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RECENT DEVELOPMENTS

THE NEW WORLD ORDER OF REGIONAL TRADING BLOCS

Joseph L. Brand*

On one of the early very dreadful days of World War II, Roosevelt secretly wrote Churchill that the empire was dead.[1] America would support Great Britain, but would not permit its empire to survive the war.[2] By that holographic note, America began the process of global decolonization which is ending today. From the Roman Empire to the Soviet Union, from the Christian crusades of the Middle Ages to Islamic fundamentalism in the 20th century, the world of the last two and a half millennia has been the epoch of empires. As the old world dies, a new one rises, not with the help of altar or sword, as forged the empires of religions and politics, but with the aid of the purse, for what we see today are the empires of trade. The empire is dead; long live the empire!

Our world today is dividing into trading blocs. Some have the superstructure of nation states. The European Communities[3] (the official name of what we commonly call the European Community), with a parliament and courts and the supremacy of Community laws over those of its members, begins to look more and more like a state; others are multinational agreements that may be more political negotiating arrangements than cohesive trading blocs. ASEAN (Association of

* This article was delivered as a speech before the Annual Meeting of the American Society of Agricultural Consultants, Alexandria, Virginia, on October 17, 1991.

1. *See* ZARA STEINER, INSIDE THE MIND OF AN ELUSIVE PRESIDENT 108-136 (1992) (analyzing Franklin Delanor Roosevelt's wartime and post-war diplomacy in his private correspondence).

2. *Id.* at 131-32.

3. Treaty Establishing the European Coal and Steel Community (ECSC), April 18, 1951, 261 U.N.T.S. 140; Treaty Establishing the European Economic Community, March 25, 1957, 298 U.N.T.S. 11 [hereinafter EC Treaty]; Treaty Establishing the European Atomic Energy Community (Euratom), March 25, 1957, 298 U.N.T.S. 167.

Southeast Asian Nations) is a relevant candidate.[4] These blocs, however strong or weak, are growing all around the world. Like the empires that preceded them, the regional trading blocs of the new economic world order may divide into a handful of protectionist superstates. If by the new political world order we mean increased American hegemony disguised as international cooperation, we may come to know the new economic world order as regional hegemony disguised as free trade.

In this discussion, I will define the principal trading blocs (inventoried in Appendix), offer some judgments on where these blocs are heading, and share with you some observations on how the new world ordering by trading blocs may affect agricultural consultants.

I. THE WORLD TODAY: DIVIDING INTO TRADING BLOCS

What is a trading bloc? It is a preferential economic arrangement between a group of countries which might take a variety of textbook forms. These forms, in ascending order of integration, are:

- *Preferential trade arrangement.* The United States has negotiated with its Caribbean neighbors trade preferences in the form of freer access to our markets. This Caribbean Basin Initiative,[5] as it is called, or CBI for short, is a preferential trade arrangement.
- *Free trade area.* The United States-Canada Free Trade Agreement concluded in 1988 is one such arrangement.[6] Tariffs between the members are eliminated, but they keep their original tariffs against other countries.
- *Customs union.* The members liberalize trade among themselves and erect a common tariff wall against all others. The 1969 South African Customs Union is an example of a customs union.[7]
- *Common market.* A common market is the next step after a customs union. Now the members remove restrictions on the internal movement of the means of production. The European Community is the most successful of all common markets, but there are others, such as the newly revived Central American Common Market.[8]

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4. Bangkok Declaration of August 8, 1967, [1990/1991] 1 Y.B. INT'L ORGS. 767-70; Singapore Declaration, 31 I.L.M. 498 (1992); Framework Agreement on Enhancing ASEAN Economic Cooperation, 31 I.L.M. 506 (1992); Agreement on Common Effective Preferential Tariff Scheme for the ASEAN Free Trade Association, 31 I.L.M. 513 (1992).
5. Caribbean Basin Recovery Act of 1983, as amended, Pub. L. No. 98-67, 97 Stat. 369 (1990) [hereinafter Caribbean Basin Recovery Act].
6. The United States-Canada Free Trade Agreement Implementation Act of 1988, Pub. L. No. 100-449, 102 Stat. 1851 (1988), 27 I.L.M. 281 (1988) [hereinafter U.S.-Canada Free Trade Agreement].
7. Agreement Establishing the South African Customs Union, signed in 1969, [1990/1991] 2 Y.B. INT'L ORGS. 975.
8. *See* General Treaty of Central American Economic Integration, Dec. 13, 1960, 780 U.N.T.S. 305, [1990/1991] 1 Y.B. INT'L ORGS. 1542 [hereinafter Central Ameri-

◦ *Economic union.* This is a common market with unified fiscal, monetary, and social policies. The EC, whose middle name used to be "Economic," strives to become an economic union through the implementation of the Single European Act,[9] commonly referred to as "1992".

There are three common characteristics of trading blocs. First, they are born of political fear. The European Community was proposed by Robert Schuman just five years after the end of the Second World War.[10] European unity was perceived as the antidote to European war.[11] Fear of war gave birth to the union. Another kind of fear seems relevant to the extension of the U.S.-Canada Free Trade Agreement into a wider hemispheric economic bloc. Critics of the North American Free Trade Agreement (Canada, Mexico, and the United States) believe fear of a successful EC 1992 and the economic eminence of Japan underlies the political imperative that moves these negotiations.

Second, blocs espouse trade liberalization internally, but achieve trade protection externally. For example, the Uruguay Round of trade liberalization is now held hostage to the Europeans' protective treatment of their farmers. That brings us to agriculture, the third characteristic. Agriculture is treated in one of two ways. It is institutionalized as the central policy of the bloc (the Common Agriculture Policy of the EC)[12] or it is neglected purposefully (U.S.-Canada Free Trade Agreement).[13]

The world's extant or proposed trading blocs — I count thirty-two of them: three in Europe, four in the Middle East, five in Asia, and ten each in Africa and the Americas — are defined by these characteristics.[14] Let me now profile those which are the most powerful, or most prominent, or have the greatest potential for good or harm. We will circle the globe, beginning in Europe and proceeding in an easterly direction.

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can Common Market] (noting the formation of the Central American Common Market through the General Treaty).

9. Single European Act, 25 I.L.M. 503 (1986). The EC is also negotiating for monetary and political union through the Treaty of Maastrict. Treaty on European Union and Final Act, 31 I.L.M. 247 (1991).

10. *See* W. DIEBALD, THE SCHUMAN PLAN: A STUDY IN ECONOMIC COOPERATION 1950-59, at 1-46 (1959) [hereinafter DIEBALD] (exploring the underlying basis of the Schuman Plan and the success of its incorporation in post-war Europe).

11. DIEBALD, *supra* note 10, at 5-7.

12. EC Treaty, *supra* note 3, arts. 39-46.

13. U.S.-Canada Free Trade Agreement, *supra* note 6.

14. *See* Appendix for a compilation of all thirty-two blocs.

