

Editorial

Dump free trade

When Congress resumes this September, the policy question of free trade will again be on the agenda, in the form of a proposal for Congress to agree to “fast-track” approval for any new free trade agreements negotiated by the administration. This means that Congress agrees to neither amend, nor debate any new commitments, but just to vote up or down for ratification. A first case, would be admitting Chile to the North American Free Trade Agreement, and thus linking Mercosur (the southern South American trade bloc) to NAFTA.

What should be done? No, to fast track. Also, no to slow track. In fact, no to all forms of “free trade”—at any speed.

In recent years, *EIR* has been in the forefront, warning against the shift over to free trade, away from national-interest trade and economic policies. We exposed the anti-nation financial interests behind the General Agreement on Tariffs and Trade (GATT) Uruguay Round trade “reform” bandwagon, that began in 1986, and culminated in the World Trade Organization, which went into effect in January 1995.

In opposition to NAFTA, we published in May 1991, a 75-page *Special Report*, “Auschwitz Below the Border; Free Trade Pact Is George ‘Hitler’ Bush’s Mexican Holocaust.” This study provided the specifics of the destruction NAFTA would mean for the economies of Mexico, the United States, and Canada. The most obvious example is the *maquiladoras*, the work enclaves, with slave-wage rates, inhuman housing and sanitary conditions, and fear and desperation.

EIR scooped all the media with its exclusive coverage on Oct. 8, 1993 of hidden “financial services” sections of the NAFTA agreement struck by President Bush in December 1992. Our 10-page exposé was entitled “Secret NAFTA Accord Threatens U.S. Sovereignty,” and showed how, in the name of “free trade,” secret agreements existed for ballooning Mexico’s foreign indebtedness, looting that nation in order to back up the debt, and, in the process, increasing offshore dollar credits and the derivatives bubble, endangering both Mexico, the United States, and the international financial system. In December 1994, the Mexico financial crisis erupted.

In addition to providing such documented studies on why “free” trade is a swindle, *EIR* has made a point of republishing famous historical refutations of so-called “free” markets. In our Jan. 3, 1992 issue (“200 Years Since Hamilton’s ‘Report on Manufactures’”), we printed selections from the great American System economist Henry C. Carey, a policy associate of Abraham Lincoln.

In one of several open letters sent by Carey to William Cullen Bryant, the editor of the *New York Post*, in 1859, Carey wrote, “We have had three periods of that system which looks to the destruction of domestic commerce, and is called *free trade*—that system which prevails in Ireland and India, Portugal and Turkey, and is advocated by British journalists—each and all of them having led to crises such as you have so well described, to wit, in 1822, 1842, and 1857. In each and every case, they have left the country in a state of paralysis, similar to that which now exists. In all of them, the exchanges have become more and more languid, the societary movement has become more and more irregular, and the men who have needed to sell their labor have become more and more mere instruments in the hands of those who had food and clothing with which to purchase it.

“All experience, abroad and at home, tends, thus, to prove that men become more free as the domestic commerce becomes more regular, and less and less free as it becomes more and more fitful and disturbed.”

Today, the record of NAFTA, the WTO, the U.S.-Canada Free Trade Accord, and other modern examples prove the point of what Carey said 150 years ago. Around the globe, jobs are being lost or downgraded, farmers ruined, diseases spreading. Commenting on the part-time work issue in the UPS strike, Teamsters’ President Ron Carey made reference to NAFTA, saying that both had “the same throw-away worker concept.” He said, “Throw away the jobs of American workers, exploit workers in countries like Mexico for \$4 a day, and then, if they start to get organized, move from one place to another.”

Force Congress to get the message: History tells you: Dump “free trade.”