

Let me begin by congratulating Ambassador Beck for organizing this successful conference. Making trade policy is a little like politics — timing is everything. Ambassador Beck's timing for this conference is impeccable, coming as it does at such an important juncture in our bilateral relations and in our relations with the world as a whole.

Perhaps it is a romantic notion, but I continue to believe that Europe and North America belong to a broader Atlantic community — one rooted not simply in shared values, cultures and traditions, but in shared interests. I also believe that our two continents are in danger of drifting apart.

This trend cannot be said to be the result of a conscious policy choice on either side of the Atlantic, although the relationship certainly suffers at times from a sense of benign neglect. Our difficulties, more structural than political, are at a deeper level — the challenge of moving from a transatlantic relationship defined primarily by strategic imperatives to one defined increasingly by our shared economic interests.

There can be little doubt that the end of the Cold War has served to weaken the strategic ties that bound our two continents together for almost 50 years. Until the collapse of the Berlin Wall in 1989, it was largely the Soviet threat that kept the West together in a defensive alliance. With the disappearance of this threat, the pressure to overlook economic disputes and tensions has also diminished.

Diminished as well are the ideological foundations that underpinned our strategic alliance. It has been suggested that the Cold War was not primarily a war of economies, but a war of ideas. In politics, it was a struggle of liberal democracy against collectivist totalitarianism; in economics a struggle of open, competitive markets against stifling central planning and state ownership.

But we are all capitalists nowadays. Moreover, global events are driven more by technological innovations than by ideological convictions. Just as it is sometimes difficult to identify ideological differences in an international arena defined primarily by the interplay of economic forces, so too is it difficult to recognize the values and ideals that still bind us together.

In essence, then, North America's postwar strategic partnership with Europe has given way to growing economic rivalry to which we both seem unable to adjust.

The most obvious expression of this is the rising interest on each side of the Atlantic for regional arrangements. The European Union [EU] is in the process of transforming itself. Through the single European Act, the 1992 Single Market Program, and the Maastricht Treaty process, the Union has become more