Government Attacks on Environmental Laws Confirm Worst Fears
by the Mexican Action Network on Free Trade (RMALC)

The authorities responsible for environmental protection in Mexico are seeking Congressional approval of a package of reforms that would transform the General Law of Ecological Equilibrium and Environmental Protection (LGEPA). The package has as its principal objective the elimination of environmental regulations that are applied to national and foreign investment.

This action is part of the government's effort to find a way out of the current economic crisis by attracting yet more foreign capital. At the same time, it runs contrary to the process of citizen consultation initiated several months ago in order to improve environmental legislation, in that the opinions voiced by numerous environmental specialists and groups were completely disregarded. Also disregarded were the commitments made by the Mexican government in various international agreements.

In response, the Mexican Action Network on Free Trade (RMALC) published the following declaration:

NO TO THE DISMANTLING OF ENVIRONMENTAL LEGISLATION

I. The regrettable and radical package of reforms of the General Law of Ecological Equilibrium and Environmental Protection promoted by the President of the National Ecology Institute (INE) and the Federal Attorney General for Environmental Protection (PROFEPA):

a) confirms the worst fears of the environmental communities in this country, the United States and Canada, as expressed during the NAFTA debate, that the Mexican government would seek to weaken its environmental protection laws in order to promote economic growth and attract foreign investment;

b) constitutes the final stage in the gradual process of dismantling Mexican environmental legislation that was initiated upon NAFTA's approval with the repeal of the Forestry Law and which has continued under the current administration, as proven by actions carried out by the authorities which are described in an annex to this declaration;

c) represents the reduction of the threshold of environmental protection to such a degree that these rules are often derogated or reduced to their most minimal expression, such as can be appreciated by the following elements of the reform package:

1) a marked increase in the discretion granted to the authorities in enforcing the Law, and in the elimination from the Law of the compulsory criteria of environmental policy, in contempt of the legislative branch;

2) the relinquishing of Federal authority on environmental matters of a national scope, supposedly in order to transfer them to the states, which have even fewer resources available to deal with them, based on the unlikely concept of "decentralization" and "New Federalism", thus creating vacuums of authority;

3) the elimination of stipulations on participation in environmental protection, as well as the rules on participation by communities, even indigenous communities, in the management of environmental policy on a regional or local level, and particularly that related to decision-making on natural resources in protected areas. Likewise, it eliminates dispositions that currently recognize the legal right of persons to demand, before administrative and judicial authorities, observance of the Law by the authorities, as well as by individuals;

4) the establishment, in the chapter that refers to the "Right to Information", of a set of rules with all of the obstacles to restrict its exercise, constituting a sadly comical scheme that is disrespectful of society;

5) the granting of legal supremacy and prevalence to the Legislation on Urban Development over the Environmental Law, subordinating, impairing and making useless the stipulations of the latter;

6) the thwarting, rather than strengthening, of the principal tools of environmental policy provided for in the Law, particularly "environmental impact assessments" and "regulation of human establishments";

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NEGATIVE RETURNS AND FUTURE PENSIONS

by Andrés Bustos González, Confederación de Empleados Particulares de Chile (CEPCH)

Chile's privatized pension system is being held out as a model for other countries to emulate. Before anyone rushes to copy it, however, a closer examination of the real costs and benefits of that system should be undertaken.

The country's pension system was privatized as part of the Social Security Reform adopted in 1981. The latter was imposed by decree following the implementation of the 1978 Labour Plan at a time when the labour movement was extremely weak. Through this reform, the Pension Fund Administration (AFP) was privatized and the protection of workers and their families was left to the mercy of market forces.

The most recent figures released by the AFP superintendency with respect to the negative returns on the investment of the Pension Funds for 1995 have caused a great deal of concern. It is important to remember that these funds are the property of the workers.

The real returns on individual accounts fell to -4 percent last year; those most affected are precisely those with the lowest incomes. Workers who retired in 1995 saw their accumulated pension reduced by the equivalent of two years' worth of contributions without any possibility of regaining this loss. The impact is even greater on those who retired early due to a disability, since their lifetime benefits will be reduced accordingly. This also means that the approximately 95,000 pensioners who chose to receive programmed monthly withdrawals from their savings accounts will receive incomes 12-15 percent lower in 1996 than in 1995.

Today the system has turned into a real puzzle, where workers must be concerned with stock market trends, when the best time to retire is, and whether programmed withdrawals or an annuity fund is more appropriate and when to make this decision. In other words, workers must become experts in financial forecasting. The great majority, however, lack the capacity to make an informed decision based on a rigorous examination of the advantages and disadvantages of the different types of pension plans being offered.

Meanwhile, a significant number of workers are, for all intents and purposes, marginalized from this security system, condemned to depend on a minimal subsidy from the government. This is the case of the great majority of seasonal fruit workers, unprotected mine workers, small-scale fishermen, and longshoremen forced into unemployment by mechanization, many of whom are unable to make monthly contributions to the pension funds. If this situation is not resolved soon, hundreds of thousands of Chileans will be condemned to extreme poverty. At the same time, the process of concentration of AFP property in the hands of a relatively few national and foreign groups has accelerated. The small AFPS are being absorbed by the larger ones, leading to the disappearance of such funds as LABORAL EL LIBERTADOR, BANGUARDIA, QUALITAS, INVIERTA, PREVIPAN, FOMNAT and, more recently, the Plan Vital AFP, which bought up the Concordia AFP. Today only 15 AFPS remain of the 22 that existed in 1995, and this concentration will increase with the introduction of commercial-bank administration of the pension funds.

According to the macroeconomic indicators published by the government, the rate of growth in the economy in 1995 surpassed seven percent. The unemployment rate was less than six percent and the inflation rate only 8.2 percent. Per capita income was U$S5,000. Furthermore, the AFP companies registered profits. Despite all this, the return on the pension fund investments was negative.

