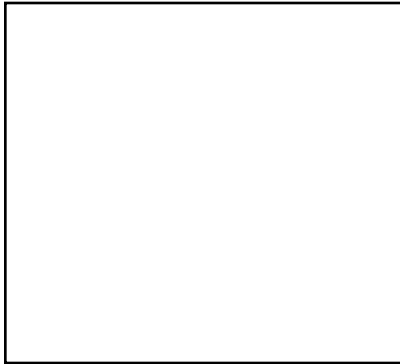


# NAMI NEWS

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## THE REGIONAL STOREHOUSE OF IDEAS



**John D. Wirth**

Sooner or later the free trade talks between the United States, Canada, and Mexico are likely to bear fruit. In the meantime, these negotiations focus attention on North America as a new regional space. Three quite different sovereign nations with convergent interests are discovering they have much to offer one another. Coming hard on the heels of its Cold War triumph, the United States is finding that the solutions to its unmet domestic needs will hinge in part on closer and sustained relations with Canada, its largest trading partner, and with Mexico, its third largest. What do these neighboring countries offer besides cooperation in a larger market?

Certain Canadian ideas are in the air, including a national health plan that is far more cost effective and equitable than the discredited U.S. patchwork of private providers. The Canadian model has been highlighted in the U.S. presidential campaign, thanks to Governor Jerry Brown. One Canadian idea that the U.S. has already adopted is offering residence (and the possibility of citizenship) to foreign millionaires who invest in national business. In Canada, wealthy foreigners go to the top of the immigration list in return for putting their capital to work in areas outside of existing real

estate. This could work in the U.S., although it strains egalitarian notions about the gaining of citizenship in the Republic.

Another shared idea is the Local Exchange Trading System (LETS), a barter networking program that is the brainchild of Canadian computer analyst Michael Linton. This scheme for exchanging services is being explored as a way for people to barter their way back into employment. How much communities in recession will benefit from LETS remains to be seen, but the system is up and running, with barter networks operating in Canada and in the U.S.

The pressures of economic opportunity pale in comparison to the Canadian feminist tide. Recently, the Canadian Supreme Court ruled that pornography is a form of violence against women in upholding that nation's criminal obscenity laws. Equal rights for women are enshrined in Canada's constitution; yet such a provision is lacking in our own celebrated Bill of Rights, which preceded Canada's Charter of Rights and Freedoms by almost two hundred years.

Turning to Mexico, the dispute over tuna fishing practices that kill dolphins is being resolved, although Mexico won a ruling from the General Agreement on Trade and Tariffs (GATT) in Geneva that a U.S. ban on Mexican tuna products is a restraint on trade. At issue is whether a nation can impose its own higher standards to protect the environment. Under the Marine Mammal Protection Act, the U.S. said yes. Mexico, the principal violator (some would say victim) of U.S. law, has agreed to a five-year moratorium on the use of purse nets which kill tens of thou-

(See **Ideas**, Page 2)

## NAMI EDUCATION FORUM

### OTTAWA, CANADA

**Live and Learn, Learn and Live: Education for an Economically Competitive and Socially Responsible North America** is the theme of the eighth forum of the North American Institute, to be held **May 22-24, 1992**, at the Parliament Buildings in Ottawa, Canada. Sessions will address the changing nature and contexts of education in Canada, the United States, and Mexico, and the relationship of education to economic competitiveness and social responsibility. A number of distinguished speakers from Canada, Mexico, and the United States will be in attendance, including Frank Newman, President of Education Commission of the States in the U.S. For information, contact: Sheila Deisher (613) 992-1437.

## NAMI/MEXICO ECONOMIC SEMINAR

On **April 24, 1992**, NAMI/Mexico is co-sponsoring an **Economic Seminar -- Canada, U.S. and Mexico: Toward a New North America?** at the Iberoamerican University. For information contact Jesus Reyes Heróles G.G., 525-687-8570 FAX 525-523-4142.

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sands of dolphins. In effect, Mexico is "dealing up" to a higher environmental standard; but as the *Wall Street Journal* reports, the U.S. Congress will have to modify the Marine Mammal Protection statute to accommodate this moratorium, a move that makes environmentalists unhappy. The upshot is that Mexico won at GATT but won't press the ruling. Mexico stands to gain more from building a good environmental record, a process already begun with the nation's new industrial pollution control laws inspired by statutes in the U.S. and Canada. The U.S. won the dolphin issue but will have to modify its law as a result of international negotiation.

