

Transatlantic trade and investment are intense and the two economies narrowly interlinked. Despite the rapid increase of the global trade in recent decades, transatlantic economic relations remain the dominant force in international economic relations for both the United States and the European Union, particularly if one considers not only trade but also foreign direct investment. Today American and European economies are the world's largest, and they are likely to remain so for foreseeable future. Overall bilateral commerce approaches 2.5 trillion of dollars per year and employs directly or indirectly some twelve million workers in Europe and the US (2000). With such intensive commercial relations trade disputes have arisen with some frequency whereas the range of trade conflicts is so wide that a complete accounting is difficult.

During the cold war foreign economic objectives were often subordinated to security concerns. The US fathered European integration primarily to achieve political rather than economic objectives. There was a mutual accommodation of interest and the solidarity with the US due to Soviet threat. During the early post-war years the US did generally get what it wanted. However, during the 1960s and 1970s, the European Community distanced itself from the US. On the contrary, during the 1970s and especially 1980s the US turned to unilateral approach mainly under Section 301 of the Trade Act of 1974.

After the end of cold war both sides started with creation of institutional architecture for dialogue. The Transatlantic Declaration of 1990 set up political consultations, the 1995 New Transatlantic Agenda and Joint Action Plan precised the objectives and the Transatlantic Economic Partnership of 1998 set up several working groups. Subsequently were added civil society dialogues (TABD, TACD, TALD etc.). Positive Economic Agenda created a framework for cooperation between regulatory authorities.

The aim of this thesis has been to pay attention to the transatlantic commercial relations since the second world war with special regard to the trade disputes after the end of cold war. The thesis tries to address impact of trade disputes on entire transatlantic commerce from range of views including the role of WTO in dispute settlement.

Transatlantic trade wars often arose between both sides. However the trade disputes have never upset the fundamental balance of the relationship and should not be considered all that significant when set against the total value and volume of trade between EU and the US. The most famous disputes are the banana case, the hormone beef, the FSC/ETI case, safeguards on steel imposed by G. W. Bush or the Airbus/Boeing subsidies case.

The US and European economies depend heavily on one another. Together they have a major impact on the international economy as whole. The transatlantic relationship may not be entirely harmonious, but there is no feasible alternative to staying together. It can be said that the economy is rather transatlantic glue than transatlantic explosive.