaders' Statement on Chile", Miami, December 11, 1994. The next section will return to the case of Chile and its importance for the broader FTAA initiative.

[21] In the case of Canada, the changes include, for example, the significant decline in the <u>relative</u> importance of Europe as an export market, but its strengthened rôle both as a source of investment in Canada and as a host for Canadian investment abroad. Proportionally, U.S.-EU economic links remain markedly greater. See Stephen Wilson, "Changing Partners: Trends in Canada's Regional Economic Relations", Foreign Affairs and International Trade Canada, Policy Staff Paper No.95/02 (March 1995) and Stephen Lavergne and I. Prakash Sharma, "Renaissance: Re-engineering the Trans Atlantic Economic Relationship", Foreign Affairs and International Trade Canada, Policy Staff Paper No.95/13 (forthcoming 1995).