

AFL-CIO rips 'free trade' pact; has yet to mobilize

by Nora Hamerman

The head of the AFL-CIO trade union confederation, Lane Kirkland, in a commentary printed in the *Wall Street Journal* on April 18, blasted the North American Free Trade Agreement (NAFTA) as a "disaster of Stalin's worst." Kirkland's characterization of the bill was backed up by the testimony of several labor leaders before Congress, who charged that NAFTA will extend the subhuman conditions of the *maquiladoras*, the assembly plants which have sprouted up in northern Mexico along the border with the United States, to all of Mexico, and destroy American industry in the process.

President Bush's "fast track" tactic is intended to give him the authority to negotiate NAFTA, the so-called free trade accord between the U.S., Canada, and Mexico, without allowing Congress its constitutional right to debate and amend the measure—only to vote it up or down. Only if enough congressional opposition surfaces before May 31, will Bush be denied the "fast track" prerogative.

NAFTA, as a forthcoming *EIR* White Paper will document in full detail, has nothing to do with free trade. All essential protectionist barriers in the Mexican economy have already been dumped by the Salinas de Gortari government. Rather, this misnamed North American Common Market is the keystone of the Kissingerian foreign policy pursued by George Bush—the model for looting all of Latin America's economies in order to wage trade war against our allies, Europe and Japan. The vehicle for the latter is GATT, the General Agreement on Tariffs and Trade. The U.S. Congress is to be humiliated and reduced to a rubberstamp for any police-state measures Bush chooses to implement—completing the destruction of constitutional government that began when the administration kept Congress from effectively debating on the Gulf war.

Speaking April 15 to the European Council of the American Chambers of Commerce, U.S. Commerce Secretary Robert Mosbacher declared that fast-track authorization to negotiate the NAFTA is the key to Bush economic policy

from here on. Fast track, he said, "is simply the ability for the President and his negotiators to be able to negotiate a trade agreement, whether it is the Uruguay Round of GATT or whether it is the North American Free Trade Agreement, or whether it is a follow-on which we see down the road of free trade agreements." Mosbacher called any alternative to the fast track "unthinkable," claiming it would "end the ability of America to continue its economic leadership."

Has our idolatry come to this?

AFL-CIO President Lane Kirkland's article in the *Wall Street Journal* refutes two lies of the free-trade fanatics: one, that NAFTA is comparable to the European Common Market; and two, that free trade with Mexico will be "Heaven on Earth" for both countries. To the first, he says that the European Community has a social charter which concerns itself with health, safety, training, social assistance, collective bargaining, development funds to prevent the widening gap between rich and poor countries, etc. NAFTA would contain none of these "social dimensions," and the fast track plan would make sure they were never included.

"Proponents of the agreement, the *Journal* included, have made it clear that any such conditions would render it worthless," Kirkland wrote. "They don't like the idea of large multinational corporations being forced by law to provide better than subsistence wages or having to contribute to a tax base to build sewers, roads, schools and other basic necessities of a decent and civil human society. . . . Has our idolatry of the free and unregulated market really come to this?"

On April 17, United Auto Workers President Owen Bieber testified before the House Ways and Means Committee against the extension of the fast-track negotiating authority for NAFTA and GATT. "The UAW very strongly opposes the extension and supports the adoption of a motion of disapproval. Let me make clear at the outset that the UAW opposes

extending fast track procedures for agreements that may result from either the GATT negotiations or the proposed U.S.-Mexico negotiations.”

The UAW president then presented an analysis which echoed the one which has been presented by presidential candidate Lyndon LaRouche, and in *EIR*, repeatedly since 1982. “The single most important event in U.S.-Mexico economic relations in the past decade is the Mexican debt crisis that began in 1982. Prior to that event, Mexico had experienced quite rapid economic growth and development for many years. Wage rates relative to the U.S. were far higher than in other countries at similar levels of development. The Mexican government showed little interest in increased integration between the two economies. Despite barriers to U.S. goods, exports of capital goods to Mexico were substantial and the U.S. ran trade surpluses in manufactured goods.”

