

NAFTA THOUGHTS

A Newsletter on the North American Free Trade Agreement

Vol. 3, No. 5

December 1993

NAFTA PASSED, CITIZENS' GROUPS VOW TO CONTINUE THE FIGHT

On 17 November, after weeks of intense lobbying by both supporters and opponents of NAFTA, the U.S. House of Representatives voted 234 to 200 to approve the implementing legislation for the North American Free Trade Agreement. The U.S. Senate approved the accord the following Saturday by a margin of 61 to 38, and the Mexican Senate voted its approval of NAFTA the following week. Since Canada had already ratified the agreement, implementation is set to begin as scheduled in the NAFTA text on 1 January 1994.

In press conferences and meetings after the vote unions, environmental and other citizens' groups expressed their outrage not only at the results of the vote, but also at the nature of the Clinton Administration's intervention in the process. In the weeks before the vote, Clinton met personally with numerous Members of Congress, in several cases offering them funding for their own projects or special protection for goods produced in their state in exchange for their support on NAFTA. A veteran congressional aide said it was the most intense period of "horse trading" he had ever seen on Capitol Hill. Pharis Harvey of the International Labor Rights Education and Research Fund (ILRERF) commented that, "Clinton couldn't sell this agreement, so he bought it."

Many observers were also dismayed to see that during the final weeks, the debate on NAFTA turned from discussion of the substance of the trade agreement to strictly political arguments. Proponents insisted that a "no" vote on the agreement would weaken the Clinton presidency, particularly its ability to deal with foreign policy issues, since President Salinas and other Latin American leaders would feel betrayed by rejection of the agreement by the United States.

Citizens' groups from the three countries had insisted that the substance of the agreement be addressed and that, if the agreement were defeated, broad-based discussions begin on the terms of a more

positive trade and development accord. The Administration countered that it would be "generations" before the Mexican government would be willing to negotiate another agreement and that in the meantime the Mexicans would raise insurmountable barriers to U.S. exports. On that issue, Carlos Heredia of Equipo PUEBLO commented that "both the Salinas government and the White House were bluffing and blackmailing the U.S. Congress. The former, because they always saw NAFTA as a means to lock in their reforms and prop up the 64-year-old regime; the Clinton Administration because they knew Salinas wanted NAFTA so badly he was prepared to cave in and yield to U.S. pressures, as he eventually did."

Despite their anger and disappointment over the outcome on NAFTA, many citizens' groups have vowed to continue work on trade issues. Just days after the vote, discussions began on the development of appropriate mechanisms to monitor the social, environmental and economic impacts of NAFTA's implementation. Other work is underway on the GATT and the extension of NAFTA to other countries in Latin America through the Enterprise for the Americas Initiative.

The work among citizens' groups in Canada, the United States and Mexico achieved much more than a close vote on NAFTA. It raised consciousness among the peoples of the three countries on many of the international economic issues that affect their local communities, as well as forged new bonds of cooperation with citizens' groups in other countries.

When the second ministerial meeting on the NAFTA negotiations was held in Seattle in August 1991, U.S. Trade Representative Carla Hills said that labor and environmental issues had no place in trade agreements. The extensive discussion and organizing around NAFTA have permanently changed that assertion. Trade is now clearly an integral part of the national and international public debate around jobs, the environment and economic justice. •

POPULAR SENATE IN OPPOSITION TO THE RATIFICATION OF THE NAFTA

by Barbara Pillsbury, Equipo PUEBLO

The Mexican Action Network on Free Trade (RMALC) staged a "Citizens' Senate" outside the Mexican Senate building on 22 November, protesting the lack of public debate on NAFTA and the failure of the Mexican press to report on opposition to the Agreement. Hundreds of people attended the parallel Senate, including the leaders of over 80 Mexican citizens' groups.