When it comes to restructuring, Mexico has, according to the *Washington Post*, "done a spectacularly successful job of reorganizing an economy severely shaken by the debt crisis of a decade ago." The *Post* contrasts this example of political will with the approach of the U.S., which is free with advice to others but has yet to restructure its own economy. A combination of high debt and low savings is eroding our nation's capacity to compete. It is a harbinger of the times that Mexico, with whom we are forging a new relationship, is showing what must be done.

Convergence brings opportunities, along with the widening of receptiveness to ideas in the North American continent. This is something new, especially for the U.S. as it emerges from the high tide of globalism. Convergence also brings the certainty of more complex disputes and a search for new ways to resolve them and to better manage the continent. In itself, free trade is but one example of the forces transforming North America. The ideas themselves are all around us.

*Stanford historian John Wirth is President of NAMI.*

## Flora of North America Project

**Nancy Morin, Ph.D.**

Of all living things, plants are the most essential to life as we know it. Remarkably, we have no inventory, or Flora, of the plants of our country or of our continent. We have no single reference to consult for basic information on the kinds of plants that live in North America, where they occur, what their characteristics are, or how they are related. Without such a reference, conservation efforts cannot proceed effectively, land management decisions cannot be made intelligently, and biological and natural history research is severely handicapped.

Thirty major botanical institutions in the United States and Canada have collaborated to produce a Flora of North America, for which the Missouri Botanical Garden is the organizational center. The Flora will give an account of all the plants found growing spontaneously in the area north of Mexico (the U.S., Canada, and Greenland). It will synthesize available knowledge about these plants and will delineate areas in need of further study.

*Flora of North America* will be published in thirteen volumes issued over a period of twelve years, with publication of Volume I expected in late 1992. It will include identification keys, short descriptions, distributions, range maps, and other information of biological interest. Information on 20,000 species will be recorded in a computerized database, which will be maintained and updated on a permanent basis (and available through Internet).

*Nancy Morin is a taxonomist at the Missouri Botanical Garden and the Convening Editor of the Flora of North*

*America Project. For additional information, Dr. Morin can be reached at (314) 577-5180. A similar project, the Flora of Mesoamerica, is accounting for all plants in five southern states of Mexico and all of Central America and is headed by Dr. Gerrit Davidse at the Missouri Botanical Garden, who can be reached at (314) 577-9533. The first of seven volumes on Mesoamerican flora is scheduled for publication later this year. Like the North American project, the Flora of Mesoamerica effort involves collaboration by botanists from around the world, with organizing centers at the Missouri Botanical Garden, the National University of Mexico (UNAM), and the Natural History Museum in London.*

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## U.S.-Mexico-Canada Central Flyway Project

The Western Governors' Association (WGA) and the U.S. Fish and Wildlife Service are developing a cooperative plan to protect North American prairie ecosystems critical to birds and waterfowl. The plan is one of WGA Chairman Governor Mike Sullivan's pilot projects to find innovative solutions to governance problems. The plan will be developed in cooperation with a number of nonprofit organizations, and with the Canadian Western Premiers conference and the Mexican Border Governors' Conference. Trilateral planning activities will take place over the next two years, including a planning meeting in conjunction with the X Border Governors' Conference on April 3-4 in San Diego, and a major conference in May of 1993. (For additional information contact Elizabeth J. Santillanez, Western Governors' Association, Denver, Colorado (303) 623-9378, FAX 534-7309.)

**NAMI NEWS** is published bimonthly by the North American Institute, a trilateral organization providing a forum for the cooperative development of ideas for managing the emerging North American community. The purpose of NAMI NEWS is to monitor and disseminate information about events, publications, and research with potential policy implications involving Canada, the United States, and Mexico. Readers are invited to send articles, notices, and comments to: NAMI NEWS, The North American Institute, 128 Grant Avenue, Suite 106, Santa Fe, New Mexico, USA 87501, Tel. (505) 982-3657, FAX (505) 983-5840.

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## BORDER ENVIRONMENTAL CLEANUP ANNOUNCED

The United States and Mexico have announced a joint plan to spend at least 700 million dollars on pollution abatement and environmental protection along the 2,000-mile U.S.-Mexico border. The Mexican government has committed \$460 million to border cleanup and infrastructure development, while the U.S. budget includes \$143 million in FY 1992 and \$241 million in FY 1993 for the border plan. Most of the U.S. money is earmarked for wastewater treatment projects, with smaller amounts for enforcement, transboundary air pollution monitoring and mitigation, environmental health, and emergency planning and response. Mexican funds will go for wastewater treatment, solid waste management, transportation infrastructure, and land areas for low-income housing.

