

加拿大永續貿易策略：新伙伴、WTO 以及 WTO 之外

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中文摘要

過去十年又六個月來加拿大的國際貿易政策出現兩大革命，其一為「全面貿易革命」，放棄二次大戰結束以來傳統依賴定期的、部分貿易自由化以及與美國部分產業的自由貿易，轉而贊成不斷在全球擴大貿易夥伴，以單邊、雙邊與複邊的全面而完全的自由貿易協定。第二項革命是永續貿易革命，即創造含有生態與社會價值的完全自由貿易協定。所累積的結果是加拿大目前與美國、墨西哥、以色列、智利與哥斯大黎加五國簽有完全的自由貿易協定，並含括影響深遠的環保條款或同時另簽環境協定。

加拿大以北美自由貿易協定為基礎的貿易與環境掛勾的策略之所以一直維持著強勢而具持久力，並廣泛應用且已有不少成果是因為獲得以下四大力量的支撐。第一股力量來自加國七國高峰會議與四邊貿易部長級會談成員的地位以及加

拿大在建立以規則為基礎的 WTO 所展現的領導能力及在南北國家間促成非懲罰性、平衡貿易與環境協定所獲致的國際貿易社會之尊敬。第二股力量是加國經濟結構在七大工業國裡是最開放、對外貿易最依賴自然資源以及對貿易依存度比較高的出口國。加拿大在一九九六年從 FDI 淨輸入國蛻變為 FDI 淨輸出國，因而使加國有強烈保護海外 FDI 的願望。

Canada's Sustainable Trade Strategy: New Partners, the WTO and Beyond¹

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Introduction

The past decade and a half have seen two revolutions in Canada's international trade policy. The first, "full free trade" revolution, was the abandonment of the traditional post World War Two reliance on periodic, partial multilateral trade liberalization and continental sectoral free trade with the US, in favour of comprehensive full free trade agreements on a unilateral, bilateral and plurilateral basis, with an ever expanding array of partners around the world. The second, "sustainable trade" revolution, came with the creation of full free trade agreements in which ecological and social values have an

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important, if not yet fully integral, equal and mutually reinforcing, place. The cumulative result is that Canada currently has full free trade agreements with the United States, Mexico, Israel, Chile and Costa Rica, containing far-reaching environmental provisions built into, and coming alongside, the trade agreements themselves.

Canada's current sustainable trade strategy is to replicate appropriately modified versions of these agreements, and thus expand the global effectiveness of this model, in its current negotiations for full bilateral free trade agreements with the four countries of Central America, the Caribbean Commonwealth, the European Free Trade Area, and Singapore. A similar imperative guides Canada's current approach in the plurilateral Free Trade Agreement of the Americas (FTAA) and Asia Pacific Economic Co-operation (APEC) negotiations, and in those on the multilateral Doha Development Agenda (DDA) of the World Trade Organization (WTO).

It is tempting to conclude that Canada's free and sustainable trade strategy, and the two trade policy revolutions that lie behind it, have been gifts brought by a beneficent America to its much smaller and highly integrated Canadian neighbour. For it was the United States that strategically initiated the 1989 continental Canada-US Free Trade Agreement (CUFTA) that launched Canada on its full free trade course, beyond the slow, partial, multilateral convoy of the General Agreements on Tariffs and Trade (GATT). Moreover, it was the United States that initiated the 1994 North American Free Trade Agreement (NAFTA), an agreement that first brought serious environmental and social provisions into the heart of a trade

agreement and in new, pioneering, separate agreements and organizations alongside (Kirton, 2007). And it is America that initiated negotiations for full free trade across the Asia Pacific by 2010 and 2020, that co-chaired those for full free trade in the Americas by 2005, that helped launched the WTO's DDA, and that is pursuing a global array of bilateral deals of its own.

