

economic relations. In fact, the emergence of the European Community since the Second World War has probably had at least as great an impact on Canadian interests in Europe as the nearly half a century challenge posed by the former Soviet Union, and now by its collapse.

Given the Community's fundamental role, why then has it been so difficult for Canada to manage this relationship? The EC as a trading bloc, as a supranational organization possessing quasi-federal structures and features, is far more than the sum of its parts, a fact which presents considerable challenge to its international interlocutors. The historical division of competencies between the EC and European political cooperation (EPC) on economic and foreign policy matters respectively has made it difficult for third countries like Canada to calibrate their approach to Brussels.<sup>6</sup> That is, the division of power between the Commission and the Council of Ministers, the division in the Member States' ranks, the evolution of EPC, and the ambiguous, evolving state of Community competencies have at times — particularly since the mid-1970s — confounded Ottawa's attempts to come to terms with the expanding Community.

The issuance of the European Community-Canada Transatlantic Declaration (hereafter referred to as the TAD) in November 1990 with its institutionalization of high level bilateral political links, marks Canada's recognition of the Community's evolution as a foreign policy actor, builds on the Canada-European Communities Framework Agreement (1976), and thereby increases the relative importance of the EC in Canada's policy approach to Europe.<sup>7</sup> The TAD augurs a new stage in bilateral relations. At the date of writing, this may hold promise for a more balanced bilateral relationship in the 1990s.

Any argument, however, that rests on the assumption that the TAD is of such character as to dictate a 'dramatic' new course in bilateral relations, is simplistic and unrealistic. The point is that the rapid political and economic evolution of EC and its tincreasing activity in Europe and in the world has important implications for Canadian social, economic and political interests at home and abroad. As the Community evolves further it will continue more and more to affect Canadian commitments and policies, and it may do so in more negative (i.e., a more inward-looking Europe) than positive ways. At the same time, Canada's role in policy-making dialogues of direct interest to it is being eroded as some of the traditional multilateral consultative mechanisms (e.g., NATO, the CSCE) in Europe evolve, making Canada's link to the Community more vital. Given this reality there has been a search for new ways of channelling Canadian interests in Europe. Thus the strategic management of Canada's relations with the Community in the years to come will have to be