

objective of the Uruguay Round to reintegrate the textile and apparel sectors under the rules that apply to trade in goods generally. This will be done under the WTO Agreement over the next 10 years.

Thus, the real achievement of the WTO is the creation of a set of rules for international trade that will have a pervasive influence on how governments regulate their economies, and that accordingly will impact very directly on the domestic law-making process. This will affect the way in which all of the governments in the region operate. For example, Canada's implementing legislation for the WTO Agreement involved amendments to no less than 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 rules for the settlement of trade disputes at the government-to-government level have also been improved and strengthened with the new WTO Dispute Settlement Understanding, or DSU. The DSU provides a unified dispute settlement system, applying to disputes under the range of WTO agreements, covering matters from trade in goods and services to investment, intellectual property, and technical barriers to trade. A new Dispute Settlement Body has been created to administer the dispute settlement process. A WTO panel report will be adopted automatically by the Dispute Settlement Body, unless there is a consensus among WTO members to reject it. This eliminates the problem that existed under the GATT, when a single country could block adoption of a panel report. A standing Appellate Body will hear appeals on questions of law, thereby hopefully establishing a degree of uniformity and consistency that did not always exist under the GATT.

One of the greatest benefits to Canada of the DSU is that it provides a defence against unilateral action by other countries. All WTO members must resolve their disputes using the WTO rules, and they are prohibited from taking unilateral measures without the specific authorization of the Dispute Settlement Body. This will make a significant contribution towards the consolidation of a rules-based instead of a power-based international trading system. We hope and expect that this new, streamlined system will be used and relied upon by all members of the WTO, including those from Asia.

There is similar progress in the Asia-Pacific region. Among the many activities currently under way within APEC, creating a more effective dispute settlement process, or a "Dispute Mediation Service" [DMS], is a priority.

The idea of creating a dispute mediation service within APEC arose in part from the unease felt by certain Asian cultures with the use of litigation to resolve disputes. As I discussed