

U.S., Mexico push for 'free-trade' pact

by Peter Rush

Two officials from the Mexican government, Commerce Secretary Jaime Serra and economic adviser to the President José Córdoba, secretly came to Washington in late February for several days of meetings with top U.S. trade officials. Present at the discussion for the U.S. side were Commerce Secretary Robert Mosbacher, Secretary of State James Baker, National Security Adviser Brent Scowcroft, Special Trade Representative Carla Hills, and Michael Boskin, chairman of the Council of Economic Advisers. Yet despite the very high-powered representation from the U.S. side, not only what was discussed, but even the very existence of the talks, was kept a secret for a full month, until a "leak" revealed that the talks concerned a "free-trade" pact between the two countries.

The leak appeared in the *Wall Street Journal* of March 27. "U.S. and Mexican leaders have agreed to negotiate a free-trade pact between the two nations, a move that effectively would create a unified North American Common Market (NAFCM), Bush administration officials said," reported the article. It cited one official who said that an announcement of plans to negotiate an accord is tentatively set to coincide with a visit by Mexican President Carlos Salinas de Gortari to the United States in June.

While billed as a boon to the Mexican economy, in reality the NAFCM is nothing of the kind. It has for years been a pet project of Henry Kissinger, which he recently puffed again in a syndicated column, and of the Georgetown Center for Strategic and International Studies, on whose board Kissinger sits, which has an entire unit devoted to promoting the NAFCM. After being put through the wringer, Mexico is to be reduced to an economic colony.

The NAFCM, or a free-trade association, has no other purpose than to depress the economies and wage levels of both countries. The project will open up Mexico for unrestricted "investment" by U.S. companies in factories producing for the U.S. market. Given Mexican wage levels, often no more than 10% U.S. levels, this permits U.S. companies to relocate their plants to Mexico and hire labor at virtual slave wages.

The idea in pushing it now is to kill forever the possibility of Ibero-American integration, in which Mexico would become part of a common market of Spanish and Portuguese-speaking nations, and which has been the dream of Ibero-

American nationalists for a century.

According to the *Journal*, "The Bush administration is expected to run the proposed free-trade negotiations through the usual inter-agency review process in the coming weeks. It then will have to win congressional backing for the talks, and streamlined 'fast-track' procedure for winning congressional approval of whatever agreement ultimately results."

Patriotism versus imperialism

Interviewed by Reuters news service, a U.S. trade official confirmed that U.S. and Mexican negotiators have been "talking about" a free-trade pact. "We've discussed a number of ways to broaden and deepen our relationship including the requirements necessary for a free trade association," the official said. But White House spokesman Marlin Fitzwater quickly stepped in to say that the February meetings included only "preliminary discussions," that no decisions had been made, and that "We really haven't gone very far down that road yet," referring to the question of a free trade pact.

Mexican officials were studiously vague on the question. Foreign Secretary Fernando Solana said that "Mexico is following a strategy of participating in the direction of change, and is in the vanguard of transformations of the world." The Mexican embassy in Washington said the February meeting was "only a working group," whose purpose was to gain greater access for Mexican exports to the U.S. markets. And in a commentary in the *Wall Street Journal* April 4, President Salinas de Gortari himself made no mention of free trade, and merely laid out his demands for greater access to U.S. markets.

Salinas's public caution stems from the sensitivity of the issue. *Excelsior* columnist Gastón García Cantu wrote that what was at stake was not economic integration, but an "annexation" like that of Texas, and a betrayal of the rest of Latin America. Historian Lorenzo Meyer wrote in the same paper March 28, "Our way of life is at stake. We should take decisions knowing, as much as is possible, what we will gain and lose by integrating ourselves with the economy of a great power, one from which we previously considered it our historic and patriotic duty to protect and separate ourselves."

Juan José Mercado, assistant director of the Association of Mexican Importers and Exporters, told Reuters March 28, "The disparity between the levels of development of the two countries puts us at a disadvantage. We run the risk of becoming simply suppliers of raw materials for the U.S. and Canadian markets."

But there is already concrete motion toward such a pact. Speaking to participants at the VIII Conference of Governors of Mexico-U.S. Border States March 23, Mosbacher said that a free trade pact "would convert Mexico into an industrial power by the beginning of the next century." At the conference, the governors of several Mexican states revealed that there already exists a situation of near free trade between their states and the U.S. border states.