As Senators began discussions to ratify the NAFTA, Porfirio Muñoz Ledo, one of just three Senators representing an opposition political party (the Party of the Democratic Revolution), inaugurated the Citizens' Senate. He charged that, with the ratification of the NAFTA guaranteed, any pretense of a debate was a farce. Though ultimately disappointed with the U.S. Congress' approval of the NAFTA, Muñoz Ledo maintained that at least in the U.S. and Canada there was a tremendous amount of public debate on NAFTA-related issues. He criticized the Mexican government's efforts to censure opposition and its unwillingness to provide opportunities for democratic debates and processes.

Other speakers at the Citizens' Senate included members of the Mexican Congress, RMALC's directors Bertha Lujan and Hector de la Cueva, and several social activists. Lujan demanded that the Mexican government open space for consultations on the repercussions of NAFTA. She announced that, were the agreement to be approved by the Mexican Senate, "the opposition would mobilize to obtain a profound renegotiation of the agreement which would put the people's interests first." Other citizens were then given the opportunity to present their views on the NAFTA and the Mexican political situation.

The debate continued for three hours, interrupted only by the arrival of a huge group of marchers composed principally of members of the Asamblea de Barrios, a popular organization fighting for adequate housing and increased public participation in the formation of public policy. After a series of chants against the NAFTA and the Mexican government, the protestors joined the ranks of the popular Senate. *

Intellectual Property Rights in NAFTA: Implications for Health Care and Industrial Policy in Ontario

The Ecumenical Coalition for Economic Justice recently published a 52-page report which explores the implications of NAFTA's intellectual property provisions for health care and industrial policy in Ontario. It includes discussion of the pharmaceutical industry and the need for more affordable prescription drugs to illustrate some of the most problematic aspects of NAFTA's intellectual property code. The report begins with a history of patent and copyright law and concludes with a set of recommendations for reform of intellectual property law so that these regulations may better serve the public good and not just corporate interests.

A copy of this report can be ordered from the Ecumenical Coalition for Economic Justice, 11 Madison Avenue, Toronto, Ontario, M5R 2S2, CANADA, tel. (416)921-4615.

NAFTATHOUGHTS

Editor..... Karen Hansen-Kuhn
Managing Editors..... Ross Hammond
Steve Hellinger
Contributing Editor..... Laura Parsons
Design & Production..... Cynthia Power

Published by The Development GAP in cooperation with the Alliance for Responsible Trade (ART).

NAFTA*Thoughts* provides information and perspectives on developments in Canada, the United States and Mexico related to the proposed North American Free Trade Agreement. Views expressed in NAFTA*Thoughts* are those of the writers and do not necessarily represent those of the affiliated organizations. Contributions are welcomed.

© December 1993 Volume 3, Number 4

Editorial Offices:
The Development GAP Phone: (202)898-1566
927 Fifteenth Street, NW 4th Floor Fax: (202)898-1612
Washington, DC 20005 USA e-mail: dgap@igc.apc.org

MEXICAN CITIZENS' GEARING UP FOR '94 PRESIDENTIAL ELECTION

by Carlos Heredia, Equipo PUEBLO

Can the Mexican regime survive free, democratic elections? Can Salinas's choice to be the PRI presidential candidate, Luis Donaldo Colosio, legitimately win the race if an independent electoral commission is in place? What role will the citizen movements play in the process leading to election day on 21 August next year?

The Institutional Revolutionary Party (PRI) has not admitted to losing a presidential election since 1929. Through means that range from access to unlimited public monies and barring the opposition from prime-time TV to tampering with the voters' registry, the PRI has managed to emerge as a victor in all twelve presidential elections that have taken place since its founding.

But now that the Berlin Wall has collapsed and one-party systems have disappeared in most major countries, Mexico stands alone as an anachronistic political system. In spite of the claims by NAFTA proponents that the passage of the agreement would foster greater democratization in Mexico, the evidence after 17 November has shown us the opposite now that the incentive to impress the U.S. Congress is gone.

