EFFECTS OF CANADA-UNITED STATES-MEXICO FREE TRADE IN LAWYERS' PROFESSIONAL PRACTICE

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The author analyzes the effects of the Free Trade Agreement between Canada, the United States on the legal profession. First, he discusses the absence of any fundamental change in the right to engage in professional activities in each country, how the Agreement does not authorize the free establishment of lawyers from one country to the other, and how the Agreement provides for the temporary entry of lawyers and law teachers upon authorization.

L'auteur analyse les effets de l'Accord de libre échange Canada-États-Unis sur les professions juridiques.

Il souligne en premier lieu que cet accord ne crée pas un droit d'établissement dans l'autre pays mais qu'il permet seulement des séjours temporaires aux avocats et aux professeurs de droit.

Secondly, the author describes the new opportunities and challenges that are offered, such as the legal challenges of understanding the complexity of the Agreement, of applying new dispute settlement mechanisms, and of creating new legislative and regulatory bodies.

Il aborde par la suite les nouveaux défis que leur présente cet accord à cause de sa complexité, des mécanismes nouveaux qu'il crée et de ses implications diverses.

Thirdly, he foresees that lawyers and law teachers will adapt slowly to the effects of the Agreement, and that legal education and professional formation will play an important role in adapting to the changes.

L'auteur indique que les diverses professions juridiques s'y adaptent progressivement. Il souligne à cet égard le rôle primordial que l'éducation et la formation professionnelle devront jouer pour faire face à ces changements.

INTRODUCTION

Ideas and times change rapidly. An example of this is the actual possibility of reaching a Free Trade Agreement between Mexico, the United States and Canada.

Last year, during my lastest academic visit to the UNAM, the idea was already beginning to take shape. Shortly after my return to Canada, I read in the *La Presse* newspaper of March 17th, 1990, a declaration of Canadian Prime Minister Brian Mulroney, that commented on the creation of a common market between Canada, the United States and Mexico as an inevitable fact to be realized within a period ranging from ten to fifteen years.[1] One year later, on

1 *La Presse*, Montréal, Dimanche 18 mars 1990, p. 1.

February 5, 1991, the three heads of State announced that the relative negotiations would begin in April of said year, and end during the latter part of 1991.

Thus, it is not only in Germany and in the Eastern European countries that facts evolve with such speed. This also occurs in our continent!

It is within this context, that I consider it of great importance to analyze the legal and commercial challenges presented by a Free Trade Agreement between Canada, the United States and Mexico, and particularly to consider lawyers' roles and professional training in case this trilateral agreement becomes a reality.

In a more precise fashion and within the latter perspective, we shall examine what the Canadian experience has been with respect to its Free Trade Agreement with the United States, and which has already been in force for over two years.[2]

Briefly, we can state that this agreement has not changed the professional activity of practicing lawyers and teachers in any fundamental way; however, its existence constitutes a veritable challenge for these professionals, due to the fact that it offers them new opportunities to which they are adapting slowly. I therefore propose that we analyze the following three aspects 1. The absence of a fundamental change in the right to engage in professional activities; 2. The new opportunities offered; 3. The slow adaptation process of practice in light of these new opportunities.

2 In force since the 1st of January of 1989.

I. ABSENCE OF A FUNDAMENTAL CHANGE IN LAWYERS' RIGHT TO ENGAGE IN PROFESSIONAL ACTIVITIES

Basically, the Free Trade Agreement does not permit the free establishment of a Canadian lawyer in the United States and viceversa. However, it does allow them to enter the other country for a limited period of time in order to engage professional activities. I will now expand these two points.

A. *The agreement does not authorize the free establishment of lawyers from one country in the other*

Although an important and innovative aspect of the agreement is the liberalization of trade in services between Canada and the United States with the purpose of giving a "national treatment" to most services providers from the other country, the agreement excludes not only transportation, basic telecommunication services (such as telephones), traditional or liberal professions such as medicine, dentistry, law, and University teaching), but also governmental services, such as health, education and social services.[3] Thus, I am doubly excluded from this services trade liberalization; firstly, as a lawyer, and secondly as a teacher!

