

crime with the movement of people, goods, services and technologies was a conundrum well before the recent attention to terrorism. A trade policy that does not constantly seek to find the best way forward through this tangled maze of contradictory interests is likely to become irrelevant or even counterproductive.

As it is for one country's trade policy, so it is for the whole international trade regime: it must adapt and set ambitious goals, or risk irrelevance. This is easier said than done. Governments are generally called upon to react rather than to lead, at least in international affairs. For one thing, there has to be domestic demand for government action (whether to regulate or deregulate); for another, there has to be an international consensus on what is negotiable; and for a third, the negotiations themselves have to lead to agreement on what sort of actions are to be taken. All of this takes time, and the only way for governments not to be forever solving yesterday's problems is through intelligent anticipation.

In trade policy terms, this suggests that any new negotiation should go beyond "first generation" issues if it is to meet the current needs of business and anticipate the future. ("First generation" agreements are those like the old GATT that focus principally on measures at the border: tariffs, quotas and other import regulations.) Similarly, with most potential partners a trade negotiation should include a parallel effort to address environmental, labour or sustainable development issues if it is to provide for the future of the societies and economies concerned. There must also be provision for fallbacks and alternatives should negotiations fail. The solution may be to proceed at a different level: regional instead of bilateral, or multilateral instead of regional. But if conditions are not ripe at a given time for concluding an agreement, it is generally only a question of time before they do ripen—if there is truly a fundamental mutual interest in the matter. In trade policy, imagination and experience alike are valued.