Most of the U.S. and Mexican media, despite their criticism of the presidential anointing, have taken it for granted that Colosio will be the next president of Mexico. So too did the White House spokesperson, Dee Dee Myers. They may be wrong. A sharp concentration of wealth and the absence of any real benefit for the majority of the population from economic liberalization have contributed to widespread political discontent. Political commentator Jorge Castañeda predicted, "Like Salinas in 1988, Colosio may get a real run for his money from the opposition."

Many Mexicans believe the true winner of the 1988 presidential elections was Cuauhtémoc Cárdenas, the candidate of a center-left bloc. Cárdenas is running again, nominated by his own organization, the Party of the Democratic Revolution (PRD) and a number of other political forces constituting the National Democratic Alliance. The other major candidate is Diego Fernández de

Cevallos, the National Action Party (PAN) congressional minority leader, who has been an advocate of a close relationship with Salinas.

Monitoring all of these parties will be the citizens' pro-democracy movement that developed in the aftermath of the 1988 elections and has evolved into a wide array of well-organized groups nationwide.

Colosio's nomination came on the same day that massive electoral fraud was taking place in the state of Yucatán. A "coincidental" power blackout helped PRI "alchemists" and election thugs rig the vote once again and rob the PAN candidate, Ana Rosa Payán, of a legitimate triumph in the gubernatorial race. This is Mexico's realpolitik: beyond the pledges of clean elections and the assurances that NAFTA will foster democratization, the government and the PRI continue stealing elections and depriving Mexican citizens of their right to a clean, fair vote.

Two recent reports by U.S. human rights groups, Freedom House and Americas Watch, point to an increase in repression against human rights and pro-democracy activists in Mexico. The role of Televisa, the private television powerhouse, in blocking free speech and giving a biased account of news in Mexico, is singled out in these reports. So opposition political parties and pro-democracy citizen movements face an uphill battle in trying to make their way to the presidential elections. That, however, is not stopping them from giving it their best shot.

On 10 December, to mark the International Day of Human Rights, a number of Mexican and U.S. women demonstrated outside the Mexican Embassy in Washington, DC. This demonstration coincided with demonstrations in 22 states in Mexico to launch a pro-democracy campaign by Convergencia, a leading NGO coalition.

Convergencia's campaign is in agreement with the "Consensus of Cocoyoc", a common platform outlined by all the major pro-democracy coalitions

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NO IMPROVEMENT IN LABOR CONDITIONS IN MEXICO

by Laura Parsons, The Development GAP

Despite extensive testimony by Mexican workers before the U.S. Congress and the media on the poor working conditions and repression of independent unions in Mexico, the U.S. Trade Representative's Generalized System of Preferences (GSP) Subcommittee "found no basis for conducting a review of Mexico's compliance with the worker's rights provision of the GSP law." In its decision, published October 5, the Subcommittee also rejected petitions on Sri Lanka, Colombia and Pakistan.

The GSP provides tariff-free access to exports from Third World countries if they fulfill certain criteria, including respect for labor rights. The International Labor Rights Education and Research Fund (ILRERF) challenged four countries this year receiving GSP benefits, including the largest recipient, Mexico. The Subcommittee insisted that the North American Agreement on Labor Cooperation (NAALC), also known as the NAFTA labor side agreement, is sufficient to ensure that the Mexican government makes progress in honoring labor rights.

Manuel Fuentes, a well-known labor attorney from Mexico City, discussed the history and current situation of labor rights in Mexico at a briefing organized by the Lawyers' Committee for Human Rights on 21 October. When the Mexican Constitution was written in 1917, he explained, it contained very clear articles designed to protect the rights of workers. Under the Constitution, workers are guaranteed adequate pay, equal pay for equal work, decent working conditions, the right to strike, the right to unionize freely, and job stability.

In practice, there are few mechanisms to ensure enforcement of these rights. Mr. Fuentes pointed out that some workers are only earning half of the legal minimum wage, which is US\$4.50 per day, for eight hours of work. To supplement their families' income, children are often taken out of school to work at half their parents' salary.