The current crisis necessitates a careful review of the social security programs. A social policy must be established whereby the state can regain an active, though not paternalistic, role in the improvement of the standard of living of Chilean workers. This is not about returning to the past, but rather, given the current reality, about introducing important modifications that will democratize the AFP system, increase the benefits to its contributors, establish employer contributions, and generate social mechanisms that, with the active participation of the state, will allow for universal coverage in the social security system.
CUBA EMBARGO STIRS CONTROVERSY

by Karen Hansen-Kuhn, The Development GAP

One of the contradictions inherent in the Clinton Administration's trade policy has been highlighted in the recent controversy over implementation of the "Helms-Burton" Act, a law that has significantly tightened the U.S. embargo on trade with Cuba. While the Administration has supported the expansion of free-trade agreements in most of the Americas, as well as the continuation of most-favored-nation status for China despite its human and labour-rights record, it has agreed to extraordinary measures to limit international economic relations with Cuba.

"Helms-Burton" refers respectively to the principal Senate and House sponsors of the "Cuban Liberty and Democratic Solidarity Act of 1996," which, besides further limiting trade, would restrict the entry into the United States of foreign businesspeople whose firms invest in Cuba. It would also enable U.S. citizens whose property has been nationalized by the Cuban government to sue foreigners who purchase an equity interest in, manage, enter into joint ventures related to, or otherwise "traffic" in that property. The bill had been languishing in Congress for months, with reports that President Clinton would veto it were it approved. However, the 24 February downing of two airplanes operated by the Cuban exile group, Brothers to the Rescue, by the Cuban military led the U.S. Congress and Clinton to approve the bill within a matter of days.

While the law has strong support from conservative quarters, particularly those Cuban-American groups that vehemently oppose the Castro government, it has also engendered strong opposition, including that voiced at a recent meeting in Canada by Mexican President Ernesto Zedillo and Canadian Prime Minister Jean Chretien.

On 28 June, a ministerial-level meeting of the NAFTA Commission was held on the issue as the first step in the process of possibly convening an official dispute-resolution panel. The Canadian and Mexican governments contend that the Helms-Burton law violates U.S. commitments under NAFTA on investment and service rules, as well as those on the temporary entry of businesspersons.

Should the matter reach a formal dispute panel, however, the United States might cite Article 2102 of NAFTA, which provides exceptions to allow a party to the agreement to take any actions "that it considers necessary for the protection of its essential security interests." The downside of using that argument, of course, is that it could serve to diminish the interest of other Latin American countries in joining NAFTA. Many presently see NAFTA membership as a protection against U.S. unilateral political or economic action.

Both the Canadian and Mexican governments are considering changes in their laws that would block the effective implementation of the Helms-Burton Act. Canada plans to pass legislation that would direct its courts to refuse to recognize and enforce any judgments that require compensation from firms that benefit from expropriated U.S. property in Cuba. Challenges to the law have also been lodged in the United Nations, the Organization of American States and the World Trade Organization.

Opposition to the Helms-Burton law has also gathered strength within the United States. The National Association of Manufacturers, the U.S. Chamber of Commerce, the National Foreign Trade Council and other business groups urged President Clinton to waive Title III of the Act, which allows suits against foreign companies investing in nationalized property of U.S. citizens. According to an article in the Washington Post, these groups fear that the enforcement of Title III would jeopardize U.S. economic interests abroad by generating retaliatory measures.

On 16 July Clinton announced that he would exercise his right to waive implementation of Title III, delaying its implementation until 1 February, well after the upcoming presidential election. He emphasized that he was in basic agreement with the bill's objectives but planned to work with allied governments to implement other measures to isolate Cuba. He did not elaborate on what those measures would be or why those countries would suddenly decide to endorse the U.S. policy.

Among U.S. citizens' groups, the Latin America Working Group (LAWG) -- which comprises religious, development, solidarity and policy organisations -- has taken the lead in opposing the Helms-Burton Act. In an 11 July letter, 35 member organisations urged President Clinton to waive Title III of the Act. "First of all," the groups declared, "if you fail to waive Title III, normalization of relations with Cuba will be next to impossible, and the misery of the Cuban people will continue unabated... The United States, instead of promoting interminable divisiveness, should be encouraging dialogue and reconciliation between Cubans and Cuban-Americans. Furthermore, the people of Cuba have endured a four-decades-long embargo; we need a different approach. Whatever the problems the United States may have had with the Cuban government, it is clearly immoral for the United States government to take it out on the people of Cuba."

For more information on the Cuba Task Force, contact the LAWG (U.S.) at 202-546-7010 or e-mail at lawg@igc.apc.org

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RMALC: FIVE YEARS OF CITIZEN ACTION

By Victor Osorio, RMALC

On 11 April 1991, a very diverse group of citizens' organisations decided to formally constitute the Mexican Action Network on Free Trade (Red Mexicana de Acción frente al Libre Comercio, RMALC). The network was established to articulate a citizens' response, both at a national level and with counterparts in Canada and the United States, to the governmental initiative to establish a North American Free Trade Agreement.

The establishment of RMALC was undertaken within an extremely complex political context and has been a part of the effort to develop new forms of participation in civil society in matters of public interest. RMALC is one of the multiple expressions of movements and organisations that have given a new impetus to the struggle for democracy and social justice in the 1980s.

Throughout its first five years, RMALC has managed to incorporate a number of distinctive features in its work. They include:

Plurality. Since its founding, RMALC has been composed of an enriching mixture of "traditional" social organisations (unions, family-farm and indigenous groups, urban popular movements, etc.), civic organisations (environmental, education, promotion, and research groups) and researchers and activists who participate as individuals in the Network.

Flexibility. RMALC has a simple structure, which has been adapted to the needs emerging from the different situations that have arisen. The Network has managed to adhere to the principle of consensus in decision-making, developing at the same time agile and efficient mechanisms to implement the initiatives upon which its decision-making bodies have agreed.

The combination of diverse forms of action. The Network has employed, at different times, quite varied forms of political action, which have included: public dissemination and popular education (through its newsletter Alternativas, manuals distributed by electronic mail, books and pamphlets, workshops, forums, and mass-media activities); research, critical analysis of government initiatives and policies, and the development of alternative proposals (all of which are represented in numerous documents that have played an important role in the public discussion of economic integration and trade liberalization); and attempts to influence the process of negotiation of NAFTA and other economic accords (through mobilizations, public acts, and advocacy activities with national and international decision-making bodies).