A. EUROPE

The *European Community* is the oldest,[15] largest,[16] and most effective of all trading blocs. Three legal regimes combine to constitute the EC, often called the Common Market or, more recently, the Community. These are the European Coal and Steel Community,[17] established in 1951, and the European Economic Community[18] and the European Atomic Energy Community,[19] formed by the Treaties of Rome in 1957. The member states, of which there are now twelve,[20] have ceded substantial sovereignty to the Community. Today the EC has institutions which form the three traditional branches of democratic government. It has a legislature in the Assembly, more often called the Parliament,[21] a judiciary in the European Court of Justice,[22] and an executive in the Council of Ministers.[23]

The Council appoints members of another vital institution, the Commission.[24] The Commission is entrusted with carrying out the provisions of the Treaty; it does so by promulgating law enforcement decisions and by initiating legislative proposals, called regulations or directives, for the Council.[25] Regulations are self-executing in all member states, but directives are not. They must be enacted directly by each member state. The Commission has relied largely on the directive process to harmonize disparate policies of member states for the good of the Community. Harmonization has already occurred in many important areas, such as company law, customs, and investment regulation. Presently,

15. *See* PASCAL FONTAINE, EUROPE — A FRESH START 9 (1990) (attributing the origin of the modern European Community to French Foreign Minister Robert Schuman's May 9, 1950 declaration inviting the nations of Europe to unite within an intra-European economic framework).

16. *See* Commission of the European Communities, A *Community of Twelve: Key Figures* 3 (Leaflet No. 6-7, 1991) [hereinafter *Key Figures*] (noting that the population of the European Community is approximately 342 million people).

17. Treaty on the Establishment of European Coal and Steel Community, Apr. 18, 1951, 261 U.N.T.S. 140.

18. Treaty on the Establishment of European Economic Community, Mar. 25, 1957, 298 U.N.T.S. 3.

19. Treaty on the Establishment of European Atomic Energy Community, Mar. 25, 1957, 298 U.N.T.S. 167.

20. *See Key Figures, supra* note 16, at 2 (listing the twelve European Community member-states as: Belgium, Denmark, Germany, Greece, Spain, France, Ireland, Italy, Luxembourg, Netherlands, Portugal and Great Britain).

21. EC Treaty, *supra* note 3, art. 137.

22. EC Treaty, *supra* note 3, art. 164.

23. EC Treaty, *supra* note 3, art. 145.

24. EC Treaty, *supra* note 3, art. 155.

25. EC Treaty, *supra* note 3, art. 189.

harmonization is the method being used to establish the internal free market, the goal of 1992.[26]

1992 is more than an internal free market. It is a dream or maybe even an expectation of at least the economic skeleton of a United States of Europe. Jane Kramer recently described this "Europhoria" in *The New Yorker*:

> Everyone believes (or disbelieves) in his own 1992. The French think '92 will happen when they can take their dogs to England for the weekend. The English think it will happen when they can find cheap Commonwealth lamb on the supermarket shelves in Tours. The Italians think '92 means having their face-lifts covered by health insurance, the way face-lifts are in Holland. The Irish think it means abortions, and the Germans think it means sharing "the East German recovery" — which is another way of saying the East German payroll.[27]

But wait, Europe already has changed. Must not the Community change too? Its leadership bones are fractured over the issue. A meeting of the EC's foreign ministers in September 1991 stalled over French objections to the grant of special concessions to what we used to call the captive nations of the Iron Curtain, and now reverently refer to as the emerging democracies of Eastern Europe; but the bones may heal at the year-end meeting called to consider the European political union. Will the European Community of 2001 be twelve, fifteen, or thirty European countries?[28]

The EC already has achieved a level of substantial and sophisticated sovereignty. Perhaps it already is a superstate. Is it also a superstar? Its Gross Domestic Product (GDP) exceeds $5 trillion. It is the largest market for exports from the United States. But, like every other trading bloc, it suffers from protectionism. One of the reasons the Europeans came together and now stay together is the Common Agriculture Policy (CAP).[29] Italy and France would not have joined without this subsidy program. CAP subsidizes EC agricultural production and exports. It eats up sixty percent of the EC budget and is the Commu-

26. EC Treaty, *supra* note 3, art. 100A.

27. Jane Kramer, *Letter From Europe*, THE NEW YORKER, July 29, 1991, at 63.

28. *See* JONATHAN DAVIDSON, THE EUROPEAN COMMUNITY IN THE NINETIES 4 (1992) (chronicling recent applications for European Community membership: Turkey in 1988, Austria in 1989, Malta and Cyprus in 1990, Sweden in 1991, Finland in 1992 and noting that the new democracies of Eastern Europe would also like to join).

29. *See* Commission of the European Communities, *Bulletin of the European Communities: The Development and Future of the Common Agricultural Policies* 5 (Leaflet No. 5/91 (Supplement) 1991) (characterizing the Common Agricultural policy, begun in 1962, as important in furthering the member states goals of attaining food production self-sufficiency while ensuring moderate prices for consumers and a fair standard of living for farmers).

nity's single most difficult international problem.[30] It may bring down the most recent in a series of decades of concerted attempts to reduce tariffs and eliminate trade barriers. This latest attempt is known as the Uruguay Round of the General Agreement on Tariffs and Trade (GATT),[31] or, as it is called on Capitol Hill in recognition of the delays, the General Agreement to Talk and Talk.

Two other major European trading arrangements are the *European Free Trade Association* (EFTA)[32] and the *Lomé Convention*.[33] The EFTA, a free trade area conceived in 1960 as a competitor to the EC, survives today in a membership of some of the Scandinavian countries and the smaller central European states. It is a candidate for merger into the European Community. The Lomé Convention is a preferential trading arrangement between the disestablished European empires and their former African, Caribbean, and Pacific colonies, which today constitute sixty-nine separate countries. International trade lawyers believe it is illegal under GATT.

B. AFRICA

In his popular book on Africa, Sanford Ungar reminds us that three of the more than fifty African countries are each a third the size of the United States and that for ten years one African nation was the second-ranking foreign supplier of crude oil to the United States.[34] I note these facts because Africa is so often neglected in today's discussion of world trade. The countries of Africa heretofore have been divided into regional economic and political groups, and with the sole exception of the *South African Customs Union*,[35] the only industrial giant on the continent has not been a part of them.

30. *See* Commission of the European Communities, *The European Community 1992 and Beyond* 31 (1991) (showing that agricultural policy expenditures accounted for 65.3% of the 1990 European Community budget).

31. General Agreement on Tariffs and Trade, *opened for signature*, Oct. 30, 1947, 61 Stat. A11, T.I.A.S. No. 170, 55 U.N.T.S. 187.

32. Convention Establishing the European Free Trade Association (EFTA), Jan. 4, 1960, 370 U.N.T.S. 3.

33. Lomé I Convention, Feb. 28, 1975, 1979 Gr. Brit. T.S. No. 105 (Cmnd. 7751), 14 I.L.M. 595 (1975); Lomé II Convention, 31 Oct. 1979, 1983 Gr. Brit. T.S. No. 3 (Cmnd. 8761), 19 I.L.M. 327 (1980); Lomé III Convention, 8 Dec. 1984, 1988 Gr. Brit. T.S. No. 15 (Cmnd. 321), 24 I.L.M. 571 (1985); Lomé IV Convention, 15 Dec. 1989, 29 I.L.M. 783 (1990).

