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***The Legislative Role in the Regional  
Integration Processes in the Americas:***

***An Overview of the Characteristics of MERCOSUR and NAFTA in Brazil and the U.S.***

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### ***1 – Introduction***

Something new is happening in the Hemisphere after centuries of wishful thinking: Integration is not a summer's dream anymore but a concrete fact. Moreover, it is a fact not only in the North, after all a more acceptable move, but also in the South, a real oxymoron in Political Science terms. In addition, the South is far in advance in the integration process than the North. How the Continent has reached this situation in only a few years has been the object of growing observation in the academic, political, economic and in the large public opinion as well.

Our main goal here is to highlight the role of the Legislative Power in the main processes of integration of the region: MERCOSUR and NAFTA. We can justify this approach looking at the characteristics of both processes, occurring in a democratic context never seen in the Americas and, consequently, with a decisive participation of the Legislative Branch of Government. We also decided to limit our analysis to the two main countries of the Hemisphere: Brazil and the United States because of the relative similarities in size, population and political organization, besides their weight in the respective regional agreements.

The rise of Integration issues in the Hemisphere needs to be explained. The truth is that, for decades and even for centuries, the Americas seemed to not take seriously the integration agenda despite enthusiastic speeches in public, and for very different reasons.

In the North of the Hemisphere, the United States nurtured a isolationist syndrome built since the Washington's farewell address and isolationism became a stonewall part of American politics until today, but isolationists are now a shrinking minority in a prosperity economic era and probably will continue to be, at least until the next recession. Even so, it's hard to understand, at first glance, the integrative move of North America. The US had just won the Cold War and are in the most impressive period of economic prosperity since WWII. Furthermore it's the only remaining superpower. Why in this moment of triumph should the nation make an effort to negotiate with its neighbors, one of them an underdeveloped country? Why the most powerful nation on Earth should made commercial concessions to political and military dwarfs as Canada and Mexico? Moreover, why the US should commit them to extend the integration to all the Americas? The answers for these questions involve many variables and we'll try to address some of them in this paper.

On the South side of the Hemisphere the Integration has been, for long time, an impossible dream. In the early 19<sup>th</sup> century, just before the Independence wars of the former Spanish colonies, a united South America became the main objective of the principal Hero of the Independence: Simon Bolivar. Bolivar try hard to reach his goal, a Congress was held in Panama to achieve a united South America. But this efforts were in vain: one after another the former colonies split into independent countries, creating a even more divided political map than the old Spanish colonial vice-kingdoms. Brazil became independent from Portugal in 1821 but maintain the monarchic organization of the state in contrast with the new South American Republics until 1881. Even though, Brazil didn't joined the old integration dream, representing near 48% of South America the new Republic don't see the need of join other countries. Furthermore, other barriers, both geographic and linguistic separated Brazil.

Only gradually Brazil changed its original position and began to participate in the series of integrative efforts in the Southern Continent but none of them were successful. The dominating thought was that the Latin American Countries were doomed to remain divided forever, that division and dissent were "in their nature", as an Act of God. Mainly, the pillars of the region, Argentina and Brazil were longtime foes, having made wars without any significant result. But this was a sort of a blessing, because a decisive victory (as Prussia over France in 1870) can create an entrenched suspicion. Without a radical change of orientation of the strategic options of both countries, however, Argentina and Brazil seem condemned to be rivals forever. In just few years, astonishingly, Argentina and Brazil start an accelerated process of approximation culminating in the most successful process of integration in the world. Why this happen and how?

The focus of this paper is to describe how the Legislative Branch of Government influences the issues of MERCOSUR and NAFTA. More precisely we intend to look at the role of the Chamber of Deputies and the House of Representatives because, despite the key position of both the US and the Brazilian Senate, the lower chambers usually hold the first debates and struggles of an issue. We have to make very clear, from start, that the opinions and ideas of this article are of the only and exclusive responsibility of the author and do not reflect in total or even in part, the positions of the Chamber of Deputies of Brazil and his Assessoria Legislativa.

The structure of the paper will describe, in the first part, what are the similarities and differences between MERCOSUR and NAFTA. The objective is to compare the main characteristics of both processes in order to understand why they have come into light. In the second part we'll try to address the respective roles of the US House of Representatives and the Brazilian Chamber of Deputies. Finally we'll discuss the future of integration in the Americas from the perspective of the Legislative Branch.

In addition, we'll consider the implications of integration in a broader perspective, the future of democracy in Latin America and the relevance of a pro-active Congress to address this vital issue.

## **2. 1<sup>st</sup> Part: NAFTA and MERCOSUR – Similarities and Differences.**

In this section we'll describe first the main reasons that are at the origin of both NAFTA and MERCOSUR integration processes. After this prelude we'll proceed to analyze the similarities and the differences between the two treaties.

## ***2.1.Origins of NAFTA***

The North American Continent lacks the historic turmoil of the integration processes of the South American counterpart. Integration in North America is really a new fact and not the culmination of a long and painful path. The northern part of the Hemisphere is radically different than the southern: only three countries instead of twelve; the only remaining superpower; one of the most socially developed countries in the world; one characteristic developing country with the only border between the developed and the developing worlds.

The US didn't show a serious commitment to integration with the rest of his neighbors since its independence. Only when a major menace arise the US take some attitude, but mainly as an intervention instead of integration. The first was the Monroe Doctrine of 1823 destined to prevent the re-colonization of the former Spanish possessions by the Holy Alliance. After a long period marked by American expansionism and intervention in the Caribbean and Central America, a new challenge to the US hegemony in the Hemisphere was the Italian fascist ideology and the German nazi doctrine in the 30s', in addition to the already active Communist Party.

At that time the US were under a severe economic depression and the totalitarian regimes seem to be a sound alternative face to what seems to be the failure of capitalism and democracy. Due to the large immigration of Italians and Germans to South America during the final decades of the 19<sup>th</sup> Century and the earlier 20<sup>th</sup> Century the totalitarian ideals found a fertile terrain mainly in Argentina, Brazil and Chile, in parallel with the growth of the Communists Parties. When sympathizers of the Axis came to power in Argentina and Brazil with Peron and Vargas, the US started an initiative to unite the Americas under the orientation of President F. D. Roosevelt, and an Hemispheric Summit was held in Uruguay.

But the end of World War II changed the goals of the US policy, now cold war oriented. Security instead of integration became the motto and the Latin American countries were placed in a secondary place. Only the growing discontent with the social and economic stagnation of the 60s' in South America and the menace of the ascension of communist governments in Argentina, Brazil, Peru, Uruguay, as in Cuba, push the US to start another initiative. This time with another Inter American Meeting of Punta del Este, in Uruguay, in 1962 under the presidency of J.F. Kennedy. But the main goal of the "Alliance for Progress" was to contain communism and not integrate, so the program was a failure in terms of economic development for the Latin American countries.

