However, these developments fall short of the revolution that is required. Although we have made such tremendous progress on the substance of the rules, some are now questioning the way in which these rules should be enforced.

Take the area of trade remedies. Under both the Canada-U.S. Free Trade Agreement and later the NAFTA, we created a unique system for binational panels to carry out judicial review of domestic antidumping and countervailing duty determinations. Although only an interim solution which, while responding to the problem of harassment by special interests, has no permanent place in a free trade area, this system has worked remarkably well. Over 50 cases have been heard; decisions have been well-reasoned and of a uniformly high quality and have been implemented by domestic authorities in the majority of cases without criticism or complaint. But now, the same special interests in the United States that used and abused trade remedy laws before are claiming that international judicial review raises constitutional problems.

The recent automotive dispute between the United States and Japan is again instructive. Faced with a range of domestic regulations that prohibited foreign firms from selling into the Japanese automotive market, the United States' knee-jerk reaction was to threaten unilaterally to impose sanctions first, and only later to accept begrudgingly that the WTO dispute settlement procedures might provide an avenue for achieving greater market access – for enforcing the rules.

Now it may be true that the differences between the United States and Japan were in part about matters on which we do not yet have rules, such as competition and concentration in domestic markets. And that is why, as I mentioned, governments are committed to building on the results of the Uruguay Round to broaden and deepen the coverage of international trade rules. But several aspects of the dispute are about things that the WTO does address: import procedures, technical standards, and other market access issues.

The knot of the problem is the question of sovereignty and national prerogatives. Canada's implementing legislation for the WTO Agreement involves amendments to 29 federal statutes, on matters ranging from banking licenses to entry visas for business people, and from trademarks, copyrights and patents to pest control products. The result is an ever-increasing interplay between domestic and international rules. As noted GATT scholar John Jackson has observed, this necessarily affects the decisions policy leaders make about when and how to intervene in their national economies.

We know that governments will intervene in their national economies when faced with "market failure" or when seeking to achieve "non-economic goals." They will have at their disposal such varied tools as taxation, regulation, subsidies and the manipulation of