34. SANFORD UNGAR, AFRICA: THE PEOPLE AND POLITICS OF AN EMERGENT CONTINENT (1984).

35. Agreement Establishing the South African Customs Union, Dec. 11, 1969, [1990/1991] 1 Y.B. INT'L ORGS. 975.

Africa's economic and political groupings range from currency unions among European nations and their former colonies, to customs unions between neighbors to a nascent continent-wide common market. The *Mano River Union*[36] and the *Economic Community of the Great Lake States*[37] are examples of neighbors getting together. The *Economic Community of West African States*,[38] a combination of sixteen essentially Francophone and Anglophone nations, and the *Preferential Trade Area*[39] of nineteen East and Southern African countries, are two more traditional types of trading blocs. In June 1991, members of the Organization for African Unity[40] (all of the African countries except South Africa and Morocco) signed a treaty to establish the *African Economic Community*[41] by the year 2020. The cognoscenti believe that Africa suffers from such daunting economic and political circumstances that prospects of a common market are dim. Water shortages and health problems, most notably AIDS, plague the continent. Strong-man politics and one-party states dominate. GDP continues to drop. The best hope for the common market would be leadership by Africa's two strongest economies, Nigeria and post-apartheid South Africa.

Absent a common market, or until its final establishment, the optimistic forecast might contemplate the emergence of two strong regional trading blocs in Africa. One would form around the Preferential Trade Area, with the addition and support of South Africa. If you were to look at the political map of Africa (and look fast, before it changes again), you would see the countries of East and Southern Africa, those roughly from the horn of Africa to the bottom of the continent, in this bloc. The other bloc would be made up of the *Southern African Customs Union* plus, maybe, Mozambique and Zimbabwe.

C. THE MIDDLE EAST

Several modest trading blocs exist among those countries which extend from the west of North Africa through the Persian Gulf. These

36. Treaty of Malema, Oct. 3, 1973, [1990/1991] 1 Y.B. INT'L ORGS. 791.
37. Agreement Establishing the Economic Community of the Great Lake States, Sept. 20, 1976, [1990/1990] 1 Y.B. INT'L ORGS. 1535.
38. Treaty Establishing the Economic Community of West African States, May 28, 1975, 14 I.L.M. 1200.
39. Treaty for Establishment of the Preferential Trade Area for Eastern and Southern African States, Dec. 21, 1981, entered into force Sept. 30, 1982, 21 I.L.M. 479 [hereinafter PTA for Eastern and Southern African States].
40. Charter of the Organization of African Unity, May 25, 1963, 479 U.N.T.S. 39, *reprinted in* 2 I.L.M. 766 (1963).
41. Treaty Establishing the African Economic Community, June 3, 1991, 30 I.L.M. 1241.

are the *Union of the Arab Maghreb*,[42] an agreement of the North African Muslim nations, the sometime *Arab Common Market*[43] of Egypt, Iraq, Jordan, Libya, Mauritania, Syria, and Yemen, and the *Cooperation Council for the Arab States of the Gulf*,[44] known more generally as the Gulf Cooperation Council or simply, GCC. It is composed of Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates. While it has economic characteristics, it is perhaps best known as a regional political alliance, having come into some prominence during the Persian Gulf War. The GCC currently is negotiating an extensive trade pact with the EC. A fourth regional bloc, is the *Economic Cooperation Organization*.[45] Iran, Pakistan, and Turkey formed it in 1964, even before the Shah was crowned, and resuscitated it last year as a proposed preferential tariff arrangement.

The economic regime we hear most about in the Middle East is, of course, the *Organization of Petroleum Exporting Countries (OPEC)*.[46] It is not a trading bloc in the sense in which I have defined the term. It is in fact an illegal cartel, as any antitrust lawyer will tell you, but we, and the rest of the world, tolerate it.

D. ASIA

In the classic economic sense, regional trading blocs should be formed along the lines of comparative advantage. Country A, which manufactures, might form a bloc with Country B, which produces fruits and vegetables, and Country C, known for its timber, and each of the three could thereby maximize its own separate advantage. The lack of comparative advantage in Asia might explain the absence of trading blocs in the region. Most of the NICS, as are called the newly industrialized nations of Asia — Korea, Singapore, Taiwan, Hong Kong, soon no doubt to be joined by Malaysia, Thailand, and Indonesia — produce pretty much the same mix of products. For example, Indonesia this year approved investments for 176 shoe plants, a product you probably associate with Korea.

42. Agreement Establishing the Union of the Arab Maghreb, Feb. 15, 1989, [1990/1991] 1 Y.B. INT'L ORGS. 923.
43. Resolution of the Council of Arab Economic Unity (CAEU) of Aug. 1964, [1990/1991] 1 Y.B. INT'L ORGS. 1558.
44. Charter of the Cooperation Council for the Arab States of the Gulf, May 25, 1981 and Nov. 11, 1982, 26 I.L.M. 1131.
45. Established as Regional Cooperation for Development by the Treaty of Izmir on July 21, 1964 [1990/1991] 1 Y.B. INT'L ORGS. 923.
46. Statute of the Organization of the Petroleum Exporting Countries, Res. II.6, adopted at the Second Conference of the Petroleum Exporting Countries (Jan. 15-21, 1961).

The most senior relevant treaty arrangement of nations of the region is *ASEAN*, the *Association of Southeast Asian Nations*.[47] Is it a trading bloc? It was conceived as a regional security arrangement. Intra-ASEAN trade is less than twenty percent of total ASEAN trade. ASEAN itself has no real structures. Decisions are made by consensus achieved through informal consultations. Some tariff reduction agreements, however, have been implemented, but they affect products that account for less than five percent of trade between the ASEAN countries, which are Brunei, Indonesia, Malaysia, Philippines, Singapore, and Thailand. ASEAN announced on October 8, 1991 its formation of a customs union called *ASEAN Free Trade Area*,[48] or *AFTA*.

E. THE AMERICAS

Until three years ago, when Canada and the United States negotiated a free trade agreement, all of the major trading bloc activity in this hemisphere had taken place south of us. Much of it was unsuccessful. The *Organization of Eastern Caribbean States*[49] was essentially incorporated into the *Caribbean Community (CARICOM)*.[50] The *Latin American Integration Association* (LAIA)[51] replaced the *Latin American Free Trade Association*.[52] The *Central American Common Market* (CACM)[53] existed more in name than substance. Whatever successful activity there was, was not hemispheric. The Latin Americans wanted to go their own way. The Central Americans had their structures, the Caribbean nations had theirs, and the South Americans had their own different forms. Thus, we saw CARICOM serve one region, the CACM another, and ALADI, or LAIA as the Latin American Integration Association is known in English, yet a third.

The recent foreign policy of the United States responds to Latin American regionalism. Three major proposals of the Reagan and Bush

47. Bangkok Declaration of Aug. 8, 1967, [1990/1991] 1 Y.B. INT'L ORGS. 767-70 [hereinafter Bangkok Declaration].

48. The formation of the ASEAN Free Trade Area was proposed on Oct. 8, 1991, and furthered by the Singapore Declaration of 1992, Jan. 28, 1992, 31 I.L.M. 498, and Agreement of the Common Effective Preferential Tariff (CEPT) Scheme for the ASEAN Free Trade Area (AFTA), 31 I.L.M. 513.