The concern of the US with the Hemisphere seems to follow a 30 years cycle in this century. And this seem to be confirmed in the late 80s', but under a different approach: it was no more the action of a superpower defending its own interests but a real essay of integration with its neighbors under the sign of equality. The integrative approach between Canada, Mexico and the US is, consequently, completely diverse of the other American initiatives, its not only to solve a temporary threat to the US power, but to build a new and sound relationship for the foreseeable future.

With this background, we understand more easily the relevance of the North American Free Trade Agreement – NAFTA including Canada, Mexico and the US. The Agreement was the corollary of the Free Trade Treaty of December 1988 signed by the US and Canada. At he time, this initiative had rise few expectations because the level of development of the two countries was similar and the degree of interdependence of the two economies was very high.

In 1990 began the talks to included Mexico in the US-Canada Free Trade Treaty. The process was very demanding to the Bush and Clinton Administrations in the US and also for the Salinas

Administration in Mexico. Only in October 1993 the US Congress approved the Agreement. Since then, the NAFTA has been under pressure from different sectors of the US society, mainly Unions and manufacturers which fear the competition of goods produced more efficiently in Mexico and the alleged export of jobs to the Southern partner. But until now the NAFTA had hold the treats and step by step has changed the traditional repulse of the US to maintain permanent links with other countries, mainly if one of them is clearly underdeveloped and belongs to a clearly distinct universe of culture and values as Mexico.

## ***2.2. Origins of MERCOSUR***

The most remote origins of MERCOSUR can be found in the integrative attempt of the Latin American Association of Free Trade (ALALC in Portuguese and Spanish) back in 1960, which congregates all South American Countries plus Mexico. The main ALALC objective was to stimulate the industrialization and the diversification of the Latin American economies and also to reduce the, at that time considered a worse thing, "dependence" upon the industrialized countries. The regional agreement attempt to reach that goal by the elimination of the regional commerce barriers and, consequently, the expansion of the markets. In fact, the ALALC was an essay to modify the development model adopted in Latin America at the time, with economies showing little diversification in the outputs and turned to export to the developed countries markets'.

However, series of economical and political factors undermined the progress of the ALALC. Politically, the region was at the beginning of the most serious turmoil in the century: one after another, practically all the nations of the region fall under the military rule. Democracy became a scarce commodity until the late 80s'. With the rise of the military regimes the ideal of integration was substituted by the ideas of national security and, consequently, by raising suspicious between the countries which in some occasions went to the edge of war, mainly Argentina and Chile. This Dark Age has consequences until today and was responsible for the lost of a precious time in the development agenda of the region.

Economically, the ALALC has excessively rigid mechanisms for the commercial liberalization. One has to have in mind, furthermore, that the experience of the ALAC happened in the very historical moment of the industrialization of the Latin-American countries under the process of import substitution characterized also by broader tariff and non-tariff barriers to imports in order to accelerate the internal production.

This import substitution process has had different levels of achievement in the Latin-American countries and Brazil is the country, which, despite all the loopholes of the model, has obtained the best results because the industrial sector is a sound reality. This Brazilian success can be explained by the governmental policy which, during almost 20 years, maintained huge investment programs in the industry core and in infrastructure. For those reasons Brazil has been able to surmount the initial stage of the import substitution process based in the local production of former imported consumption goods and reaches a diversified level of industrial production.

In the case of Brazil the high import tariffs are one of the elements of the industrialization process and we have to dismiss the idea that all the industrialization process do not had take place without the high tariffs. In fact the industrialization of the country had occurred because of the high tariffs but mainly, because of the continuous investments in the industrial sector and in infrastructure. It is also true that in the beginning of the 80s' the country could have start a process of lowering trade barriers but the financial crisis of the region forced surpluses of the commercial balance in order to pay higher interests rates of the external debt.

In the case of the ALALC we have to emphasize the fact that all the country members adopted a high tariff policy in order to favor their import substitution industrialization programs. So, the attempt to lowering trade tariffs between them was contradictory with their global commercial policy, consequently, the ALALC members allowed very little room to the commercial

liberalization. They were afraid of the competition for their new internal industries, even inside the ALALC, and, finally, all of them were eager to export their production to the others but not ready to accept imports, and that's the main reason for the failure of the ALALC.

Facing the fiasco, the ALALC countries decided, in the end of the 70's, to start a new negotiation and another broad organization arise: ALADI, the Latin American Integration Association. The same lack of pragmatism of the ALALC can be found in the ALADI: the goal was the complete liberalization of trade between the eleven members but with more flexible mechanisms of implementation. The most remarkable innovation was the acceptance and the encouragement of under regional agreements between some few members and not anymore between the club of the eleven. This legal permission was one of the three main factors in the rise of the integration prospects of Latin America.

The two others were the re-democratization of the Southern Continent and the growing diversification of the industrial production in the key countries: Argentina, Brazil and Mexico.

The re-democratization wave generates both stability and legitimacy, changing the perception of the neighbors from rivals to allies sharing the same political, economical and social problems and with the same objectives.

In addition the industrial diversification allowed to emphasize the complementarily aspects instead of the competitive ones between the Latin American economies. Consequently, the reduction of trade barriers produced the effective growth of trade in both directions.

In this favorable scenario Argentina and Brazil, newly democratized at that time, and under severe economic crisis characterized by high levels of inflation, lack of reserves in foreign currencies, high external debt service, growing unemployment, and huge social demands repressed during the military rule, decided to bury the century-old rivalry and had a fresh start in their relationship. The first step was the Declaration of Iguazu, in 1985 creating a High Level Joint Committee to accelerate the issue.

In 1986, Presidents Alfonsín and Sarney from Argentina and Brazil signed the Economic Cooperation Treaty under the stipulations of the ALADI. The instrument was designed to foster the trade in key sectors for both economies: capital goods, wheat and automobiles, and prove to be very efficient to the growth of the bilateral trade of these goods.

The rapid successes of the Agreement drive to a more ambitious plan. In 1988, Argentina and Brazil signed (always under the umbrella of ALADI) the Integration Treaty which stipulate the creation of a common market between the two countries including the complete abolition of trade barriers for all the products instead of only a few sectors and the adoption of a Common External Tariff and the coordination of the macro economic policies.

The new political fact and the success of the economic performance of the treaty provoke immediate consequences in the Southern Cone. Paraguay and Uruguay cannot afford to be aside of the integration process of their two main markets. The result was the Treaty of Asunción of March 26<sup>th</sup> 1991, in addition to the goals of the 1988 Treaty, a calendar was set, stipulating December 31<sup>st</sup> 1994 to the establishment of a Common Market under the name of MERCOSUR.