Although the agreement was negotiated as part of the continuing free-trade agreement talks, the program's implementation will be independent of any trade pact. Environmental Protection Agency Administrator William Reilly said, "This unprecedented level of support is one of the first down payments of free trade."

Environmental problems along the U.S.-Mexican border are mind-boggling. Job seekers have flocked to largely U.S.-owned factories and assembly plants, causing the populations of Mexican cities like Tijuana, Ciudad Juarez, and Mexicali to jump almost fivefold to a total of three million since 1960. Air pollution in the border region is reaching critical levels, with some factories in Mexico burning high-sulphur fuel and even old tires. Air pollution from the border has been monitored from as far north as the Great Lakes. Sewage has become an enormous problem. Many border cities, such as Ciudad Juarez -- which generates 22 million gallons of raw sewage a day -- have no sewage system at all. Water treatment plants in the border region have the capacity to treat only 16 percent of the municipal and industrial wastewater. The American Medical Association describes the region as a "virtual cesspool."

The sewage problem affects residents on both sides of the border. Typhoid is 100 times higher on the Mexican side, according to the Pan American Health Organization. However, in the rainy season, effluent from Nogales, Mexico runs down hillsides into Nogales, Arizona, which now has a rate of hepatitis 20 times the U.S. national average. Recent tests of the Nogales Wash, where children routinely play, found levels of fecal coliform bacteria 4,000 times higher than that considered safe for human contact. In testing sewage, Santa Cruz County officials found live polio and other viruses and parasites in high numbers. Use of contaminated water in U.S. produce packing houses may have contributed to a 1988 hepatitis A outbreak in Louisville, Kentucky, and to last summer's salmonella scare in 23 states traced to Texas-produced cantaloupe.

Reactions to the border environmental plan have been mixed. Jorge Garces, executive director of the Border Trade Alliance, an industry group, says, "The plan is a good beginning, but the U.S. should come up with more." Other analysts say that the plan offers few new initiatives (such as maquiladora user fees to pay for cleanup and infrastructure development), fails to set specific goals or timetables, and does not allow for sufficient participation by local communities in efforts to monitor and enforce compliance. Diane Takvorian, executive director of San Diego's Environmental Health Coalition, said the plan's "key problem is the lack of legally binding enforcement provisions which guarantees it will fail." Other critics point out that the bulk of the problem is on the Mexican side, and that the U.S. should commit much larger amounts of funds to be spent there. The EPA's Reilly acknowledged that the wastewater treatment problem along the border needs about \$3 billion for a full cleanup, with about 75 percent of the problem on the Mexican side. However, he said, "That's not something you do overnight." (White House Press Release, *Wall Street Journal*, *Christian Science Monitor*, *El Financiero International*, The Associated Press)

### BORDER ENVIRONMENTAL ASSEMBLY TO BE HELD

As part of an effort to broaden participation in the border cleanup effort, the EPA and its Mexican counterpart, SEDUE, are sponsoring the first annual "U.S./Mexico Border Environmental Assembly" to be held June 25 in Santa Fe, New Mexico. The assembly is free and open to the public and is being scheduled in conjunction with a "Border Environmental Infrastructure Colloquy" to be held June 26 in Santa Fe, and sponsored by **The North American Institute**, EPA, SEDUE, the U.S. Department of Commerce and SECOFI, the New Mexico Department of Environment, and the New Mexico Engineering Research Institute. (For information, contact NAMI in Santa Fe at (505) 982-3657.)

**Prosperity could curb Mexican pollution:** A recent National Bureau of Economic Research study indicates that economic growth tends to alleviate pollution once per-capita income reaches \$4-5,000. Mexico's per capita income is at \$5,000, with growth accompanied by political pressures for environmental protection. The study found little evidence that lower pollution control costs in Mexico have attracted business. Columnist Lindley H. Clark says that the North American Free Trade Agreement will make Mexico more prosperous, and that "a more prosperous Mexico will be better able to afford pollution control systems and devices." (*Wall Street Journal*)

