

### 3. POLICY POSITION

#### URGING PRESIDENT BILL CLINTON AND CONGRESS TO SUPPORT SUPPLEMENTAL AGREEMENTS TO THE NORTH AMERICAN FREE TRADE AGREEMENT (NAFTA)

##### BACKGROUND

The North American Free Trade Agreement (NAFTA) sets out separate bilateral undertakings on cross-border trade in agriculture products between Canada and Mexico and the other between Mexico and the United States. Trilateral provisions in the NAFTA address domestic support for agricultural goods and agricultural export subsidies. When the agreement goes into effect, Mexico and the United States will eliminate all non-tariff barriers to their agricultural trade, generally through their conversion to either tariff-rate quotas or ordinary tariffs. Domestic support will move toward support policies that are not trade-distorting and are in compliance with applicable General Agreement on Tariffs and Trades (GATT) obligations.

##### RECOMMENDATIONS

If the North American Free Trade Agreement is adopted the Southern Legislative Conference urges the President and Congress to support supplemental agreements to NAFTA that will specifically outline the mechanism to be implemented in resolving cross-border commercial disputes in a specific and timely manner and to support supplemental agreements to allow Congress the authority to review tariff schedules for modifications.