The MERCOSUR was born after a long path since 1960, and there are three main anchors in it: the juridical, the political and the economical. The Juridical anchor is represented by the ALADI because MERCOSUR is linked to the main Latin American Organization by the Economic Complementarity Agreement between Argentina, Brazil, Paraguay and Uruguay. The political anchor is the democratization process initiated in the four countries in the middle to the late 80s' and the compromise of the respective Heads of State to maintain and expand the integration process despite belonging to different political parties than their predecessors. The economic anchor is the

macro economic stabilization who ends the inflationary processes and the growing diversity and production capacity of the four economies.

The origins of the MERCOSUR are the lessons of the great failures of its predecessors it seems that, finally, Latin American countries had done their homework and put their wagons in the right track.

### ***2.3. Similarities between NAFTA and MERCOSUR***

In essence, both Agreements started from the same analysis of the evolution of the international economic and political relations for the next millennium. A world in which the Nation State, consolidated after centuries as the core of the international system, is no longer enough to provide stability and prosperity even for the most mighty and successfully of all, the USA.

In fact one of the most remarkable characteristics of the actual organization of social and economics relations is the speed in which changes occur. Only two or three generations ago, practically nothing in terms of the human evolution, the pace of change was radically different. It takes years and even decades to achieve a major transformation of society or in someone's life. The acceleration of the possibilities of change were made possible by the evolution of technology, turning possible, and of course desirable, to achieve in few days what use to take months, in few years what use to take decades in one decade what use to take a century.

A stronger and stronger pressure from the taxpayers' to the governments asking for immediate solutions for old problems translated these possibilities. The governments cannot anymore achieve the "miracle" of welfare for everybody, as it seems possible 20 or 30 years ago. The Nation-State looks impotent, trying to fix new challenges with old tools. The actual crisis in the organization of society was adjourned due to the Cold War, which mobilized the very better of the resources both in the West as in the East.

Now the Cold War is over and a lot of problems remain unsolved and there is a growing impatience of society. One of the consequences of the ideological conflict was the end of alternatives to the organization of society: democracy, market regulated economy, and international trade are the winners so, even for the more skeptics, there is some qualities in them after all. For the first time in the history of mankind there is a broad consensus over the fundamentals of the organization of society.

This favored the integration of countries used to be foes in the recent past. The first to reach that agreement is Western Europe and the region is today the most successful example of integration both economical and political. The success story of the European Union in the former most divided continent surged as a benchmark to others to emulate. The Americas responded in almost the same time to the new organization of the world, surprisingly, it was the underdeveloped part, the South, which make the first step toward regional integration, and the mainly wealthy North followed few years later.

Although we can explain with in deep details why the Latin American former rival countries of the Southern Cone started the integration process we lack of place in this paper. We had only to remember that the challenges in the region were and remain more urgent that in the North, it is really a question of survival in a tougher environment for Argentina and Brazil which had passed trough a long period of decline and wanted to get rid of it.

What is important is that from the North to the South of the Hemisphere the Nation States have reached to the same conclusion: Integration is a priority to the Americas toward the next millennium. Starting from this common denominator integration has reached unseen levels in the Americas. The core of the integration process is constituted by NAFTA and MERCOSUR, which are the most important considering the GDPs', population and geographical extension of the participating countries.

We can resume the main similarities between the two main integration processes as follows:

1. Reaction vis-à-vis the new world order, better united than dead;
2. Struggle to maintain a challenged dominant position in economic terms for the US, to keep the reached welfare for Canada, and to recuperate the losses and take a shortcut to development for the Latin countries;
3. Abandon of centuries-old entrenched positions of isolation, rivalry and even contempt for the neighbors;
4. Looking ahead the immediate interests toward the future, assuming today's losses in exchange for tomorrow's benefits;
5. Vision of the Hemisphere as a whole and not anymore as a mosaic of different countries competing with each other;
6. Rebirth of the notion of America as a unique region sharing common interests;
7. Starting with a reduced number of members, four for MERCOSUR and three for NAFTA and desire of expand the system after consolidation;
8. Filling the gap between the rich and the poor nations of the Hemisphere toward trade, preparing the general liberalization of the next millennium;
9. Acceptance by the richest nation to share responsibilities and to make concessions to the rest of the Hemisphere;
10. Agreement with the fundamentals: democracy, market-oriented economic policies, transparency, and the most important, that the Wealth of the Nations depend on trade and not in barriers.

These are, synthetically, the similarities through MERCOSUR and NAFTA. Although the existence of so much common points sound differences exists between the two Integration processes as we are going to examine in the next part.

#### ***2.4. Differences between MERCOSUR and NAFTA***

Despite their common background MERCOSUR and NAFTA can be classified as different answers to the same problem. Both are valid, and it is too soon to forecast which is better than the other. Instead, we can also assume that they are complementary instead of excluding. The differences can be categorized in two main groups: the broad and the specific factors that contrast the two processes.

The first group is formed by the main contrasts between the comparing integration movements: Cultural and Economical. In effect MERCOSUR is formed by a more homogeneous group of members. All MERCOSUR participants belong to the same cultural base with deep roots in the Iberian tradition.

It's true than Brazil has a more diverse cultural base than Argentina, Paraguay and Uruguay, but Brazil has a clear commitment with the Western European principles as its others associates in MERCOSUR. Clearly, Argentina and Uruguay are socially more homogenous and populated mainly by the European immigration from Spain and Italy. Paraguay has a strong native population and in practice is a bilingual country, speaking Spanish and Guarany. Brazil, finally is a melting pot with European immigration from Portugal, Spain, Italy, Russia, Poland and from East Asia, Japan, China, Korea, also the extremely important contribution of the African Culture, unfortunately by the mean



of slavery in its origins and even a not well know US contribution by Southern immigrants fleeing the defeat in the Civil War.

But in essence the four countries share the same values and clearly belong to the same cultural tradition. So there is a strong homogeneity in the sociological aspects of MERCOSUR which contributes for its astonishing success. The cultural roots cannot be considered as a secondary factor as some analysts tend to do because culture determines positions, reactions and, broadly speaking, what the Germans call *weltansicht* or global view of the reality. In sum, the MERCOSUR associates speak the same "language".

In contrast the cultural base of the NAFTA countries is profoundly diverse. Canada and the United States belong mainly to the Anglo-Saxon tradition, even considering the importance of Quebec, and, clearly, Mexico has another roots.

But even within Canada and the US significant differences exists. Canada follow the European welfare state system in contrast to the market oriented US. Also, their respective views of the world are sharp different as expected between a superpower and a high income, few populated, aide oriented country.