The willingness to establish broad alliances on a national level. RMALC has managed to establish a dialogue with very diverse actors in civil society and with political parties, which in many cases have translated into short, medium and long-term alliances to influence government policies on economic integration and trade liberalization. Standing out among those alliances are relationships developed with groups of small and medium businesses that have experienced with particular acuteness the negative effects of the current development model and that are attempting to free themselves from the mechanisms of commoditization control that have prevented their participation in decisions that directly affect them; and those established with diverse citizens' organisations that attempt to make their own contributions to the process for peace with justice and dignity in Chiapas.

The willingness to establish broad alliances on an international level. In the development of the Network, the support and accompaniment of its counterparts in Canada (particularly the Action Canada Network) and in the United States (particularly the Alliance for Responsible Trade) have played a very important role. With those coalitions and others in this hemisphere, Europe, Asia and other parts of the world, RMALC has managed to establish strong links that have included the permanent exchange of information and points of view, shared reflection on strategies, and the development of joint actions.

The capacity for proposal development. The Network has complemented its research and analysis work on current economic integration and trade liberalization policies with an effort to develop alternative proposals. The principal products of that effort are the Proposal to Renegotiate NAFTA -- which includes a set of modifications of practically every one of the chapters of the agreement in order to convert it into an instrument that effectively contributes to just trade and sustainable development -- and the Plan for Economic Recovery and Sustainable Development, which served as the basis for a proposed package of twelve national economic measures submitted for public debate, the Liberty Referendum signed ultimately by more than 429,000 Mexicans.

The incorporation of these elements has not been easy to achieve. The Network has had to deal with the weakness of many of its member organisations, a product in large measure of the harassment to which the government has subjected them. This action has impeded their contributing greater human and material resources to the consolidation of this collective effort. RMALC has also had to deal with the unwillingness of the authorities to supply complete and timely information and to listen to the opinions of organized sectors that are not under its control, as well as with the insufficiency of access to the mass media and with a general incapacity to involve organisations in the interior of the country and other sectors of the population (artists, young people, traders, etc.) that could potentially be interested in its work.

Among the challenges that confront the Network after five years, the following stand out:

- To sustain and improve its work of citizen monitoring of the performance of NAFTA and its institutions, documenting their economic and social impacts and developing alternative proposals.

- To broaden its perspective so as to develop analyses and alternative proposals for governmental proposals for economic integration with other geographic areas (Latin America and the Caribbean, Europe, and the Asia-Pacific region).

- To articulate its actions with other networks and citizens' organisations that are advancing proposals on social and political reform, while maintaining its identity and fostering its specific contribution to the construction of a social agenda for the democratic transformation of Mexico.

- To strengthen relations with those organisations in various parts of the world that share basic positions in favor of mechanisms to ensure that so-called "globalization" is not produced at the expense of the environment, labour and social rights, and the right of each nation to decide its future in a sovereign and democratic manner.

- To strengthen its institutionalisation, which includes increasing its membership, making it organisational functioning more orderly, and professionalizing key aspects of its daily operations (dissemination, education, networking, research, etc.).

To confront these challenges means to contribute to the effort to open spaces for citizen participation in the definition and implementation of public policies, and therefore to the struggle for democracy -- as of which are inconceivable without a different, sustainable and just development model.
MERCOSUR: THE OTHER SIDE OF THE COIN
by Jaime Naranjo, Member, Chilean Chamber of Deputies

Editor's note: The following article is excerpted from a speech given by Mr. Naranjo at a forum convened by RECHIM earlier this year. Subsequently, the presidents of Chile, Brazil, Argentina, Paraguay and Uruguay signed an accord giving associate membership to Chile in the Southern Cone Common Market (MERCOSUR). Votes on the ratification of the agreement are scheduled for October in the legislatures of the five countries.

Until very recently, we were all totally convinced that our debate on trade would be centred around NAFTA, and we all had our artillery ready to deal with this issue. Now we are being told that our entry into the MERCOSUR is practically irreversible.

If Simon Bolivar were alive today, perhaps he would be pleased, because we would be fulfilling his dream of regional integration, an integration that many of us have read about and that many more of us have called for. Despite this, a dynamic discussion has not been sparked within the diverse social, political and cultural segments of our country over whether our entry into this trade bloc is advantageous. The non-existent participation in a discussion of the issue of the MERCOSUR must now be added to the scarce participation which existed in discussing the issue of NAFTA.

In this regard, it seems ironic, to say the least, that our country is about to celebrate its tenth year of sustained growth. A few days ago, the Central Bank announced that Chile has a per-capita income of US$4,700. Nevertheless, when people are asked about whether they are happy with the type of society that we are constructing, most people respond with a no.

It is in this context that we see the development of scenarios such as globalization. It is currently natural for countries to integrate with one another. However, that integration requires that the societies within these countries be divided and fragmented. This is a contradiction.

If we analyze what the MERCOSUR implies for our country, from a rural or agricultural point of view, it is far more harmful than even NAFTA.

I will offer figures regarding the impact so that we may start measuring the consequences. Unfortunately, people have only wanted to listen to and talk about the advantages: that a market of 200 million people will be opened to us and that, consequently, our economy will be more competitive.

But very little or nothing is said about the costs. We must remember that in these international agreements there are always winners and losers.

The economy of a major part of the rural sector is sustained by agricultural activities. In this context, 240,000 Chilean small-scale farmers live in regions where the alternative of modernization simply does not exist. If we are to multiply this number by four, that is close to a million people. Thus, when there is no rain, the cost of producing grain is one-third of what it costs in Chile, and, when it rains, it is one-fifth of that cost. This grain will arrive in Chile. And those 240,000 peasant producers, with their five, five or four hectares, know nothing other than how to produce grain.

