of the member countries and for phase-in periods in areas requiring additional time for adjustment, but there are no second class members and no special treatment for any given member when the package is viewed as a whole.[11]

Finally, negotiators consciously designed the NAFTA as an outward-looking agreement, with the potential to expand to include new members on a fully reciprocal basis. Specifically, Article 2204 (originally a Canadian proposal subsequently adopted by Mexico and the U.S.) reads:

> Any country or group of countries may accede to this Agreement subject to such terms and conditions as may be agreed between such country or countries and the Commission [comprising, in practice, the trade ministers of member countries] and following approval in accordance with the applicable legal procedures of each country.

This accession clause contains no geographic limitation and provides the NAFTA with the mechanism required to play a central rôle in the broader, hemispheric free trade debate.

For its part, MERCOSUR represents an important achievement for Argentina, Brazil, Paraguay and Uruguay. At the broadest level, MERCOSUR is a landmark agreement that expresses the political determination of Argentina and Brazil in particular to put their on-again, off-again geo-strategic rivalry behind them in favour of intensified cooperation. This agreement is also reasonably comprehensive in its economic intent, although rather less so in practice to date.

MERCOSUR was created in March 1991 with the signing of the Treaty of Asunción. The Treaty was further fleshed out in a series of subsidiary documents, including the Protocol of Ouro Prêto (Brazil) agreed to in December 1994. The concept is bold enough: the establishment of a common market involving the "free movement of goods, services and factors of production" among member states, the establishment of a common external tariff (CET), the adoption of a common trade policy and the coordination of macroeconomic and sectoral policies.[12] The reality to

[11] The economic crisis that began in Mexico in December 1994, the effects of which are still being felt, in no way modifies the judgement that the NAFTA represents a remarkable bridging of the North-South thinking that distorted so much economic policy-making until the past ten years or so. The root cause of the crisis was the domestic political decision in Mexico to keep the peso overvalued during most of 1993-4, despite a large and deteriorating current account deficit.

[12] See Article 1 of the Treaty of Asunción.