Mexico take action under the NAFTA conflict resolution panel structure.[13] On the Mexican side, United Parcel Service (UPS) has not yet been granted national treatment, to the benefit of small Mexican delivery systems.

The question is, how far will such interest-group-driven actions go? Given the protectionist climate in the United States, there are strong indications that this type of political action can be rewarding, especially if lobbyists use the argument that a "distant international bureaucracy" is impinging on national sovereignty or that special "secret" panels are making decisions contrary to the U.S. Congress's intentions. The only protection against this tendency is to "deepen" the NAFTA agreement—that is, to carry it to higher levels of integration.

Beyond NAFTA

In the first three years of the NAFTA, trade and investment expanded despite Mexico's peso devaluation and economic recession. Moreover, an institutional structure has been put in operation, overcoming initial delays and funding shortfalls. The dispute resolution mechanism has reviewed approximately forty administrative decisions and, despite charges of bias, most of which originated in the United States, has gained the respect of many observers in the three countries (see *NAMINEWS*, various issues).

Looking toward the future, we see the NAFTA evolving in three ways. First, as it matures it could grow into the structure that is envisioned in the originating document; foreshadowings of this are already visible in the areas of dispute resolution and environmental and labor concerns.

Second, the NAFTA could be modified to correct the deficiencies present in the initial document. The areas most in need of reform and strengthening are antidumping, subsidies and countervailing duties; industrial policy; capital movements and investment; and dispute settlement. Another area is labor mobility; while the United States is not eager to admit more foreign nationals, a bilateral plan for managing crossborder labor flows

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[13] Interestingly, immediately after implementation of the NAFTA, Mexican milk producers in Baja California objected to the importation of milk from the United States. The response from Mexico City was that they should face up to the new world of competition.