49. Agreement Establishing the East Caribbean Common Market, June 11, 1968, 12 I.L.M. 1176 (Annex I to the CARICOM); Treaty Establishing the Organization of Eastern Caribbean States, June 18, 1981, 20 I.L.M. 1166.

50. Treaty Establishing the Caribbean Community, July 4, 1973, 12 I.L.M. 1033.

51. Montevideo Treaty of 1980, Aug. 12, 1980, 20 I.L.M. 672 (establishing the Latin American Integration Association in order to replace the Latin American Free Trade Association, founded by the Montevideo Treaty of 1960).

52. Latin American Free Trade Association, Dec. 8, 1964, 4 I.L.M. 682.

53. Central American Common Market, *supra* note 8.

Administrations seek to change forever the trading patterns in this hemisphere and, just possibly, around the world, by giving birth to a trading bloc larger than the European Community in geographic size, population, and wealth. The *Caribbean Basin Initiative*,[54] inaugurated in 1983, extended trade preferences and granted access to the markets of the United States to the fifty million producers in twenty-seven Central American and Caribbean countries. The *United States-Canada Free Trade Agreement*[55] of 1988 established the world's largest and most comprehensive bilateral free trade area. We will review in a minute the steps underway to extend this process into the *North American Free Trade Agreement* (NAFTA)[56] by including Mexico. The third proposal is the *Enterprise for the Americas Initiative* (EAI).[57] Unlike the other two approaches, EAI is not a trading bloc. It is a foreign policy initiative designed to further democracy in the region by providing incentives to capitalistic development and trade liberalization. While Congress has not yet enacted implementing legislation, framework agreements under the EAI have already been signed. In response to EAI, Bolivia, Colombia, Ecuador, Peru, and Venezuela formed the *Andean Common Market*,[58] and Argentina, Brazil, Paraguay, and Uruguay joined together in March 1991 as the *Common Market of the South* (MERCOSUR).[59]

II. THE WORLD TOMORROW: DEVELOPING INTO THE BIG THREE

Empires are building. Before united Germany observed its first anniversary, other former members of the defunct Warsaw Pact were knocking on the European Community's door. North, Central, and South Americans are treating seriously the prospect of getting together. Japan, feeling the pressure, is concurrently appealing to the United States to rethink NAFTA and applying to ASEAN to open up. It is not quite future shock to imagine a world divided into three trading empires: the Americas, Europe, and Asia.

54. Caribbean Basin Recovery Act, *supra* note 5.
55. U.S.-Canada Free Trade Agreement, *supra* note 6.
56. North American Free Trade Agreement, Aug. 12, 1992, *available in* LEXIS, Genfed Library, Extra File.
57. Remarks Announcing the Enterprise for the Americas Initiative, 26 WEEKLY COMP. PRES. DOC. 1009 (June 27, 1990).
58. Andean Pact, July 26, 1988, 28 I.L.M. 1166 (providing objectives for the gradual formation of an Andean Common Market).
59. Treaty Establishing a Common Market, Mar. 26, 1991, 30 I.L.M. 1041 (providing for the establishment of the Common Market of the South by Dec. 31, 1994).

A. The Americas Trading Bloc

The structure exists. It is NAFTA. What started as a trading pact between two close and economically well developed allies, Canada and the United States, already has been expanded conceptually to include Mexico,[60] a nation which has only recently renounced severe protectionist measures. All NAFTA needs to make it elastic is an accession clause permitting other nations to join. One begins to see the prospect of several different NAFTAs:

> ◦ *NAFTA I.* The Administration has put out the word that it won't talk with other nations about NAFTA until it concludes negotiations with Mexico. Once over, the next candidate will be another economically developed Latin country. Put your money on Chile.
> ◦ *NAFTA II.* The CBI beneficiaries lose many of their benefits under NAFTA. Investments that last year would have gone to, say, Belize, the CBI nations fear, next year might go to Mexico. Smart money, therefore, bets that the next accession to NAFTA will be these countries. The Administration has said it won't negotiate individually with them, so look to blocs such as CARICOM and the Central American Common Market to form NAFTA II. Note that Mexico and Central America in January announced plans for a free trade agreement.
> ◦ *NAFTA III.* Sooner or later, NAFTA will have to change its name. The Americas Free Trade Agreement eventually will include all the countries of the hemisphere, but not until their economies are ready to take on the obligations of, and provide the symbiosis for, a truly free trade arrangement.
> ◦ *NAFTA Pacific.* In August of 1991 the Bush Administration apparently explored the prospect of closer economic ties with some Pacific nations. Australia was identified as one Pacific region country with which the United States would be willing to talk about a trade and investment framework agreement, a possible precursor to an FTA. As we become more worried about a "yen bloc," the prospect of teaming some Asian nations to NAFTA becomes more realistic.

B. The European Trading Bloc

Sir Leon Brittan, vice president of the Commission of the European Communities, spoke in Washington on September 23, 1991.[61] The completion of EC 1992, he said, was of supreme importance, but as soon as it's over, which may or may not be in 1992, he believes the EC will be ready to accept members from EFTA and from Eastern Europe.[62] The prospect of an expanded EC is more of a present reality than a distant

60. And now legally through the signing of the NAFTA. *See supra* note 57.
61. Sir Leon Brittan, On Trade with the European Community, Speech to the National Press Club, Washington, D.C. (September 23, 1991).
62. Sir Leon Brittan, *Brittan says the European Community Will Back Eastern European Markets*, Reuters, Sept. 24, 1991, *available in* LEXIS, Nexis Library, Reuters File.

dream. The French may soon take their poodles not just to London, but to Prague and Stockholm. When will they take them to Vilnius and Nairobi? As NAFTA presents several possible variants, so does the EC.

- *EC I.* The EC and the EFTA have discussed strengthening ties between the two blocs, the ultimate goal being a single market where the members of both blocs would enjoy the "four freedoms": free movement of goods, services, persons, and capital. This is called the "European Economic Space," or "European Economic Area."
- *EC II.* Admission to the EC of Eastern Europe and the European republics of the former Soviet Union, or what might constitute a Soviet common market, would remake Europe into the dream of Charlemagne, but the nightmare of Yugoslavia awakens us. EC II is possible, not probable, in the near term.
- *EC III.* Negotiations of the internal market — EC '92 —have been encumbered by colonial issues. The European Community, while talking up free trade, wants nonetheless to retain the trade protections established by the Lomé Convention. The Lomé beneficiaries are the former colonies in the African, Caribbean and Pacific regions known generally by the initials ACP. The Caribbean countries, most of which are CARICOM members, probably will lean toward NAFTA, and the Pacific countries are too few to make much of a bloc, but the vast African nations, especially if joined together in the African Common Market, could present a problem or a prospect for the Community. EC plus ACM equals two continents united in a trading bloc. The African nexus exists: Morocco has already applied to join the EC.