Here, however, appearances are deceiving. For while the American inheritance and influence has been important, it does not account for much of the dual revolutionary, all-Canadian approach and achievement. Indeed, it was Canada that initiated the WTO and FTAA, and that first moved to a bilateral sustainable, full free trade deal with Chile when the US proved unable to deliver the agreed-upon admission of Chile into NAFTA itself. Moreover, as Canada has moved from the traditional broad multilateralism of the GATT/WTO toward more restrictive plurilateral, bilateral and unilateral arrangements, and into those where the US presence looms less large, Canada's desire for, and delivery of, full free and sustainable trade has grown.

The first cause of Canada's approach and achievement has been the country's place alongside the US, Europe and Japan in the powerful, plurilateral, principal power trade forums led by the Group of Seven (G7) and its Trade Ministers Quadrilateral (Cohn 2003, Moyer and Josling 2003). Yet the Canadian approach and its results are far more than the mediatory resultant of the struggles among the G7 giants, and between them and an emerging South. Rather, the distinctively Canadian content that has shaped both the NAFTA itself, and the large legacy that has

flowed from this foundation, are found largely in forces within Canada itself.

The second cause of Canada's approach is thus Canada's particular economic structure as the most open, most natural resource intensive, and an ever more trade-dependent exporter, among the G7. The third cause is Canada's distinctive national value of environmentalism that for fifteen years has always led its people to place global environmental protection first among the foreign policy priorities they choose. The fourth cause is governmental leadership, in the person of a prime minister, Jean Chrétien, who believed in global trade policy liberalization, his first trade minister, Roy MacLaren, who was intellectually committed to full free trade on all planes, and his predecessors, both Tom Hockin and successor Pierre Pettigrew, who were equally committed to putting environmental values in.

Propelled by these forces, Canada has sought to, and succeeded in, securing in its trade agreements over the past generation both full free trade and fullsome environmental protection, through provisions that make trade liberalization work for sustainable development. After a decade in operation, the first and foundational component of this new generation of full and sustainable free trade agreements, the NAFTA, has proven its effectiveness, in delivering for Canada both the trade and environmental results it desires. The challenge Canada faces in the next generation is to build on this foundation to secure additional bilateral, plurilateral and multilateral agreements that respect and thus globalize this Canadian design and regime. Under Prime Minister Paul Martin, Canada continued to pursue such results.

The Overall Policy

Canada's international trade policy, with the full free and sustainable trade revolutions at its centre, can be seen most generally in the Canadian government's formal overall statements of foreign policy priorities and doctrine. In contrast to the United States and Canada's other NAFTA partner, Mexico, Canada has long placed a foreign policy priority on environmental protection and a growing importance on equalizing and integrating environmental values with those of economic growth through trade. The Trudeau government's June 1970 foreign policy for Canadians listed "economic growth" as the first-placed priority, but added, for the first time in Canadian history, the priority of a "harmonious natural environment," which it put in sixth place (Canada 1970). The Mulroney government's "Green Paper," Competitiveness and Security in May 14, 1985, demoted economic growth to the fifth position, but kept "the integrity of our natural environment" now only one notch below in sixth place (Canada 1985). The Mulroney government's April 3, 1989, Speech from the Throne, inaugurating its second majority mandate, brought full equality by specifying two co-equal priorities: "an economy fully competitive among the world's trading nations" and a commitment to "give firm leadership and support to international efforts to overcome the environmental threat to our planet" (Canada 1989). It was this government that moved from concluding in 1988 the continental CUFTA that had no serious environmental provisions, to negotiating, from 1990 to 1993, a NAFTA that contained globally pioneering environmental protections in both the core free trade agreement, and in the

accompanying North American Agreement on Environmental Co-operation (NAAEC), and a new regional organization, the Commission for Environmental Co-operation (CEC) headquartered in Montreal (Hockin 2004).

