

review, the NAFTA would not significantly increase environmental pressures on Canada's air, land, water or natural resources. Nor would it have any significant effect on the production or disposal of hazardous and other wastes in Canada.

The NAFTA contains a number of provisions to discourage industrial migration from Canada for environmental reasons. The review committee determined that there is little evidence to suggest Canadian companies will move to Mexico to take advantage of less stringent enforcement of environmental laws. Studies indicate there is normally little competitive advantage in ignoring environmental standards, as pollution abatement costs are normally small compared to total production costs and polluting companies are usually less efficient.

The Ministers noted that they are pursuing further environmental co-operation, having agreed in principle on September 17 to establish a North American environmental commission.

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