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Differences There are some significant differences between the two agreements. The central and obvious difference is that the NAFTA is an agreement between three nations, joining Mexico to the two original parties. The attachments of the labor andenvironmenttreaties are also specific only to NAFTA, having generally resulted from the increasing awareness on the part of concerned non-governmental organizations. These have brought concerns from theglobalizationarena into the heart of a limited nation environment.

Additionally, this agreement has moved further on these issues, creating the North American Development Bank, whose roles is to assist with the funding of environmental projects, from which Mexico has benefited to the level of 36 projects to date, the majority relating to water projects. NAFTA also differs from the previous agreement in that it covers a far wider range of goods and services within its remit. Benefits and Improvements We have already indicated the economic gains that Canada has enjoyed as a result of being a signature to the two treaties.

We have already mentioned the increase in exports this country has enjoyed and, since Mexico joined the NAFTA treaty, Canada has seen similar growth in its trade with Mexico. Mexico has experienced similar gains in a number of areas, as well as the water projects outlined in the previous section. Commercial and industrial trade revenues have increased for Mexico and this does outweigh the losses it has suffered in its agricultural. Despite the successes of the treaties, there are still areas that, if addressed, could improve the workings of the agreement.

We would recommend a review of the following options. a) Freedom of Citizen movement. Whilst this matter has been basically shelved at present, for an agreement of this nature to be truly effective, it is our opinion that this area needs to be addressed. If one looks at the example of Europe, where citizens are able to travel and work with freedom within the member states, this has had the effect of increasing the status of the less developed countries, rather than adversely affecting the stronger economies.

In fact this strengthening has improved trade for wealthier countries. Economically we would see the same result for the NAFTA countries. To address the concerns regarding drug trafficking andterrorism, they could introduce an ID card system similar to that introduced in the UK in April 2006. With a central register, this would be more effective than border controls. b) Expansion of Free Trade. We would advocate that freedom of trade and services be extend to cover all goods and services, and that there should be no exceptions.

If one takes the example that can be drawn from globalization, such freedom does have the effect of increasing, rather than reducing revenue. It also contributes towards the improvement in standards of the citizens and corporations of all the nations concerned. Retaining exclusion only leads, as has been seen, to areas of concern and discontent, all of which hinders the relationship development between the three countries. c) Worldwide representation Again, taking the example of Europe, this union works as a global force as well as a market within itself.

A central part of this is the development of a EU currency, the Euro, which in itself is becoming a force on themoneymarkets. Our opinion is that, should the United States, Canada and Mexico work on a similar model for their treaty, it would be of benefit to all of them. Conclusion From our study of the content of the two agreements, although it is clear that NAFTA is a replacement for the first, together with the additional research that we have undertaken, it is apparent that this agreement is possibly the most extensive of its kind globally.

Whilst media articles and other commentators tend to have concentrated upon the negative aspect of these agreements, there is no doubt that it has achieved a considerable amount of the targets that it had set itself. There is no doubt that there will be industry casualties with any agreement of this nature, as theMexicanFarmers have found to their cost, but the reverse of that situation is that other industries are prospering, in particular the Information and Technological industries.

In the longer term the benefits achieved in these areas, will have the advantage of making industries such as agriculture more efficient in the future, thereby reversing the current adverse trend. However, it is our opinion that, to gain the maximum benefits and advantages from an agreement of this nature, there is a need for improvement. It is our opinion that, if the treaty is improved in accordance with the measures within the last section, there will be an opportunity for all three countries to realize the full potential of their agreement.

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