CORPORATE SILENCE: ENVIRONMENTAL DISCLOSURE AND THE NORTH AMERICAN FREE TRADE AGREEMENT

ABSTRACT

On January 1, 1994 the North American Free Trade Agreement (NAFTA) came into effect, establishing the largest free trade zone in the world. NAFTA negotiations provided a public battleground for debate amongst diverse groups that included: governments, corporations, economists, labor organizations and environmental groups. As a result, the passage of NAFTA included side agreements on the environment and labor.

This paper investigates U.S. and Canadian corporate disclosure relating to the environmental issues of NAFTA. The U.S. and Canadian Disclosure databases which cover virtually all of the public companies in their respective countries were searched for a six year period, 1991 to 1995 for relevant disclosure. A total of nine references were found, indicating a profound lack of disclosure.

This paper then is a call for more environmental disclosure, broadly defined, in order to provide the public with the information it needs to act as agents to change our society for the better.

Key words: North American Free Trade Agreement, environmental disclosure, social contract