Mexico stands apart as one of the richest cultures in the world. Host of two of the main civilizations of the past of mankind (the Aztecs and the Mayan) and receiving also a strong Spanish influence enriched in this Century by the intellectual immigration from the Spanish Civil War of 1936-1939, Mexico is a cultural melting pot. Evidently, the Mexican, Canadian and American views of the world are radically different and the dialogue is not so fluent as in the case of MERCOSUR.

In the economic side, MERCOSUR and NAFTA have even sharper differences. In the first case the four countries, despite huge differences in size and population, belong to the developing group by the international standards, particularly if we take into account the GDP per capita. On the other side, however, there is an abysmal difference between the wealth of Canada and the US, both in the head of the developed club and Mexico, clearly a developing country. So, the economical homogeneity has far more density in the South than in the North, with differences in the GDP per capita in the range of 1 to 2,5 approximately in MERCOSUR, in comparison with a range of 1 to 6 approximately in NAFTA, and that explain in part the different characteristics of the two processes.

Mainly, MERCOSUR has been founded following the European Union (EU) Model so it has a tendency toward full integration, NAFTA, on the contrary, is essentially trade oriented. The first is a Common Market project, the second a Free Trade Area. Consequently, the MERCOSUR is a far more ambitious project and institutionally different from NAFTA.

We can classify according to the economic theory the shape and level of integration between countries in the list below from the weaker to the strongest:

1. Free Trade Area: the member countries withdraw the tariff and non-tariff barriers, and the tariffs for the Rest of the World (ROW) are established by each member individually. It's the NAFTA and also the Free Trade Area of the Americas (FTAA) proposal
2. Customs Union: the member countries eliminate the tariff and non tariff barriers and established a common external tariff on the trade with the ROW.
3. Common Market: a Customs Union with free circulation between the members of capital, goods and labor. It's the MERCOSUR goal.
4. Economic Union: combine the elimination of trade and free circulation of production factors restrictions with standardization of the macro economic policies. It's the European Union today.

5. Total Economic Integration: the members established a supra national institution with mandatory decisions toward the unification of the monetary, fiscal and exchange policies. The restrictions to trade and production factors were abolished.

A Common Market is the ultimate goal of MERCOSUR. To reach it will demand a long period of in deep changes in the political and economical organization of the member countries as still happen in Europe. A Common Market is characterized by common and permanent supranational institutions, a common currency, common macro economic policies, free circulation of goods, services and people which, in the last case, implies the adoption of a supra nationality.

A Free Trade Area as the NAFTA proposal is a limited integrative initiative. The only requirement for the NAFTA members is the progressive abolition of tariff and non tariff barriers between the goods and services produced by each member. This, evidently, requires the adoption of a system of a common external tariff toward the rest of the world and also the establishment of common rules defining the percentages of aggregate value to classified a product as national to enjoy the benefits of the free circulation of goods and services.

Concisely, MERCOSUR and NAFTA are different according to the cultural background of the members, the gap between the most developed and the less developed participants, the ultimate goals of the respective initiatives. We have to consider now one of the characteristics of the constitution of this two integration processes the role of the Legislative Power in the implementation of the NAFTA and MERCOSUR Agreements. We limited this part to Brazil and the US, the two major players of each system.

### ***3. 2<sup>nd</sup> Part. The Role of the Chamber of Deputies of Brazil***

#### ***and the House of Representatives of the United States***

We can learn about a Nation through its political institutions. In the case of Brazil and the US the role of the Legislative Branch of Government is asymmetric. That's a sound motivation to study both institutions under the perspective of hemispheric integration.

The U.S. Congress has a strong tradition in the effective exercise of its constitutional powers since its Independence. The Brazilian Congress, despite being one of the oldest legislative institutions in the Americas, has been known for a turbulent existence throughout the ages. The history of both Houses is an important background to understand their reactions to the cases of MERCOSUR and NAFTA.

Although the Legislative role in Hemispheric Integration embraces the two chambers, the Lower Chamber, the Chamber of Deputies, the House of Representatives, the Upper Chamber, and the Senate in the two considered countries, we decided to limit the scope of our analysis to the lower chambers in both Brazil and in the US.

The approach will concentrate on the Legislative process, based in the primary sources of the two Chambers, and we'll intend to compare them in order to understand the way they work in a similar issue.

#### ***3.1. The Role of the Chamber of Deputies of Brazil in the MERCOSUR process.***

##### ***3.1.1. First Steps toward Integration***

In the path to the re-democratization of Brazil the Constitution of 1988 was the key element toward civil society. One of the most important changes of the Constitution is the role of the Legislative Branch of Government. In fact, under the authoritarian regime from 1964 to 1985, only the

Executive Branch hold real power, the Congress role was merely reduced to legitimate the decisions of the Presidency of the Republic and in the few occasions when the Legislative shows independence it was promptly shut down.

The constitutional Chart gives real power to the Brazilian Congress for the first time in more than two decades. The Congress was not well prepared to accomplish with full efficiency its new constitutional duties, it was necessary to adjust to the new situation and this adjustment takes time. Until now the Legislative Branch continues to upgrade its human resources and management capacities to fulfill the constitutional mandate. Furthermore, the rising complexity of the management of a society demands more and more efficiency from the public power and the Government, in all its three branches, is compelled to deliver more and more services with raising quality and lower costs to more and more demanding taxpayers.

Despite these huge problems the Brazilian Congress participate in the integration process since its beginning. The Executive receives full legislative support to its initiatives to approach the Argentinean Government even during the elaboration of the Constitution. In fact, the model adopted by the authoritarian rule for the country was, in the middle 80s', completely broken and, coincidentally, the same occur in neighboring Argentina. This exceptional moment was transformed from a deep crisis in a tremendous opportunity by the democratic governments in both countries. Instead of remaining turning their back to the other the two main powers of South America decided to unite their forces in a common project, an unbelievable act just a few months ago under the military rule.

In fact, despite of their alliance during the Paraguayan war in the middle of the 19<sup>th</sup> Century, Argentina and Brazil have even go to war over the Uruguayan issue, a stalemate situation which never occur again in more than 100 years. But the brass in the two sides of the frontier never forget the past bellicosity and prepared constantly to the next conflict which, hopefully, never came. But it takes courage to new civilian governments in decades, in a turbulent economic environment, with the freshly memory of the dictatorship, to bury a century-old dogma that Argentina and Brazil were "natural" rivals and, were doomed to fight sooner or later.

Fortunately, Argentina and Brazil follow the same pace toward democracy and civilian rule and, consequently were able to take steps in the same direction. The first step was the Iguazu Agreement of 1985, which establish a Joint High Level Committee for Integration Affairs. The intensive work of that Committee result in the adoption of the Integration and Economic Cooperation Program (PICE) in July 1986 with the objective of creating a common economic area, with the selective open of specific sectors of the economy of both countries. The main principles of the PICE were gradual approach, flexibility, dynamic equilibrium and symmetry in order to allow the progressive adaptation of the productive sectors involved in the new competitive environment.