**Banned pesticides sold in Mexico:** Despite their prohibition from use in Mexico, at least 30 dangerous pesticides continue to be sold by U.S. and European chemical firms to agro-industrial concerns in Sinaloa. The use of such chemicals has been implicated in the deaths of 358 farmworkers over the past four years in that agriculturally rich state. This is reported in a study by Silvia Millan Echeagaray, professor at the National Autonomous University's Institute for Economic Research. The pesticides have also been linked to increased rates of leukemia and tongue cancer among area residents. (*El Financiero International*)

## **NAFTA: A "Halfway House"**

**C. W. Robinson**



"Regional trading blocks are appropriate, but only if viewed as a halfway house in our progress toward a global trading system." These words

were spoken over 50 years ago by the distinguished John Bell Condliffe, in a lecture I attended at U.C. Berkeley. I have remembered them over these many years, as I share with Professor Condliffe a firm belief in the growing force of economic interdependency. Two developments since World War II have strengthened this process:

- (1) The technological revolution has greatly enhanced our capacity to transfer ideas, people, goods, and capital across national boundaries, thereby accelerating interdependency.
- (2) Our bipolar confrontation with the Soviet Union has led the Western world to "circle the wagons" with formation of

new international institutions such as the General Agreement on Tariffs and Trade (GATT).

With the demise of the Soviet "evil empire," the argument for GATT must be based on the need to adjust to interdependency where, unfortunately, perception lags far behind reality, concealing the fact that it is in the best interests of all nations to embrace an expanding global economy. I believe this dooms GATT to irrelevance for some time into the future. However, I see increased support for trading agreements within regions where there is a clearer perception of interdependent interests in both trade and investments. This understanding will encourage important forward steps such as the North American Free Trade Agreement (NAFTA) between Canada, Mexico, and the United States, which could be expanded later into a hemispheric "Community of the Americas."

I view the current NAFTA negotiations as an important and positive response to the imperative of growing regional interdependence. NAFTA will enhance trade, creating an environment that will encourage the flow of new investment

capital into the region in competition with European and Asian markets. I do not see the North American trade pact as a barrier to the ultimate development of a nonpolitical, globalized GATT, but rather as a "halfway house" providing greater assurance of progress toward that ultimate goal.

In spite of the inevitable pain of adjustment, for which governments must provide appropriate assistance, the great potential gain from NAFTA argues for our strong support.

*Charles W. Robinson is a founding member and Executive Committee member of the Trilateral Commission and is the founding chairman of the ASEAN-U.S. Business Council. He is a member of the boards of directors of the Brookings Institution, Arthur D. Little, Inc., Northrop Corporation, NIKE, Inc., The Allen Group, Inc., SatScan, Inc., and chairman of the board of Kobe Development Corporation. He served as Under Secretary of State for Economic Affairs and Deputy Secretary of State under Dr. Henry Kissinger. Mr. Robinson is a member of the board of The North American Institute.*

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## **New ITC Chief Says GATT is Better Than Nothing**

**Don Newquist**, the new chairman of the U.S. International Trade Commission (ITC), is not a fan of the General Agreement on Tariffs and Trade (GATT); still, he maintains that the current international trading system is preferable to no system. "I see the GATT as unwieldy, ineffective, and I damn sure wouldn't want my money at risk in that type of decision-making environment," he said. "Even saying that, it's the best you got. Don't junk it."

The ITC is a nonpartisan, independent agency designated to rule on complaints by U.S. businesses that believe they have been injured by imports. Commissioners serve nine-year terms; no more than three of the six members can be from one political party. Newquist is the first Democratic chairman since Paula Stern served from 1984 to 1986. The Reagan and Bush administrations have appointed "independents" thought to be free-

traders. Ultimately, Texas Senator Lloyd Bentsen, chairman of the Senate Finance Committee which holds jurisdiction over trade matters, refused to approve any presidential appointees until Mr. Bush nominated a Democratic chairman and ensured three members from each of the two parties.

The new chairman was born in Texas in 1943 and grew up in a small Swedish Lutheran community. He attended college in Texas, served in Vietnam as a Navy public affairs officer, and progressed in his business career until he asked Senator Bentsen for a job in Washington. In 1988, Newquist ended up at the ITC, an agency he had never heard of until he came to the capital with a group of oil industry lobbyists.

Newquist is intensely interested in the politics of trade; his conversation ranges from the North American Free Trade

Agreement (which he strongly favors) to GATT Plus (a proposal by Senator Bentsen for those countries that want to sign up for stronger trade rules than are agreed to in GATT). Newquist is in favor of "levelling the playing field" for U.S. companies that have to bear the burden of environmental costs.

