

embodied in the WTO, to serve as regulator and transformer all at once.

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 to the problem of harassment by special interests that 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 the decisions 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.

The knot of the problem is the question of sovereignty and national prerogatives. Canada's implementing legislation for the WTO Agreement involves amendments to no less than 29 federal statutes, on matters ranging from banking licences 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 another 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.

To the south of the 49th parallel, some are cringing at the expanded reach of the rules of the NAFTA and the WTO. For example, Senator Dole has proposed a WTO Dispute Settlement Review Commission, with a mandate to review whether WTO panel decisions should be accepted by the United States. Americans seem to be contemplating the establishment of their own transformer, to shield themselves from WTO currents should they become - some in the U.S. Congress have already characterized them as - "tyrannical and abusive." And I have already mentioned that arguments have been raised that query the constitutionality of giving antidumping and countervailing duty panel decisions binding effect in U.S. domestic law. Although the United States can rightfully claim to be a staunch defender of the international rule of law through such central institutions as