In November of 1988 the two states signed the Integration, Cooperation and Development Treaty assuming the wish of build in ten years a common economic area. The means to reach that objective were, essentially, the complete freedom of bilateral trade, the coordination of macro economic policies and the standardization of sector policies. To achieve that goal, 24 specific protocols were signed considering sectors as capital goods, wheat, auto sector, nuclear cooperation and biotechnology among others.

The next step was the signature, by Presidents Collor and Menem, of the Buenos Aires Agreement, in which the two countries agree in establish a deadline for the integration: 31<sup>st</sup> December of 1994. This was a decisive movement toward integration, until now, the process was limited to Argentina and Brazil and, moreover, limited to a free trade zone. The Buenos Aires Agreement changed this characteristic toward a far more ambitious initiative.

The most important change was the split from a free trade zone to a common market. In addition, there was a substitution of the selective and sector by sector approach by the process of automatic and generalized linear reduction of tariffs each semester. Also, the pact create a system for the progressive elimination of the products lists to be kept out of the liberalization process and give priority to the coordination of macro economic policies. At the same time was created the Common Market Group and signed the Treaty for the Establishment of a Regulation for the Joint Nationals Corporations within Argentina and Brazil.

Facing the new state of relations between the main countries of South America, the close neighbors, Paraguay and Uruguay has to take position. With their close economic ties to Argentina and Brazil, they cannot afford to stand apart and decided to join the integration movement. All of these moves occur in a exceptional political moment when all the four countries involved where under democratic civilian rule with the Legislative Power functioning without supervision of the Executive.

To the surprise of many skeptic observers, the integration of the Southern Cone became suddenly a reality, even with the temporary absences of Chile and Bolivia. As soon as March 1991 was signed the Treaty of Asuncion the authentic benchmark of MERCOSUR. Since though, the Legislative Branch was called to work even more closely in the process and respond to the growing demands of the society.

The Legislative Branch in Brazil took part in the integration stream since its beginning. All the Agreements were submitted to the Congress for discussion and approval and lawmakers participate and were consulted during the negotiations of the agreements driving to MERCOSUR.

After the signature of the Treaty of Asuncion, however, the Brazilian Congress developed a special structure. This changes were designed, first, to follow the integrative initiatives of the Executive according to the constitutional requirements and, in addition, to propose initiatives of its own, in a pro-active mood unthinkable just a few years before. We'll try to describe this process in the following part.

### ***3.1.2. Internal Legislative Modifications for the Integration Process***

The Brazilian Congress has undergone a series of modifications to follow the integration process in the Hemisphere. Facing the sound reality of MERCOSUR, both the Senate and the Chamber of Deputies decided to intervene more decisively in the matter. For that purpose, the Congress decided to create a Joint Committee, which we will describe further.

The participation of the Legislative Branch of Government in the MERCOSUR process was a new fact in Brazilian politics. Until recently the role of the Congress use to be follow the path of the Executive and normally agree with the decisions of the Presidency. The Congress has never had the power of the US Congress, for instance. Under the Constitution of 1988, however, the Legislative Branch has new and consistent responsibilities and step by step, is committed to improve its skills.

The internal structure in the international affairs matters is quite similar in both the Senate and in the Chamber of Deputies. We are limited, in this study to the organization of the Chamber of Deputies which is build to examine, debate and decide over international treaties negotiated by the Executive.

The case of MERCOSUR brings improvements but, initially, the agreements between Argentina and Brazil were submitted to the Chamber of Deputies. The procedure for the legislative process upon international instruments compromising Brazil is the following:

1. The President of the Republic or the Ministry of State (depending of the category of international instrument) send the official message to the President of the Chamber,

explaining the importance of the approval of the international agreement for the betterment of the country.

2. The Office of the President of the Chamber initiates the legislative process giving a number to the Executive Message and sends it to the respective committees. At least two committees had to examine, debate and vote the project. The internal rules determine that the Committee of Constitution and Justice is always the first to receive all the projects.
3. After the exam by the Committee of Constitution and Justice, the project (eventually modified) is sent to the most related Committee, for instance if it is a treaty about fishing rights the Committee of Agriculture has to decide about. But if the project involves also the categories of ships allowed to fish, the Committee of Transportation has to decide about.
4. In the case of a very complex treaty having impact in many fields involving more than 3 committees, a Special Committee is constituted with the sole purpose of examining it.
5. Only after the proceedings in the committees, which includes public hearings, debates, amendments and vote, is the project with all the amendments introduced in the committees included in the agenda of the floor for the final vote of the 513 Deputies.
6. After the vote of the floor, the final decision of the Chamber is sent to the Senate for a similar process.

It is easy to understand, once the internal procedure is described, why the Legislative process is viewed as excessively slow, in comparison with the apparent dynamism of the Executive. In order to accelerate the process the Congress has introduced some improvements to update its internal procedures and the Chamber of Deputies is debating how to accomplish its constitutional obligations in a more efficient manner. Also, the Chamber is currently under a huge process of modernization that includes a broad system of computer network, hiring of specialists and the start of the TV channel.

The reform agenda is being debated at the Chamber of Deputies but some steps have been taken to make improvements. Starting from the perception that one of the difficulties of the Legislative was the time span within the arrival of the Message from the Executive Branch and the final decision by the Congress, the Chamber and the Senate decided to follow the integration process more accurately and in a dynamic basis.

Instead of waiting for the decisions of the Presidency, the Congress has to participate in the negotiating process and debate the issues as they appear in the agenda. Otherwise, the Legislative is doomed to wait the end of closed negotiations within Executives and has to start from scratch to examine a project. Following the issue from the beginning will maintain Congress permanently informed and this will allow to limit the debates to the core of the issue instead of having to explain all the implications from start. The permanent following of negotiations of international treaties can constitute a shortcut, allowing the Legislative to adopt decisions in less time but observing the law and the democratic process.

The case of MERCOSUR is the paradigm of the new Legislative approach. With the unexpected success and consequently the intensification of multilateral negotiations between the governments of the 4 members of the integration process, the Legislative feels the urgent necessity to participate more closely in the negotiations.

The benchmark for the new Legislative position was the Treaty of Asunción of March 26<sup>th</sup> 1991 that constitutes the base for the construction of a Common Market including Argentina, Brazil, Paraguay and Uruguay. The article 24<sup>th</sup>, not by coincidence the last one of the Treaty, stipulates the creation of a Joint Parliamentary Committee (JPC). This was a decisive step toward the participation

of the Legislative in the integration process. Of course the Executive of the 4 countries was reluctant for have to share that was used to be its exclusive and uncontested domain. That's the reason why the JPC come in the last place and, moreover, without any link to the organic structure of the MERCOSUR as described from article 9<sup>th</sup> to article 18<sup>th</sup>.

