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Treaty Compliance: Lessons from the Softwood Lumber Case

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The Canada-U.S. dispute over softwood lumber imports provides an important case in understanding issues of international bargaining and treaty compliance. Recent events in the dispute suggest that one of the leading theoretical accounts of treaty compliance does not offer an adequate explanation of state behavior. Policy makers should recognize the importance of cross-border ownership and industry interdependence for the implementation of, and compliance with, international trade agreements. The softwood lumber dispute adds credence to the perspective, often advocated by realists, that treaty compliance will only occur when it is in a nation's material interests to do so. [1]

Introduction

The Canada-U.S. argument over softwood lumber is among the world's most important and longstanding bilateral economic trade disputes. The issue has been contentious for at least two hundred years; its modern incarnation has produced five principal cases and dozens of intermediary rulings at international tribunals spread over more than twenty years. Moreover, the dispute is between two friendly countries who share a deep alliance that all but precludes the resolution of the issue by force. As such, it provides an especially important window on issues of international bargaining and treaty compliance.

Within the academic literature on compliance, there is significant debate about the extent to which treaties shape countries' behavior. One

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side of the debate, represented by Downs et al., argues that cooperation via international agreements is shallow and that countries' actions are little different from what they would be absent those agreements (Downs et al. 1996, 379-406). On the other side are those who argue that the most appropriate guiding assumption for treaty compliance is that "nations generally comply with their international agreements" (Chayes and Chayes 1993, 175-205). The principal claim of this paper is that one of the leading accounts of treaty compliance in the international relations literature, exemplified in Chayes and Chayes' article, lacks explanatory power in the softwood lumber case in a number of important ways. In particular, none of the three considerations offered by Chayes and Chayes robustly explains compliance in the lumber case. While acknowledging that this is just a single case, the softwood lumber dispute adds credence to the perspective, often advocated by realists, that treaty compliance will only occur when it is in a nation's interest to do so.

Four additional points of theoretical interest arise from examining the lumber case. First, explanations of trade behavior based on foreign interdependence of domestic industry groups, advanced by Milner and others, can partially account for policy outcomes in this case, though not perfectly (Milner 1988, 350-376). Second, contrary to Keohane's hypothesis, greater issue density may lead to greater ambiguity and less treaty compliance, rather than more international cooperation (Keohane 1984). Third, there is a strong need for a theory to determine the point at which "jawboning" for compliance is insufficient. Fourth, Fearon's claim regarding the difficulty of bargaining under a long "shadow of the future," is given additional credibility with this case (Fearon 1998, 269-305).

This case has significant implications for policy, which are discussed in this article. Briefly, the case first suggests the important connection between trade agreement compliance and the clarity of dispute resolution procedures, particularly on issues of jurisdictional authority. Second, policy makers should recognize the importance of cross-border ownership and interdependence for the implementation of trade agreements. Finally, the risks and benefits of Canadian retaliation for its perceived grievances are considered.

Case Description and Theoretical Puzzle

Canada has been fighting for access to the U.S. softwood lumber market for decades. However, the U.S. government has repeatedly changed its policy on Canada's lumber exports, each time with significant repercussions for the Canadian industry. In response, Canada has challenged the

U.S. position(s) at international trade tribunals, both at NAFTA and the WTO.

Under the NAFTA agreement, Canada and the United States have the right to appeal to either a NAFTA or WTO tribunal under certain conditions. This stipulation raises an unusual pattern of outcomes; while Canada received consistent victories at NAFTA tribunals, the United States has been more successful at the WTO. This jurisdictional ambiguity has played a role in continuing the dispute.

The issue has enormous economic implications. In 1998 forestry was a $68 billion industry in Canada, providing 384,000 jobs (Canada's Forest Network 2002). Canadian softwood exports to the United States are worth $10 billion each year (Ali and Saccoccio 2001). Moreover, the United States currently holds more than $5 billion in tariffs and other border fees posted by Canadian forestry companies. These fees were paid in order to access the U.S. market, but Canada has demanded through NAFTA procedures that the money be returned.

