

It gives me great pleasure to be here with you today. The Americas Society has long provided an important and distinguished forum for discussing issues of common concern to the countries that share the western hemisphere. Its role is clearly much more important at a time when North America's future direction in the world seems unclear.

In a rather cheerless passage in his recent book, Henry Kissinger describes America as a mere "island off the shore of the Eurasian land mass." This image of North America as an island is a significant one, not simply because of the obvious geopolitical implications, but because it expresses how many North Americans feel in a world in which they are no longer pre-eminent, and which seems to some increasingly uncertain and unstable. Not since the 1920s and 1930s has isolationism had a more pervasive, if superficial, appeal in public discourse. Not since the United States' refusal to participate in the League of Nations has North America's willingness to exercise leadership seemed so ambivalent.

Indeed, certain parallels with the decades after the First World War are striking. Then, as now, strategic alliances had given way to economic rivalries and competition. Then, as now, problems associated with economic insecurity created pressures for domestic protection. Then, as now, the choice for North America was between leading in the creation of new forms of international co-operation or turning inward on itself.

The danger facing North America today is that we might allow history to repeat itself. It is one of the paradoxes of globalization that as economies have grown more interdependent, national governments have become increasingly preoccupied with problems of economic adjustment and advantage. None of us can escape these pressures, including Canada. But of particular concern, because of the sheer size and magnitude of its economy, is the current trade agenda of the United States which, influenced by protectionist lobbies and interests, shows a worrying tendency toward unilateralism in its dealings with the world. Last week in Washington I used the opportunity to talk about the current state of the Canada/United States bilateral trade relationship. Although we have created the world's largest trade relationship — one in which the vast majority of our two-way trade flows without impediment — we still face a number of corrosive disputes that reflect, for the most part, the triumph of selective sectoral, domestic, political interests over national interests.

The critical question is whether this is part of a broader pattern of U.S. trade policy. Already, there are a number of worrying signs. Consensus support for multilaterally negotiated rules and procedures is being challenged by calls for "managed trade", "numerical targets" and "results-oriented" policies. Underpinning this approach are ideas associated with so-called strategic trade policy or neo-mercantilism. Powerful players act