The Chrétien government, which inherited and accepted the NAFTA agreement and NAAEC side agreement, took the final, integrative step. In its foreign policy statement of February 7, 1995, entitled “Canada and the World”, it put “the promotion of prosperity and employment” in first place, but added sustainable development as a cross-cutting imperative that would govern how this and the other two priorities would unfold (Canada 1995). The statement in particular listed the environment as a component Canadian value under its third priority, “the projection of Canadian values and culture” abroad.

More recently, the June 2003 report of the government on a foreign policy dialogue conducted with Canadians by Foreign Minister Bill Graham during the first half of 2003 gave robust attention to the need to accord priority to environmental protection throughout foreign and trade policy as a whole (Canada 2003). Indeed, the report highlighted the demand that the environment be made a pillar of foreign policy in its own right, or even the overarching principle that would govern all else.

The NAFTA Foundation

Canada’s full free and sustainable trade revolution began with the trilateral NAFTA, which took formal force on January 1,

1994. It, like the CUFTA that took effect five years before, had an all-American starting point, dating back to the vision of two California governors in the mid 1970s of a North American Accord to serve as the economic constitution for a North America integrated from the Yukon to the Yucatan (Kirton, 2007). NAFTA, like CUFTA, was a full tree trade agreement. But it was far more than just that. NAFTA added important provisions for investment protection. It created, from virtually nothing, a trilateral community among Canada, the United States and Mexico.² It created two regional organizations, the Montreal and Mexico City-based CEC and the Commission for Labor Co-operation (CEC) first located in Dallas and subsequently moved to Washington, D.C. It also created the world's first full free trade agreement that joined countries of the developed North and developing South as equals, with all accepting the same disciplines for trade and for the environment as well.

In the core NAFTA, globally pioneering, proactive environmental provisions were put in the preamble and objectives, and throughout much of the ensuing text (Rugman, Kirton and Soloway 1999). Provisions for greater economy-environment integration, and for stand-alone environmental co-operation, came in the accompanying NAAEC, which also gave birth to the CEC (Kirton 1997a). As this

² Such trilateralism as had existed earlier was largely ecological. Apart from a US-initiated trilateral summit in 1956 that led nowhere, the three countries were joined in the Food and Agriculture Organization's North American Plant Protection region, and through co-operation on migratory birds. In the North American region, environmental, not economic, co-operation came first.

revolutionary trade-environment architecture reached its tenth anniversary in operation, the evidence suggested that it had worked well for each of its three country members, and for both the trade and the environmental communities across the region as a whole (Curtis and Snyder 2006, Kirton 2003, Kirton 2002a). As the same time, there remain substantial shortcomings, especially in the face of an ever-expanding regional economy and increasingly stressed ecosystem. The architecture will thus require improvements for the decade ahead.

From a Canadian perspective, the government's trade policy community, centred in the Department of Foreign Affairs and International Trade (DFAIT), views the work of the CEC, as distinct from the overall NAFTA architecture, as a useful, if not large, contribution, to Canada's trade goals. Its members judge the CEC to be an effective organization. Since the start of NAFTA, the trade community has sought to assure often skeptical environmentalists that NAFTA was not creating economic pressures that would unwittingly or unknowingly create damage to ecological capital and concerns. They see the CEC doing a credible enough job to meet that core objective.

Their judgment of the CEC rests largely on its work under the trade-economy section of the NAAEC, Article 10 (6), and in particular Article 19 (6) D. This latter provision imposes on the CEC a mandatory obligation to "assess on an ongoing basis NAFTA's environmental effects." Members of the trade policy community judge the CEC's output under its ensuing trade-environment-economy program to be balanced and not propagandistic. This judgment applies to such politically charged studies as that on Mexican maize. The work is seen as credible

and helpful, in showing that trade liberalization under NAFTA is not destroying the environment. DFAIT trade officials participate actively in the CEC's trilateral "10 (6)" working group on trade-environment linkages. They regard the annual CEC work program as a sensible contribution. Elsewhere in DFAIT, officials dealing with the trade-environment interface from an environmental perspective also have high regard for the CEC-created framework to assess NAFTA's environmental effects. In addition to the CEC's contribution in evaluating trade-related impacts and identifying trade-related problems, DFAIT trade officials value the CEC's work in environmental co-operation, environmental management and Mexican environmental capacity building.