C. THE ASIAN TRADING BLOC

Our ability to underestimate Asia should not be underestimated. Example: our greatest trade imbalance is with an Asian country, but it's not Japan. Indonesia receives foreign investment in textiles, cars, and high tech at the rate of $1 billion per month, but not from the United States; we are somewhere around number four. Do not be fooled by the conventional wisdom that says Asia will not form a large trading bloc because (a) its countries do not have the requisite comparative advantages, (b) they all fear Japan's hegemony, (c) ASEAN is not a trading bloc anyhow.

Present initiatives to regionalize trade in Asia do in fact respond to Japan's growing hegemony. Australia, which sees itself more and more as an Asian nation and less and less as a former colony, then ally, of Great Britain, proposed the *Asia Pacific Economic Cooperation*[63] in

63. The establishment of the Asia Pacific Economic Cooperation (APEC) was proposed by Australia in 1988 as a forum for regional discussions on questions of trade. *See APEC Confab Ends with Pledge to Promote Economic Development*, Sept. 12, 1992, available in LEXIS, Asia-Pacific Library, Allasi File (summarizing the results of

1988 as an annual forum (formal agenda) and as a countermeasure to the "yen bloc" (hidden agenda). Its members are the ASEAN nations plus Australia, New Zealand, Japan, South Korea, Canada, and the United States. More recently, the Malaysians led a move to form the *East Asia Economic Group*[64] of ASEAN countries plus Hong Kong, Japan, South Korea, and Taiwan.

Japan says it does not support regional trading blocs. In September of 1991, a Japanese Trade Minister, Noboru Hatakeyama, came to Washington for discussions with the Commerce Department. He took the position that NAFTA violates the spirit of GATT and proposed amendments to NAFTA to assure that America's Big Three auto manufacturers are not "grandfathered" regional content trade preferences in the treaty.[65] Hatakeyama said Japan fears trading blocs will distort trade and hopes for continued bilateral relationships instead. Another Japanese decision-maker, Yoshio Suzuki, Vice Chairman of the Nomura Research Institute in Tokyo, was recently quoted in the press to have said that the emerging Asian trading bloc "is not an effort to form a trading bloc, but rather to form a negotiating bloc with enough leverage to negotiate entry to the United States and the European Community."[66]

Japan's reluctance, if it is that, is matched by ASEAN's enthusiasm. Malaysia's Prime Minister Mahatir bin Mohamad and Singapore's Prime Minister Goh are known to believe that not to form an East Asian trading bloc would put the region at a competitive disadvantage to Europe and the United States.

The United States is concerned that an Asian trading bloc will exclude us and draw a line down the Pacific, to use United States Trade Representative Carla Hills' metaphor. For this reason, the Bush Administration applauded ASEAN ministers' initiative to drop the East Asia Economic Group. A caucus will take its place.

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the most recent APEC meeting and noting that APEC now includes China, Taiwan and Hong Kong).

64. The East Asia Economic Group was proposed by Malaysian Prime Minister Mahathir Mohamad in Dec. of 1990. *See ASEAN Aiming for Free Trade Area Within 15 Years*, Singapore Bus. Times, Oct. 9, 1991, *available in* LEXIS, Asia-Pacific Library, Allasi File (noting that Malaysia's idea for an East Asian Economic Group had been accepted by Asian economic ministers with the proviso that it be called East Asia Economic Caucus and that it not be an institution or trade bloc, essentially blocking the Group's purpose).

65. General Agreement on Tariffs and Trade, *opened for signature*, Oct. 30, 1947, 61 Stat. A11, at A43-A48, T.I.A.S. No. 170, 55 U.N.T.S. 187, at 272 (stating that trading blocs, if properly formed, may be legal under GATT).

66. Louis Uchitelle, *Blocs Seen Replacing Free Trade*, N.Y. TIMES, Aug. 26, 1991, at D1.

I believe Japan will try to work within each of the three emerging trading empires and then cast its lot finally with its neighbors. Japan already has become a major investor in this hemisphere, looking for ways to work within a NAFTA II or NAFTA III. What else explains its majority ownership of Costa Rica's national airline? If NAFTA and the European Community erect walls against Japan, Japan will turn with a vengeance to its neighbors and to the formation, and leadership, of a unified and powerful Asian trading bloc.

III. THE WORLD TOMORROW: TOWARDS AN EVALUATION

Central bankers, economists, and government officials took the opportunity of the Federal Reserve's 1991 annual summer conference this year to assess regional trading blocs.[67] Their criticism may instruct us.

A. THE AFFIRMATIVE REPORT[68]

The bankers saw five reasons to support trading blocs. First, GATT has outlived its usefulness. It is becoming more and more tedious and may finally become altogether impotent. Second, trading blocs are a useful way to reduce national tariffs and trade barriers. Countries which might be unwilling to make concessions to all, for example, Japan, may make those very concessions to the few. Mexico's Finance Minister told the conference that the benefits of NAFTA emboldened his government to make vital but politically dangerous internal changes. Third, statistics show that blocs generate huge increases in trade among partners. Fourth, GATT-style free trade, tariff-reduction solutions have failed to deal effectively with nontariff barriers such as

67. FEDERAL RESERVE BANK OF KANSAS CITY, POLICY IMPLICATIONS OF TRADE AND CURRENCY ZONES: A SYMPOSIUM SPONSORED BY THE FEDERAL RESERVE BANK OF KANSAS CITY (Aug. 22-24, 1991) [hereinafter FEDERAL RESERVE SYMPOSIUM].

68. *See* George A. Kahn, *Symposium Summary*, in FEDERAL RESERVE SYMPOSIUM, *supra* note 67, at xvii-xxxv. Kahn's introductory article summarizes the general points of all the Symposium speakers and divides the Symposium's speakers into two basic camps: those who supported the current trend toward replacing the GATT with trading blocs (affirmative report), and those who believed trade blocs pose a significant danger to world trade. *Id.* at xxxii-xxxiv. The affirmative view here discussed was led generally by Paul Krugman, Professor of Economics, Massachusetts Institute of Technology, Lawrence H. Summers, Vice-President and Chief Economist of the World Bank and Jacques De Larosière, Governor of the Bank of France. *See* Paul Krugman, *The Move Toward Free Trade Zones*, in FEDERAL RESERVE SYMPOSIUM, *supra* note 67, at 7-41; Lawrence H. Summers, *Regionalism and the World Trading System*, in FEDERAL RESERVE SYMPOSIUM, *supra* note 67, at 295-301; and, Jacques De Larosière, Governor of the Bank of France, *European Integration and the World Economy*, in FEDERAL RESERVE SYMPOSIUM, *supra* note 67, at 285-294.

import quotas. Regional trading blocs have addressed these problems. Finally, some of the more cynical central bankers said that trading blocs are an effective way to compete with Japan, whose products otherwise receive equal treatment in the GATT-backed free trade system of today.