Enforcement of the right to job security has also been a problem. Fuentes explained that employees can be fired without explanation, and there are no

labor-dispute offices to help workers deal with such situations. Most unions also fail to provide adequate protection for workers. Very few trade-union elections are conducted by secret ballot, so if workers do not vote to certify the "right" union (as designated by the company) to represent them in collective bargaining, they run the risk of losing their jobs. Some workers have not even been informed that they are part of a trade union. Agreements between management and trade-union leaders (who often do not even know the workers) are frequently negotiated in secret.

ILRERF initiated the GSP petition to challenge Mexican laws that force state employees to be members of the one state-designated and -controlled union, which is heavily influenced by the PRI, the ruling party. The challenge was also based on: the continuous refusal of the Mexican government to register non-PRI-affiliated unions; harassment and threats against labor lawyers, negotiators, and organizers; and workplace safety conditions.

Fuentes disagrees with the argument that NAFTA and the NAALC will help to decrease these violations. The NAALC contains no provisions to enforce worker rights, such as the right to organize or the right to strike. Fuentes points out that under NAFTA, as unemployment increases due to the influx of imports from the United States, job security will decrease. At the slightest protest by a laborer, he or she could be fired and readily replaced. The promotion of collective bargaining rights and the formation of unions will not be made easier under NAFTA either. Furthermore, with NAFTA now a fait accompli, the international pressure is off the Mexican government to enforce human and labor rights laws.

Just days after NAFTA was approved in the U.S. and Mexican congresses, ten Mexican labor organizers at a General Electric plant in Juarez were fired, while in a Chihuahua Honeywell plant 21 workers met the same fate. So far, there has been no action taken by the Mexican government to have any of them reinstated, nor any word of protest by the U.S. government. •

NEW MAQUILADORA SUPPORT NETWORK FORMED

by Garrett Brown

In October, the Maquiladora Health and Safety Support Network was launched as a long-term response to the health and safety needs of the 550,000 workers in the 2,100 maquiladora assembly plants along the U.S.-Mexico border.

Composed of members of the Committees for Occupational Safety and Health (COSH) and the American Public Health Association (APHA), the network consists of occupational health and safety professionals and activists who can be contacted to provide information and technical assistance regarding workplace hazards and potential protective measures to organizations on the border and the maquiladora workers themselves. Network members, including industrial hygienists, occupational physicians and nurses, and health educators, among others, are donating their time and expertise in an effort to improve workers' health and safety in the maquiladora assembly plants along the border. A resource library will be created to compile health and safety material for workers in the maquiladoras.

Maquiladora workers face a wide variety of workplace hazards in industrial plants with widely differing conditions and levels of management commitment to safe and healthy workplaces. The terms of employment include a minimum 48-hour work-week (although 54 to 60 hours on the job is common) and an average wage of US\$1 an hour. With tax deductions, a standard six-day, 48-hour week will yield less than US\$40 in take-home pay. The majority of maquiladora workers are young women and many are single mothers, often supporting their parents or siblings, as well.

Health and safety resources available to maquiladora workers are scarce at best. There are few independent unions in the maquiladoras and little, if any, government enforcement of existing health and safety regulations. Furthermore, many even poorer people arrive regularly from the countryside willing to work under any conditions and for any pay.

On the environmental side, few of the plants have any solid- or liquid-waste treatment facilities. The U.S. EPA has reported that less than 15 percent of the toxic materials exported to the maquiladoras in Mexico are

in fact brought back to the United States as required by law. It is a common sight in the maquiladora industrial parks along the border to see industrial discharges simply piped out to the fence line and dumped into adjacent canals or rivers.

Maquiladora workers in cities along the border are working with community organizations on the Mexican side and support groups on the U.S. side, including the American Friends Service Committee, to increase their knowledge and understanding of the hazards in their workplaces and how these hazards can be eliminated or reduced.

The Support Network will be enlisting more health and safety professionals and activists and identifying additional border community organizations in contact with maquiladora workers who can make use of the information and technical assistance offered.