The current dispute follows a long history of tension over this issue.[2] Though the dispute is at least two centuries old (beginning even before Canada gained its independence from Britain), its modern incarnation began in October 1981. At this time, U.S. producers filed a petition against the Canadian softwood lumber industry, starting a case known as "Lumber I." The petition alleged that Canadian provincial and federal governments were subsidizing softwood lumber production by selling the right to cut timber on public lands ("stumpage rights") at artificially low prices. The U.S. Department of Commerce (DOC) investigated the allegations, but terminated the case in 1983 when it determined that the stumpage programs conferred no subsidy.

"Lumber II" started on May 19, 1986, when the American lumber lobby filed a second petition alleging new evidence that Canadian stumpage rights subsidize lumber production. In October 1986, the DOC reversed its prior determination in Lumber I, and issued a preliminary determination that a tax should be applied to Canadian softwood. To avoid the expense and politics of continuing the case, Canada agreed to a temporary 15 percent tariff on exports of Canadian softwood lumber. However, after five years of the "temporary" tariff, Canada advised the United States of its intention to terminate the agreement. The United States responded by initiating an investigation of alleged subsidies—and requiring that Canadian producers post bonds (valued in the hundreds of millions of dollars) on the lumber destined for the United States. Almost a year later, the DOC completed its investigation. On May 28, 1992, the U.S. government decided Canada

was subsidizing its lumber production, and imposed a 6.5 percent tax on Canadian softwood.

"Lumber III" had begun. After negotiations between the two countries failed, Canada invoked the panel review process at the GATT council. After a lengthy delay, the GATT panel, on February 19, 1993, found that the U.S. tariff was invalid. The panel also found that the requirement on Canadian producers to post bonds for their products was illegal. Following the ruling, the DOC came to its original conclusion that Canada was not subsidizing its softwood lumber industry after all. The GATT panel affirmed that decision on February 28, 1994.

The United States later decided to appeal the decision, and again Canada won. Despite this, U.S. Trade Representative Mickey Kantor refused to refund the Canadian producers' deposits that the United States had collected under the invalidated law. Faced with this threat and the prospect of a fourth lumber dispute, Canada agreed to the U.S.-Canada Softwood Lumber Agreement on May 29, 1996. This second five-year agreement, similar to the one in 1986, required Canada to impose its own export tax on softwood lumber.

"Lumber IV" started in March 2001, three days after the five-year agreement ended, when the American lumber lobby filed yet another case against Canada. By August, the U.S. government decided to impose a 19.3 percent tariff on Canadian softwood, the largest tariff up to that point. In addition, the DOC imposed a 12.5 percent surtax to punish Canada for "dumping" its cheap softwood on the U.S. market. Frustrated, Canada challenged the U.S. position at the WTO. On July 26, 2002, the WTO issued an interim report, ruling in Canada's favor on 8 of the 9 legal points. However, later WTO rulings appear to have reversed this balance, and the WTO now largely favors the U.S. position.

The rulings of the WTO are inconsistent to some degree, making it difficult to make a clear judgment on the merits of the case. However, some prominent scholars have labeled the U.S. action as clearly protectionist. Paul Krugman, for instance, writes "(t)he steel tariff and the farm bill attracted the most attention, but they are part of a broader picture [of protectionism] that includes the punitive (and almost completely unjustified) tariff on Canadian softwood lumber and the revocation of Caribbean trade privileges" (Krugman 2003). Moreover, NAFTA dispute panels have repeatedly ruled in favor of Canada over the twenty-year history of this dispute.

Whatever the merits of the case, the United States recently made a significant—though not total—reversal of its earlier policy. On November

22, 2005, the general counsel of the U.S. Department of Commerce stated that it would comply with the five NAFTA panel rulings requiring the elimination of its countervailing duties on Canadian softwood lumber

Is this a victory for Canada or for the United States? Neither side is completely satisfied with the outcome. Canadian officials described the decision as "an important step," and in theory the U.S. tariffs will be lowered by 16 percent as a result of the decision. However, the United States refuses to return the $5 billion already collected from Canadian companies, and the actual tariff rate will not be lowered until an additional U.S. "extraordinary challenge" has been heard by the NAFTA Secretariat. Therefore the outcome (to date) can be described at most as a partial victory for Canada.