B. THE NEGATIVE REPORT[69]

To balance the books, let's look at the four arguments the government officials, bankers, and economists adduced to support the present GATT free trade system. First of all, trading blocs could put such pressure on the world-wide GATT system by which most of the world's countries have systematically reduced tariffs since World War II that the system itself could collapse. The world of trade would be segmented into a few trading empires with no overarching free trade structures. Second, trading blocs may not liberalize trade but do just the opposite: restrict trade by raising barriers to external trade. Third, these exclusions would operate most perniciously against the countries which most desperately need trade to build their wretched economies, the poorest of the third world countries. Finally, by excluding or limiting goods and services from outside the bloc, trade may be diverted from the most efficient producer in the world to the least efficient producer within the bloc. The Lomé Convention already is an instructive example: higher-cost, lesser-quality ACP bananas are given trade preferences in Europe to the lower-cost, better-quality bananas produced in Central America.

There is a fifth argument to be made against regional trading blocs. As a condition to joining, a state may require the adoption by the bloc of its own restrictive policy. The EC experience affirms this.

The bankers concluded that regional trading blocs are better than nothing. The global system now represented in the Uruguay Round seems bogged down, and regional blocs are a second-best solution. But second-best may not be good enough. If the trading system collapses into the Big Three, super-power politics based on butter instead of guns will rule the world of the 21st century.

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69. The negative report discussed here was led generally by C. Fred Bergsten, Director of the Institute for International Economics, Paul Volcker, former Chairman of the Board of Governors of the United States Federal Reserve System and John W. Crow, Governor of the Bank of Canada. *See* C. Fred Bergsten, *Commentary: The Move Toward Free Trade Zones*, in FEDERAL RESERVE SYMPOSIUM, *supra* note 67, at 43-57; Paul Volcker, *Overview*, in FEDERAL RESERVE SYMPOSIUM, *supra* note 67, at 303-308; John W. Crow, *Closing Remarks*, in FEDERAL RESERVE SYMPOSIUM, *supra* note 67, at 309-310.

IV. THE WORLD TOMORROW: EFFECT ON AGRICULTURAL CONSULTANTS

What do these geopolitical circumlocutions have to do with you, American agricultural consultants? To find an answer, we must look at each of those three words separately: American, agricultural, consultants.

First, consider "American," or, in the vocabulary of the trading bloc, "foreign." What access to the bloc do or will non-member citizens have? The issue here is national treatment, and traditionally it has been a bilateral issue. As trading blocs replace national governments in trade negotiations, our bilateral arrangements will yield to the new imperatives, and national treatment may well lose out.

Now, consider the word, "agricultural," always a sacred cow in world trade. To illustrate, CAP is the glue that binds the EC, but at what a cost: EC subsidies to each cow (not the sacred variety) in the Community exceed the personal income per capita of more than half the world's people.[70] But let's not be too smugly xenophobic: Iowa farmers receive more in federal loans than does all of Africa in World Bank loans.[71] Agriculture is the most sensitive sectoral issue in trading blocs. It is indeed likely that the larger the bloc, the larger the problem, for there will be more agriculture to protect.

Third, examine "consultants," or "services," in the broader sense. It took the EC seventeen years to negotiate the directive on the free movement of veterinarian services. You who provide those services, and vets are a fair percentage of the Association's membership, know already the difficulties of Europe. Those difficulties likely will be duplicated in other trading blocs. Services represent a larger percentage of the economies of the post-industrial societies. Lesser developed economies, which have always thrown a shield up to their infant industries, will assiduously protect their services industries.

My tentative conclusion is that you, American agricultural consultants, will have to measure your opportunities within the equation of the three imperial Ps: politics + protectionism = policy. This policy will subject services to regulation within a bloc and to trade management among blocs. The United States, as the strongest of the new emperors, will be able to influence the shape of the new order. You are, therefore, not without power if you are not without purpose.

70. Karen DeYoung, *Thatcher Urges Washington to Raise Taxes, Deficit; Moves Must 'Decisively' Restore Confidence*, WASH. POST, Nov. 17, 1987, at A1 (quoting British Prime Minister Margaret Thatcher).
71. *Id.*

APPENDIX

REGIONAL TRADING BLOCS*

EUROPE**

EUROPEAN COMMUNITIES (EC)

MEMBERS:	Belgium, Denmark, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, and the United Kingdom
GNP:	$4.2 billion
POPULATION:	342 million
AUTHORITY:	The European Communities are founded on three treaties: Treaty Establishing the European Coal and Steel Community (ECSC), April 18, 1951, 261 U.N.T.S. 140; Treaty Estabishing the European Economic Community (EEC), March 25, 1957, 298 U.N.T.S. 11; and, Treaty Establishing the European Atomic Energy Community (Euratom), March 25, 1957, 298 U.N.T.S. 167. The framework to form the internal free market (EC 1992) is established by the Single European Act, *entered into force* July 1, 1987, 25 I.L.M. 503
CENTRAL OFFICE:	European Commission, Council of Ministers are located in Brussels, Belgium; the European Court of Justice is located in Luxembourg; and, the European Parliament located in Strasbourg, France

EUROPEAN FREE TRADE ASSOCIATION (EFTA)

MEMBERS:	Austria, Finland, Iceland, Norway, Sweden, Switzerland, and Liechtenstein (associate member)
GNP:	$721 billion
POPULATION:	32 million
AUTHORITY:	Convention Establishing the European Free Trade Association, January 4, 1960, 370 U.N.T.S. 3

* All Gross National Product (GNP) and population figures for the following appendix are derived from [1991] 1 1991 EUROPA WORLD Y.B. xiv-xvii.

** This listing excludes certain trade preferences between European and such Mediterranean nations as Malta, Cyprus, Turkey, Yugoslavia, Lebanon, Egypt, Syria, Morocco, Algeria, and Tunisia.

CENTRAL OFFICE:	EFTA Council located in Geneva, Switzerland

LOME CONVENTION

MEMBERS:	European Community States: Belgium, Denmark, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain and the United Kingdom; and their former colonies in certain African, Caribbean and Pacific nations (ACP): Angola, Antigua and Barbuda, Bahamas, Barbados, Belize, Benin, Botswana, Burkina Faso, Burundi, Cameroon, Cape Verde, Central African Republic, Chad, Comoros, Congo, Côte d'Ivoire, Djibouti, Dominica, Dominican Republic, Equatorial Guinea, Ethiopia, Fiji, Gabon, Gambia, Ghana, Grenada, Guinea, Guinea-Bissau, Guyana, Haiti, Jamaica, Kenya, Kiribati, Lesotho, Liberia, Madagascar, Malawi, Mali, Mauritania, Mauritius, Mozambique, Namibia, Niger, Nigeria, Papua New Guinea, Rwanda, St. Kitts & Nevis, St. Lucia, St. Vincent & the Grenadines, Sao Tomé & Príncipe, Senegal, Seychelles, Sierra Leone, Solomon Islands, Somalia, Sudan, Surinam, Swaziland, Tanzania, Togo, Tonga, Trinidad & Tobago, Tuvalu, Uganda, Vanuatu, Western Samoa, Zaire, Zambia, and Zimbabwe
GNP:	$5.2 billion
POPULATION:	802 million
AUTHORITY:	Lomé Convention, February 28, 1975, 1979 Gr. Brit. T.S. No. 105 (Cmnd. 7751), 14 I.L.M. 595, as amended, Lomé Convention IV, Dec. 15, 1989, 29 I.L.M. 783
CENTRAL OFFICE:	Brussels, Belgium