It is valid to say, that the Free Trade Agreement does not allow a Canadian teacher or lawyer to freely establish himself or herself in the United States and viceversa, eventhough they may posses

3 Chapter 14, services, article 1402, annex 1408.

the qualifications officialy recognized in their country. In contrast, this will be the case in the European Economic Community beginning in 1992.[4] Thus, the Free Trade Agreement between Canada and the United States is quite different in this sense.

However, it is useful to recall that said agreement allows Canadian lawyers and teachers to engage in professional activites in the United States for a limited time and viceversa.

B. *The agreement provides for the temporary entry —with authorization— of l awyers and law teachers*

These two professions are included in shedule 2 to annex 1502.1 of chapter 15 of the Free Trade Agreement. Authorities of the other country cannot require --as a condition to grant a temporary entry authorization— prior approval procedures or certification of a job offer made to lawyers and teachers who wish to enter the country with the purpose of engaging in research or negotiations regarding their profession.

However, the lawyer or the teacher —under the agreement— has to apply for a special temporary entry authorization, which is obtained at the border post by presenting the corresponding documentation. Said authorization is valid for a one year period and can be extended.

Experience shows us that one ought to be patient at the Canadian and American borders, in order to

4 Article 52 of the Treaty of Rome.

receive said authorization, a problem which is bureaucratic in nature. For this reason, article 1503 of the agreement in order to facilitate these temporary entries, foresees consultations between the two governments.

In short, although the Free Trade Agreement does not fundamentally affect the right of lawyers and teachers to engage in professional activites, it does create new challenges and opportunities that they will have to face.

II. CHALLENGES AND NEW OPPORTUNITIES

A. *Legal challenges*

1. *Understanding and knowing the agreement*

The first legal challenge is the understanding of the Free Trade Agreement, due to the fact that its text —which is extense and complex— , has a broad scope of application in the commercial area. Said agreement must not only be used and understood by specialists, but by the lawyers in general who litigate in said area. In fact, it is quite probable that at any given moment, a lawyer will come face to face with different provisions of the agreement. For example, modification of tariffs, rules of origin applicable to products, scope of validity of technical norms, rules related with government procurement, problems regarding countervailing and antidumping duties, etc.[5]

5 Marsha Kiedeckel, *Free Trade: What's in it for you?* 1989 (13) Canadian Lawyer, p. 28.

Naturally, this challenge has as its counterpart the want for legal assistance of negotiators, and therefore becomes an employment source for lawyers.

In fact, the second legal challenge posed by the Free Trade Agreement is the establishment legal of dispute settlement systems, which is one of the central innovative themes of said agreement. Within this new context, lawyers will play the roles of advisors, litigators and arbitrators.

2. *Dispute settlement mechanisms*

Dispute settlement systems are applied in three different fields of the agreement; first, in the general area of application and interpretation of the agreement; secondly, in the area of countervailing and antidumping duties; and third, in the field of government procurement.

a) General scope of application and interpretation of the Free Trade Agreement (chapter 18)

According to the contents of chapter 18 of the agreement, a Canada-United States Trade Commission has been created, composed of representatives of both countries, whose mandate is to supervise the implementation of the agreement, oversee its further elaboration, consider the problems that may affect its operation, and resolve the disputes that may arise over its application and interpretation.

When one of the two countries, Canada or the United States, disagree with a measure taken by the other

country, because it considers that it has violated the agreement, they will in the first place, attempt to arrive at a mutaully satisfactory resolution of the conflict. However, if this is not possible within 30 days of the request for consultations either party may request in writing a meeting of the Commission. The Commission shall convene within 10 days and shall endeavor to resolve the conflict promptly.