*For more information, or to join the Support Network, please contact Garrett Brown, 2520 Hilgard Avenue, Berkeley, CA 94709, or call 510-845-0215. **

The Challenge of Cross-Border Environmentalism: The U.S.-Mexico Case

The Resource Center Press and the Border Ecology Project have co-published a book that focuses on conditions in the U.S.-Mexico borderlands. It explores diverse environmental issues, including cross-border air and water contamination, pesticides, pollution-haven investment, maquiladora wastes, sharing of water resources, and impacts of liberalized trade. Also included is an examination of how government and citizen groups are responding to new environmental challenges.

This 121 page paperback is available for \$9.95 plus \$3 for shipping and handling (50 cents for each additional copy). It can be ordered from the Resource Center Press, Box 4506, Albuquerque, NM 87198, tel. (505)842-8288.

APEC Meets, Results Limited

As Congress completed the final debate and vote on NAFTA, leaders of Asia-Pacific Economic Cooperation (APEC) arrived to meet with President Clinton in Seattle for a Pacific Rim trade summit on 17-19 November. APEC was established in 1989 as an informal grouping of 12 Asia-Pacific countries to discuss issues related to economic integration and growth. The United States, which has recently joined APEC, had extended invitations to Seattle to the other 15 member heads of state at the G-7 meeting in Japan last summer.

Friends of the Earth sent a letter signed by 23 citizens' groups to the APEC leaders urging them to include environmental issues in their discussions. "Liberalized trade," the groups stated, "can reward efficiency and promote investment in environmentally sound goods and services, or it can cause competition based on ever-lower standards of environmental protection and worker health and safety. To capture the benefits and avoid the pitfalls of trade, APEC leaders should highlight the need for environmental reform of international trade." Local activists organized a series of press briefings and rallies to highlight environmental and labor concerns.

While no concrete agreements were reached, the APEC leaders did produce a "Vision Statement". In it, they pledge their commitment to the successful completion of the GATT's Uruguay Round negotiations and to continuing discussions to advance economic relations among their countries.

Aya Saitoh of Friends of the Earth Japan expressed disappointment that APEC failed to discuss environmental issues in its meetings and urged that it be a major focus of the APEC meeting next year in Indonesia. "The debate about the NAFTA included the environmental impact of the agreement as a high priority," Saitoh commented. "But APEC is virtually ignoring the environment in its discussions. Let's see a bit more commitment to the long-term well-being of the Asia-Pacific region, not just to trade growth."

Sources: Memo by Alex Hittle and David Ortman, Friends of the Earth, 30 November 1993; State Department Fact Sheet on APEC; "Open Letter from Non-Governmental Organizations to Asia Pacific Economic Cooperation," 16 November 1993; "APEC Leaders Economic Vision Statement," 20 November 1993; "Japanese Reaction to NAFTA and APEC," *ECO: APEC Watch*, 19 November 1993. •

CONTINENTAL NETWORK ON TRADE AND ADJUSTMENT EMERGING

The Chilean Network for an Initiative of the Peoples (RECHIP) held a meeting from 23-26 November in Santiago Chile with trade activists from Colombia, Canada, Mexico and the United States. The participants exchanged experiences and committed to establish a continental network to coordinate actions among citizens' groups on structural adjustment policies and free-trade agreements, as well as to work together in the search for democratic, participatory and equitable development models. Bill Jordan and Joe Biegner of the Chile office of the Maryknolls Justice and Peace Society attended the meeting on behalf of the Alliance for Responsible Trade.

In the wake of NAFTA's approval by Congress, the Clinton Administration indicated that it will move soon to negotiate free-trade agreements with other countries in the Western Hemisphere -- part of its continuing commitment to the Bush Administration's Enterprise for the Americas Initiative (EAI). It is still unclear whether the Administration intends to incorporate other countries in the EAI through bilateral agreements or through accession to NAFTA, but it has indicated that Chile is next in line for a free-trade agreement with the United States. Either way, NAFTA will serve as the model for future agreements, so it is anticipated that their negotiation will likely proceed much more quickly than that of NAFTA.