The Congress was not entirely pleased to be included in the last minute but accepted it at first mainly because the recent history of the Southern Cone and even the history of the Member Countries was not one of active Legislative participation. The approach has to be progressive but the issue of a more active congressional participation was in the top of the agenda. Short after the signature of the Asuncion Treaty the Brazilian Congress through the Resolution Number 2 of August 20<sup>th</sup> 1992 constitutes the JPC and designates its members, internal rules, organization, functions and duties.

The intensive work by the JPC and the growing complexity of the integration process call for a more decisive parliamentary action. The issue was addressed to the Executive and the result was included in the 1<sup>st</sup> Article, point IV, of the Ouro Preto Protocol of 1995, approved by the Congress by the Legislative Decree Number 49 of 1995. The text stipulates that the JPC is now part of the institutional structure of MERCOSUR, composed also by the Council of the Common Market, the Group of the Common Market, the Commerce Committee of MERCOSUR, the Consultative Social-Economic Forum and the Administrative Secretariat of the MERCOSUR.

Each Congress of Argentina, Brazil, Paraguay and Uruguay has to create a National Section of the JPC according to the Section IV, articles 22 to 27 of the Ouro Preto Protocol.

The article 22 stipulates that the JPC is the representative body of the Member State Parliaments. The article 23 stipulates that the JPC has to be formed by equal number of lawmakers of each Member State. Article 24 allows each Parliament to decide the form to designate its representation in the JPC. The article 25 describes the goals of the JPC as to accelerate the internal procedures in each of the Parliaments in order to permit a quick exam of the MERCOSUR norms. In addition the JPC participates in the standardization of the laws according to the evolution of the integration process. The Council of the Common Market can ask the JPC to examine urgent issues. Finally, the article 27 stipulates that the JPC has to adopt his own internal rules and procedures. At the end, the Legislative Branch has obtained a new and improved status in the integration process.

The JPC works exclusively with the integration issue but not lonely. In the Chamber of Deputies of Brazil, the Constitution and Justice Committee and specially the Foreign Relations Committee continued to play a key role in the process. Nevertheless the JPC is a sort of advanced antenna of the Legislative, the link between the negotiations and the Legislative process.

The Brazilian Sector of the MERCOSUR JPC is composed by 8 Senators and 8 Deputies nominated by the President of the Congress who is also the President of the Senate by proposition of the Party Leaders. At least 4 of the members have to belong to one of the main regions of Brazil: North, Northeast Center West, SouthEast and South to guarantee the regional representation. The term of the members is two years.

The Brazilian Sector of the JPC has a mandate, according to the article 7<sup>th</sup> of its internal rules to: 1) follow the pace of the regional integration process, keeping the Congress and the civil society informed about this topic; 2) contribute to the standardization of the legislation of each Member State by elaborating the adequate studies; 3) follow the constitutional procedures to internalize in the Brazilian juridical order the MERCOSUR proceedings and 4) sign cooperation agreements with public and private organizations, national, international or supra national.

Furthermore, the Brazilian Section of the JPC has 8 Under Committees: 1) Commercial, Customs, Frontiers, Technical Norms Affairs; Macro Economic Policies, Fiscal Policies, Monetary Policies

Coordination; 3) Energy, Transportation, Communications and Services Policies; 4) Industrial, Agricultural and Technological Policies; 5) Labor, Social Security, Health and Social Issues, Human Development and Gender Policies; 6) Environment and Population; 7) Institutional Relations, Security, Integration Law and Municipal Affairs; 8) Education and Cultural Affairs.

The Brazilian Section of the JPC is integrated in the Chamber of Deputies Committees' structure. The members meet regularly as the other Committees of the House. Monthly they meet with the Ambassador Head of the Brazilian Representation in the MERCOSUR talks. At least each semester the JPC holds a Joint Meeting of the 4 national sections.

In addition, the Brazilian Sector of the JPC has show a pro-active profile proving that the Legislative Branch of Government can be as active and productive as the Executive despite lacking the organizational density and budget. Among other initiatives the JPC of Brazil participates in all the meetings and seminars about integration in Brazil. Also, it holds regular meetings with CEOs of the private sector and with representatives of the organized civil society, issuing Recommendations and adopting Resolutions to respond to he demands of the diverse sectors of the Brazilian Society.

Finally, the Brazilian Sector of the JPC is a clear example of the new profile expected to be show by the Legislative Branch to address the more urgent demands of the civil society. Is, in addition, the way to rebuild confidence, by delivering sound results, between the taxpayers' and the lawmakers, an essential step toward the consolidation of Democracy in the Southern Cone of the Hemisphere.

### ***3.2. The Role of the US House of Representatives in the NAFTA Process***

The North American Free Trade Agreement (NAFTA) entered into force on January 1,1994. Since then, the new General Agreement on Tariffs and Trade (GATT) has been approved; control of the United States Congress has changed from Democrat to Republican; Mexico is going through a financial crisis; and apparently nothing dramatic, for better or for worse, has yet happened to the American economy.

In practice, the viability of NAFTA was resolved on November 17, 1993, when the United States House of Representatives voted to pass the bill of implementation and approval of the international accord. After weeks of intense political debate, the House approved the agreement by a vote of 234 to 200. The margin did not fully reflect the degree of uncertainty before the vote: such a wide margin was considered unattainable just a week before. The Senate approved the agreement, three days later, by a comfortable margin.

NAFTA is the first serious effort to liberalize the exchange of goods and services, and to adopt transnational rules and principles on aspects ranging from investment and intellectual property to environment and labor, among countries that have unequal economic capacity, diverse legal systems, and different historical and cultural backgrounds.

The focus on the House of Representatives is explained also because there the international trade agreement was on the verge of failing.

#### ***3.2.1. The First Debates***

On November 17, the House was to decide the future of an agreement mainly negotiated by a Republican President, but adopted and presented to Congress by a Democratic President. The agreement had been fiercely attacked by a strange coalition composed of organized labor, environmentalists, the radical right, the protectionist left, and some very specific powerful business groups, such as big sugar firms, citrus growers, and the flat-glass industry. The money and participation of former presidential candidate Ross Perot especially favored this coalition. On the other hand, NAFTA arrived in the House in the wake of a string of congressional approvals of trade liberalizing agreements stretching to the end of World War II. In addition, Presidents Carter, Ford,

and Bush responded to Clinton's request for support. Corporate America and almost all of the state governors were also pro-NAFTA allies.