If the dispute or controversy has not been settled within a period of 30 days after such referral, the Commission shall establish —upon request from of either party— a panel of experts to consider the matter within the 15 days which follow its establishment. The panel shall be composed of five members, two appointed by each country, and a fifth, the chairman of the panel, appointed by the Commission. Its members are chosen from a roster of private persons who are willing and able, which is previously developed by the Commission.

Within three months, after its chairman is appointed, the panel shall present an initial report to both parties containing findings of fact, and their consistency with the agreement. It will also issue the recommendations to settle the conflict.

Within 14 days, of issuance of the initial report of the panel, the country disagreeing with the panels' recommendations shall present a written statement to the Commission and the panel. The panel will then review the case and issue its final report within 30 days of issuance of the initial report.

Upon receipt of the final report of the panel, the Commission shall agree on the resolution of the case:

- If the Commission reaches an agreement within

the 30 days (normally on the basis of the final report), it can resolve, nullify or suspend the litigious decision or award a compensation to the other country.

- If the Commission has not reached an agreement within the established 30 days, the claimant is entitled to suspend the application of equivalent benefits to the other country, until such time as the parties have reached agreement on a solution of the dispute.

With regard to the interpretation of the agreement and with respect to the establishment by a country of emergency measures taken to protect a specific sector or area of its economy, the procedure varies. The Commission refers it to arbitrators (article 1806) chosen in the same fashion as the panel. In such a case, the arbitral award is binding for both parties, but if one of them fails to comply with the arbitral award, the other is entitled to suspend an equivalent benefit.

To date, only two decisions have been delivered regarding the application and interpretation of the Free Trade Agreement.[6]

b) Scope of antidumping and countervailing duties

Obviously this is a very important field in the context of the Free Trade Agreement to insure fair competition among the products from both countries

6 In the matter of Canada's landing requirement for Pacific Coast Salmon and Herning, F.T.A., 89-101; in the matter of Colbster from Canada F.T.A. 90-107.

and their respective sectors. For this reason, chapter 19 of the agreement foresees a special dispute settlement system in this matter, in which lawyers play an important role. The purpose is to fight national protectionism, which is the main goal of the agreement guaranteeing access to the other country's market.

Proceedings vary depending on whether the case deals with the amendment of laws, or with administrative decisions regarding antidumping.

Amendment of laws (article 1903)

In case a country amends its antidumping or countervailing duty statutes, said country shall consult the other; if there is disagreement regarding conformity of said amendment, each country can request that the case be taken to a binational panel in order to obtain a declaratory opinion.

A panel composed of five members is appointed by the parties from a roster of fifty individuals (25 Americans and 25 Canadians), mostly lawyers. It will then have 90 days after the appointment by the chairman of the panel to deliver its report to the parties.

If the panel recommends modifications to the amending statute, the parties must consult with each other in order to reach an agreement within a 90 days of the issuance of the panels' declaratory opinion.

If this agreement implies modifications to the statute and the the party does not comply with its obligation, the other party can take a comparable

legislative action or terminate the agreement upon 60-day written notice to the other party.

Administrative determinations (article 1904)

In the case of antidumping administrative determinations, either party may request from the other, within a 30 day period, that a panel review if the determination that has been issued by the competent investigative authority conforms to the antidumping or countervailing duty law of the importing party.

The competent authority that issued the determination shall have the right to appear and be represented by council before the panel.

The panel may uphold the determination issued or remand it for action not inconsistent with the panel's decision.

All decisions issued by panels are binding and must be complied with within 315 days after the request for the establishment of the panel (article 1904, par. 14). In the case where a member of the panel has acted with negligence through omission, damage, or conflict of interest, or if the panel has not complied with the fundamental rules of the procedure or has acted *ultra vires,* a party can file an extraordinary challenge according to annex 1904,13, within a reasonable period following the panel's decision (article 1904, par. 13). In this regard, the parties establish an Extraordinary Challenge Committee to which they will present extraordinary disputes within the 15 days of a request. Said

Committee is composed of three members selected from a ten person roster (who must be judges), 5 from each country. The Committee may affirm the panel's original decision or vacate it. In the latter case, a new panel must decide upon the case.