The groups attending the meeting in Chile outlined a series of actions to be taken jointly over the next year. These include information exchanges, production and dissemination of educational materials and multinational statements, press conferences and meetings, as well as outreach to coalitions in other countries in South and Central America.

For more information about RECHIP, contact Manuel Gajardo or Fernando Leiva (who speaks English) at Taller Piret, Sazie 2073, Santiago, Chile, tel. (562)698-1230. For more information on the continental movement, subscribe to *Free or Fair Trade?* (also available in Spanish as *Alerta a la Abertura*), available from ILSA at A.A. 077844, Bogotá, Colombia, e-mail ilsabog@ax.apc.org. •

AFTER NAFTA: A CANADIAN VIEW

The day after the NAFTA vote Maude Barlow of the Council of Canadians, a member of the Action Canada Network, reflected on the future of trinational trade work. Below is an excerpt from her comments.

"It seems to me that we have a choice now between being reactive or proactive. We can simply monitor what happens over the next few years and share information, or we can keep up the fight. Now, it strikes me that that's a fundamental decision that will have to be made in each country and then together.

"But, what it means if you decide to continue to fight is that we have to be fairly dramatic at times. It means that when there's a plant closure or a water diversion project, that you are actively involved. It means moving it to the next step. It means that when you put out what we call Free Trade report cards, you do it with some flair and drama -- hold a press conference and announce them, you don't just put them out. But that you do it in a way that shows continued, active involvement.

"Now I say that because I think that should be one of the questions we ask in each of our countries, and then the next time we come together we ask which of these two models it will be. It strikes me that's an important first question to ask.

"I would urge the proactive myself. I never saw yesterday's vote as a make-or-break decision either way. There is sort of an inexorable reality to what's happening. We're no longer going to go back to our small national realities. It will never be the same again. The question for citizens' movements is how can we shape what's happening on the continent and what role will we play?

"We may have technically lost yesterday, but they didn't win either. Clinton has a divided party. He's lost the support of the people who put him in power and the people of the continent. I used the term with some press today -- that we're an aroused beast now. We're not going back into the cave.

"I really feel that we need to see this vote yesterday not as a huge dividing point. If they had lost yesterday they would have regrouped and they would have found other ways to do this, so we wouldn't

have stopped them if NAFTA had been defeated anyway. This is a huge battle around who's going to control the continental and global economy. And this point was lost along the way, but it was not a total loss and it wouldn't have been a total win had we won it by just a few votes.

"I feel personally very committed for the long term, and I feel that our work has to promote a different kind of vision for the continent. I know everybody is exhausted...and this sounds exhausting but I do feel that how we characterize what we do next is really going to matter.

"I can't tell you the number of people in Canada who said "thanks for not capitulating" when we lost the first free trade fight in 1989. We lost, but we didn't lose our voice. I mean, the people of America, if they had had a referendum, would have voted no on this thing." *

'94 MEXICAN ELECTION *(Continued from page 3)*

in Mexico. This platform of 20 commitments for democracy will be submitted to all presidential candidates so that they can endorse it and commit themselves to abide by it. The 20 points include: an independent electoral commission, respect for the popular vote, true independence of the legislative and of the judiciary branches of government, and an increase in the percentage of government revenue handled by local and state governments vis-à-vis the federal government. They are intended to emphasize the need to go beyond shallow electoral reforms to address government accountability and effective political rights for citizens.

In the next few months, the process leading up to the presidential elections will be under unprecedented scrutiny in Mexico and in the United States. Since change will not come from above, those that are working for democracy at the grassroots will have much to do. NAFTAThoughts will keep you abreast on further developments.

*For more information on how U.S. organizations and individuals can best support the Mexican pro-democracy movement, contact Carlos Heredia at The Development GAP, (202) 898-1566 or Miguel Alvarez at Equipo PUEBLO, 011 (525) 539-0015. **