

## Free trade pact faces growing opposition

by Carol White

When hearings begin, on April 17, to end President Bush's demand for authority to conduct negotiations for a U.S.-Mexico free trade agreement on a "fast track," Bush may well be in for trouble. The Democratic Party and the AFL-CIO are lined up against Bush on this one. At issue is the ability for the Congress to amend the measure, or in other words, to negotiate on behalf of their constituencies under circumstances in which the agreement threatens to gut what is left of U.S. industry and family farmers.

Another element in the opposition to Bush's fast track, is that, like his conduct of the Iraq war—including his threats in January to take military action with or without congressional approval, which was eventually forthcoming—here, too, he is moving to consolidate the extension of the powers of the Executive, and encroach upon the constitutionally guaranteed prerogatives of the Congress, albeit these powers were already on the book.

Under the existing procedure, the two houses of Congress only have the right to vote the measure up or down, within 90 days of receiving it, without the right to amend it. The fast track would then continue in effect until June 1. Not only does this give Bush complete power to pursue a bad policy, but under circumstances of the present post-Gulf mania, it is creating a dangerous precedent for other legislation which he might wish to impose. In effect, the U.S. President would be given the same powers to rule by emergency decree accorded to President Gorbachov.

The fast track will be denied if sufficient opposition surfaces before May 31. There are a number of forms this can take, such as resolutions passed by the Senate Finance Committee or the House Ways and Means Committee, or a majority vote against it in the Senate or House.

Already, Sen. Ernest Hollings (D-S.C.) has introduced

Senate Resolution 78, disapproving the President's request for special fast track procedures, which has been co-sponsored by 14 senators. The lineup as of now looks about even, with 35-40 against, 40 for, and 20-25 still uncommitted. The opposition coming from Democrats is sparked by the determined opposition to the free trade pact by the U.S. trade union movement, which views this as an urgent matter of job protection in a period of rapidly escalating unemployment. Sen. Lloyd Bentsen (D-Tex.) is on record against the bill, echoing labor's complaint that Mexican wage rates are one-seventh of U.S. levels.

### Labor opposition

In a statement released on Feb. 20, the AFL-CIO pointed out that multinational corporations and large banks would find a more favorable climate for investment in Mexico because there are less stringent environmental protection laws. Social welfare legislation in Mexico—including minimum wage laws—would also work to the disadvantage of U.S. workers. Pay scales there, for example, average 60-80¢ per hour. Not surprisingly, Mexican workers suffer abysmal living conditions, including lack of running water, sanitation, and electricity, and this in turn is creating an area extremely vulnerable to the cholera epidemic spreading north.

The Canadian labor movement and the opposition New Democratic Party are also opposing the pact on similar grounds. Estimates are that hundreds of thousands of jobs would be lost in both the U.S. and Canada. These are, in the main, assembly-type jobs in auto, and jobs in the textile industry. In Canada, the standard wage is \$8-9 per hour, whereas a Mexican receives \$5 per day for a similar job. Presently, the CTM, Mexico's official trade union organization, is refusing to support its U.S. and Canadian counter-

parts on the grounds that the pact would create jobs for its members, a view that is extremely short-sighted, to say the least. On Oct. 5, 1990, however, a group of 27 Canadian and 60 Mexican trade unionists, farmers, environmentalists, and representatives from other organizations did meet to denounce the free trade proposals and International Monetary Fund policies in general.

The truth is that the Mexican economy is also being destroyed by free trade economics. The United States has forced Mexico, for example, to reorganize its economy so that core industries such as the national oil company Pemex are being gutted to the advantage of the United States. Mexico is now beginning to pipe its oil into the United States for refining, after closing down a major refinery. The more Mexico's economic dependency upon the United States increases—which is a concomitant of the fact that it is taking down protective barriers—the poorer it will become; for example, by Pemex for the first time contracting out exploration and drilling.

The presently usurious rate of debt service with which Mexico is afflicted is only a harbinger of its future, as it sinks into becoming a de facto U.S. colony. A key part of Bush's strategy of course, is his intention to gain control over world oil reserves. In the case of Mexico, this directly contravenes its Constitution, which stipulates that petroleum is a national patrimony.

On April 7, Presidents Bush and Carlos Salinas de Gortari held a love-fest in Texas, where they pledged to push through a free trade agreement against all domestic opposition, which has surfaced in Mexico as well as in the United States. Bush declared that, as in the case with the war against Iraq, he intends to force Congress to continue him the special powers which he is demanding. Bush affirmed that the "administration is committed totally to the free trade agreement with Mexico and Canada."

Earlier, Bush had blustered, "It is a priority for the United States, the United States government . . . and I'm going to do everything I can with Congress to get this approved. And I mean all-out, 100% commitment." Bush also attacked the trade unions, which he vowed to confront. "Some elements in organized labor are fighting it and they are wrong," he said. "I'm going to take them on head to head because I know this is in the best interest of our country."

### **Weakness in the opposition**

In a joint communiqué, the Mexican and U.S. Presidents were unabashed in their declaration that the agreement was being negotiated in the context of an all-out trade war by the United States against Europe and Japan. "We have to be competitive with Europe and the Pacific Basin," they said. The commitment to such a trade war, in tandem with Bush, among opponents of the free trade pact, is their weakness. Nonetheless, every effort must be made to abort the renewal of the fast track and the free trade pact.

Paul Tsongas, a former Democratic senator from Massachusetts who is throwing his hat into the presidential ring, is one of a number of Bush Democrats who are seeking to prevent a genuine alternative to a Bush second term from emerging, and a prime example of this trade war mentality. His campaign theme will be trade war against Europe and Asia, and his platform is entitled "A Call to Economic Arms: Forging a New American Mandate." Tsongas joins Sen. Albert Gore (D-Tenn.) and Rep. Richard Gephardt (D-Mo.), who are also considered possible presidential candidates, in adopting Bush's trade war strategy.