To date, 9 decisions have been issued regarding antidumping or countervailing duties applied by American authorities[7] and only one has required the use of an extraordinary challenge.[8]

There is a third dispute settlement mechanism to solve problems that arise in the area of government procurement.

c) Government procurement

Annex 1305,3, chapter 13 of the agreement regulates the procedures to be followed regarding bids

7 Dans l'affaire de framboises rouges de Canada, U.S.A. -89- 1904-01; certaines morues sechés fortement salées du Canada, U.S.A. 89-1904-04; moteur à induction polyphasés, C.D.A. 89-1904- 01; pièces de rechange pour les épandeuses automotrices de revêtements bilumineux du Canada, U.S.A. 90-1904-02; dans l'affaire des nouveaux rials d'acier du Canada à l'exception des rails legers, U.S.A. 89-1904-07; U.S.A. 89-1904-10; U.S.A. 89- 1904-08; dans l'affaire des noueveaux rails d'acier du Canada, U.S.A. 89-1904-09; dans l'affaire du Porc frais, Frigorifié et Congelé du Canada U.S.A. 89-1904-11; 89-1904-06. From these examples we can point out that the Free Trade Agreement gives a country weapons to fight protectionism in the other country, which fits in with fundamental principle. The Canadian government considers that this procedure is used abusively by the American adminstration. Marie Claude Lortie, *"Libre échange: les Americains font abus de procédure dans le cas du porc, accuse Mulroney"*, *La Presse*, Montréal, April 12, 1991. As is clear, faced with the abusive exercise of protectionsim, Canada has new legal weapons unavailable before, to defend itself from American economic protectionism; Marie Claude Lortie, *"Exportation de porc: Les Americains se rendent aux arguments des canadiens"*, *La Presse*, Montréal, April 1991.

8 *Porc: Washington réclame une comission extraordinaire, La Presse*, Montréal, March 30, 1991.

in order to guarantee potential suppliers an equitable and effective treatment.

When a supplier believes he has been treated unfairly, an impartial reviewing authority will investigate the situation ensuring a timely decision. The reviewing authority will also be able to issue recommendations so that the delinquent organ modifies procurement procedures in accordance with the provisions established in the agreement.[9]

3. *New legislative and regulatory bodies*

Another legal challenge which also produced work for lawyers, was the enforcement of the Act to Implement the Free Trade Agreement. As a consequence of said Act, some 27 other federal Canadian laws were amended to conform with the new provisions contained in the agreeemnt.[10] Consequently, a large number of regulations were also adopted and amended.[11] The same has occurred in Canadian provinces and in the United States at the federal level as well as in the States.

For their part, the Canada-United States Trade

9 The "Procurement Review Board of Canada" has delivered two decisions in this regard: In the matter of a Complaint by CANS PLUS Inc., F.T.A. 90-101 and Cardial Industrial Electronics Ltd. (Electrical and Electronics) N.D. 89 PRF 6608-0210005.

10 An Act to Implement the Free Trade Agreement between Canada and the United States of America S.C. 1988, C. 65. Example of amended statutes: Amendment to the Special Import Measure Act; Costums Act; Excise Tax Act; Income Tax Act; Meat Import Act; Meat Inspections Act; Seeds Act; Trust Companies Act; Western Grain Transportation Act; etc.

11 For Example: Règlement sur la Commission de Révision des marchés publics.

Commission has established several working groups to draft provisions and rules regarding certain points of the agreement. For example, 8 groups work on the Technical Regulations and provisions on agricultural products, yet another on the establishment of a new regime for the regulation of government subsidies, two groups work on tourism and services trade in general, thus executing out the contents established in chapter 14; others work on automobile trade or on the impact that a change of the rules of origin would cause in the trade of automotive parts, etc.[12]

Obviously, drafting this new legislative and regulatory body constitutes an important source of employment for lawyers and law teachers who must study and analyze these new legal mechanisms (amendment of statutes and dispute settlement mechanisms).

