

The advent of the NAFTA four years later did nothing to alter this basic problem. Although there were a number of improvements on the original FTA — environmental and labour standards, clarified rules of origin, agreements to cover investment and services, and, most important, an accession clause — the issue of common trade laws, the black hole at the centre of the Agreement, remained unresolved.

This absence remains significant today. It is significant because it will allow the kind of disputes we have seen in recent years over lumber, steel, and now grain to continue unabated. More importantly, it reveals a deeper cause of our bilateral difficulties — a certain waning of the United States' commitment to implement the policy of free trade. That commitment remains clear enough in the Administration's efforts to get both the NAFTA and the Uruguay Round through Congress, but paradoxically the inducements offered to secure such passage cater to local pressures by individual protectionist measures that directly contradict the global commitment.

For example, what possible economic rationale is there for preserving anti-dumping in a free trade area? Whose interests exactly are we protecting, given that our two economies are so closely integrated? Can we really afford to engage in such narrow, internecine protectionism when North America is faced with growing competition from an integrated Europe and an ascendant Asia? It is precisely these and other questions that go unanswered in the United States' instinct to appease domestic lobbies or to seize a short-term advantage.

This absence of a clear commitment to free trade is all the more surprising because the past success of our two economies has been so inextricably linked to trade liberalization and openness. It was our post-war leadership which helped to create the liberal trade and payments system that has been so central to the expansion of the world economy. It was our vision at Bretton Woods that helped build two of the great multilateral institutions of the last fifty years, the World Bank and the International Monetary Fund, although not, notably, the proposed International Trade Organization. It was our resolve that helped drive successive rounds of GATT trade liberalization, including the latest and farthest-reaching agreement in Marrakesh. The success of our freer trade policy can be measured, not simply in terms of the unprecedented expansion of world trade since 1945, but in the dynamism and strength of the North American economy today.

In the same way, North America's continued global economic leadership will not be secured by retreating into protectionism, still less by ignoring our shared economic interests. Our economic strength now and in the future will depend fundamentally on our willingness to stay on the leading edge of freer trade, to take an active and creative role in forging new relationships and in