At the same time, Canadian officials have been unable to convince their NAFTA partners to proceed with one initiative that would signal the full equality and integration of trade and environment values. This is the proposal to hold a joint meeting of the trade ministers of the NAFTA Free Trade Commission (FTC) and the environment ministers of the CEC Council. Canada's recent effort to secure such a meeting was opposed by the US, which feared it would lead to demands that a joint meeting be held for labour as well. Additional concerns relate to the particular agenda, length and prominence of such a meeting, and its symbolic value as a statement of a NAFTA-wide commitment to sustainable trade.

The Reinforcing Bilaterals

One of Canada's successes in the NAFTA negotiations was crafting a provision for accession to the agreement that had no

geographic restrictions, making NAFTA an open architecture that anyone was free to join. With this outward-looking instinct, it was hardly surprising that on the margins of the first Summit of the Americas, held in Miami in December 1994, the leaders of Canada, the US and Mexico stood with their Chilean counterpart to welcome a fourth “amigo” to the NAFTA club. What was more surprising was that when President Bill Clinton was unable to secure the “fast track” negotiating authority to allow him to proceed to bring Chile in, Canada acted alone to negotiate a NAFTA-modeled and NAFTA-compatible bilateral deal. Led by Roy MacLaren, who met with Chile’s finance minister at the 1996 Couchiching Conference, Canada’s Chilean agreement came into force in 1997.

Canada’s approach in this agreement, and in one subsequently concluded with Costa Rica on goods in 2001, flowed from several key principles that Canada had sought, secured and seen work well in NAFTA. The first principle was that there be a full set of environmental provisions, both in the core free trade agreement and in an accompanying environmental agreement containing meaningful institutional provisions. With neither the United States nor Chile demanding robust environmental provisions, it was Canada that led the demand. It did so both to keep alive a future in which the US, Chile and other prospective partners would all be united in a single plurilateral, NAFTA-grounded community. It also did so in recognition of the demand for environmentally supportive trade liberalization at home. As Chile was far distant from Canada, there were few direct physical environmental interdependencies (such as migratory species or long range transport of air pollutants) that demanded attention in a trade

deal. Rather, it was the trade-transmitted effects of environmental change in otherwise separated countries that drove the case. The agreement thus brought a North-South acceptance that the environmental effects of trade had to be tempered, even when there was no trans-boundary ecological effects, and even when they fell entirely within the borders of separated sovereign states.

A second principle Canada sought and secured was that of “no trade sanctions” to enforce environmental action. Canada had secured such a provisions in the NAFTA architecture, where Canada was able to substitute monetary fines for trade sanctions under Part 5 of the NAAEC, even as the US and Mexico accepted that trade sanctions could be used against each other. Canada readily secured a “no sanctions” regime in its agreement with Chile, thus furthering this principle on a wider stage.

A third Canadian principle was forging the investment-environment link. This included admonishing states not to engage in the downward definition or enforcement of their environmental regulations in order to secure or keep direct investment – the principle expressed in NAFTA Article 1104. It also meant allowing private investors to directly access international dispute settlement procedures if they felt their investments had been subject to regulatory measures “tantamount to expropriation” by governments in a host state.

A fourth Canadian principle was to include a credible procedure for assessing the environmental effects of trade liberalization agreements. These included both “ex ante” assessments while the negotiation was still in progress and could

be adjusted, and “ex post” assessments such as that mandated by NAAEC Article 10 (6) D.

