

be required to adapt U.S. law to the new obligations flowing from Chile's accession to the NAFTA. Without "fast-track" in place, Chile has made it clear publicly that it will not agree to conclude the negotiations that were formally initiated by the NAFTA trade ministers and Chile's Finance Minister at their meeting in Toronto on June 7, 1995.²⁴

The underlying stakes have been well understood by all parties to the negotiation: get Chilean accession "right", and North America's credibility with regard to achieving hemispheric free trade is considerably strengthened; get Chile "wrong" - that is, no accession because of a failure in the U.S. system - and the most dynamic force behind the 2005 project would be lost.

At the time of writing, the Chilean accession process is moving slowly. The U.S. Administration and the Republican leadership in Congress are still struggling toward agreement on appropriate terms for "fast-track".²⁵ Failure to achieve "fast-track" in 1995 will effectively postpone Chilean accession negotiations until 1997, after the conclusion of what likely will be a very partisan and not very policy-creative election year in the U.S.. Despite this short-term uncertainty, Chilean accession to the NAFTA remains a priority for Canada, as well as for the U.S. Administration and Mexico. Moreover, attention is also beginning to shift beyond the Chilean prelude to the management of the next stage in the hemispheric integration process, for which the preparatory phase is necessarily somewhat longer.

5. The Hemispheric Road-Map: Beyond Chile

Parallel to the Chilean accession negotiation, the preparatory work continued on the December 1994 Summit goal of a Free Trade Area of the Americas (FTAA).

²⁴ Under "fast-track", U.S. implementing legislation must be either approved or rejected in its entirety, with no amendments allowed once formally tabled, in either the House of Representatives or the Senate. To enter this stage without "fast-track" means that amendments that undermine the negotiated package would not only be entertained but might also be approved, given the relative lack of party discipline in the U.S. system. The foreign country, in this context, would in effect be obliged to negotiate twice - once with the Administration and a second time with shifting Congressional coalitions. Understandably, foreign governments are loathe to do so. The FTA, the NAFTA and the Uruguay Round package were all approved under previous "fast-track" authorities.

²⁵ Including an understanding that should allow Chile to accede to the two NAFTA side agreements on environmental and labour cooperation.