

forces aroused by foreign competition, the fear of economic decline and congressional pressures could hardly be contained by centralized management by the State Department or the White House or the President himself.

For this reason, the most significant goal sought in the free trade negotiations was the creation of institutional means to remove the consequences of unfair trade decisions. The system of binational panels set up in Chapters XVIII and XIX of the Free Trade Agreement (FTA) is the most important part of the Agreement.

Some 25 cases have already made their way to the tribunals. As the monstrous softwood lumber dispute comes to the fore again, "the big difference between now and the last case in 1986" – to quote a member of one Canadian industry – "is the stage in the Free Trade Agreement for a binding panel review where the political factor is reduced to a minimum."

Now we are hearing demands to speed up the task of getting a single North American law of dumping and countervail. This, I believe, is an inevitable consequence of this type of trade harassment.

Thus are we witnesses to a major discontinuity in our approach to co-existing with the U.S. As fragmentation of political power continues in that country, as the voices of special interests get stronger and stronger, as respect for political authority everywhere declines, Canadians will turn more and more to the rule of law in our dealings with the U.S. and to bilateral institutions that can abridge the raw power of public pressure and special interests through objective intermediation.

The increasing resort to law and supranationalism will accelerate because of the second great factor of external change that is affecting our foreign policy.

The strategy of multilateralism as a counterweight to U.S. influence presupposes a world in which middle powers build coalitions in international organizations embracing most of the component states of the international community as equal units.