RATIFYING NAFTA: PROBLEMS LIE STATESIDE

by David Johnson

Ratification of the North American free trade agreement (NAFTA) faces its greatest challenge in the U.S. Congress if the agreement is to become law by January 1, 1994; legislative endorsement in Canada and Mexico should, in comparison, be relatively problem free.

Although agreement in principle was reached on August 12 with respect to a treaty, full agreement on the official text is not expected until mid-September. A formal signing of this text by the Canadian prime minister and the presidents of the

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United States and Mexico is not expected until late fall. The agreement must then receive legislative authorization in each country.

THE CANADIAN PROCESS

The federal government has suggested that implementing legislation will be ready for introduction into the House of Commons by the late fall. This timetable may be somewhat optimistic given the Canadian experience with the Canadian-U.S. free trade agreement (FTA). Following the signing of the FTA on October 4, 1987, enabling legislation was not ready for introduction in the House of Commons until May 24, 1988 — a period of roughly

eight months. Once in the House the legislation moved quite expeditiously, receiving approval on third reading on August 31 — following 13 weeks of legislative review and debate. (After approval in the Commons the then Liberal-dominated Senate obstructed the passage of the Bill in the upper house. With the Conservatives now firmly in control of the Senate, it will not be a factor in this process.)

Assuming that the government brings forward implementing legislation sometime early in 1993, final ratification by the House and Senate will likely follow by next April or May. What this means is that the federal government will have adequate time to secure passage of ratifying legislation well before it needs to call the next election. (The federal government has until December 5, 1993 to issue writs for the next election.)

THE AMERICAN PROCESS

The American ratification process is governed by the "fast track" trade treaty procedure established by U.S. law in which Congress relinquishes its rights to amend such treaties once signed by the president. When the approved text of the NAFTA is released, the final stages of the fast track procedure will be initiated.

The president must give Congress 90-days' notification of his intent to sign the trade deal. (During this period members of the Congress may request amendments to the agreement.) After 90 days, the president signs the pact and sends it to Congress for legislative ratification. Congress will then have a maximum of 90 "sitting" days in which to analyze, debate, and ultimately vote on the deal without amendment — what is

known as a straight "up or down" vote. In both houses approval is based on a simple majority vote.

According to this schedule, a final legislative determination on the agreement would be expected sometime prior to June 1, 1993 when the fast track negotiating authority expires. This timeline is complicated, of course, by the November U.S. elections.

Should President Bush be reelected, the ratification process should proceed as outlined, with a final Congressional vote expected

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by June 1, 1993. Should the Clinton-Gore team be successful, though, there is the possibility that the new president may seek to renegotiate certain elements of the agreement. Should this occur, the entire negotiation process would start afresh, with the president also requiring a congressional extension of the fast track negotiating authority.

Regardless of whether a Republican or Democratic president submits the deal to Congress, most American political analysts expect the agreement to face a rough ride through Congress with an uncertain future on any final votes. The outcome is complicated by the fact that candidates for the House of Representatives this November may commit themselves to securing changes to the agreement, and then may feel

compelled to oppose the agreement if these changes cannot be obtained.

THE MEXICAN PROCESS

It is in Mexico where the NAFTA pact should witness the smoothest passage to ratification. Under Mexican treaty law, once the president has agreed to a proposed treaty, it will be transmitted to the Mexican Senate for approval. This will probably occur in the fall session of the Senate. Within this House, ratifica-

tion requires a two-thirds vote of approval and since President Salinas' Institutional Revolutionary Party holds 61 of the 64 Senate seats, acceptance of the agreement is a foregone conclusion.

NAFTA GOES TO WASHINGTON

Given all of the above, the North American free trade agreement will probably have received legislative ratification in Canada and Mexico by late spring 1993. If the deal is going to encounter ratification problems they will most likely occur in Washington.

Whereas the ratification of the FTA became caught up in Canadian electoral politics in 1988, this time around it is the American elections which raise the biggest question marks.

David Johnson is Adjunct Professor of Political Science, Department of Politics at Brock University.

THE NEW CONSTITUTIONAL DEAL AT A GLANCE

by David Johnson

PARLIAMENTARY REFORM

- The Senate will be elected with six members for each province and one each representing the territories.
- The Upper House will have an absolute veto power, by simple majority vote, over natural resource taxation legislation.
- Laws materially affecting language and culture will have to receive the support of a double majority in the Senate, including the support of a majority of all Francophone members.
- In other cases a Senate defeat of legislation approved by the Commons will trigger a joint session of the two houses in which legislation will be sustained by a simple majority vote of the whole Parliament.
- The method of selecting senators will be left to the discretion of provincial governments.
 Quebec has indicated that the National Assembly will appoint the Senators for Quebec.
- A total of 42 seats will be added to the House of Commons, with Ontario and Quebec being granted 18 each, British Columbia 4 and Alberta 2, bringing

Table 1 Existing House of Commons Compared to House of Commons with Full Representation by Population

Province	Population (Percent)	Current Seats	Seats Distributed on Full Rep. by Pop. Basis	Deviation from Rep. by Pop. in Current House
Ontario	10,084,885 (36.9)	99	109	-10
Quebec	6,895,963 (25.3)	75	75	0
Nova Scotia	899,942 (3.3)	11	10	+1
NB	723,900 (2.7)	10	8	+2
Manitoba	1,091,942 (4.0)	14	12	+2
BC	3,282,061 (12.0)	32	35	-3
PEI	129,765 (0.5)	4	1	+3
Sask.	988,928 (3.6)	14	-11	+3
Alberta	2,545,553 (9.3)	26	27	-1
NFLD	568,474 (2.1)	7	6	+1
NWT	57,649 (0.2)	2	1	+1
Yukon	27,797 (0.1)	1	0	+1
Total	27,296,859 (100.0)	295	295	