Together with this strictly legal challenge, the agreement also establishes certain socio-economic challenges that in one way or another affect the daily practice of the law.

B. *Socio-economic challenges*

1. *Point of view of unions and of opposition political parties*

According to unions and opposition political parties (the Liberal Party and the NDP), the Free Trade

12 Free Trade Agreement between Canada and the United States Annotated, by I. Bernier and B. Lajointe, Ed. Y. Blais, Montréal, p. 2.

Agreement has not resulted in the positive consequences promised by the Conservative government of Prime Minister Brian Mulroney.

After every enterprise bankruptcy, the Free Trade Agreement with the United States is invoked as the main culprit. According to critics, the problem would worsen even further if the agreement is extended to Mexico, in light of the powerful attraction that this country exerts over Canadian manufacturers due to low wage levels and the practically non-existent social welfare system.[13]

2. *Entreprenurial and governmental point of view*

The Canadian government and industrial sector, consider that it is still premature to evaluate the

13 Virginia Galt, *226,000 jobs lost since past Canadian Labour Congress says*, Globe and Mail, Toronto, December 15, 1990; Francis Berger, *Le libre échange à trois inquiéte grandement les syndicats, La Presse*, Montréal, February 8, 1991; John Daly, *La ménace d'un nouveau libre-échange*, L'Actualité, Montréal, December 1, 1991; Moniques Simard, Vice President of the National Union Confederation: *Libre-échange Canada-États-Unis-Mexique un nouveau piège? La Presse*, Montréal, February 22, 1991; Philipp Dubuisson: *L'Ontario s'éleve contre le libre échange à trois, La Presse*, Montréal, February 12, 1991; Rod McQueen, *Mexico scares U.S. Senators, The Financial Post*, February 7, 1991; *La Majorité des canadiens pensent que leur pays soufrirait du libre échange à trois, La Presse*, Montréal, April 4, 1991; Rudy Le Cours, *Le libre échange avec Mexique: oui mais... disent le syndicates, La Presse*, Montréal, April 5, 1991. Although unions are no longer opposed to negotiations, due to the fact that they consider that the creation of a block market is inevitable and necessary for international competition, they do demand participation in order to protect their jobs, social rights and adopt a Convention on Human and Environmental Rights; *L'embarrasant libre-échange avec le Mexique*, Jean Paul Gagné, Les Affaires, April 13, 1991.

agreement's effects, due to the fact that it has only been in force for two years, over an application period of ten years. On the other hand, it is important to recall that its benefits have been counterbalanced by other macro-economic phenomena, such as the recession, interest rates, and the existence of a strong dollar, etc.[14]

The agreement's supporters also sustain that current economic results would be even worse without its existence in light of the fact that Canada would not have had any mechanism or instrument to defend itself from American economic protectionism.

The promoters of the idea of a trilateral trade agreement between Canada, Mexico and the United States consider that for such an agreement to be feasible, it will be necessary to carry out certain adjustments in the industrial and social sectors. They also believe that its enforcement would result in more advantages than disadvantages, taking into account global and general results.

The main advantage lies in guaranteed access to a market with 350 million consumers. If on the contrary, the agreement is not realized, it is probable that enterprises will establish themselves in the United States to take

14 Michel Van de Walle, *Le Canada doit faire partie d'un traité de libre échange avec le Mexique, La Presse,* Montréal, December 14, 1990; *L'économie irait plus mal sens le libre échange, La Presse,* December 21, 1990; *Le déficit, la dette: les deux plus importants problèmes du Canada; La Presse,* February 21, 1991; *Le Canada est en train de perdre la bataille du libre échange, La Presse,* March 14, 1991; Greg Ip, *Free Trade brokers defend deal,* January 31, 1991; *Le Libre échange Mexique-Etats Unis nuirait à des industries du Quebéc (si le Canada n'en faisait pas partie),* Les affaires, October 20, 1990; Claude Picher, *Le Mexique, oui! mais 25 ans trop tard, La Presse,* 1990; Judith Belanger: *Faut-il craindre le Mexique?, Revue Commerce,* Montréal 1991, No. 4, p. 63 and following; Frédéric Wagnière, *L'obscurantisme de la campagne anti-mexcaine, La Presse,* Montréal, April 11, 1991.

advantage of the existence of the two bilateral agreements with Mexico and Canada.

