

## Dateline Mexico by Carlos Cota Meza

### NAFTA: slash wages to pay the debt

*As the fast-track countdown begins, the issue of wage-gouging to pay the foreign debt is on the table.*

With the beginning of the U.S. congressional debate over whether to grant "fast-track" authorization to the Bush administration to negotiate a North American Free Trade Agreement (NAFTA), the countdown begins toward the awaited late May vote.

A variety of efforts have been undertaken by the governments of both George Bush and Carlos Salinas de Gortari to assuage opposition to the NAFTA and clear the way for a "yes" vote, but none of those efforts has been able to calm fears that the labor forces on both sides of the border are about to be brutally looted.

Take the analysis just issued by the Washington-based Economic Policy Institute (EPI), on the consequences of NAFTA for Mexican and U.S. wages. Quoted by the May 5 edition of *La Jornada*, EPI analysts Jeff Faux and Richard Rothstein claim that the "dramatic increases" in Mexican wages promised by NAFTA advocates as a result of so-called heightened productivity are outright lies, belied by the statistics of the two countries' own commerce departments.

In fact, U.S. Commerce Secretary Robert Mosbacher distributed materials at one pro-NAFTA forum on the advantages of investing in Mexico, which promised that *maquiladora* wages by 1994 would be approximately \$1.75 an hour, and which admitted that the "breach between the U.S. and Mexican minimum wage would continue to grow during this period, as long as U.S. labor shortages increase."

Faux and Rothstein note that Mex-

ico's low wages are more a result of vast quantities of unemployed labor, than of low productivity, and that this problem will be aggravated by "the probable displacement of huge numbers of [Mexican] farmers unable to compete" with U.S. agroindustry under a free market regimen.

The EPI authors further point to a likely downward "competitive spiral" in wages, under NAFTA. If U.S. workers have had to face the "threat and reality" of lower wages as companies move south, now "the threat and the reality of moves to the Caribbean Basin, Guatemala, or Venezuela could restrict any growth in Mexican wages." They also insist that NAFTA's purpose is not to eliminate the few trade barriers that remain in place between Mexico and the U.S., but to allow U.S. corporations to produce in Mexico while maintaining unrestricted access to the U.S. market.

Faux and Rothstein then get to the crux of the matter: "Behind the NAFTA proposal lies the question of who will pay the Mexican debt, besides their own workers whose living standards have been demolished during the crisis. In fact, the Bush government is proposing that U.S. workers also contribute to paying the Mexican debt, by reducing their wages and giving up their jobs."

The EPI study also blames the International Monetary Fund and other financial institutions for the austerity policies hurting Mexican workers today.

The Bush and Salinas administrations have been busily issuing common "protocols," supposedly de-

signed to offer protection for the work forces of both countries, but whose real purpose is to assuage fears in the U.S. as to what will happen under NAFTA, in preparation for the congressional vote. On May 3, the two countries exchanged a memorandum which would "encourage exchange of information on health and safety, working conditions, labor standards enforcement, social security, product quality and worker productivity," according to a UPI wire. The memorandum hastens to add that protection of the labor force would be promoted "strictly" within guidelines that "respect the sovereignty and legal system of each country."

*Maquiladora* workers laboring in the many "Auschwitz" camps south of the U.S. border may wonder just how this "protection" applies to them. For certain, they will find no advocate in the aged general secretary of the Mexican Workers Confederation Fidel Velázquez. Velázquez wrote a column in the May 3 *Wall Street Journal* offering a glowing endorsement of NAFTA as the necessary advancement toward "global interdependence," and warned against workers who try to "resist the natural processes of human development, by distancing themselves from the vital interests of the nations they are a part of."

Perhaps Velázquez's statement, which could just as easily have been written by any one of Carlos Salinas's technocrats, was intended to dissuade the AFL-CIO from its anti-NAFTA mobilization, but it will hardly carry any weight inside Mexico. During the federal elections of 1988, the once-powerful CTM was virtually wiped off the electoral map. If Velázquez reflects the kind of support for NAFTA Salinas has come to depend upon in Mexico, he is in serious trouble, indeed.