AFRICA***

AFRICAN ECONOMIC COMMUNITY (AEC)

MEMBERS:	Algeria, Angola, Benin, Botswana, Burkina Faso, Burundi, Cameroon, Cape Verde, Central African Republic, Chad, Comoros, Congo, Côte d'Ivoire, Djibouti, Egypt, Equatorial Guinea, Ethiopia, Gabon, Gambia, Ghana, Guinea, Guinea-Bissau, Kenya, Lesotho, Liberia, Libya, Madagascar, Malawi, Mali, Mauritania, Mauritius, Mozambique, Namibia, Niger, Nigeria, Rwanda, Sao Tomé & Príncipe, Senegal, Seychelles, Sierra Leone, Somalia, Sudan, Swaziland, Tanzania, Togo, Tunisia, Uganda, Zaire, Zambia, and Zimbabwe
GNP:	$284 billion
POPULATION:	542 million
AUTHORITY:	Treaty Establishing the African Economic Community (under the auspices of the Organization of African Unity), June 3, 1991, 30 I.L.M. 1241
CENTRAL OFFICE:	Addis Ababa, Ethiopia

CENTRAL AFRICAN CUSTOMS AND ECONOMIC UNION (UDEAC)

Members:	Cameroon, Central African Republic, Chad, Congo, Equatorial Guinea, and Gabon
GNP:	$17 billion
POPULATION:	23 million
AUTHORITY:	Treaty Establishing the Customs and Economic Union of Central Africa, Dec. 8, 1964, entered into force January 1, 1966, 4 I.L.M. 699
CENTRAL OFFICE:	Bangui, Central African Republic

WEST AFRICAN ECONOMIC COMMUNITY (CEAO)

MEMBERS:	Benin, Burkina Faso, Côte d'Ivoire, Mali, Mauritania, Niger, and Senegal

*** Monetary unions, such as the Communaute Financiere Africaine and the West African Monetary Union, are not included here as trading blocs.

GNP:	$24 billion
POPULATION:	46 million
AUTHORITY:	Agreement Establishing the West African Economic Community, January 1974, [1990/1991] 1 Y.B. INT'L ORGS. 933
CENTRAL OFFICE:	Ouagadougou, Burkina Faso

ECONOMIC COMMUNITY OF WEST AFRICAN STATES (ECOWAS)

Members:	Benin, Burkina Faso, Cape Verde, Côte d'Ivoire, Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Mali, Mauritania, Niger, Nigeria, Senegal, Sierra Leone, and Togo
GNP:	$64 billion
POPULATION:	181 million
AUTHORITY:	Treaty Establishing the Economic Community of West African States, May 28, 1975, 14 I.L.M. 1200
CENTRAL OFFICE:	ECOWAS Executive Secretariat located in Lagos, Nigeria

PREFERENTIAL TRADE AREA FOR EASTERN AND SOUTHERN AFRICAN STATES

Members:	Angola, Burundi, Comoros, Djibouti, Ethiopia, Kenya, Lesotho, Malawi, Mauritius, Mozambique, Namibia, Rwanda, Somalia, Sudan, Swaziland, Tanzania, Zaire, Zambia, and Zimbabwe
GNP:	$75.7 billion
POPULATION:	218 million
AUTHORITY:	Treaty for the Establishment of the Preferential Trade Area for Eastern and Southern African States, December 21, 1981, entered into force September 30, 1982, 21 I.L.M. 479
CENTRAL OFFICE:	Secretariat based in Lusaka, Zambia

ECONOMIC COMMUNITY OF CENTRAL AFRICAN STATES (CEEAC)

Members:	Angola, Burundi, Cameroon, Central African Republic, Chad, Congo, Equatorial Guinea, Gabon, Rwanda, Sao Tomé & Príncipe, and Zaire
GNP:	$29 billion
POPULATION:	69 million
AUTHORITY:	Treaty for the Establishment of the Economic Community of Central African States, October 19, 1983, entered into force January 1, 1985, 23 I.L.M. 479
CENTRAL OFFICE:	Libreville, Gabon

MANO RIVER UNION (MRU)

Members:	Guinea, Liberia, and Sierra Leone
GNP:	$4.2 billion
POPULATION:	12 million
AUTHORITY:	Treaty of Malema, October 3, 1973, [1991/1992] 1 Y.B. Int'l Orgs. 791
CENTRAL OFFICE:	Freetown, Sierra Leone

ECONOMIC COMMUNITY OF THE GREAT LAKE STATES (CEPGL)

Members:	Burundi, Rwanda, and Zaire
GNP:	$12 billion
POPULATION:	46 million
AUTHORITY:	Agreement Establishing the Economic Community of the Great Lake States, September 20, 1976, [1990/1991] 1 Y.B. INT'L ORGS. 1535
CENTRAL OFFICE:	Executive Secretary located in Gisenyi, Rwanda

SOUTHERN AFRICAN DEVELOPMENT COORDINATION CONFERENCE (SADCC)

Members:	Angola, Botswana, Lesotho, Malawi, Mozambique, Namibia, Swaziland, Tanzania, Zambia, and Zimbabwe
GNP:	$25 billion

POPULATION:	80 million
AUTHORITY:	First meeting held in Arusha, Tanzania, in July 1979, [1990/1991] 1 Y.B. INT'L ORGS. 1061
CENTRAL OFFICE:	Gaborone, Botswana

SOUTH AFRICAN CUSTOMS UNION (SACU)

Members:	Botswana, Lesotho, Namibia, South Africa, and Swaziland
GNP:	$90 billion
POPULATION:	40 million
AUTHORITY:	Agreement Establishing the South African Customs Union, Dec. 11, 1969, [1990/1991] 2 Y.B. INT'L ORGS. 975
CENTRAL OFFICE:	Pretoria, South Africa

THE MIDDLE EAST

COOPERATION COUNCIL FOR THE ARAB STATES OF THE GULF (GCC)

MEMBERS:	Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates
GNP:	$166 billion
POPULATION:	20 million
AUTHORITY:	Charter of the Cooperation Council for the Arab States of the Gulf, May 25, 1981 and November 11, 1982, 26 I.L.M. 1131
CENTRAL OFFICE:	Secretariat located in Riyadh, Saudi Arabia

ARAB COMMON MARKET

MEMBERS:	Egypt, Iraq, Jordan, Libya, Mauritania, Syria, and Yemen
GNP:	$125 billion
POPULATION:	101 million
AUTHORITY:	Resolution of the Council of Arab Economic Unity (CAEU) of August 1964, [1990/1991] 1 Y.B. INT'L ORGS. 1558
CENTRAL OFFICE:	CAEU Headquarters in Amman, Jordan

UNION OF THE ARAB MAGHREB (MAGHREB)

Members:	Algeria, Libya, Mauritania, Morocco, and Tunisia
GNP:	$109 billion
POPULATION:	60 million
AUTHORITY:	Agreement Establishing the Union of the Arab Maghreb, February 15, 1989, [1990/1991] 1 Y.B. INT'L ORGS. 923

ECONOMIC COOPERATION ORGANIZATION (ECO)