One theoretical puzzle arising from this case is: Why did the United States give Canada even the partial victory represented in its recent announcement? As Bailey et al. point out, a conventional view from political economy suggests that "even if politicians recognize that society gains from trade, they are constrained by an organizational bias in society: those who lose from increased trade have a greater incentive to organize than those who benefit from the policy" (Bailey, Goldstein et al. 1997). This aptly describes the situation in the softwood lumber case: the opponents of free trade, the U.S. softwood lumber producers, have far greater organizational capacity to lobby the U.S. Congress than those who benefit from trade—the U.S. consumers and Canadian producers. Thus, from a classic political economy perspective, one would expect that the U.S. lumber lobby would be able to stonewall any move towards trade liberalization in this sector.

In her major study of industrial preferences on trade policy, Milner argues that industrial positions depend on the degree of foreign interdependence of the firms in that sector (Milner 1988). Empirically, one sees relatively little cross-border ownership in the softwood industry. Consistent with Milner's hypothesis, the U.S. firms are opposed to trade liberalization; however, contrary to the industry's position, the U.S. government has agreed to comply with a ruling for trade liberalization. To be fair, Milner states that her theory explains industry preferences, not the policy outcomes themselves. Nonetheless, Milner's approach suggests that these preferences are in fact translated into policy. This leaves us with a puzzle: how can we account for the U.S. decision to comply with the NAFTA tribunal?

The Softwood Lumber Case: Implications for Theory

Chayes and Chayes argue that the most appropriate guiding assumption

for treaty compliance is that "nations generally comply with their international agreements" (Chayes and Chayes 1993, 175-205). Although they assert that this premise cannot be tested empirically, they do offer "considerations that lend plausibility to such an assumption." However, the Canada-U.S. softwood dispute is inconsistent with the implications of these considerations.

Chayes and Chayes may be on strong ground in explaining the United States' long history of non-compliance with their NAFTA obligations. Their article suggests that treaty ambiguity is one of the chief causes of non-compliance, and indeed ambiguity appears to play a role here. In addition to the economic and legal complexity of the softwood lumber case, the overlapping jurisdictions of the WTO and NAFTA tribunals creates a situation in which each party feels justified in claiming legal victory. While ambiguity may indeed play a role, it is worth noting that the alternative explanation favored by realists and others (i.e., that each state in this case is simply pursuing its perceived interests) is also plausible.

Parenthetically, it is notable that the issue of complexity and ambiguity has important implications for the prospects of international cooperation. Complexity can arise in policy areas where there is considerable issue density. In such an area, it would be unsurprising to find that many states are parties to multiple treaties which address the same set of inter-related issues. For example, in international trade, the GATT system alone has dozens of agreements, some of which conflict with each other; meanwhile, bilateral and regional trade agreements are multiplying at a rapid pace. In the environmental arena, a host of agreements focuses on global climate change, including the UN Framework Convention on Climate Change, the Kyoto Protocol, and the European carbon trading schemes. Keohane and others have argued that greater issue density will increase the prospects of international cooperation (Keohane 1984). However, if it is true that issue density causes multiple treaty arrangements, which in turn causes ambiguity and complexity, it is plausible that the prospects for international cooperation actually decrease (or at least vary non-monotonically) as a function of issue density. More precisely, it suggests a more nuanced synthesis: greater issue density may lead to cooperation in treaty formation but, then, increased difficulties in compliance.

Returning to Chayes and Chayes, they face a considerably greater difficulty in explaining the recent "partial victory" for Canada, represented in the U.S. commitment to comply with the NAFTA ruling. They identify three principal reasons why nations comply with treaties: efficiency, interests, and norms. The first of these, efficiency, relates to the reduced

transaction costs that compliance with an established treaty can represent. By complying with a treaty, a state avoids the bureaucratic, legal, and diplomatic costs associated with re-negotiating every decision on a case-by-case basis. However, this explanation manifestly fails to explain the U.S. decision to comply with the NAFTA agreement. Both parties have shown a willingness to absorb significant transaction (i.e., legal and diplomatic) costs over the course of decades, rather than simply to accept a resolution to the dispute. Moreover, the U.S. decision to comply with the NAFTA ruling was accompanied by a promise to continue appealing the case, thereby suggesting that compliance had nothing to do with reducing transaction costs. At least in this case, where the perceived benefits of violating the treaty are high relative to the transaction costs, efficiency is a poor explanation of state behavior on treaty compliance.

