

- Canada has a comparative advantage in the production of capital-intensive goods and should gain further benefit from Mexico's huge need to import capital goods in building its capital stock;
- The NAFTA, in addition to ensuring Canada's access to both the U.S. and Mexican markets, maintains Canada's attractiveness as a place to invest; and,
- Without Canada's participation, the United States would have been the only country with duty-free access to all North American markets. This would have been a very negative development for Canada's future competitiveness, and attractiveness for foreign direct investment.

### **The process in the United States**

In the U.S., the approval process started many months ago with the Administration's 90-day notification of the Agreement to Congress on September 18, 1992. The new Administration is now continuing the necessary discussions on implementation with the U.S. Congress.

The Administration may submit the implementing legislation to Congress at any time. The new Administration is committed to introducing this legislation, and is already engaged in extensive consultations with Congress concerning the legislation. Together with Canada and Mexico, the Administration will address environmental and labour concerns.

Once the NAFTA implementing legislation is introduced, the House of Representatives and the Senate will consider it on a "fast track" basis. The fast track process obliges Congress to review trade agreements within a specified time, then either assent to or reject them in their entirety without amendment.

Introduction of the implementing package triggers a 90-day timetable for completion. During this stage, the legislation is referred to the Committees of Jurisdiction in both Houses. House Committees can take up to 45 legislative days on the legislation, and Senate Committees can spend up to 15 days. The House and the Senate then each have 15 days to consider it.

Once the legislation is received from the Committees, it will be debated for up to 20 hours in each House and will be voted either "up" or "down" without amendment. Once approved by both Houses, the implementing legislation will be signed by the President.