

To pursue the example of the United States, which can stand as a model for how we conduct our trade relations more generally, the tools for maintaining this mutually enriching relationship are the following.

- ❑ The WTO and NAFTA provide rules for addressing disputes such as our challenges to American measures on softwood lumber imports.
- ❑ The trade regime also provides opportunities to work out better solutions to shared problems, whether through periodic negotiations like the DDA or FTAA, or through ongoing work programs like the one that NAFTA provides for. The continuing Canada-U.S. trade policy dialogue is particularly important in this context.
- ❑ Border management agreements complement these instruments in areas as diverse as customs procedures and environmental protection.
- ❑ We also have well-established exchanges, procedures and agreements in place in defence, transportation and a host of other areas.
- ❑ Political contacts at federal and provincial/state levels (ministers and parliamentarians alike) help build an understanding and a willingness on both sides to accommodate the interests of the other, while complementary public diplomacy (talking to business and labour; talking to opinion leaders and the public; seeking allies on specific issues) is conducted by our Embassy and all of our consulates in the United States.

Considerable attention has been focused on the perceived benefits and shortcomings of these various instruments and techniques. For instance, NAFTA's Chapter 11 has been criticized in Canada, in particular for placing corporate interests ahead of public interests. Despite what one might think, recourse to the investor-state provisions of Chapter 11 has been minuscule, and arguments that it has had a "chilling effect" on social or environmental regulation are contested. This does not mean that further clarification of investor-state provisions—especially procedural aspects—would not improve Chapter 11, and Canada