

## **"THE NAFTA, AN ECONOMIC ASSESSMENT FROM A CANADIAN PERSPECTIVE"**

- ◆ On November 13, 1992, the Department of Finance released its economic assessment of the NAFTA. The report concluded that:
  - Canada faces increasing competition with Mexico with or without the NAFTA. But since more Mexican products already enter Canada duty-free than vice versa, the NAFTA provides Canada greater increased access to Mexico than Mexico to Canada.
  - Although Mexican labour costs are 7.5 times smaller than Canadian costs, Canada's workers have productivity levels 6.5 times higher. In addition, the cost of capital is lower and capital productivity higher in Canada. Canada thus has a competitive edge in the production of high-productivity and capital-intensive goods.

### **NAFTA - THE LEGISLATIVE PROCESS**

- ◆ In November 1992, a subcommittee of the House of Commons Standing Committee on External Affairs and International Trade began public hearings into the NAFTA in Ottawa and five other Canadian cities, where it heard testimony on the NAFTA from a wide range of witnesses.
- ◆ The formal signing of the final text of the NAFTA by the three heads of government on December 17, 1992, begins the official approval process in each country.
- ◆ In Canada, legislation to implement the NAFTA will be introduced into the House of Commons in the New Year. The Bill will follow the normal parliamentary process, including consideration by the House and Senate.
- ◆ Once approved, the Agreement will enter into force on January 1, 1994.

**For copies of the text of the North American Free Trade Agreement, please call InfoExport, Department of External Affairs and International Trade Canada at 944-4000 in Ottawa or, toll-free, 1-800-267-8376 or write your request to InfoExport, Ottawa, Ontario, K1A 0G2, fax (613) 996-9709, specifying code number: 269 LA for English or 269 LF for French copies of the text.**