



news release

Date **November 3, 1992**

No. 213

For release

CANADA'S NAFTA ENVIRONMENTAL REVIEW RELEASED

The Honourable Michael Wilson, Minister of Industry, Science and Technology and Minister for International Trade, and the Honourable Jean Charest, Minister of the Environment, today released the environmental review of the North American Free Trade Agreement (NAFTA).

"The review shows that the NAFTA not only provides economic opportunities for Canada, but also safeguards the environment," Mr. Wilson said.

"The NAFTA establishes a new benchmark for environmentally sensitive international trade and economic relations," the report states. "The environmental provisions of the NAFTA would go well beyond those of any previous trade agreement."

The Government of Canada pledged in 1990 in the Green Plan to bring environmental considerations into the mainstream of its decision-making process.

An interdepartmental committee launched the review shortly after the negotiations began in June 1991. The purpose of the review was twofold: first, to ensure that the environmental concerns of Canadians were considered throughout the NAFTA negotiations, and second, to document the potential environmental effects of the NAFTA.

Representatives of the provinces provided valuable input into the review process, as did members of the government advisory groups, the International Trade Advisory Committee and the 15 Sectoral Advisory Groups on International Trade, which included environmentalists.

"The ongoing consultations resulted in precedent-setting inclusion of environmental provisions in a trade agreement," Mr. Charest said. "The NAFTA explicitly recognizes the countries' right to set strong environmental standards. The Agreement clearly states the NAFTA countries should not lower their standards to attract investment."

The NAFTA Environmental Review concludes that, given the economic, trade and environmental considerations described in the

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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