

informal fixes and for whom Canadian concerns rarely intrude because of the focus on managing today's fix with the U.S.). NAFTA accessions could potentially shake the trading system to such a degree that we could create, by the end of the decade, sufficient critical mass to ensure a more fruitful negotiation (from a Canadian viewpoint) with Europe and Japan than the current MTN, for example, has been able to deliver.

The U.S. is a potential stumbling block in this process. Nonetheless, the Clinton Administration seems to have turned a trade policy corner of sorts with its handling of the NAFTA ratification and the conclusion of the MTN negotiations. It can be expected to favour creative forward movement in expanding the free trade network, although questions of timing and the threat of bilateralism remain relevant as well. The biggest potential problem, nonetheless, relates to the Administration's negotiating authority. The current "fast-track" authority lapses on April 15. The passage of Clinton's health care reform package and the ratification of the MTN will likely dominate relations between the Administration and Congress for most of 1994. The Administration will require new authority to enter into trade negotiations, including any accession to the NAFTA. Some observers have suggested that the heavy agenda already faced by Congress next year will preclude the granting of new trade negotiating authority before 1995.

In this regard, however, it is important to note that the U.S.'s NAFTA implementing legislation already includes a precise timetable for future action. By May 1, the USTR is to present a report to the President listing those countries whose economic and trade policies make them the most likely candidates for future free trade negotiations. By July 1, on the basis of the USTR report, the President must advise Congress of the countries with which he proposes to seek free trade negotiations and what the negotiating process should be. On the basis of this advice, Congress could grant new negotiating authority as early as the Fall as part of the MTN implementation package. It is still an open question whether this process will yield a focus on bilateral free trade agreements, or NAFTA accession, or both. There appears to be a certain favouring of the accession route within the Administration, but this needs reinforcing.

Thus, there is a reasonable possibility of NAFTA accession negotiations beginning in less than a year, and an opportunity for Canada to influence this process now in a manner that tracks our own interests. In identifying which countries should be the focus of our attention into the immediate future, several criteria can be suggested.