Bieber described how the situation has deteriorated since the debt crisis. “Mexican workers have seen the buying power of their wages and their standard of living decline sharply as the government adopted austerity measures to generate dollars to pay debt obligations.” They needed large trade surpluses to pay the debt. This also affected U.S. exports to Mexico. Mexican wages fell. The U.S. became deindustrialized. “Manufacturing jobs disappeared and the number of low wage service industry jobs grew.” He attacked the administration’s studies for saying that a free trade agreement will not shift existing investment to Mexico, only new. “This is ridiculous. There are now approximately 75,000 workers in Mexico performing auto-related work for U.S. companies formerly done here. We have no doubt the number will greatly increase.”

Crippling blow to Midwest industry

Thomas Donahue, secretary-treasurer of the AFL-CIO, also testified before the House Ways and Means Committee, criticizing the free trade agreements themselves, particularly NAFTA, rather than just the fast track. The free trade accord “would hurt workers in the United States. It would pave the way for hundreds of thousands of jobs to be exported to Mexico. We have a gruesome preview of this in the *maquiladoras*, the U.S.-owned plants that operate just across the border, exploit Mexican workers, and produce goods that are exported back here.”

He said that Chicago, the home of Ways and Means Committee Chairman Dan Rostenkowski (D-Ill.), has been hit hard. “Stewart Warner, Modern Filters, Cooper Lighting, Wells-Lemont, Shure Brothers, and Gould Electric Products have all opened up shop in Ciudad Cuauhtémoc. Quaker Oats and Zenith are now in Matamoros. Rheem Manufacturing and Sundstrand Corporation have operations in Nuevo Laredo. There are dozens of other Chicago companies on the list.”

He cited an International Trade Commission Report which says the majority of the U.S. working population

would be hurt by an FTA. “The multinationals can take advantage of the terrible poverty in Mexico and pay workers a small fraction of average U.S. wages. Moreover, they do not have to pay for workman’s compensation insurance, unemployment insurance, and other protections that have long been considered to be essential in this country.”

Donahue warned, “In Nogales many workers live in shacks made of cardboard and scraps of wood. In Nuevo Laredo alone, about 25 million gallons of untreated sewage are dumped into the Rio Grande every day. An investigation by the National Toxics Campaign Fund found ‘widespread and serious contamination by U.S.-owned firms operating along Mexico’s border.’ They have been an utter disaster for working people in Mexico. In the 1980s—the boom decade for the *maquiladoras*—Mexican wages in dollar terms fell from the highest in the Third World to among the lowest. The entire purpose of the *maquiladoras* is providing multinational corporations with a work force that is poor, desperate, and easily exploited. It would do to most of Mexico what the *maquiladoras* have already done to the border areas.”

Where’s the mobilization?

Congressional opposition, never very forceful, is melting under White House heat. “The administration is so concerned that President Bush last week launched a fierce attack on the opposition labeling those against the Free Trade Agreement ‘fear mongers’ who practice ‘defeatism,’ ” revealed the *Financial Times* of London on April 16. Bush’s Special Trade Representative Clayton Yeutter has threatened that any opponents of NAFTA will get the same opprobrium meted out to critics of the Gulf war.

On April 16, an aide at AFL-CIO headquarters admitted that congressional resistance has stalled. Last summer, Sen. Ernest Hollings (D-S.C.) got 38 co-sponsors for his resolution opposing the fast track authority for Bush to negotiate GATT and NAFTA as a “favor” to him before they really knew anything about it. Now, she said, Sen. Lloyd Bentsen (D-Tex.), who chairs the Senate Finance Committee, is getting people to *oppose* the resolution as a favor, and the list of opponents is dwindling fast. (*EIR*’s previous report that Bentsen was on record against the bill, thus appears to have been in error.)

The words of the AFL-CIO leaders are on the mark, but there is as yet no visible mobilization by the unions or farm organizations to deal Bush a well-deserved defeat on this life-and-death issue. The war euphoria is fading, and the domestic economic crisis is spreading; there is excellent political potential to mobilize Americans against the “free trade” policy to turn the continent into one giant Auschwitz. Ironically, the only political forces taking the leadership of the fight at the level of mass organizing, are those associated with the presidential campaign of Lyndon LaRouche—the very political movement which, on numerous occasions in the past, the AFL-CIO and UAW tried to destroy.