The question then is how are we going to convert those farms, given that there is no technology to do so? We would need a minimum of 20 years for this country to double its grain production. In this case we would need to triple or quadruple grain production in 15 years. This is not possible.

In this same manner I could continue with the examples of rice, livestock and red beets. One could ask: which regions sustain on rice, red beets and livestock activity? The answer is: Region VII; part of Region VIII; and all of Regions IX and X. These four regions would be left dismembered and with little or no possibilities for modernization.

The signing of a trade agreement between Chile and Canada will mean an advancement towards the incorporation of Chile into NAFTA and the intensification of the worst aspects of the current political and economic model. While Chile has been hailed as an "economic miracle," an example for other countries to follow, there is a dark side which has been systematically ignored.

The current economic policies have been unable to produce "equitable development". Despite ten years of economic growth, income inequality has increased consistently. According to 1994 figures regarding wage distribution, the 541,000 wealthiest Chileans (equal to five percent of the population) received incomes equivalent to those received by 10 million Chileans.

The Chilean economy has been inundated by a flow of dollars due to export growth, direct foreign investment and the flow of short-term speculative capital. This has resulted in the revaluation of the peso and a situation that translates into receiving fewer dollars per unit exported. For example, in 1995 the fruit export sector lost a million dollars, close to 10 percent of total exports, due to the fluctuations in exchange rates. This loss has been compensated for by employers using creative means of making employment more irregular and by expanding the use of temporary or casual work.

Economic growth has produced social disintegration: these policies have inspired export-based economic growth, which lowered wages, uncertain employment and a low-skilled labour force. The dynamism of the Pinche labour code with minor modifications and the practice of labour market flexibility promoted by Pinochet has produced a labour market in which the force of the labour force receives wages that are below the minimum necessary to cover the basic needs of an average family unit. A large portion of the seasonal workers who enter the labour force are kept at a low wage rate. The incidence of child labour (the employment of youths between the ages of 13 and 17) increased by 50 percent between 1987 and 1992. The uncertainty of incomes, the break-up of families, alcoholism and drug abuse are some of the "collateral damage" from the successful application of neoliberal economic policies.

After 25 years, the level of poverty has not improved. In 1994, it returned to what it was in 1970: 28.5 percent of the population. The difference now is that per-capita income is at US$4,500, and the poor are being burdened by excessive work.

These policies have destroyed the ecosystems and the environment: export promotion and the growth based on exports have translated into 80 percent of Chilean exports being based on the extraction and basic processing of natural resources. Each one of these dynamic poles of the export model shows signs of ecological collapse. Arsenic and lead effluents from mining projects have poisoned the water and run to the coastal bays, causing the extermination of different life forms. Mining activities

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in Chile's arid north have appropriated the water resources on which indigenous communities depend for livestock and crops, putting them at risk of extinction. The industrial over-exploitation of fish resources has eliminated species of marine life, and the salmon aquaculture has poisoned the lakes of southern Chile. The extensive use of pesticides for fruit cultivation in the three agro-export valleys has altered the chromosome structures of the women and men workers, thus increasing the incidence of genetic mutations. The explosive growth in the exploitation of forests has meant an end to wood and cellulose diversity, the destruction of biodiversity, the loss of native forests and the loss of productive resources of sectors linked to small-scale agriculture. Meanwhile the land is being used as plantations for artificial eucalyptus and pine forests, which will later be exported as chips or cellulose fibre for the production of fax paper in the north.

The export-based model and the political transition that accompanies it have produced a "low-intensity democracy", one that is incapable of representing popular interests. The dictator of the previous regime is still the Commander-In-Chief of the Army. Military power has not been subordinated to civilian power. One-third of the Senate seats remain in Pinochet's hands. A system of bi-nominal representation, instead of an electoral system based on proportional representation, does not allow for smaller parties to have their corresponding representation in congress.

In addition to the "authoritarian enclaves" inherited from the military regime, the integration of Chilean society into the global economy has also played a part in limiting democracy.

On one hand, the government has a very limited capacity to determine the basic instruments of economic policy; on the other hand, the political class plays the role of ensuring stability for foreign productive and financial investors, preventing the emergence of collective players that may intervene and modify the functioning of the market. The success of the model has meant that policies and even democratic political spaces are subordinate to the requirements of the export-based model and to the needs of foreign investors.

The dark side of the Chilean miracle, briefly outlined above, is not reflected in the impressive macro-economic indicators utilized in the neoliberal structural adjustment programs. The last 25 years of socioeconomic show that the costs of this adjustment are not simply transitional, but structural, as well.

The previously mentioned points demonstrate that the signing of a trade agreement [with Canada] based on the current NAFTA will produce greater social and environmental costs. The country would be best served by the postponement of the signing of the agreement due to the following concerns:

1. The non-compliance with current labour and environmental laws. In the case of both laws, there exists no effective means by which to regulate compliance. In the case of labour laws, the current code does not include the basic rights recognized by the different international organisations. In this context, the approval of the labour reforms, which are still pending in congress, is crucial.

2. The non-existence of even a minimum of debate or information regarding the impacts that this agreement could produce. Moreover, the non-existence of labour or environmental impact studies reinforces this notion.

3. The ineffectiveness of the NAFTA side agreements in the enforcement of norms. Any trade agreement reached with Canada must include labour and environmental clauses in the body of the text. 

THE MEXICAN MODEL AND THE EUROPEAN COMMUNITY: SOME PERSPECTIVES

by Alejandro Villamar, RMALC

At a plenary meeting of the foreign-affairs ministers of the European Union (EU) held in Brussels on 13 May, it was agreed that a Commission of Experts would prepare a plan to begin negotiations with Mexico on an Agreement on Free Trade, Economic Cooperation and Political Concurrence. Their decision marks an important step in the strengthening of relations between Mexico and the European Union.

The backdrop for this developing relationship can be found in "The Framework Agreement for Cooperation" signed with the EU in 1991, in European concerns that emerged after the signing of NAFTA, and in Mexico's entry into the OECD in May 1994, as well as in Mexico's intense private meetings and recent signing of financial and investment-protection agreements with Spain, Norway and France. These developments fall within the context of Mexico's efforts to diversify its trade relations, as well as to generate foreign-investment flows, especially given the current economic crisis and the country's international financial commitments.