Senator Bentsen said he recommended Newquist for a commission seat to provide a business point of view among the array of economists, political scientists, and lawyers who generally serve on the board. According to Stern, it is valuable to have someone on the board who knows how a company's fortunes can depend on ITC decisions. "You have to be a very neutral judge, applying very specific laws to some very specific economic phenomena," she said.

*Adapted from Financial Times, 3/5/92. Don Newquist is a NAMI delegate.*

## NAFTA Update

In February, some 300 negotiators from Mexico, the United States, and Canada met for a week in Dallas to iron out differences in the text of the proposed North American Free Trade Agreement (NAFTA). As many as 700 items had been bracketed because of disagreements in such areas as auto exports, textiles, and energy. The sensitive talks continue to be shrouded in secrecy. ("You can't negotiate in a fishbowl," says U.S. Trade Representative Carla Hills.) Substantial progress was made in Dallas, but there are conflicting reports on specific outcomes. Some of the major points of discussion were:

- Autos: Negotiators have reportedly agreed on a 60 per cent rule of origin for the auto sector, dropping to around 55 per cent within 15 years. Mexico had originally been seeking North American content as low as 50 per cent, while the U.S. auto industry had been pushing for 70 per cent.
- Energy: According to some observers, Mexico agreed to allow U.S. companies to enter into joint ventures with Petroleos Mexicanos (Pemex), Mexico's state-owned oil monopoly. But these associations would grant U.S. oil companies access to service contracts, not risk contracts, sources said. This accord would represent nothing more than a formalization of current practice at Pemex.
- Foreign investment: U.S. negotiators have been pushing for changes in the laws and constitution of Mexico in order to make it easier for foreign firms to operate in Mexico. Present law requires foreign companies to operate under Mexican law, with no recourse to external authorities such as their own governments. The United States wants to see the Mexican government submit to international judgement on disputes with foreign companies.
- Financial services: This is a particularly sensitive area, since Mexico is now undergoing a sell-off of state-owned banks to the private sector, and officials there are wary of immediate foreign competition. Mexico is proposing the gradual entry of U.S. and Canadian financial firms into the Mexican market between 1998 and 2010, with continued limitations after that. Mexico is also

asking for temporary exclusion from the Glass-Steagall Act, a U.S. law that separates retail banking from investment banking and securities selling. Mexico has adopted European-style universal banking, which allows financial holding companies to operate investment banks, retail banks, brokerages, and insurance firms. The U.S. Congress is considering reforming this area of banking law.

In Mexico, NAFTA is seen as not only desirable but inevitable. Canadian Prime Minister Brian Mulroney continues to support the agreement, in spite of the alleged loss of 461,000 jobs resulting from Canada's existing free-trade agreement with the United States, and in spite of recent disputes over lumber and automobile exports to the U.S. The Bush Administration in the U.S. seems to have been able to defuse some opposition to the NAFTA pact from environmentalists, with its announcement of the border cleanup plan. The governors of California and New Mexico have made recent trips to Mexico and have both come out strongly in favor of NAFTA. It remains to be seen, however, whether the Bush Administration will risk seeking approval of the trade agreement by the Congress before next fall's election.

In the meantime, a Washington research group has estimated that NAFTA could give the U.S. a net gain of 130,000 jobs and improve the U.S. trade balance by \$10 billion a year. The Institute of International Economics said that as many as 112,000 U.S. workers could be displaced by imports from Mexico, and that the government should commit at least \$900 million over five years to retrain them. The Institute also said that the loss of low-skilled jobs would be more than offset by the generation of high-skilled ones by increased sales of U.S. high-technology products.

Finally, the President of Honduras, Rafael Leonardo Callejas, has called for bridging of the North American Free Trade Agreement, the Enterprise for the Americas Initiative, and the Caribbean Basin Initiative to work toward a hemispheric free-trade area. (*El Financiero International*, *Wall Street Journal*, *The Economist*, *Christian Science Monitor*)

## REGIONAL DEVELOPMENT BANK AND ADJUSTMENT FUND PROPOSED

A regional North American Development Bank and Adjustment Fund (NADBAF) has been proposed by three California-based scholars. This new institution, similar to the World Bank, the Interamerican Development Bank, and the new Eastern European Bank for Reconstruction and Development, would support the integration of the economies of Canada, the United States, and Mexico during the transition to a North American free trade area. The NADBAF would have two principal functions:

- (a) To lend funds to finance long-term development projects, primarily in Mexico, but also in poorer regions of the U.S. and Canada. This will help meet the need to mobilize resources for long-term investment in social overhead capital, in order to improve the physical and social infrastructure necessary to support sustainable development (and to complement shorter term private investment).
- (b) To provide short- to medium-term adjustment assistance to minimize costs accompanying displacement of labor and capital. The assistance fund would provide financing to help communities adjust to changes emanating from the establishment of a North American free trade area. The adjustment fund would draw on the expertise of the investment bank in determining the impact of the NAFTA on affected industries.