Members:	Iran, Pakistan, and Turkey
GNP:	$300 billion
POPULATION:	220 million
AUTHORITY:	Established as Regional Cooperation for Development by the Treaty of Izmir on July 21, 1964, [1990/1991] 1 Y.B. INT'L ORGS. 923
CENTRAL OFFICE:	Teheran, Iran

ASIA

ASSOCIATION OF SOUTHEAST ASIAN NATIONS (ASEAN)

Members:	Brunei Darussalam, Indonesia, Malaysia, the Philippines, Singapore, and Thailand.
GNP:	$264 billion
POPULATION:	314 million
AUTHORITY:	Bangkok Declaration of August 8, 1967, [1990/1991] 1 Y.B. INT'L ORGS. 767-70
CENTRAL OFFICE:	ASEAN Secretariat located in Jakarta, Indonesia

ASEAN FREE TRADE AREA (AFTA)

Members:	Brunei Darussalam, Indonesia, Malaysia, the Philippines, Singapore, and Thailand.
GNP:	$264 billion
POPULATION:	314 million
AUTHORITY:	Formation proposed on October 8, 1991, and furthered by the Singapore Declaration of 1992, January 28, 1992, 31 I.L.M. 498, and Agreement of the Common Effective Preferential Tariff (CEPT)

	Scheme for the ASEAN Free Trade Area (AFTA), 31 I.L.M. 513

CLOSER ECONOMIC RELATIONS AGREEMENT (CER)

Members:	Australia and New Zealand
GNP:	$282 billion
POPULATION	20 million
AUTHORITY:	Australia and New Zealand Closer Economic Relations Trade Agreement, January 1, 1983, 22 I.L.M. 945

ASIA PACIFIC ECONOMIC COOPERATION (APEC)

Members:	ASEAN members (Brunei Darussalam, Indonesia, Malaysia, the Philippines, Singapore and Thailand), Australia, Canada, China, Hong Kong, Japan, New Zealand, South Korea, Taiwan, and the United States
GNP:	$9.3 billion
POPULATION:	775 million
AUTHORITY:	Proposed by Australia as an annual forum in 1988
CENTRAL OFFICE:	Organized by ASEAN Secretariat in Jakarta, Indonesia

EAST ASIA ECONOMIC GROUP (EAEG)

Members:	ASEAN Members (Brunei Darussalam, Indonesia, Malaysia, the Philippines, Singapore, and Thailand), Hong Kong, Japan, South Korea, Taiwan
GNP:	$3.5 billion
POPULATION:	505 million
AUTHORITY:	Proposed by Malaysian Prime Minister Mahathir Mohamad in December 1990

THE AMERICAS

UNITED STATES-CANADA FREE TRADE AGREEMENT (CANADIAN FTA)

Members:	United States and Canada

GNP:	$5.7 billion
POPULATION:	275 million
Authority:	The United States-Canada Free Trade Agreement Implementation Act of 1988, Pub. L. No. 100-449, 102 Stat. 1851 (1988)

NORTH AMERICAN FREE TRADE AGREEMENT (NAFTA)

MEMBERS:	United States, Mexico, and Canada
GNP:	$5.9 billion
POPULATION:	360 million
AUTHORITY:	North American Free Trade Agreement, August 12, 1992, *available in* LEXIS, Genfed Library, Extra File

CARIBBEAN BASIN INITIATIVE (CBI)

MEMBERS:	Anguilla, Antigua & Barbuda, Bahamas, Barbados, Belize, Costa Rica, Dominica, Dominican Republic, El Salvador, Grenada, Guatemala, Guyana, Haiti, Honduras, Jamaica, Nicaragua, Panama, St. Lucia, St. Vincent & the Grenadines, Surinam, Trinidad & Tobago, Turks & Caicos Islands, British Virgin Islands, Montserrat, Cayman Islands, Netherlands Antilles, St. Kitts & Nevis
GNP:	$46 billion
POPULATION:	50 million
AUTHORITY:	Caribbean Basin Recovery Act of 1983, as amended, Pub. L. No. 98-67, 97 Stat. 369 (1990)
CENTRAL OFFICE:	Washington, D.C.

CARIBBEAN COMMUNITY (CARICOM)

Members:	Antigua and Barbuda, Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Jamaica, Montserrat, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, and Trinidad and Tobago
GNP:	$13 billion
POPULATION:	6 million

AUTHORITY:	Treaty Establishing the Caribbean Community, July 4, 1973, 12 I.L.M. 1033
CENTRAL OFFICE:	Secretariat located at Georgetown, Guyana

ORGANIZATION OF EASTERN CARIBBEAN STATES (OECS)

Members:	Antigua and Barbuda, Dominica, Grenada, Montserrat, St. Kitts & Nevis, St. Lucia, and St. Vincent and the Grenadines
GNP:	$1 billion
POPULATION:	560,000
AUTHORITY:	Agreement Establishing the East Caribbean Common Market, June 11, 1968, 12 I.L.M. 1176 (Annex I to the CARICOM); Treaty Establishing the Organization of Eastern Caribbean States, June 18, 1981, 20 I.L.M. 1166
CENTRAL OFFICE:	Economic Secretariat located in St. John's, Antigua

CENTRAL AMERICAN COMMON MARKET (CACM)

Members:	Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua
GNP:	$26 billion
POPULATION:	25 million
AUTHORITY:	Formed ancillary to the General Treaty of Central American Economic Integration, 780 U.N.T.S. 305, December 13, 1960, [1990/1991] 1 Y.B. INT'L ORGS. 1542
CENTRAL OFFICE:	Guatemala City, Guatemala

MEXICO CENTRAL AMERICA FREE TRADE AGREEMENT

MEMBERS:	Mexico, Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua
GNP:	$196 billion
POPULATION:	110 million
AUTHORITY:	Currently under negotiation

ANDEAN COMMON MARKET (ANCOM)

Members:	Bolivia, Colombia, Ecuador, Peru, and Venezuela
GNP:	$124 billion
POPULATION:	91 million
AUTHORITY:	Agreement of Cartagena, May 26, 1969, [1990/1991] 1 Y.B. INT'L ORGS. 1345
CENTRAL OFFICE:	ANCOM Commission located in Lima, Peru

LATIN AMERICAN INTEGRATION ASSOCIATION (LAIA)****

Members:	Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Mexico, Paraguay, Peru, Uruguay, and Venezuela
GNP:	$773 billion
POPULATION:	375 million
AUTHORITY:	Treaty of Montevideo, August 12, 1980, entered into force March 18, 1991, 20 I.L.M. 672
CENTRAL OFFICE:	LAIA offices located in Montevideo, Uruguay

COMMON MARKET OF THE SOUTH (MERCOSUR)

Members:	Argentina, Brazil, Paraguay, and Uruguay
GNP:	$456 billion
POPULATION:	187 million
AUTHORITY:	Treaty Establishing a Common Market (Treaty of Asuncion), March 26, 1991, 30 I.L.M. 1041
CENTRAL OFFICE:	Montevideo, Uruguay

**** The formation of the Latin American Integration Association supplanted the former Latin American Free Trade Association. The Latin American Free Trade Association was formed originally in on Dec. 8, 1964, 4 I.L.M. 682.