Although the EU is Mexico's second largest trading partner, commercial exchanges with it constitute less than ten percent of Mexico's total. Mexico has historically run a trade deficit with Europe; its exports to the EU reached US$3.375 billion and imports US$6.724 billion in 1995. The latter have consisted mostly of equipment, motors and manufacturing goods, while Mexico's exports have been oil, petrochemicals, some manufactured goods, and agricultural products.

Despite recent European studies showing that Mexico runs a global agricultural trade deficit, the fears and objections of some of the European countries that have been skeptical about the proposed agreement are centered on matters related to farm

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BORDERING ON A STATE OF SIEGE

by Ruben Solis, Southwest Network for Environmental and Economic Justice/Border Justice Campaign

Immigration reform remains a hot topic in Washington. The Immigration in the National Interest Act (H.R.2202), introduced by Rep. Lamar Smith (R-Texas), cleared the House in March with overwhelming Republican support. The Senate has approved a similar bill introduced by Sen. Orrin Hatch (R-Utah). A conference committee will meet soon to iron out the differences.

Immigration activists are urging that President Clinton not sign this bill into law. H.R.2202 would, among other things, dramatically increase the number of U.S. Border Patrol agents. Rather than address the underlying economic conditions in Mexico leading people to migrate to the United States, this legislation would only serve to increase the extreme tension and militarization in the border region.

"The speeches of Pat Buchanan about closing the borders between the U.S. and Mexico echoed across the halls of the United States Congress, saying to immigrants, "not welcomed"", says Jose Bravo, of the Southwest Network for Environmental and Economic Justice (SNEEJ) in San Antonio. "The national political rhetoric went as far as making Buchanan the champion for re-establishing the good-ole Jim Crow days of 'whites only'. Buchanan and the right advocates are for closing the U.S./Mexico border, building more 'Steel Berlin walls' on the border, using more extensively the military forces such as Marines and National Guard, and building huge 'concentration camps' for deportees."

In the opinion of David Cruz, organizer for the Southwest Public Workers' Union (SPWU), "Much of this campaign by the Republican right seems to be based on fear, xenophobia, racism and white supremacist. The federalizing of proposition 187, passing English-only laws, dismantling affirmative action programs, and the closing of the borders are all part of the same climate of repressive laws and repressive actions. This climate prevalent on the borders is the result of institutionalized racism and the racist propaganda whipped up by the likes of Sen. Diane Feinstein (D-California), Gov. Pete Wilson (R-California), Lamar Smith, Alan Simpson, Pat Buchanan and the David Dukes of the Ku Klux Klan."

"The repressive climate set for the borders can be seen in many forms, but of particular importance is the reality the Border Patrol paints for itself," Cipriana Jurado, Co-chair of SNEEJ's Border Justice Campaign, explained in an interview. "The brutal beatings in Riverside, California and the countless deaths of people as a result of high-speed chases by the Border Patrol that have been on the news for weeks are examples of Border Patrol programmatic actions and not isolated incidents."

The 3,000-mile border, which touches four Southwestern U.S. states and six Northern Mexico states, is patrolled and controlled by the Border Patrol of the U.S. Immigration and Naturalization Service (INS). To exercise tighter control, permanent highway checkpoints were established decades ago and are now located on all roads leading to and from border cities and towns as far as 25 miles inland in both the United States and Mexico.

Long-time South Texas resident and community-labor organizer Chavel Lopez condemns the repressive nature of the INS border practices. "The Border Patrol has snifffing dogs at most checkpoints and routinely will bring the dog into your car to sniff for drugs. Additional 'lightning' checkpoints are randomly set up on different county and state roads, stopping all cars in the middle of the night and checking the car's occupants, opening the car trunk searching for drugs."

The INS has a history of launching military-type operations, such as Operation Wet Back in the 1950s. More recently, Operation Gatekeeper has been conducted in the San Ysidro sector of California and Baja California. And, in the desert land linking Anapra, Coahuila in Mexico and Sunland Park, New Mexico, as well as in El Paso/Ciudad Juarez, it has been Operation Hold the Line.

According to newspapers, in the last year the INS and its Border Patrol have placed more than 1,000 new agents on the southern border, bringing their total to more than 5,000. In a year of unprecedented federal bud-
products. In fact, these same studies recommend that European tariff protection be maintained against agricultural goods such as "...bee honey, asparagus, plantain, strawberries, tobacco and fish products, in which the Mexican potential for export may affect European products or the products of certain EU trade partners."

Official Mexican declarations project an increase in Mexican exports of at least 20 percent as a result of the trade accord with the EU and the removal of European tariffs on flowers, mangoes, beans, chemicals, medicines, textiles, fur and other products. There is no doubt that such an agreement would result in increases in the export of some Mexican products. However, there is no reason to believe that significant change could be achieved overnight. It is very possible, for example, that fish and seafood would be included in the list of "sensitive products", to which a "progressive" trade liberalization would apply. Affected would be tuna, which is the Mexican fish product with the greatest potential for export.

While little has been said about the prospective increase in and effects of European exports to Mexico, some European government representatives have expressed their interest in the privatization and purchasing of Mexican petrochemical plants, in concessions related to the energy, telecommunications and tourism sectors, as well as in recovering U.S. and Latin American markets "via Mexico" (specifically on behalf of VW-Bietz, Peugeot-Citroën, and Alcatel, among others). Government officials and business leaders from both sides have been developing a series of agreements on matters of financial security, joint ventures, training programs, technical assistance and export promotion. In financial matters, from the little that is known publicly, at least two things are essential for the Europeans: the freedom to repatriate the profits from investments and the acceptance of unconditional international arbitration in cases under dispute.