The bank would be capitalized by the three participating countries. A unique feature would be to permit Mexico to finance part of its contribution through conversion of existing (old and high-risk) foreign debt into new debt (consisting of low-risk bonds), which would be held by the NADBAF, thus reducing Mexico's current \$100 billion debt.

See "Proposal for a Regional Development Bank and North American Adjustment Fund," Albert Fishlow, Sherman Robinson, and Raúl Hinojosa-Ojeda, in *Mexico Policy News*, Winter, 1992, Institute for Regional Studies of the Californias, San Diego State University, San Diego, CA 92182-0435.

## Fifth Action Programme on the Environment (in the EC, That Is)

J. Fraser Wilson

The European Community's latest Action Programme is currently under discussion. It will set the EC's strategy for environmental protection from now until the end of the decade and will have profound implications for North America.

Four previous environmental action programmes have created a framework of EC environmental law with over 200 pieces of legislation covering atmospheric pollution, water, soil and air quality, waste, flora and fauna, and natural habitats. Developed progressively since the first action programme on the environment in 1973, these laws have helped

bring substantial improvements to the quality of the European environment.

Emissions of SO<sub>2</sub>, for example, have decreased significantly. In some areas,

however, such as waste management, problems have not only persisted but are growing. Continued economic growth and rising energy use will have significant environmental impacts. Clearly, much remains to be done.

### **Key Principles**

The action programme is underpinned by the recognition that economic growth and environmental protection are mutually dependent, and by several key principles: (1) sustainable development; (2) preventive and precautionary action to protect the environment, and (3) integration of environmental issues with social, economic, and institutional policy areas. A number of important themes recur throughout the fifth action programme:

•**There will be far greater use of economic policy instruments.** These will aim to include environmental costs within market costs and to discourage pollution at the source.

•**The role of the public will be empha-**

sized. A number of proposals, such as eco-labeling and the development of environmental audits, will assist the public in forming judgements.

•**Enforcement of EC environment law is likely to get tougher** and to be more consistently applied. A public/private sector committee will be established to improve consultation and enforcement.

The current programme marks an important change in the European Community's approach. Traditional reliance on prescriptive regulation, of the "command and control" variety, is rejected in favor of a more flexible approach characterized by voluntary agreements, fiscal incentives and disincentives, and partnership and consultation. The principle of subsidiarity will apply, whereby action is taken at the most appropriate level, whether Community, national, regional, or local.

### **Operating Programme**

Attention is focused specifically on five sectors: manufacturing, energy, transport, agriculture, and tourism.

**Manufacturing:** The scheme will assess the impact of products from cradle-to-grave; a new licensing regime will introduce requirements to use the "best available technology." Environmental auditing and the proposed introduction of strict civil liability will lead to a much more stringent environmental management.

**Energy:** To meet current targets for CO<sub>2</sub> stabilization, energy prices will need to rise considerably. A proposed carbon tax will have wide implications for industry. Individual and institutional behavioral changes will also be necessary to minimize waste and achieve greater energy efficiency.

**Transport:** Further improvements to the fuel efficiency of vehicles will be sought before 1995. Alternative means of transport and better integrated transport networks will be developed.

**Agriculture:** Intensive agricultural practices have damaged soil quality, as well as surface and groundwater. Further reform of the Common Agricultural Policy will promote more benign agricultural practices such as organic farming.

**Tourism:** The projected growth in the

number of tourists in the Mediterranean by the end of decade (from about 100 million now to 160 million) will increase the burden on natural habitats, landscape, and civil infrastructure. Business opportunities for modernization and development will be set within a framework that aims to protect the physical and natural environment as much as possible.

All of these European initiatives bear close scrutiny as we in North America engage in efforts to integrate our economies and to protect our common environment.