Chayes and Chayes' second claim is that states (typically) sign only those treaties in which it is in their interest to comply. In this view, international cooperation is a single-stage process, and states comply with the treaties they sign on the basis of selection. However, Fearon's model of state bargaining and cooperation offers a more nuanced perspective on this: "In the first phase, states bargain over the particular deal to be implemented in the second, 'enforcement phase' of the game" (Fearon 1998). This model aptly characterizes the different incentives faced over time by the parties in the softwood lumber dispute. That is, it may have been in the interests of the United States to accept trade liberalization on lumber at the time of NAFTA's negotiation, in the context of a wide set of benefits for both countries. However, the problem is different when the United States is considering compliance. After a deal has been signed, and knowing that Canada has few power resources with which to enforce it, the United States faces a different set of incentives about whether to comply with the agreement. Chayes and Chayes' argument oversimplifies the way in which state interests enter the calculus of treaty compliance.

The third and final consideration offered by Chayes and Chayes concerns international norms, and it offers greater plausibility than the previous two considerations. One could plausibly argue the United States is complying with the NAFTA tribunal because it is the appropriate action for a responsible member of the international community. Note that this normative argument is distinct from the argument that a realist might make.[3] A realist would argue that a state complies with treaty obligations because it wishes to maintain a reputation for doing so in order to advance its interests on other issues. If one accepts Finnemore and Sikkink's definition of a norm as "a standard of appropriate behavior for actors

with a given identity," one must believe that a normative explanation rests upon the actor complying with its treaty obligations because of its own self-identity in that specific context—not because of its desire to pursue long-term material interests (Finnemore and Sinkkink 1998, 887-917). In this view, then, the U.S. government announced that it would comply with the NAFTA ruling based on its sense of that action as being the most appropriate in that context.

The normative argument is plausible, and there is insufficient empirical evidence to disprove it. However, three pieces of circumstantial evidence surrounding this case suggest that the United States made the decision to comply with the treaty on a more interest-based calculus. First, there is some reason to believe that the dispute is hurting U.S. credibility on trade deals and that other nations are looking to the dispute as a test of U.S. willingness to abide by trade rules (CBC News 2005). Second, in 2005, Mexican President Fox took a public stand on the issue, siding with Canada and urging the United States to come into compliance with the NAFTA tribunal (Mickleburgh 2005). In addition to the diplomatic pressure Fox's statement put on the United States (whether small or large), Fox's statement reinforces the point that other nations see the dispute as an indicator of U.S. credibility. Finally, it is noteworthy that the announcement to comply with the NAFTA tribunal was made at the same time USTR Rob Portman announced that the WTO Doha Round negotiations were faltering and sought to pin the blame squarely on the Europeans. The U.S. announcement on softwood lumber could have come at any point after the first of five NAFTA tribunal rulings over a period of several years. However, it came just days before the Hong Kong Ministerial Conference, precisely at a time when the United States was anxious to shore up its reputation abroad as a "good" country that was willing to trade cooperatively. Admittedly, a reading of these facts from a normative perspective could explain away the discrepancies. The first two facts could be seen as merely an articulation of the international norm of compliance, and the third fact could be a result of recent elevated pressures on the United States from Canadian officials, making the Doha Round backdrop purely a coincidence. Still, it takes some effort to view these events in a fashion that eliminates the possibility of U.S. interest in using ostensible NAFTA compliance to boost its broader trade agenda.

Thus, the softwood lumber case does not fit easily into the framework of treaty compliance conceptualized by Chayes and Chayes. However, an important cautionary note should be sounded against drawing too broad a conclusion from this case. The bulk of Canada-U.S. trade is conducted

without friction, and where there are disputes, both parties have generally complied with the rulings of international tribunals. In this sense, the softwood lumber dispute is quite exceptional. As one observer has argued, the common claim that producers are better able than consumers to bring pressure to bear on politicians "is true in spades" in this case.[4] This may be because, unlike many of Canada's largest export industries (the auto industry, for instance), the softwood industry exhibits little foreign interdependence, as discussed above. This lack of foreign interdependence leads to protectionism by the U.S. domestic industry, just as Milner's theory predicts (Milner 1988). Without this characteristic, exceptional in the Canada-U.S. trade relationship, there would not be the need to explain the recent partial reversal of U.S. policy. As such, it may not be valid to take the lumber case as representative of treaty compliance in the broader relationship.