As for matters of international cooperation and assistance, it is important to look at the experiences of Europe's former colonies that have encountered notoriously unequal relations in trade with the EU under the Treaty of Lomé. Under the Treaty, so-called bilateral or multilateral cooperation has been used by European corporations to obtain various concessions related to natural-resource exports or even to influence the direction of the local economy. Amongst the most notable examples are the concessions on the exploitation of fishing grounds by European fishing fleets, the unjust Senegalese fish-import arrangements and the agreements reached on the export of beef from African countries with high levels of malnutrition.

In the pursuit of true international cooperation, existing social and economic inequalities must be taken into account. In the case of a trade agreement with the EU, this means that Mexico should enjoy preferential trading status without having to grant equivalent concessions. At the same time, it is essential that the EU's many financial, technical and scientific resources be available for Mexico's sustainable development, particularly in its fishing industry. The members of the EU make up the majority of the industrialized countries that agreed at the 1992 Earth Summit in Rio to contribute at least 0.07 percent of their GDP towards assisting the sustainable development of less industrialized countries; it would be regrettable if Mexico were to miss the opportunity to press this point during the upcoming negotiations.

Meanwhile, the Mexican government has suggested the opening of a political dialogue through periodic meetings attended by high-level ministerial and sectoral representatives. However, it has rejected outright a proposal made by European parliamentary and governmental representatives last year to include a clause on democracy in a prospective agreement.

This issue notwithstanding, the profound economic, financial and political inequalities that exist between Mexico and the European Union could result in decisions that are unfair to the Mexican people. An explicit example are the statements made in recent months by various European prime ministers and chancellors who have visited Mexico and expressed their opinions favoring the intensification of economic reforms and adjustments, as well as of the privatization process, and on other important matters that should, in fact, be decided within Mexico.

None of these distinguished visitors have uttered a single word about plans that might be developed to address Mexico's foreign debt or about any changes that might be made in the orthodox monetarist policies of the international financial institutions.

It is important to keep in mind that, in the international arena and through various multilateral organisations, the EU has been pressuring countries to accept a number of policies and legal instruments that are favorable to their corporations' interests. Among these is the proposal for a multilateral Agreement on the Protection of Investments, which has already been rejected by a number of developing countries on the grounds that giving foreign capital national or local treatment threatens national sovereignty and favors speculative investment and large multinationals.

At the same time, however, there are diverse forces in Europe that wish to see established more equitable ties with Mexico that are respectful of our sovereignty. These include an important sector of the European Parliament, some government representatives, organisations of producers, and social and non-governmental organisations.

The nature of the future agreement between Mexico and the EU is well beyond what we know as a financial-trade agreement. To summarize, we are at a crossroads. This agreement could either accentuate Mexico's increasingly externally dependent, highly exclusive and unjust export-based economic model or it could constitute an opportunity to moderate, balance and distribute the benefits of the country's development course.

In light of the NAFTA experience -- both its negotiation and its consequences for Mexico -- it is essential to highlight the importance of aiming for broader participation on the part of legislatures, political parties, small and medium-scale producers and non-governmental organisations in the negotiations of an agreement between Mexico and the EU. To leave these negotiations to those conspicuous forces traditionally represented in such talks could produce the same mistakes that were committed in the case of NAFTA. Increasing the broad participation of Mexican society and ensuring that these are approached in an integral, multisectoral manner would help to ensure that this accord truly serves Mexico's broader and more far-reaching interests. 

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**EQUIPO AMÉRICA**
THE "ALTERNATIVE FEDERAL BUDGET": A CITIZENS' PROPOSAL

by Bruce Campbell, Canadian Centre for Policy Alternatives

For the last two years, the Canadian Centre for Policy Alternatives and CHOICES, a Winnipeg-based social justice coalition, have sponsored an Alternative Federal Budget initiative. Bringing together groups from across the country, including activists, academics, and representatives from labour, women's, church, students' and other social-action groups at both the national and community levels, the project seeks to counter the corrosive orthodoxy of inevitability.

We start from the premise that choices do exist and that budgets are political documents which reflect the priorities and values of those who put them together. We acknowledge that current realities impose constraints on national policy. In devising the alternative budget, however, we reject the neo-liberal line that national governments are powerless -- in a world of mobile capital and heavy debt -- to do much except cut, deregulate, privatize and hope for the best.

Our alternative reflects a three-pronged strategy of job creation, social investment and rebalancing the tax system. It is based on the premise that a government can take action, starting with the Bank of Canada lowering interest rates and keeping them low, and holding a greater share of government debt so that it is maintained in national rather than foreign hands. It includes a number of proposed measures to regulate capital flows -- for example, lowering the current ceiling on the foreign investment of tax-subsidized pension money -- as well as measures to encourage financial institutions to invest in productive (as opposed to speculative), employment-creating activities in Canadian communities, instead of abroad. It would halt the public-sector cuts and begin to rebuild our damaged social infrastructure.

Finally, our alternative would selectively increase taxes on those groups that are best able to pay, namely profitable corporations and wealthy Canadians. Our measures include a wealth-transfer tax, new marginal tax brackets for those earning incomes over $100,000, and eliminating some of the most wasteful corporate tax subsidies and loopholes. It should be noted that, over a five-year period, 80 percent of the new revenue to cover budget outlays would be generated by a revitalized economy, with more employed people and healthier businesses paying more taxes and with fewer people depending on social assistance. Our budget plan would eliminate the deficit and, more importantly, make a significant dent in the debt by the year 2001.

Recognizing the need for cooperation among nations to deal with the problems that global integration and mobile capital pose for national efforts to create jobs and raise living standards, our alternative proposals include a Tobin tax on private speculative capital flows, as well as international measures to limit the ability of transnational capital to push down social and environmental standards and taxes, measures that would require fundamental changes in NAFTA, for example. Ultimately, without cooperation among nations in the establishment of mechanisms to promote stable, equitable and sustainable development, the success of national efforts would be diminished.

Would the money markets effectively veto our budget because it is out of step with neo-liberal orthodoxy and spark a run on the Canadian dollar that would lead to economic chaos? We think not. There could well be a period of short-term financial instability. We anticipate a modest decline in the value of the dollar and a modest increase in inflation -- effects that are positive in terms of our goals. Overall, any short-term costs would be far outweighed by the benefits to the great majority of Canadians.