Tsongas warns that "America faces great economic peril as our standard of living is threatened by Europe 1992 and the Pacific Rim." Invoking the image of the Bush administration's slaughter in Iraq, his "New American Mandate" calls for a "Positive response to America under siege. . . . Just as we deploy our men and women in the Persian Gulf, we must deploy every American to stop our economic bleeding. We must all be soldiers—every one of us!"

Tsongas adds his voice to a growing chorus of politicians who are proposing that the Democrats concede the election and concentrate on mobilizing the population on behalf of the austerity policies being dictated by the financial establishment. Calling himself the "best friend Wall Street ever had," Tsongas warns that "winning would be thrilling as all victories are. But on Jan. 20 the issues would be no less real. . . . The mission of the Democratic Party in 1992 would normally be to put one of its own in the White House. But these are not normal times."

This consensus among congressional Democrats as well as Republicans in support of Bush's trade war against Germany and Japan, situates the weakness of the opposition to the free trade pact with Mexico. They are in agreement with the goals of trade war against Germany, Japan, and countries such as Mexico; their differences emerge only on secondary issues of just how far they are willing to accept the disadvantages of Adam Smith free trade economics domestically. This is the character of Senator Hollings's opposition to the pact. Tsongas puts a Democratic spin on his otherwise pro-administration program, by calling for a two-tier credit system which would penalize speculation, as a way of reviving the U.S. economy.

The U.S. economy today is a disaster which has been in the making since the assassination of President Kennedy. Stealing from our allies, whether in the form of Persian Gulf war tribute or by trade war, or as in the case of Mexico, by turning them into veritable colonies, is no solution. Even a return to Kennedy-style tax and credit policies which foster investment domestically will be insufficient to rescue it, because the productive capacity is no longer available to restart the economy without technological assistance from the relatively healthier Japanese and German economies. Under the circumstances, the bipartisan trade war policies now under discussion are insane.

# AFL-CIO denounces free trade agreement

*The following statement on the proposed U.S.-Mexico free trade agreement was issued by the AFL-CIO Executive Council on Feb. 20, 1991 from Bal Harbour, Florida.*

The proposed U.S.-Mexico free trade agreement would be a disaster for workers in both countries. It would destroy jobs in the United States, while perpetuating exploitation of workers and inflicting widespread damage on the environment in Mexico. The beneficiaries would be multinational corporations and large banks.

To secure the eventual passage of an agreement, the Bush administration is pushing hard for "fast-track authority" from Congress. This procedural tactic would allow only for a simple and unconditional yes-or-no vote without the opportunity for amendment by Congress.

The strategy behind fast-track authority is plain. The White House knows that the agreement cannot withstand searching scrutiny, and it is doing its best to prevent public debate.

There is a preview of what an agreement would bring. It is the *maquiladoras*, the U.S.-owned plants that operate inside Mexico along the border but produce goods exported back here.

The pay averages 60-80¢ per hour, barely a subsistence wage. Many workers live in shacks made of packing materials, with no running water, sewers, or electricity. The air pollution and toxic waste generated by *maquiladoras* are among the worst in the world.

The *Wall Street Journal* has noted that the *maquiladoras* "very success is helping turn much of the border region into a sinkhole of abysmal living conditions and environmental degradation."

The *maquiladoras* have flourished because U.S. companies have seen an opportunity to pay Mexican workers a fraction of the wages that U.S. workers receive, and to evade the standards for occupation safety, workers' compensation, and environmental protection that are required here.

The supporters of a U.S.-Mexico free trade agreement say it is a "ladder to prosperity" for Mexican workers; but all of the bottom rungs are missing. The reason that U.S. corporations have established facilities in Mexico is not to promote economic development, or raise the standard of liv-

ing and level of consumption there; it is to increase corporate profits.

As for U.S. workers, hundreds of thousands have already lost their jobs to the *maquiladoras*. Hundreds of thousands more would see their jobs exported to plants throughout Mexico with the advent of a free trade agreement.

It has been announced that the Canadian government will take part in the free trade negotiations. The trade union movement there is opposed to this scheme for reasons similar to ours—the export of jobs from Canada with no relief from exploitation in Mexico.

One of the biggest disadvantages of a free trade agreement is that it would not include measures that would make a useful contribution to economic development in Mexico such as significant debt relief; more humanitarian and development assistance; greater cooperation on environmental questions; and programs to stem capital flight from Mexico.

The AFL-CIO strongly supports such measures. It strongly opposes a free trade agreement devoid of these measures, such as the administration contemplates. We should work for closer ties with our neighbors, but not at the expense of working people.

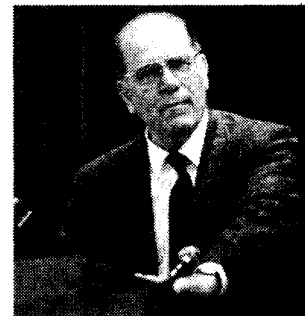
The AFL-CIO urges Congress to spurn the administration's request for fast-track authority and to give this far-reaching free-trade project all of the scrutiny it deserves. We are confident that after full debate, it will be rejected.

*'From the prison in which the politician's career expires, the influence of the statesman is raised toward the summits of his life's providential course. Since Solon, the Socratic method has become the mark of the great Western statesman. Without the reemergence of that leadership, our imperiled civilization will not survive this century's waning years.'*

—Lyndon H. LaRouche, Jr.

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