A fifth Canadian principle was to exclude any expansive applications of the precautionary principle, particularly those relating to product and production methods (PPMs). Here Canada shared the developing countries’ concern that such provisions could disproportionately harm, indeed do serious damage to, the economies of natural resource-based exporters who depended for their absolute and comparative advantage on abundant supplies of “virgin” inputs. The continuing cost to the exports of Canada’s forest products industry by US and European PPM protectionism made this a very real, rather than merely a precautionary, Canadian concern.

A sixth Canadian principle was to delink environmental from labour protections, on the grounds that the two fields involved quite distinctive concerns. Canada’s ex-ante assessments of trade agreements were thus limited to physical environmental impacts, rather than including the social effects that would make them full sustainability reviews of the sort the Europeans did. Unlike the Europeans, Canada also limited its assessments to impacts within Canada, rather than including effects in its trade partners or in third parties beyond.

A seventh Canadian principle was that existing multilateral environmental agreements (MEAs) between all the trade agreement parties should take precedence over the new free trade agreement, in the event of, and to the extent of, an inconsistency between the two. This principle was affirmed in NAFTA Article 104, which identified three such MEAs that took

precedence. It also contained a provision for additional MEAs to be added in subsequent years. In this case, the environment again came first.

On this firm foundation of fixed principles, the Canadian approach has displayed flexibility in deference to the particular case at hand. The agreement with Chile was much like NAFTA, in recognition of Chile's relatively advanced economy. But it understandably did without an expensive permanent regional organization of the CEC sort. The agreement with Costa Rica, a smaller, poorer, more proximate, and ecologically committed country, saw the focus shift to capacity building, particularly in regard to instituting and improving environmental management systems there.

This emphasis in the Costa Rican agreement was intensified in the negotiations with the Central American Four (CA4) states, in part because this agreement was designed to include services as well as goods. Once the CA4 agreement is completed, Canada intends to return to Costa Rica and add the services provisions to its existing agreement on goods. The CA4 deal embraced an environmental and a labour side agreement, and covered agriculture as well. Here Canada faced a CA4 demand for high protections and long phaseouts on beans, on the grounds that this product, like maize in Mexico, has great social value at home. Canada was unsympathetic, given its tendency to delink environmental and social concerns, and to exclude social impacts from the mandatory ex-ante environmental assessments of its free trade agreements.

The Plurilaterals: The FTAA and APEC

Canada's environmental emphasis in full trade liberalization has extended to its broader plurilateral negotiations in APEC and the FTAA. In APEC, Canada was the first country to host a meeting of APEC environments minister, doing so in Vancouver in 1994 (Kirton 1997b). After the APEC's 1994 American-initiated commitment to full free trade among developed country members by 2010, and among developing members by 2020, Canada worked with Japan to create a de facto trade-environment assessment program, through a broad analysis of the intersections in the region among Food, Economy, Energy, Environment and Population (FEEEP). As host of the APEC leaders meeting in 1997, Canada mounted an initiative on Early Voluntary Sectoral Liberalization (EVSL) and included environmental products and services (EPS) as one of the sectors for inclusion in the list. Its choice led to the demanding, globally innovative task of securing an APEC-wide definition of what the EPS sector contained. Canada's success led to a list that it prefers to this day, against the alternatives the OECD and European Union have produced.

In the FTAA, the initiative was reversed, as Canada injected full free trade into an environmentally oriented Summit of the Americas process that the US had launched. Fundamental to Canada's FTAA approach is its refusal to accept trade sanctions for environmental transgressions. At the most, Canada argues, there should be only monetary fines. Accepting trade sanctions in an FTAA would represent a major reversal of Canada's hard won successes in NAFTA and in its bilateral agreements to date. Yet in the FTAA Canada faces a US that is

determined to have trade sanctions in. It may be that the NAFTA model, with its variable architecture of sanctions for some and fines for others, could provide a solution acceptable to all.

