

I. INTRODUCTION

On February 5, 1991 the Prime Minister of Canada and the Presidents of the United States and Mexico announced their intent to pursue a comprehensive and trade-liberalizing North American Free Trade Agreement (NAFTA). The NAFTA would define the rights, obligations and disciplines of Canada, the United States and Mexico with respect to investment and to trade in goods, services and intellectual property. Formal negotiations were launched when trade ministers from the three countries met in Toronto in June 1991. The trade ministers concluded the negotiations in Washington, D.C. in August 1992.

To ensure that the NAFTA would be consistent with Canada's commitment to the protection of the environment and to sustainable development, as set out in the Green Plan, a four-point plan was adopted to integrate environmental concerns into each element of the NAFTA decision-making process.

First, environmental representatives were appointed to the International Trade Advisory Committee (ITAC) and to eight of the Sectoral Advisory Groups on International Trade (SAGITs). These important trade advisory bodies, which include 311 representatives from business, environment, labour and academia, report directly to the Honourable Michael Wilson, Minister of Industry, Science and Technology and Minister for International Trade. The environmental representatives on these committees ensure that environmental considerations are taken into account when the ITAC and SAGITs prepare recommendations for the government.

In the months ahead, these trade advisory bodies will continue to provide input into the development of Canada's contributions to the work programs on the relationship between trade and the environment that are now under way through the Organization for Economic Co-operation and Development (OECD) and the General Agreement on Tariffs and Trade (GATT). The environmental innovations included in the NAFTA will set new benchmarks for the OECD and GATT processes. In turn, these will affect how environmental concerns are reflected in future trade agreements.

The second part of the plan was the inclusion of trade-related environmental issues as an integral component of all phases of the NAFTA negotiations. For example, one NAFTA negotiating group was specifically tasked with addressing trade-related environmental standards. Canada's standards negotiators were responsible for ensuring, among other objectives, the continuing right of governments in Canada to establish, to maintain and to enforce environmental standards that reflect Canadian conditions and Canadian priorities. The integration of environmental concerns in the negotiating process is a preventive approach. It sets a precedent that will be continued in future trade agreements.

Similarly, environmental matters were made an important aspect of the discussions in several other negotiating groups. Environmental objectives addressed during the negotiations included the identification of sustainable development and environmental protection and conservation as fundamental objectives of the NAFTA; the prevalence, in the event of inconsistency, of trade obligations set out in international environmental and