The media had a significant role in the process by covering the NAFTA debate extensively. One of the high points of the public dialogue was the November 9, 1993, televised debate between Vice-President Al Gore and Ross Perot. Unlike the Free Trade Agreement with Canada, passed by Congress only five years earlier by a very comfortable margin, the NAFTA process aroused controversy. Each side predicted dire consequences if NAFTA did pass or if it did not pass. One long day in November, the House debated for more than eleven hours before voting on the bill. The debate had been framed months ago, but the result was unknown until that long day ended.

### ***3.2.2. The First Debates before the House***

The two most controversial issues in the NAFTA debate involved the environment and labor; their lobbyists were the most active NAFTA opponents. At the end, however, mainly the AFL-CIO fought the fight. Since the Bush presidency, some environmental groups, including the WorldWide Fund for Nature, decided to support the agreement, reasoning that it would be easier to monitor abuses in Mexico with an agreement than without it. Other groups followed suit and supported the agreement.

The environmental opponents mainly contended that the lower enforcement levels in Mexico would attract American industry, adding incentives to damage the already deteriorating Mexican environment. They pushed for reprisals against Mexico, rather than cooperation. Framed in this manner, the environmental issue was closely related to the labor issue. Labor groups also feared that industries were attracted to Mexico by the low wages paid to local workers. The "giant sucking sound," was the phrase used by Ross Perot to describe the catastrophic phenomenon of companies and jobs moving to Mexico as though they were being sucked into a black hole.

The Administration attacked the jobs issue with an equally forceful opposing argument. It promoted NAFTA as a job producing agreement. Thus, the ensuing battle of statistics with respect to prospective job losses or gains caused confusion, radically divided public opinion. As a result, relations between the White House and organized labor deteriorated, and the labor groups defined all those not with them as against them. Nevertheless, President Clinton trusted that despite this confrontation, unions were not likely to abandon the rest of his legislative agenda. One interesting approach promoted enactment of NAFTA as a matter of foreign policy rather than of economics. Many Congress members, advancing this trend, even compared the opportunity to approve NAFTA with the historic opportunity to purchase Louisiana or Alaska.

In the midst of the debate, many other topics were addressed, such as human rights, drug dealing in Mexico, United States' sovereignty, supranational bureaucracies, the uneven playing field in trade, immigration, and the deficit increase. Many specific examples of midsize companies threatened by the unfair competition, with Mexico, or highly benefited by the already opening Mexican market, were offered. The final debate was between two groups that possessed competing domestic agendas and irreconcilable worldviews. Nevertheless, the debate was to be resolved by a third group of undecided voters. Pushed by the Administration, this undecided group found itself trapped in a war of extremist assertions. Its decision required a leap of faith and personal sensitivity. Many of those who were undecided were torn by the congressional dilemma, balancing local concerns with national interests.

In 1990, the government of Mexico approached the government of the United States with the idea of negotiating a free trade agreement. Since 1985, with its accession to the GATT system, Mexico began to liberalize and to open its economy. The process proved profitable to states such as Texas, which in turn encouraged then President George Bush to initiate talks. By 1991, opposition to the agreement was already organized as the American Federation of Labor and Congress of Industrial Organizations (AFL-CIO) and several environmental groups focused on achieving the defeat of a



congressional revival of the "fast-track authority." Nevertheless, Congress approved it in May 1991. In November 1992, Bill Clinton defeated President Bush in the presidential election.

Although NAFTA negotiations were completed before the 1992 election, then candidate Clinton had endorsed the accord by promising to pursue supplemental agreements to address the deficiencies in the negotiated text in the areas of the environment, labor, and safeguards. Clinton was apparently trying to appease two major interest groups that supported his campaign: labor and environmentalists.

On August 13, 1993, marking the completion of negotiation of the supplemental side agreements, House Majority Leader Gephardt announced he could not support the accord as it stood. With this news, the formerly unified Democrat leadership was divided on the passage of NAFTA. Thus, the leadership role of the pro-NAFTA Democrats fell to House Speaker Thomas S. Foley. The split in the leadership showed the vote was not going to be based on loyalty, but on conscience. Partisan affiliation, therefore, was not a reliable variable for predicting the result. President Clinton had not yet begun working strongly for NAFTA passage when his opponents, especially Ross Perot, took advantage of the White House Administration's slow start to try to capture the public conscience.

September 14, 1993, with the signing of the Environment and Labor Side Agreements, was the date chosen by the President to launch a campaign for approval of NAFTA. Soon after, corporate America got on the road through an alliance of 2700 companies, including most of the Fortune 500, to lobby for the agreement. The alliance, under the name of USA NAFTA, chose Lee Iacocca as its champion. On September 24, 1993, the United States Court of Appeals for the District of Columbia reversed a lower court decision that required NAFTA to be submitted to an environmental impact study, thus clearing the last obstacle to a congressional vote. Finally, on November 3, the President sent the implementing NAFTA bill to Congress.

### ***3.2.3. NAFTA in the House***

Before the President sent the implementing bill to Congress, a peculiar practice had already occurred, the drafting of mock implementation bills. This practice was a response to the nature of the agreement. Negotiated under fast-track authority, the NAFTA bill could not be modified once submitted to Congress. Neither the bill of implementation, nor the text negotiated by the countries, which was included in the former, were subject to modification. The mock bills were drafts prepared by congressional committees working on the implementing bill. The President had absolute discretion in deciding whether or not to consider the mock bills in preparing his own bill. Nevertheless, if he wanted a positive result he could not simply disregard them. The mock draft exercise was a first step in the Congress-White House negotiating and lobbying process.

Once in Congress, the bill went through committee consideration. Adhering to the rationale of the mock drafts, this consideration was pro-forma only. Before voting on NAFTA, Congress had conducted eighty-eight hearings beginning in June 19 1990, issued six reports beginning in September 1992, and conducted three NAFTA debates. Because of the thoroughness of the process, it would be difficult to imagine that a member casted an uninformed vote.

One of the most criticized aspects of the approval process were the deals the Administration made to win over undecided members. NAFTA contains additional side agreements other than the well-known agreements covering environmental and labor issues. These concessions presented an interesting international political compromise among Mexico, Canada, and the White House to fulfill some congressional members' expectations and conditions. Thus, the Administration extracted a commitment from Mexico not to export sugar indefinitely, and to begin negotiations after NAFTA's passage for the acceleration of the phasing out tariffs in for flat glass, wine, appliances, and bedding. In exchange, the White House agreed to reinstate tariffs for oranges and tomatoes in case they overflowed the American market, to finalize last minute deals protecting

peanut growers and wine producers in California, and to extract concessions from Canada regarding American wheat farmers near the Canadian border.