Canada also wants the environment to be dealt with in a side agreement, rather than in the main FTAA text. Canada produced a concept paper, as distinct from tabling a formal negotiating paper, outlining this approach. In contrast, the US wants the environment as a chapter in the main trade agreement, and tabled a paper, based on the US-Chile bilateral, as a model for the FTAA. The US position is supported by Chile, and it may be that the Central Americans will support it as well. Canada's position is based in part on a calculation that the US will need to point to something substantial in the broader SOA process of the summit of the Americas, and that the side agreement could be lodged there to meet this need. Canada is also cognisant of the fact that Mexico does not want to put the environment into the FTAA anywhere, and that Mercosur led the charge against any labour and environmental provisions at the FTAA ministerial in Miami in November 2003.

Within the main FTAA agreement, Canada does wish to include the environment, as with NAFTA, in the preamble, in the objectives, in an Article 104-like provision on MEAs that covers the Canadian ones, in the investment chapter, with an obligation not to reduce environmental standards to induce inward investment, and in the general exceptions based on GATT Articles 20B and G. Canada sees the record of WTO jurisprudence as validating Canada's NAFTA-based approach.

A third difference between Canada and the US concerns MEAs. In NAFTA, the core trade text, in Article 104, listed three MEAs that would prevail over the provisions of the trade agreement should any inconsistency between the MEA and the FTAA arise. The Canadian government considers this an important element that it sought in its Chile and Costa Rica deals, and is seeking in all the rest. Canada is open to an FTAA provision that would allow for additional MEAs to be included, but it cannot identify any of consequence that all FTAA parties have ratified. The US abandoned the Article 104 approach, and even before the Bush administration arrived. The US thus seeks only hortatory language, with parties pledging to ensure that they act in an environmentally supportive manner. Canada, in contrast, wants to replicate NAFTA 104 here as everywhere.

In regard to investment, Canada seeks to extend NAFTA Chapter 11 into the FTAA. This includes Article 1104 against a regulatory “race to the bottom.” Canada also wants to include the investor protection provisions, with their subsequent clarifications, despite the many concerns of environmentalists over how Chapter 11 investor initiated dispute settlement has evolved. There is C\$67 billion in Canadian outward foreign direct investment (FDI) in the non-NAFTA FTAA countries, compared to only \$2-\$3 billion in inward FDI, for a 30 to 1 ratio in Canada’s favour. Rules to protect Canadian investors abroad are thus very important to Canada in the FTAA. Here Canada is following a “modernized” NAFTA approach. In Canada’s view, the FTAA provisions would include the clarifications to Chapters 11, regarding transparency and standard forms for filing, agreed at the FTC meetings in July 2001 and October 2003.

The WTO Doha Development Challenge

It is this heavy inheritance from its bilateral and plurilateral arrangements that forms the foundation for Canada's approach to trade-environmental linkages within the WTO's DDA. Here Canada's approach rests on several elements.

First, Canada's primary philosophical direction, and desired political message, is a sustainable development one – that trade liberalization and sustainable development are in practice, and should in policy, be mutually supportive.

Second, Canada is seeking further clarification regarding MEAs. It wants to determine what kind of consistency between MEAs and trade agreements is required and how better MEAs might be designed. Canada did secure promising language to this effect in the Doha mandate. The task now is to make it real in the final text.

Third, Canada is seeking liberalization of environmental goods and services, on the basis of the APEC list. Here it faces a great debate about the definition of this sector, and competition from an OECD list and a list being prepared by the WTO market access group. Canada does not wish to identify goods in the EPS sector on the basis of how they are produced – that is, by their PPMs. It would not wish, for example, to have no or low tariffs on agricultural produce that is organically grown. Here its aversion applies to both environmental and labour PPMs. Canada is suspicious of European protectionist PPM intentions, including the fear that exported products made from old growth forests would face higher tariffs. Canada further knows that

PPMs are fiercely resisted by the developing world, and that even if allowed for in the case of the environment, they fear that labour PPMs would be the next step.

