

ENVIRONMENTAL SCREENING

ISSUE

By altering the terms of trade among the member countries, the NAFTA could affect the volume and location of goods and services traded in North America. The degree and impact of the environmental effects depend on two principal factors. The first is the quality and size of the new commercial activity, and the second is the importance of the net changes to the environment that result from that activity.

FINDINGS

The review found that:

- Economic growth is not automatically detrimental to the environment. As a result of co-operative government-industry efforts, sulphur dioxide emissions have decreased from 6.9 million tonnes per year in 1970 to 4.6 million tonnes in 1980, and to 3.7 million tonnes in 1990. Emissions decreased despite growth in the Canadian economy.
- Mexican tariff and other trade barriers against some Canadian products have been significant. The gradual removal of these barriers during the next 15 years is expected to result in gains for Canadian exporters. A 10-fold increase in exports to Mexico would have a modest impact when compared with Canada's overall production of goods and services.
- The evidence available suggests that any increase in the production of common airborne pollutants in Mexico or the southern U.S. due to increased commercial activity would be washed out of the atmosphere prior to reaching Canada.
- The NAFTA is not expected to result in a significant increase of persistent airborne pollutants such as insoluble organochlorines in Canada's atmosphere. However, co-operative environmental monitoring and research should be maintained to determine sources and effects of such pollutants.

CONCLUSIONS

The NAFTA is not expected to have a measurable impact on Canada's environment, given the anticipated volume of trade between Canada and Mexico. The NAFTA is unlikely to significantly increase environmental pressures on Canada's air, land, water or natural resources or add to its generation of toxic substances and wastes.