

BACKGROUNDER

THE NORTH AMERICAN FREE TRADE AGREEMENT IMPLEMENTATION ACT

- The Act gives effect in domestic law to the North American Free Trade Agreement (NAFTA), which was signed on December 17, 1992.
- The Act is in three parts and covers all legislative changes required to implement the Agreement.

Part I - General Implementation

- Part I approves the NAFTA. It also requires that any federal law implementing the Agreement be interpreted in a manner consistent with the Agreement.
- The Act sets out Parliament's right to enact further legislation, if necessary, to implement any provision of the NAFTA, or to fulfil any of Canada's obligations under it.
- Part I also provides for the appointment of the Canadian representative on the new trilateral Free Trade Commission established under Chapter 20 of the Agreement. The functions of the Commission include supervising the implementation of the NAFTA, resolving disputes about its interpretation and application, and overseeing its future elaboration. A Secretariat to serve the Commission will have offices in all three countries.

Part II - Related and Consequential Amendments

- Virtually all provisions of the Canada-U.S. Free Trade Agreement (FTA) are either incorporated in and made a part of the NAFTA, or subsumed in relevant NAFTA provisions.
- The Bill suspends the necessary provisions of the FTA Implementation Act for as long as Canada and the U.S. are parties to the NAFTA. Those FTA provisions not brought into the NAFTA remain in force. This will ensure orderly management of bilateral trade relations between Canada and the United States.