Nonetheless, the case is important for many bilateral trading relationships. While a low degree of cross-border ownership is exceptional in the Canada-U.S. trade relationship, it is not uncommon in many other trading partnerships. It may be that compliance problems tend to exist in export industries with little foreign interdependence. Moreover, where compliance does occur in these types of cases, such as the partial compliance seen in the lumber case, it presents theorists with the puzzle discussed in this article: why do the trading parties agree to comply? As we have seen, the account offered by Chayes and Chayes is insufficient.

Two additional points bear mentioning. First, the softwood dispute is an excellent case study in the limits of persuasive diplomacy. Chayes and Chayes describe the process of jawboning as the "characteristic form of international enforcement activity. This process exploits the practical necessity for the putative offender to give reasons and justifications for suspect conduct" (Chayes and Chayes 1993, 175-205). However, despite years of Canadian jawboning, U.S. compliance lags far behind what Canada contends is compliance. This may be because in the realm of trade economics, as long as an issue remains complex or opaque, the putative offender can continue to exploit the opportunity to appear at least superficially reasonable while straight-forwardly pursuing its material self-interest. The fact that the dispute has persisted over decades of frequent and often intense negotiation suggests that there are limits to the powers of jawboning. As Robert Axelrod observed in his classic account of international cooperation, an optimal strategy is at least occasionally retaliatory (Axelrod 1984). What is still missing is a theoretical account of the point at which persuasion ceases to be effective and must be replaced or supplemented with coercive power.

Second, the lumber dispute also provides support to Fearon's assertion that the "shadow of the future" can inhibit international cooperation (Fearon 1998, 269-305). It is apparent to both sides of the dispute that this is a long-term issue, over which the precise division of benefits to each country matters significantly. Moreover, when the parties have successfully focused on a limited time frame, they have been somewhat more successful in reaching an agreement.[5] Still, while the conclusion is consistent with Fearon's argument, the mechanism is not. Fearon asserts that a long shadow of the future will inhibit the parties from negotiating an agreement in the first place. In the softwood lumber dispute, several agreements were negotiated but collapsed because of compliance issues. Thus, the behavior of the parties in the dispute is only partly consistent with Fearon's argument.

The Softwood Lumber Case: Implications for Policy

Considerable ink has been spilled in the Canadian media about the lessons policy makers should draw from the softwood lumber case. U.S. policy makers should also be concerned with the broader implications of this case, as it may serve as a bellwether for how aggrieved trade partners, even ones who are otherwise close allies, will react to trade frictions. The theoretical lens presented in this paper allows, on three points, a wider perspective of policy implications than one might otherwise have had.

First, this case suggests the important connection between trade agreement compliance and the clarity of dispute resolution procedures. Keohane may be correct in asserting that greater issue density provides greater opportunities for international cooperation, but the softwood lumber case shows that unless that cooperation is accompanied by clear and precise rules for dispute resolution (including especially jurisdictional authority), treaty compliance can be hampered by ambiguity. In the future, if Canada wants to increase the probability of compliance, it would be wise to ensure that jurisdictional ambiguity in trade agreements is minimized. However, it is important to recognize that the implications of this ambiguity are not all negative. Some "wiggle room" for the way treaties are applied and enforced is necessary to ensure the durability of international cooperation over time and through changing conditions. Indeed, there may be occasions when diplomats are more interested in reaching an international agreement than they are in ensuring its long-term enforcement. In these cases, ambiguity may be precisely what is needed. This is more likely to be the case for U.S. policy makers than their Canadian counterparts. Middle-ranked powers

such as Canada typically view well-defined trade rules and legal procedures as in their interests.[6] In all cases, however, policy makers on both sides of the border would be wise to note the relationship between precision on dispute resolution procedures and states' compliance with treaties.

Second, policy makers should recognize the importance of cross-border ownership and interdependence for the implementation of trade agreements. As Milner has shown, and the softwood case brings into sharp focus, the foreign interdependence of an industry is strongly correlated with the industry's lobbying preferences and, by extension, states' policy on trade in many cases. While the recent U.S. step towards NAFTA compliance is a modest exception to Milner's account, the following generalization appears robust: a larger degree of cross-border interdependence in an industry leads to lower amounts of friction over trade policy and regulations in that industry. This suggests that one way for Canada to approach the softwood conflict is to create a policy environment that induces greater cross-border ownership of U.S. and Canadian lumber firms. While this approach faces several practical challenges—not the least of which is the necessity of respecting the anti-trust and anti-collusion laws in both countries—it would, if successful, significantly reduce the friction in both the softwood lumber case and the broader Canada-U.S. relationship. Given the importance of that relationship to both parties, particularly Canada, it is an approach that is well worth considering.