Even non-NAFTA countries were affected by the deals. For example, the White House reinstated the phasing out of textile tariffs from ten to fifteen years, which applied to the Philippines and other developing countries. Anti-NAFTA groups attacked this give-away procedure vociferously. Regardless of what position they took on the deals, the defenders of the deal-making process explained that the deals were substitutes for the amendment process which was foreclosed because of the fast-track rules for the adoption of NAFTA. The White House also was restricted as to the extent of the concessions, which were granted. Furthermore, the active participation of Mexico and Canada in lobbying the United States Congress evidenced a concerted effort to stay within the well-marked boundaries of the political process.

On November 9, 1993, Treasury Secretary Lloyd Bentsen, unofficially declared that the Administration was twenty-six members short of the required 218 votes to obtain House approval for NAFTA. Many Republicans favored the agreement but were not willing to let the White House rely on them for support. Republican Minority Whip, Newt Gingrich, made it clear that a bipartisan effort was necessary to obtain congressional approval of NAFTA.

Although the Republican Party did not control the House of Representatives, President Clinton owed more to the GOP members for his victory in obtaining approval for NAFTA than to members of his own party: 132 Republicans and 102 Democrats voted "aye".

Another element of the victory was the public support for NAFTA. Wisely, it was remarked that if President Clinton won the support of the voters, he was going to win in Congress. Through the final months preceding the vote, public opposition to NAFTA grew and resulted in a small approval margin. The relationship between the voters and the representatives was reflected in the House decision.

Finally, Ross Perot's prediction of a second vote on NAFTA, by those congressional members who were elected in the 1994 general election, proved unfounded. Of the 234 members who voted for NAFTA, 184 were re-elected, nearly 80%. The surveys regarding this issue, the Republican agenda in the 1994 race, and the nature of mid-term elections, strengthens this assumption.

Although NAFTA will achieve the complete liberalization of ninety percent of the actual trade in goods and services among the contracting parties, it is a gradual process planned to be completed, within twenty years. Considering the safeguard measures, the accord can be viewed as an instrument of industrial oriented policy which is close to President Clinton's and other Democrats' economic philosophy. As such, it not only offers another explanation of why the President enthusiastically adopted it, but it also reflects the nature of determining winner and loser nations under the terms of NAFTA. Many members to extract concessions for local producers that were not able to make their way into NAFTA at the negotiation table exploited this feature. Although highly criticized, this practice is influenced by the local accountability to which representatives are subjected. When decisions are made, and the affected agents are not able to advance their concerns, social frustration will result. Here, the political process was at work, and although it was not perfect in this case, it was able to advance all interests: the administration had NAFTA, many groups received concessions, and representatives strengthened ties to their constituents. The fight over NAFTA left no scars and has now been forgotten, leaving Congress free to address other issues.

On the other hand, many of the opponents of NAFTA had radically different views on the philosophy, principles, and commitments, which underlie the agreement. Why did their efforts fail to defeat NAFTA? The answer to this question may lie in the economic situation of the country, and in the globalization trend. All of these factors influenced the positions of the voting public and the members of Congress who voted for NAFTA. The NAFTA approval process shows us politics at work and the influence of public concerns.

Finally, the capacity of the collegiate organization of Congress to assess decisions containing profound foreign policy implications should be questioned. Today, we see Senate Committees addressing the White House response to the Mexican financial crisis. How much of that response can trace its origin to the change that NAFTA represented in United States' foreign policy toward Mexico and the Latin American region? Whatever the answer to these questions may be, in the midst of the human conditions which result because of NAFTA, there will always be the temptation for nations to think that their decisions are better for their interests than the decisions reached through NAFTA, and whatever nation can benefit the most from the agreement will also be motivated into doing less to disturb its terms.

#### **4. Conclusion**

Although the legislative process show some similarities in Brazil and the US sound differences are evident. The US Congress is, by far, a more powerful Branch of Government than its Brazilian counterpart. The historical background of both countries explain why this characteristics have surge. In fact, the US House of Representatives benefits from the continuity of the democratic regime since the Independence of the country. On the other hand, the Brazilian Chamber of Deputies has to struggle to build its basic structure and to fulfill its constitutional powers.

One example of the differences is the size of the Staff of both Legislative Institutions. If we compare the Congress of the US with the Congress of Brazil (we cannot compare the Houses separately because the US has a common pool of staff for both chambers when Brazil has separate bodies), we see that only the specialist staff (CRS, CBO and others) represents nearly 5000 senior analysts compared with the barely 300 of Brazil. The specialized staff is essential to analyze the more and more complex affairs submitted to the Legislative consideration. The lack of specialists in Congress means that the lawmakers, in some issues, had to trust the analysis of the Executive Branch technicians which is not the best for the Separation of Powers.

The very fact of the stronger institutional structure contributed to determine the reaction of both Houses in the respective integration processes. The US House of Representatives, in fact, did not make any modifacaiton of its structure in order to follow the NAFTA process. The current Committees, soundly established, seem to be enough for the task.

On the other hand, the Brazilian Chamber of Deputies had made significant changes in its structure in order to follow the MERCOSUR integration process. The example is the Joint Parliamentary Committee whith the exclusive task of nurture the integration process.

Of course the structural differences are not enough to explain the differences between the US and the Brazilian Lower Houses. The importance of MERCOSUR is far more important for the Brazilian economy (not to speak for the other 3 members' economies) than the NAFTA is for the US. In other words if MERCOSUR fails the consequences for Brazil are by far more important than the consequences of a failure of NAFTA to the US economy.

Furthermore, this difference of importance appears in the different characteristics of MERCOSUR and NAFTA, the first is a Common market project, the other only a Free Trade Zone. The US don't feel the need for a more tightly agreement as a Common Market. The Southern Cone Nations are committed to a more strong instrument between them, feeling the danger of remaining isolated in a highly competitive world market.

Nevertheless, the US seem to consider a Free Trade Zone of the Americas as a tool to confront the other industrialized rivals, mainly the European Union. With the adoption of the common currency of Europe, the Euro, the tendency, in the next decades, tend to be substitute the monopoly of the US Dollar as the international currency. This treat will limit the capacity of the US in managing a huge public debt at a very low cost and will put pressure on the cost structure of the US economy. So, the

FTAA can be an exclusive "Dollar Zone" in the future, given more room for a challenged US economy.

Finally, despite the different scenarios for the future the Legislative role tend to be more and more extense and intense. Extense because of the larger variety of matters submitted into the consideration of the Government both by technology and by the growing participation of the organized groups of the civil society. Intense because of the reduced time span allowed to adopt a decision in function of the number of matters in line, the urgency of the decisions and the accelerated pace of the technology combined with the growing demands of the society.

The role of Parliament in the next Millennium seem to be even more challenging than now. Particularly in a developing country as Brazil, the Congress has to find the resources and the adequate responses waited by the society. A major failure or a constant lack of efficiency can treat the democratic regime, consequently, there is an urgent task to be done right now. For a long established democracy, as the US, the challenge for Congress is to maintain its position at the core of the political decision making process.

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