

# **THE NORTH AMERICAN FREE TRADE AGREEMENT**

The North American Free Trade Agreement (NAFTA) defines the rights, obligations and disciplines of Canada, the United States and Mexico in investment, trade in goods, services and intellectual property. Negotiations for the Agreement began in Toronto in June 1991. Negotiations concluded with a handshake on the North American Free Trade Agreement in Washington in August 1992.

The text was initialled by trade ministers from Canada, the U.S. and Mexico on October 7, 1992 in San Antonio, Texas. The initialling enables Canada to commence the domestic approval process. The Agreement is expected to enter into force on January 1, 1994.

Before negotiations began, the Honourable Michael Wilson, Minister of Industry, Science and Technology and Minister for International Trade, announced that the Agreement would undergo an environmental review.

The review is an analysis of the potential environmental effects of Canada's participation in the NAFTA. The NAFTA is the first major government policy initiative and the first trade agreement to undergo such an environmental review.

## **ENVIRONMENTAL REVIEW**

### **MANDATE**

In its Green Plan, the Government of Canada set this objective: "To secure for current and future generations a safe and healthy environment, and a sound and prosperous economy."

In 1990, the government announced reforms to strengthen the federal Environmental Assessment and Review Process. The reforms included a new, non-legislated assessment process established by Cabinet for new federal policies or programs that could affect the environment. The purpose was to integrate environmental considerations into the policy-making process of the federal government.

The interdepartmental committee established to conduct the environmental review had two objectives. The first was to work closely with Canada's NAFTA negotiators to ensure that the potential environmental effects of the various negotiating options would be considered. The second objective was to document the potential effects of the Agreement on Canada's environment.

The government pledged to release a public statement outlining any anticipated environmental effects of its policies. In light of the high level of interest by Canadians in the potential environmental effects of the NAFTA, the government subsequently decided to release the full environmental review.