Canada's position here is offensive, based on sustainability principles and a desire to liberalize environmental goods. But it is also in part defensive, against Europe in particular. One concern here is the precautionary principle, which the Europeans appear to want to treat as a *carte blanche* restrictionist regulatory tool.

Fourth, Canada's NAFTA-based aversion to trade sanctions for environmental purposes is fundamental to its approach in the WTO. Canada, fifth, is seeking in the WTO to replicate NAFTA Article 104 in regard to MEAs.

In the realm of environmental assessment, Canada is pleased that its DDA negotiating position has already been subject to a national environmental assessment, and one that suggested few environmental costs were likely to ensue. In the WTO and at the United Nations Environment Programmes (UNEP), the Canadian government approach to environmental assessment has had to be distinguished from that of the CEC, which is well known and always referred to when assessment is discussed. But Canada has yet to proactively identify how the CEC might be mobilized, on issues such as precaution, to create a "Team North America" that could support Canadian positions at the WTO.

Looking ahead, Canada sees limited room for national initiative on environmental matters in the final stage of

concluding the DDA. Canada recalls that in the initial “Green Room” negotiations at Doha, the EU was the demandeur for strong environmental provisions. The EU gave up on other items, such as agriculture, to get the Singapore issues and the environment into the mandate. But the developing countries and some of the developed ones went along reluctantly with the environmental elements of the mandate. They had major problems with the EU offensive on labeling and the precautionary principle. There was a great fear that the EU would use the environmental provisions for protectionist purposes, to replace whatever it gave up on agriculture.

Now that the EU is backing off on its demand to include the Singapore issues, in the wake of the failed WTO ministerial meeting in Cancun, the Canadian concern is that the EU may press harder on its environmental preferences. This will make it tougher for the others to accept a deal. In such a context, there is no need for Canadian environmental activism. For example, despite its initiative in creating the WTO, Canada currently has no desire to create a World Environment Organization (WEO) that would replicate the CEC and thus the NAFTA trade-environment model, on a global scale (Kirton 2005, 2002b). Moreover, the Canadian position, based on the now proven North-South NAFTA model, could without much Canadian effort find considerable appeal.

The Causes of Canada's Full Sustainable Free trade Approach

The strength, durability, widespread application, and many achievements of Canada's NAFTA-grounded approach to

trade-environment linkages suggest that this approach is propelled by powerful forces from several fronts. The first force is Canada's privileged position as a member of the elite G7 and Trade Ministers Quadrilateral, and the widespread respect Canada commands in the international trade community for its leadership in building the rules-based WTO, and for forging non-punitive, balanced, trade-environment deals across the North-South divide.

A second force is Canada's economic structure as the most open, most natural resource intensive, and an ever more trade-dependent exporter among the G7. Canada's NAFTA era emergence as a country where the majority of its private sector production goes into the export market has fuelled a desire for full free trade with additional partners. These will provide risk-reducing diversity, and a politically desirable diversification of Canada's relationship with a dominant United States. At the same time, the high portion of natural resources in Canada's export mix gives it a desire to sustain this ultimate source of absolute and comparative advantage, and to prevent protectionists abroad from using peculiar formulae that would create great economic harm for no or little environmental benefit in Canada itself. Moreover, Canada's great transition in 1996, from a net inward to a net outward foreign direct investor, gives it a strong desire to protect its FDI abroad. It seeks to do so in ways that take full account of the increasingly understood fact that the environmental technologies, hard and soft, transferred abroad as part of outward FDI, are among the strongest environmental benefits a free trade agreement can bring.