*J. Fraser Wilson is a Consulting Partner of Ernst & Young, where he provides advice on the firm's services concerning environmental issues and sustainable development. He has extensive international experience and is a member of the Task force on Tools for Sustainability of the Canadian National Roundtable on the Environment and Chair of the Canadian Institute of Chartered Accountants' task force on Sustainable Development.*

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## WESTERN HEMISPHERE ENERGY AND ENVIRONMENT COMMISSION PROPOSED

A bill passed recently by the U.S. Senate contains a proposal for the establishment of a Consultative Commission on Western Hemisphere Energy and Environment. The bill, now being considered by the House of Representatives, calls for consultation and coordination of the respective energy and environmental policies of the United States, Canada, Mexico, Venezuela, and possibly other countries. The bill recognizes that energy and environmental issues are intrinsically linked, and that "the development, production, and consumption of energy can affect environmental quality, and the environmental consequences of energy-related activities are not confined within national boundaries, but are regional and global in scope." The language of the bill is similar to recommendations made at the North American Institute's meeting on energy and the environment in Oaxtepec, Mexico, in December 1989.

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## NEWS AND EVENTS

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**More foreign students attending Canadian universities:** The number of foreign students attending Canadian universities jumped sharply by more than 20 percent last year. Figures from the Canadian Bureau for International Education show that 87,000 students from abroad attended high schools, colleges, and universities in Canada in 1990-91, up from 72,000 the previous year. The one-year jump was well ahead of the 5.3 percent growth reported for the United States. Canadian universities are taking steps to broaden their appeal to foreign students, who contribute more than \$500 million to the economy. (*Chronicle of Higher Education*)

**Budget pressures force Canadian universities to seek cost-effective alternatives:** While enrollments continue to grow, provincial government support for universities -- which amounts to 80 percent of operating funds -- is shrinking. The government of Ontario, which is home to 40 per cent of Canada's college and university students, recently announced that grants to higher education would rise only 1 per cent this year and 2 per cent in each of the next two years. Ontario and other provinces have announced substantial tuition increases. Even after such increases, tuition rates at Canadian universities are lower than those at comparable U.S. institutions. The Ontario government has asked colleges and universities to work with their labor unions to develop "creative budget solutions" and has formed a task force to study how higher education can deliver programs in more cost-effective ways. Geraldine Kenney-Wallace, president of McMaster University, agrees that higher education must rethink the way it provides services: "We're talking about a fundamental shift," she says. "You can't do more of the same or less of the same. It requires a fundamental re-analysis of what you're doing." Ms. Kenney-Wallace notes that the government also needs to rethink its approach to supporting postsecondary education. (*Chronicle of Higher Education*)

**Debt for education swaps proposed:** Mexico may reopen its debt for equity swap program to fund increased spending for educational and cultural exchanges with the United States. The Mexico Commission for Educational and Cultural Exchange (CMEUIEC) announced that it will seek contributions from firms in the U.S. and Mexico to form a permanent capital fund of up to 100 million dollars. The funds would be used to buy Mexican foreign debt, which would then be exchanged with the government for pesos to be used to fund research and educational programs. CMEUIEC currently finances 305 educational exchanges, of which 250 are for Mexicans in the United States and the rest for U.S. citizens visiting Mexico. (*El Financiero International*)

**Monterrey shoots for the NBA hoop:** A group of businessmen from Monterrey -- Mexico's wealthiest metropolis and a major industrial and financial center -- have applied for a National Basketball Association (NBA) franchise. It may be some time before the Monterrey Aztecs (a name that has been mentioned) take to the courts, but this seems a likely extension of the city's already strong integration with the United States. Many of the area's residents shop in Laredo and San Antonio and attend U.S. sports events. The U.S. consulate in Monterrey grants more U.S. visas than any other embassy or consulate in the world. Monterrey also boasts the largest number of satellite TV dishes per capita in the world, and U.S. sports are followed closely. Ground was broken recently on a 20-million dollar arena that will seat 23,000 people. The quality of Mexican basketball is high, with the national team besting the United States and winning the silver medal in the 1991 Pan Am games. (*El Financiero International*)

**NAMI Forum in Santa Fe: Identities in North America: Continuity and Change. November 6,7,8, 1992.** For information contact Kathleen Lyons (505) 982-3657 FAX (505) 983-5840.

**Symposium: Regionalism & Cooperation in the Rocky Mountain West.** Univ. of Montana. For information contact: Larry Swanson (606 243-5113 FAX (406) 243-2086.

