



## The NAFTA Accession Clause

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The implications of free trade with Mexico have been studied and debated a great deal in the U.S., but what about free trade with Chile, Costa Rica, Colombia and Jamaica? What about free trade with New Zealand? With Taiwan? All these countries have been named as likely candidates to join onto the NAFTA through its Accession Clause.

The clause states that "any country or group of countries" may join onto the agreement without an extensive negotiation process as long as they agree to abide by the rules of the agreement, and it allows individual participating countries to opt out of free trade with each other if they want to. This is a way for the U.S. to build a series of free trade agreements throughout the world through a "hub and spoke" system that allows the U.S. to have free trade with everybody without having to work out a comprehensive agreement agreeable to each of its partners.

In Latin America, the NAFTA was widely expected to be the first step of the Enterprise for the Americas Initiative, or EAI, a plan announced by Bush in 1990 for a free trade zone from "Anchorage to Tierra del Fuego." Now that the NAFTA has been negotiated, the U.S. is suddenly heavily promoting accession to non-American countries such as Australia, New Zealand and Taiwan. Where does this leave Latin American and Caribbean countries that have enacted painful economic reforms to qualify for free trade with the U.S.? A clue that the U.S. may not hold up its end of the bargain lies in a recent statement by a senior U.S. trade policy advisor. He said the EAI was an incentive for Latin American countries to get their economies in order, but that the initiative's promise of a hemispheric free-trade zone "locked us in a box," that Washington now wants to open up.

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