The most important challenge, I believe, is to break the ideological spell of crippling passivity in the face of what are claimed to be uncontrollable global forces. This powerful myth subverts democracy and breeds a politics of resignation and despair. The Alternative Federal Budget helps to break the spell.

For more information about the Alternative Federal Budget, or to receive copies of the Framework and popular documents, contact the Action Canada Network at (613) 233-1764.

8,000 ON PARLIAMENT HILL FOR WOMEN'S MARCH FINALE

by Action Canada Network

After spending a month visiting some 90 communities across Canada, the Women’s March Against Poverty arrived in Ottawa on 15 June to a heroine’s welcome. The March consisted of three caravans of women who had travelled from the north, south, and west of Canada to meet in the capital. At the March’s culminating event, the National Action Committee on the Status of Women (NAC) and the Canadian Labour Congress (CLC) presented a list of 15 demands to the Canadian government, including the creation of a Canada Social Security Act, a National Child Care Program, a real job-creation strategy, and Cdn$50 million in funding for feminist services to end violence.

Thousands of women met the caravans in Ottawa for two days of celebration, strategizing, meetings and actions. These women were joined by their friends and families at Ottawa’s LeBreton Flats, from where more than 8,000 people then marched to Parliament Hill, carrying the fifteen demands the final kilometre of the way. That march was greeted by the tune of "Bread and Roses," sung by labour singer legend Arlene Mantle. Nancy Riche of the Canadian Labour Congress, Sunera Thobani of the National Action Committee on the Status of Women, Françoise David of the Federation des femmes du Quebec, Jennifer Story of the Canadian Federation of Students, and many other women inspired people to keep up and expand the struggle to which the March has given new life.

For more information on the March and its successes, contact the CLC at (613) 621-3430 or NAC at (416) 932-1718, or see the web site set up for the March at http://www.women.ca/womens-march.
SONY CASE SHOWS SIDE AGREEMENT INADEQUACY

In January 1994, workers at the Sony plant in Nuevo Laredo, Mexico organized to demand fair union elections and an end to compulsory work on Saturdays and Sundays. The official union thwarted their efforts, and some of the reformers were fired by the company. When the remaining workers subsequently tried to form an independent union, the Mexican government refused to recognize it, and the workers involved in that effort were fired by the company, as well.

In response, the Coalition for Justice in the Maquiladoras (CJM), the International Labor Rights Fund, the American Friends Service Committee and the Mexican Association of Democratic Lawyers joined to file a complaint on the violation of worker rights before the U.S. National Administrative Office (NAO). NAOs were established in Canada, Mexico and the United States to receive complaints on labour-rights violations under the North American Agreement on Labour Cooperation (NAALC), NAFTA’s labour side agreement.

There have been three cases presented before the NAO to date. The other two, filed against Honeywell and General Electric, were dismissed early in the process because the NAO found insufficient evidence that the Mexican government had failed to enforce its labour laws, the key test under the NAALC. In this most recent case, the NAO hit Sony with the most "powerful" weapon available to it for this kind of violation: consultations on the matter among the labour ministries of the three countries. In the following testimony, presented before the ministers earlier this year, CJM’s Executive Director, herself formerly a worker at the Sony plant involved in this case, expresses her evaluation of the NAO process.

While public consultations were subsequently held in the United States and Mexico, they did not result in redress for any of the affected workers. None of those fired have been rehired, and the remaining workers’ demands have not been met. The complainants asked the NAO to reopen the consultations to deal with bias that they say exists in the labour courts of the state of Tamaulipas. Their request has recently been denied by U.S. Labor Secretary Robert Reich.

STATEMENT BY MARTHA OJEDA, COALITION FOR JUSTICE IN THE MAQUILADORAS PRESENTED AT THE THIRD MINISTERIAL CONSULTATION, 29 FEBRUARY 1996

It is difficult for the NAO to accept a complaint on a case of the violation of labour rights. The complaint must fulfill many requirements, among those not only the violation of those rights but also the Mexican government’s reaction to those violations. The Mexican government’s position is that it guarantees that workers’ rights are respected.

The NAO carefully analyzed the Sony case and, after an investigation that lasted several months, it found all of the required elements. It determined that the Sony case did present grounds for concern and accepted the complaint.

During this process, the Secretaries of Labour of each country were consulted. At a May 1995 meeting in Ottawa, Robert Reich and Santiago Oñate (formerly the Mexican Labour Minister and currently leader of the PRI) agreed to hold three Ministerial consultations: one on 15 September 1995; the second on 8 November 1995; and the third and final one on 29 February and 1 March 1996.

In the first seminar in Mexico City on 15 September 1995, the demagoguery and contradictions of the Mexican panel became apparent when, after a debate among themselves, the panel members openly declared that, "The registration of independent unions is never permitted when another union exists, even when it is not meeting the objectives for which it was formed," i.e., defending workers’ interests. They suggested as a solution that internal elections within the same official union be held, when this was precisely what caused the problem.

In the second seminar in San Antonio, Texas on 8 November 1995, Mr. Nestor de Buen [a Mexican labour lawyer serving as a consultant to the government] recognized that there were irregularities in the application of Mexican law but insisted that other means to resolve the problems exist. He declared that no one likes to be seated in the "prisoners' dock," and even less so internationally, that other forums for complaints do exist, and that we must be cautious with each country’s national sovereignty.

After two years of waiting for the final results, in the end this third consultation has only been, "a case of exploration of each country’s legislation in an attempt to improve the laws," but never a means to truly resolve a concrete case.

It was mentioned many times that each country’s sovereignty must be respected, when Article 311, Letter L of the Agreement is very specific on establishing the violations that will be tried according to each country’s own legislation. Moreover, I believe that the banner of human dignity must be held above the sovereignty of any country.

The Sony case became a historical incident that was very useful for research, investigation and dissemination, and that has created quite a stir. All of this leads us to reflect on the political turns that the Sony case took.