**Maquiladora Growth:** As of September 1991 there were 1,903 maquiladora plants along the U.S.-Mexico border, employing 458,894 people and generating 2.949 billion dollars, equal to 1.5 percent of Mexico's Gross Domestic Product. (*El Financiero International*)

**North American architects meet in Mexico:** Architects from Canada, the United States, and Mexico met in Hermosillo, Mexico, on March 30 and 31 to work toward establishing common rules and to eliminate barriers to common architectural practice. This is the fifth such trinational meeting, sponsored by the Mexican Federation of Colleges of Architecture (FCA). Also attending the meeting was Mexican trade negotiator Fernando de Mateo, who was scheduled to discuss the state of the North American free trade talks. (*El Imparcial*, Hermosillo, Sonora, Mexico)

**One big North American Telecom Union:** Communications unions from Mexico, Canada, and the United States met in Miami on February 15 to sign an agreement that will enable the three unions to organize joint strategies. The alliance will bring together over 700,000 telecommunications employees in the first step toward a cross-border union. The unions are quick to stress that the agreement will in no way interfere with the national independence of the member unions. (*El Financiero International*)

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## Publications

"**An Uncertain Future: Climate Change and the U.S.-Mexico Agenda,**" Alberto Szekely in *Transboundary Resources Report*, Winter 1991. International Transboundary Resources Center at the University of New Mexico School of Law, 1117 Stanford NE, Albuquerque, NM 87131-1430.

"**Balance in U.S. Energy Policy for the 1990s and Beyond,**" James D. Watkins, U.S. Sec. of Energy; and "**The Need for a More Responsible Energy Policy,**" Senator Tim Wirth, in *Harvard International Review*, Vol. XIV, No. 2, Winter 1991/92.

*Cross-Border Links*, a directory in English and Spanish of educational, social justice, labor organizations, and scholarly and business groups with a special interest in Mexico/Canada/U.S. relations. Interhemispheric Education Resource Ctr., Box 4506, Albuquerque, NM 87196. \$6.95 plus postage.

"**Doing Business in Mexico: The Evolving Legal Framework (Environmental Considerations Regarding Waste Disposal),** Molly McIntosh. Monograph. International Transboundary Resources Center, University of New Mexico School of Law, 1117 Stanford NE, Albuquerque, NM 87131-1430.

"**Winners and Losers: Readjustment Mechanisms in a NAFTA.**" Summary of NAMI's May 1991 meeting in Monterrey, Mexico. In *Voices of Mexico*, Jan-March 1992. *Voices* is produced under the editorial direction of Amb. Hugo B. Margáin by CIESEUA, the Center for Research on the United States at the National University of Mexico (UNAM). For subscriptions in the U.S. and Canada, contact Books from Mexico, PO Box 9, Mount Shasta CA 96067-0009.

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## Recommended Readings for Ottawa Conference

"**Adjusting to Win,**" Report of the Advisory Council on Adjustment (The Grandpre Report). Ministry of Supply and Services Canada, 1989. Industry, Science, and Technology Canada, Business Centre, 235 Queen St., Ottawa, Ont. K1A OH5, Canada. Limited number of copies available from NAMI office.

"**America's Choice: High Skills, Low Wages.**" National Center on Education and the Economy, 39 State St., Ste. 500, Rochester, NY 14614. \$18.

*Made in America*, M.I.T. Commission on Industrial Productivity, Michael L. Dertouzos, Richard K. Lester, Robert M. Solow. Harper Perennial Edition, 1990. (Esp. chapters 6, 7, 11.)

"**Will America Choose High Skills or Low Wages?**" by Ira Magaziner and Hillary Rodman Clinton, in *Educational Leadership*, Vol. 49, No. 6, March 1992.

Books on Canada (Publication information available from Dr. Rodney Dobell, School of Public Administration, University of Victoria (604) 721-8055 FAX (604) 721-8849.)

•*Canada's Information Revolution*, David W. Conklin and Lucie Deschenes, eds., 1991.

•*More Than an Academic Question: Universities, Government, and Public Policy in Canada*, David M. Cameron, 1991.

•*Public Purse, Public Purpose: Autonomy and Accountability in the Groves of Academe*, James Cutt and Rodney Dobell, eds., 1992.

•*Winning in a World Economy: University-Industry Interaction and Economic Renewal in Canada*, Science Council of Canada, Report 39.

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