



United States Mission to the OSCE

Statement on NAFTA and Integration

Delivered by Ambassador Stephan M. Minikes
to the Permanent Council, Vienna
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Thank you, Mr. Chairman. I would like to add my delegation's voice to those who have said that this session has been helpful and I want to thank our Russian colleagues for the initiative they have undertaken. It will make a contribution to the understanding of the opportunity and limitations of various forms of trade, economic and political cooperation and integration.

This morning I would like to focus on NAFTA, and since Ambassador Puxley and I have distributed material outlining some of the extraordinary economic benefits of NAFTA, I would like to touch on some of the other benefits that it has yielded.

Though "just" a free trade agreement, and not an integration scheme, NAFTA has clearly led to better north-south relations. Good bilateral relations are, of course, a necessary foundation for more complex integration.

NAFTA represents a commitment by Mexico to modernize itself, both politically and economically, and a commitment by the United States and Canada to support these Mexican efforts. Strong countries and strong neighbors benefit from prosperous, democratic regions characterized by economic vitality, growth and peace. Mexican political diversity has been fostered by NAFTA's continuing development, promoting transparency and a more open, democratic system.

Greater trilateral cooperation on protecting the environment, drug and law enforcement, anti-corruption and immigration has helped create new opportunities for growth and expansion within all three countries.

While most trade between the U.S. and Canada has been duty-free since 1998, overall relations have been strengthened as well. Cooperative efforts have continued, such as on the environment, border accords, energy distribution, and cross-border travel.

NAFTA has led to improvements in an area that is becoming increasingly important for all countries: safer and more efficient borders. NAFTA partners are working to make borders more secure while maintaining the safe and efficient flow of goods and people. The United States has signed "Smart Border" accords with both Canada and Mexico. Each agreement addresses the unique circumstances of each border, but all share three common goals: to develop secure border infrastructure, to ensure the secure flow of goods across borders, and to ensure the secure flow of people.

NAFTA has not eliminated every problem related to bilateral trade. When domestic political interests, for example, dominate an issue, such as protecting a domestic producer or industry, conflicting demands can cause a trade dispute to defy easy resolution. The NAFTA governments, using the dispute resolution mechanisms available to them within and without NAFTA, have worked to minimize these trade disputes. NAFTA's overwhelming benefits have provided a powerful incentive to work cooperatively to resolve outstanding issues and to improve the environment in which trade occurs.

In general, NAFTA has built prosperity for families and businesses. A principal effect of NAFTA has been the gradual shift of capital, of technology and of new opportunities for jobs in all three countries toward more productive uses, resulting in higher productivity and improved standards of living.

Thank you.