

PART II, SECTION I

INTERNATIONAL CO-OPERATION

Promoting Sustainable Development Through Trade

Canada has been actively involved in promoting sustainable development through the negotiations to liberalize trade in the Uruguay Multilateral Trade Negotiations Round of the General Agreement on Tariffs and Trade (GATT), the Canada-U.S. Free Trade Agreement (FTA) and the North American Free Trade Agreement (NAFTA). Canada's view in these negotiations has been that trade leads to economic growth, which provides the resources for environmental protection; while a healthy environment provides the ecological and natural resources necessary to underpin long-run economic growth stimulated by trade. The Uruguay Round package, completed in December 1993, includes a number of provisions aimed at promoting sustainable development. Reduction or elimination of tariffs over time should promote environmental improvement via better access to goods and services, including pollution abatement equipment.

The NAFTA, which entered into force on January 1, 1994, preserves the right of each country to adopt the standards necessary to protect its environment. Canada, Mexico, and the United States specifically confirmed their commitment to sustainable development in the agreement. With freer trade and the environmental provisions and side agreements, the NAFTA should have a positive impact on the North American environment.

Canada is actively pursuing the improvement of the mutually supportive relationship of trade and environment policies. Indeed, environmental considerations were integrated into the mandate of Canadian negotiating teams for the NAFTA. Frequent and substantive contact between the Environmental Review Committee, provincial/territorial governments and non-governmental interests played an important role in the development of the NAFTA's environmental provisions. This was the first time such a process was used in the negotiation of a trade agreement. This was also the first time a trade agreement was subject to an environmental review.