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RETOURNER A LA BIBLIOTHEQUE DU MINISTERE**North American Free Trade Negotiations****A Situation Report**

On February 5, 1991 the Prime Minister of Canada and the Presidents of the United States and Mexico announced their intention to pursue a comprehensive and trade-liberalizing North American Free Trade Agreement (NAFTA). The Canadian approach to the NAFTA negotiations builds on the Canada-U.S. FTA implemented almost three years ago and is closely coordinated with Canada's efforts in the Uruguay Round of Multilateral Trade Negotiations (MTN). For a number of areas such as subsidy/countervail and intellectual property issues, Canada believes that the best chance of progress lies in a successful conclusion to the Uruguay Round.

Canada's broad objectives in the NAFTA negotiations are:

- a) barrier-free access to Mexico for Canadian goods and services, while developing tariff phase-out provisions and safeguard mechanisms which reflect Canadian import sensitivities;
- b) improved access to the U.S. market in such areas as financial services and government procurement;
- c) improved conditions under which Canadian businesses can make strategic alliances within North America to better compete with the Pacific Rim and the European Community, as well as other parts of the world;
- d) ensuring that Canada remains an attractive site for foreign and domestic investment; and
- e) the establishment of a fair and expeditious dispute settlement mechanism.