The third force is Canada's distinctive national value of environmentalism. For fifteen years Canadians have always placed global environmental protection first among their foreign policy priorities, a choice that unites Canada's often otherwise divided citizens as a whole (see Appendix A). From the late 1980s onward, virtually all Canadians, virtually all the time, with virtual unanimity have placed "environmental protection" or related ecological values as their first preference in Canadian foreign policy as a whole. Trade liberalization, while regularly affirmed as a value and priority, always places far down on the list. Indeed, when confronted contextually with a clear choice, Canadians have preferred environmental protection over trade liberalization. Their rising and now solid support for NAFTA, with its strong environmental provisions (relative to the previous CUFTA) is consistent with this preference pattern (Kirton and MacLaren 2002: 5). Indeed, a recent poll in autumn 2003, shows that a majority of Canadians, along with Americans and Mexicans, wish to surrender national sovereignty to a regional centre for regulation in the environmental field, but nowhere else.

The fourth force is governmental leadership. At the apex, Liberal Jean Chrétien, prime minister from October 1993 to December 12th, 2003, believed, as a former trade minister, in global trade policy liberalization, and had a strong desire to diversify Canada's free trade relations beyond the United States. Chrétien's first trade minister, Roy MacLaren, was intellectually committed to full free trade on all planes, including the unilateral one. He thus initiated free trade discussions in several directions, including with the EU. MacLaren, however, had the traditional trade community's suspicions of environmental intrusions into

free trade regimes (MacLaren 2004). MacLaren's predecessor, Progressive Conservative Tom Hockin, who negotiated the NAAEC, was more open to trade-environment links (Hockin 2004). Similarly environmentally sensitive was MacLaren's successor (twice removed) as Canadian trade minister, Pierre Pettigrew. He placed environmental values importantly into his vision of Canadian foreign policy in a globalizing age (Pettigrew 1999)

Canada's prime minister, Paul Martin was also vigorous in seeking equal, integrated, mutually synergistic trade-environment links. As a former CEO of a major export-dependant company, Martin, even more than Chrétien before him, knew at first hand the value of free trade for Canada's economic growth. Martin also served as Minister of Finance, the department with responsibility for Canada's tariff, during the time when most of Canada's full and sustainable free trade deals were forged. As a former Liberal party environment critic, present at the great Rio conference in June 1992, and with Maurice Strong as a close policy advisor, Martin's environmental commitment and understanding were very strong.

Most importantly, from his leadership role in the G20 and his involvement in the Canada-Chile free trade negotiations, he was committed to making the trade liberalization that is part of globalization work for all, including those in the poorer, more open and less developed economies of the South. He was thus well positioned to bridge the North-South divide that afflicted the DDA and help conclude a deal in which Canada's trade-environment approach, and thus the NAFTA model, were exported to and affirmed on the fully global stage.

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Appendix A:

Canadians Foreign Policy Priorities, August 2001

Priorities:

“How important is it for Canada to pursue the goal of”:

1. Protecting Canada's Natural Resources	97%
2. Protecting the Environment	95%
2. Preventing the Spread of Infectious Disease	95%
4. Preventing International terrorism	90%
5. Promoting Trade Opportunities	89%

Performance:

“How effective do you think Canada has been in dealing with each of these priorities?”

Listed according to the largest gap between effectiveness and priority. The top six priorities had the largest gap score:

1. Protecting Canada's Natural Resources	-63%
2. Protecting the Environment	-60%
3. Preventing the Spread of Infectious Disease	-56%
4. Stopping Flow of Illegal Drugs into Canada	-52%

Threats:

Rate the seriousness of each of the following threats facing Canada:

1. Global Warming	84%
2. The Spread of Infectious Diseases	84%
3. The Spread of Chemical & Biological Weapons	81%
4. Illegal Drugs Entering Canada	78%
5. The Spread of Nuclear Weapons	77%
6. International Terrorism	73%

Development Assistance:

82% agree (31% strongly, 51% somewhat) that Canadian aid should address issues such as pollution, crime and disease that have their origins in developing countries.

Only 53% agree (14% strongly, 39% somewhat) that Canada should give more foreign assistance to developing countries.

Note: Poll taken August 1-23, 2001.