On the other hand, the opposition considers that Mexico's cheap manual labor entails an unfair competition sponsoring the migration of Canadian enterprises to Mexico. Indeed, the low wage problem is not new. The lowering of tariffs due to Mexico's entry to the GATT, represents only 10% of the hourly salary. The difference resulting after the elimination of the GATT tariff would be only 10% regarding a 60 cent hourly salary, in other words, 0,60 cents per hour. The total difference between 66 cents and 60 cents is minimal, compared with the difference which results with the Canadian minimum salary which is 5,40 dollars an hour.[15] Thus, these small wage differences cannot be considered as a new reason for the migration of Canadian enterprises.

The wage debate is not the only important factor taken into consideration for the establishment of an enterprise at a specific site. The existence of clientele and the location of raw materials are also decisive elements.

On the other hand, the low wage issue may be only temporary, because one of the long term effects of the Free Trade Agreement could entail the latter's increase.

Undoubtedly, the Canadian industrial sector will face these new challenges and adjust to the requirements of a large scale market in order to face inter-

15 The hourly minimum salary in Quebec is 5,30 Canadian dollars and 5,40 Canadian dollars in Ontario.

national competition. In this respect, it will have to develop high technology in different fields, such as telecommunications, computers, transportation, etc. The readjustment of certain industrial sectors will also be necessary, as is the case with the textile and shoeware areas.

In light of the need for these previous measures, enforcement of the agreement ought to be carried out progressively, by stages, as was the case with the current agreement between Canada and the United States.

Lawyers will have to face this new challenge, because their participation is necessary to the reorganize enterprises; some will close down, others will be created, and still others will restructure themselves and associate with each other, whether it be with national or with international capital.[16]

It should be underscored that the agreement benefits both the national economy as well as the private sector. It will create employment sources for lawyers and therefore increased income. Indeed, the agreement eliminates tariff barriers to benefit the free circulation of goods. On the other hand, international commercial law has elaborated new rules to overcome the legal barriers that affect free trade. Such is the case, for example, of the Vienna Convention of 1980 which establishes a uniform body of law regarding international sale contracts, and the New York Convention

16 *Libre échange avec le Mexique: un défi qui exige des entreprises dynamiques*, Les Affaires, Montréal, December 15, 1990; Richard Dupaul: *Un traité de libre échange Nord-Americain: un défi excitant, soutient Amex, La Presse*, April 5, 1991.

on the Recognition and Enforcement of Foreign Arbitral Awards which is also another example.[17]

The latter are all measures which promote the creation of an integrated and efficient North American market, that will be able to challenge the European Community of 1992, as well as the Asian market. Hand in hand with this socio-economic challenge, we must take into account the cultural and educational challenge which must also be faced by lawyers and law teachers.

C. *Cultural and educational challenges*

In light of the aforementioned effects of the agreement, it is obvious that persons and enterprises will have to adapt to the culture of the other country, preparing and specializing themselves according to the new requirements and demands.

1. *Adjustments in professional training*

Enterprises must specialize themselves according to the new criterion of large scale economies, in order to be able to overcome international competition and thus benefit themselves with the new market of 350 million consumers. Their employees will also have to adjust to this situation.

