

integrated, more co-ordinated, and better positioned to play a full role on the world stage. It has also become preoccupied with its own internal architecture to the point where other interests risk being subordinated to the political goal of building a unified Europe. Only a short decade ago, "Europe 1992" was held up as a model of openness for the world. But these same policies of regional liberalization and harmonization will seem rather less admirable if one additional goal is to turn away from the global community.

North America too has begun to consolidate its own internal arrangements, partly in response to developments in Europe. For some, the recently signed North American Free Trade Agreement [NAFTA] is but the first step toward an exclusive, self-reliant hemispheric bloc — a way of securing America's economic hinterland in a world of rising competition and declining market share. Even for those who do not share this narrow vision, it remains true that North America's policy focus is shifting increasingly to the Asia-Pacific region, and to the fast-growth economies of the south China coast — and, if only implicitly, away from Europe.

This trend is in no one's interest. For Canada, the European Union remains our next most important bilateral economic partner after the United States. Last year Canada's merchandise trade with the countries of the European Union was valued at \$25 billion, our direct investment reached \$21 billion, while EU investment in Canada was worth \$32 billion — and so on. These statistics do not capture the "quality" of our economic relations — the extent to which North America and Europe are increasingly interlinked by a web of transborder production, investment and technology. As Canada attempts to diversify beyond the U.S. market, the issue of Europe/North America relations takes on an added strategic importance.

This transatlantic relationship is also of central importance to the world economy as a whole. It was, after all, our common postwar economic leadership that was instrumental in creating the liberal trade and payments system so critical to the expansion of the world economy. It was the foresight we together demonstrated at Bretton Woods that helped to build the great multilateral institutions of the last 50 years — the World Bank, the International Monetary Fund, and the General Agreement on Tariffs and Trade. And it was our common resolve that helped to drive the latest and furthest-reaching agreement in Marrakech.

In the same way, Europe and North America's continued global economic leadership will not be secured by retreating into regional blocs, by viewing the Atlantic as a barrier rather than a bridge between our two continents — a fact amply reflected in the deadlock that characterized the final years of the Uruguay Round negotiations.