

the United States, to discuss mutual defence and security issues. These meetings should be coordinated with the Permanent Joint Board on Defence.

The Government recognizes that definitions of security have changed and broadened post-September 11. The 210th Permanent Joint Board on Defence (PJBD), held 15-18 October 2002 in Comox BC, had as its theme *Enhancing North American Security*. It examined North American defence in broader terms, and included presentations from other agencies such as the US Office of Homeland Security and the RCMP.

The PJBD is a privileged forum for Canada that offers a unique opportunity for deliberations between Canadian and US personnel on mutual and shared interests and priorities. The Government supports the recommendation to foster greater interaction between parliamentarians and the PJBD. Cabinet ministers meet regularly with their US counterparts both bilaterally and in multilateral fora such as NATO and the G8. For example, the Minister of Foreign Affairs held bilateral meetings with the US Secretary of State on November 13, 2002 and on January 28, 2003. Similarly, the Minister of National Defence met with the US Secretary of Defense on January 8, 2003. The Government continues to encourage regular bilateral meetings and remains open to the possibility of joint meetings of the Canadian Ministers of Foreign Affairs and National Defence together with the US Secretaries of State and Defense.

Recommendation 15

The Government of Canada should resist the temptation to seek short-term gains through reactive, ad hoc solutions to trade problems with NAFTA partners. Wherever possible, trade disputes should be addressed through rules-based, institutional mechanisms, and the Government should use its best efforts to improve and expand such mechanisms on a continental basis.

and

Recommendation 20

The Government of Canada should generally refrain from linking different trade sectors as a strategy for retaliation or dispute resolution. Canada should focus on addressing each dispute on its own terms, and within a rules-based framework.

Trilateral trade has increased by 112 percent since the NAFTA was implemented on January 1, 1994, and in 2001 amounted to \$615 billion. Given this volume, it is not surprising that trade disputes arise between the NAFTA countries. It is important to remember that most of the small number of trade disputes that have arisen have been