Governments, on the other hand, will have to

17 Canada, the United States and Mexico are members of the New York Convention, while the United States and Mexico are also members of the Viena Conventions. Canada is about to enter the latter.

invest in scientific research. Teachers and reserchers will then play highly important roles in the areas of education and professional training. An example of the latter, is today's seminar, which undoubtedly contributes promotes reciprocal adjustments in both cultures.

2. *Reciprocal cultural adjustments*

It is a fact that an American is not a Canadian and that a Canadian is not a Mexican. Each has his or her own customs and ways of life. For example, we do not eat the same things or at the same time; nor do we share the same concept of schedule and of hierarchy. Formality in human acts is not the same.

The cultural factor, is a very important fact in the life of each country. It is because of this that if we do not understand the behavior of the other, said ignorance can cause even greater disagreements and discrepancies. The establishment of a joint venture or the celebration of a contract can founder because of the latter reasons. The way in which a product is presented and distributed in a market, also varies according to the customs and likes of the local consumers.

This does not mean that we must all be identical, instead it implies that we must become acquainted with the other's culture in order to be able to overcome sensitivities which can be fatal.

In this respcet, the academic exchange of students and professors is fundamental in order to overcome this new and important challenge.

Canadian practicing lawyers and law teachers are gradually adapting to the new expectations resulting

from the Free Trade Agreement between Canada, Mexico, and the United States.

III. ADAPTATION PROCESS OF LAWYERS AND LAW TEACHERS

The specialization of "free trade lawyers" in the legal studies programs has not been created, and therefore the lawyers who work in the area of commercial law are the ones playing this new role.

We have not witnessed, to date, an invasion of American legal studies in Canada, particularly due to the absence of the authorization for the direct establishment of lawyers from one country in the other. But on the other hand, the indirect avenue has not been used often either, for example, through lawyers educated in Canada or through mutual representation agreements in both countries.

Regarding the first possibility, only two large American law firms have established themselves in Toronto and Vancouver.[18] The second possibility is being pursued already not only with the United States, but also with the great capitals of the world such as Hong Kong, Paris, London, Geneva, etc. This is more a consequence of the globalization of international commerce than of the Free Trade Agreement.[19] The trend towards the concentration

18 In Vancouver Baker & McKenzie from Chicago; in Toronto Shearman & Sterling from Nueva York; *Free Trade: What's in it for you? op. cit.*, note 5.

19 Deborah Watson, *The 1990s and the Mega-Firms* 1989 (13), *Canadian Lawyer*, pp. 18-19; The Toronto firm of Stitt Baker & MacKenzie is a branch of Baker & McKenzie, one of the largest firms in the world, with 39 offices in 24 different countries; Nino Wis Lenewiski, *Free Trade, eh?* 1988 (12), *Canadian Lawyer*, p. 11

of lawyers in large law firms, is a result of national competition, of the need for profound specialization in a branch of the law, and of information costs. Currently, it is considered that for a law firm to be profitable in the commercial area it must have at least sixty associates. Adaptation processes in universities, are also desirable. New courses are created, and lectures and coloqums on the subject are organized.

It is also necessary to intensify the exchange of professors, researchers and postgraduate students, in order to become better acquainted and plan the future more efficiently. This is, to a large extent, the purpose of our visit to Mexico, because next Friday, at six o'clock P.M., we will sign a cooperation Agreement between the Legal Research Institute of the UNAM and the Law School of the University of Ottawa.[20]

CONCLUSION

As we have seen, cultural and economic factors complement each other. Both aspects are indispensdable for the development of our countries. The academic reunion which is taking place today on the Free Trade Agreement between Canada, Mexico and the United States, is but one more example of it. Undoubtedly, the Legal Research Institute of the UNAM, as well the Ottawa Law School are adjusting to this new context.[21]

20 This Agreement was signed on Friday, March 1st, 1991, before the Canadian Ambassador to Mexico.

21 We hope that because of parliamentary procedures in the U.S. (I am refering to the "fast track" procedure), this Trilateral Agreement project is not delayed. In any case, I believe that some form of economic cooperation scheme will be needed between the three countries.