Finally, the limits of jawboning for compliance should be considered. As this case makes clear, whatever normative pressure there is on countries to comply with treaties, this pressure can be at least partially offset by traditionally "realist" concerns with the perceived material interests of the nation (or its domestic industry). Still, while this point is important in avoiding naïve expectations, significant caution is appropriate when policy makers consider switching from persuasion to coercion. As Canadian frustration with the perceived U.S. non-compliance grows, some observers have called for the government to turn up the heat on the United States —or rather, to turn it down, by cutting off oil and energy exports to the US. As Canada is the largest single exporter of oil to the US, surpassing even Saudi Arabia, this step would unquestionably get the attention of Washington (Canada 2005). However, such a step would have multiple implications. Not only would it cause significant damage to the energy sector—one of Canada's largest export sectors—it would almost certainly exacerbate existing regional tensions within Canada, as Albertan oil producers resist being drawn into a dispute that is primarily the concern of other provinces. Moreover, U.S. policy makers would inevitably perceive such a

policy as more than merely an economic issue: oil and energy security are sufficiently politically charged that the entire Canada-U.S. alliance would be affected, undermining the deep cooperation and trust that exist between the two nations. Although the United States would feel the impact of a new frostiness in the relationship, it is clear that the Canada-U.S. trade relationship is more important to Canada. Any benefit in resolving the softwood lumber case expected by Canadian retaliatory action must be weighed against the potential damage to the broader relationship.

Conclusion

The longstanding dispute between Canada and the United States on lumber suggests that our theoretical understanding of treaty compliance remains incomplete. In particular, Chayes and Chayes' account of treaty compliance is significantly lacking, as none of the three considerations they offer appears entirely robust as an explanation of recent U.S. behavior. While casting doubt upon the Chayes and Chayes account of compliance, this paper suggests a number of new insights for our understanding of treaties. First, on complex issues where putative offenders can evade the diplomatic pressures of jawboning, one should expect that the realist notion is more likely to hold: states will act in accordance with their perceived material self-interest. Second, contrary to what prominent international relations scholars have theorized, issue density may hinder rather than facilitate international cooperation, particularly in the enforcement phase. Finally, the Canada-U.S. experience on lumber lends additional credibility to Fearon's general claim regarding the difficulty of cooperation under a long "shadow of the future," though it suggests that the difficulty may arise in the compliance rather than negotiation of agreements.

These theoretical considerations provide a useful foundation from which to draw out policy implications from the softwood case. First, the case suggests the important connection between trade agreement compliance and the clarity of dispute resolution procedures, a connection that both parties, especially Canada, ought to bear in mind for the future. Second, policy makers should recognize the importance of cross-border ownership and industry interdependence for the implementation of, and compliance with, international trade agreements. Finally, although this paper described the limits of jawboning, this should not be taken as a prescription to Canadian policy makers to retaliate against the United States in the softwood lumber case. The risks of damaging the entire relationship must be weighed against any expected benefit in improved NAFTA compliance.

The softwood dispute continues after more than twenty years of

frequent and often intense friction. Both parties have an interest in settling the dispute, both because of the multi-billion dollar stakes for U.S. consumers and Canadian producers, as well as the consequences for the broader continental relationship. For both financial and normative reasons, the United States and Canada should take seriously the efforts to build a durable resolution to the issue.

Notes

[1] The author wishes to gratefully acknowledge funding received by the Social Science and Humanities Research Council of Canada.

[2] For a more complete account of the dispute, see (Colgan 2005, esp. p.111-114).

[3] One reviewer of this paper points out that realists are not the only ones who might advance this charge. However, as Chayes and Chayes label this position as principally a "realist" one, I shall continue to refer to it as such.

[4] I am grateful to Robert Johnstone for his comments on this point.

[5] In 1996, Canada and the United States completed a five-year arrangement under which Canada would impose an export tax on its lumber exports. However, when that agreement lapsed, it was not renewed, and the dispute continued.

[6] Canada prefers clarity and rules on matters of trade, at least. It is not clear that Canada and other middle powers apply this same perspective to human rights and environmental agreements, where domestic compliance is often costly.

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