

Implementing the NAFTA

Canada

On February 25, the Government introduced legislation (Bill C-115) into the House of Commons implementing the NAFTA. Second reading allows for substantive debate on the principle of the Bill. After a vote, it is referred to a committee for clause-by-clause study, following which it is reported back to the House. On third reading, the House considers any amendments and then votes on the legislation. The Bill is then considered by the Senate where the process is similar. If the Bill is amended, it is returned to the House for reconsideration. If there is no amendment, it is put forward for Royal Assent. After the Bill is proclaimed into force, Canada will be in a position to exchange letters of ratification with the United States and Mexico.

Ratification of the NAFTA, which is part of the treaty-making process, is an executive act accomplished by Order-in-Council.

United States

President Bush signed the Agreement on December 17, 1992, thereby ensuring that legislation implementing the Agreement will be eligible for congressional consideration under the so-called "fast-track" procedures. The Clinton administration has already begun working closely with Congress to prepare the implementing legislation. That legislation can then be tabled, studied by various congressional committees and then debated by both Houses of Congress on the basis of the strict timetable laid out in the fast-track procedures.

Under these procedures, Congress cannot amend the implementing Bill and thereby indirectly change the Agreement. A simple majority is required in both the House of Representatives and the Senate to enact the implementing Bill, which, after it is signed into law by the President, will enable the United States to bring the Agreement into force.

Mexico

President Salinas sent the NAFTA to the Mexican Senate on December 18, 1992. After study by a committee, the Agreement must receive the approval of two-thirds of the Senate. Even before signing the NAFTA, the Mexican administration had begun consultations with both the Senate and the Chamber of Deputies.

After ratification, the NAFTA will have the force of domestic law. The Mexican Administration has already begun to amend more than 30 domestic laws to bring them into conformity with NAFTA obligations.

An Outward Looking Trade Agreement:

The NAFTA provides a solid foundation for the future. It includes provisions to broaden its coverage, both in terms of issues and of membership. A similar accession clause to that of the GATT is included in the Agreement. It allows countries to negotiate their way in by accepting the same obligations as the other members. In future, expansion will no longer require that negotiations start again from scratch. Canada will not have to renegotiate its terms of access to the U.S. or Mexican markets every time a new country accedes to the NAFTA.