Mexican workers are frustrated about their powerlessness regarding their fruitless attempts and struggles to organize themselves. We can not disguise the reality: our problem is not Mexican law but rather the people that apply it.

How have the last two years of struggle and waiting served Sony workers?

In face of this failure of the NAO, WE ASK OURSELVES: What possibilities, what guarantees, what hopes can Mexican workers have to organize themselves, to try to improve their wages, their living conditions, when Mexican law allows them to do so but the scheming of the government with corporatist unions in a Conciliation and Arbitration Board [Mexican labour courts] that is far from being impartial THwarts THEM?
7) the significant weakening of the regulations governing protected natural areas, creating moreover a new bureaucratic mechanism in order to give the appearance of social participation and eliminating 236 reserves that protect our best forests and watersheds;

8) the conversion of the Law into a remedial tool, which induces and favors payment for damage to the environment rather than favoring a compulsory regime of prevention of environmental damage, without even adequately regulating the responsibility for that damage nor the obligation to restore the environment. Moreover, it institutionalizes disrespect for the Law allowing, through the Infractions Commission, the substitution of sanctions provided for in the law with falsely compensatory actions or others which should legally have been carried out in any case.

9) the violation of Mexico's international commitments on environmental matters, increasing the possibility of efforts to impose sanctions from abroad and contributing to the erosion of national sovereignty, such that the reform law is converted into a tool to engender foreign intervention.

II. All of the above is evidenced in the texts proposed for the following articles of the package of reforms of the Law: articles 1, 5, 7, 9, 15, 19, 20, 20a, 21 and 23, 25 to 30, 33, 35, 31 Bis 37, 38, 42, 44, 46, 48, 50, 52, 53, 56 Bis 60, 61, 66, 67, 73, 76, 78, 157, 159, 160, 193, and 194. We therefore alert the public and the Congress, which is receiving this initiative from the Executive Branch, as to the consequences of the proposal.

III. Great irritation and uncertainty have been created in environmental community by the unacceptable document produced by the INE and PROFEPA officials. In the exercise of the rights of participation and co-responsibility that the current Law still provides us, we decidedly and resolutely oppose any bill to reform the Law that contains these kinds of characteristics and especially that reduces the hard-won environmental rights achieved by civil society in the last two decades.

IV. Such an assault, perpetrated against the environmental equilibrium and conservation of our country's natural resources, must be denounced before the Federal Attorney General for Environmental Protection; however, given that the head of this agency is one of the authors of the proposal, it is useless to channel this complaint to that institution, which leads us to turn to the public.

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**Chronology of the Dismantling of Environmental Legislation in Mexico**

1. In 1992, the 1986 Forestry Law was abolished with the support of the Ministry of Commerce and Industrial Development (SECOFI). The Law had been a model of conservationist legislation. It was replaced by a new one lacking environmental provisions and promoting commercial plantations. This occurred over the opposition of the environmental community and despite the serious deterioration already suffered by the country's dwindling forest patrimony.

2. On 12 June 1995, the Law of Citizen Participation was published, after having been adopted by the Federal District [Mexico City] Assembly of Representatives. This has caused much consternation because of the way in which it obstructs and restricts the viability and efficiency of genuine citizen participation on public matters of primary importance, such as environmental protection.

3. Since 1994, the authorities have been taking actions that give form to the orientation of the Zedillo Administration. The new Federal District Statute (29 July 1994) and the Federal Law of Administrative Procedures (4 August 1994) stand out, as they have the effect of making the defense of the environment and citizen participation more difficult, obliging citizens to turn to administrative approaches that constitute traps that prevent access to judicial courts.

4. On 23 December 1995, the Urban Development Law for the Federal District was published, through which the District's Environmental Conservation Zone, which had been 57.4 percent of the metropolitan area's territory, was abolished. Now an Urban Development Program is proposed, which would formalize illicit acts committed by the authorities related to soil use and which back the continuity of the exorbitant and unchecked expansion of the City at the expense of the Environmental Conservation Zone, which had sheltered the few forests that serve as lungs for the metropolitan area and that constitute the watershed that supplies nearly 70 percent of the metropolitan area's water.

5. On 25 June 1995, SECOFI, the Ministry of Environment, Natural Resources and Fisheries (SEMARNAP) and the private-sector Confederation of Chambers of Industrialists (CONCAMIN) signed an agreement to establish an Environmental Protection and Industrial Competitiveness Program, in which the environmental authority abdicates its responsibilities in that area in favor of an industrial authority, so that it is the latter that, through the guise of "environmental self-regulation", "self-diagnosis" and "voluntary environmental audits", is converted into judge, even of its own actions.

6. The same day, the Mayor published an agreement by which nearly all businesses are "freed" from compliance with their obligations on environmental impact matters, due to which an important coalition of environmental organisations saw the need to lodge a protective lawsuit (demanda de amparo), since with said agreement a Congressional Law was illegally modified.

7. On 23 October 1995, SEMARNAP, emulating the illicit acts of the Regent [mayor of Mexico City], but this time on a federal level, published an agreement that exempts the vast majority of industries from their obligations to conduct prior environmental impact assessments as required under the law. Because of this, the same coalition of environmental groups mentioned above had to lodge the corresponding protective lawsuit.
Canadian companies are taking advantage of this situation, George Miller of the Mining Association of Canada recently claimed that "Canadian companies have made a commitment to the highest environmental standards, health and safety procedures and management practices, whether they are operating here in Canada or anywhere in the world."

The Calgary-based Nova Corporation is, however, doing its best to make a liar out of Miller. GasAndes, a firm that is majority-owned by Nova, is constructing a 465-km gas pipeline that will cut through several ecologically sensitive areas, as well as several rural communities in central Chile. Its work on the pipeline was suspended, however, pending negotiations with members of one of the affected communities, with the family that owns the local ecological sanctuary and with environmentalists (see box below). Particularly disturbing is the fact that, prior to the temporary suspension, GasAndes had enlisted Chile's notorious military police to provide them with on-site security, a move which demonstrates the extent to which Chile's neo-authoritarian state is still responsive to the demands of foreign business.

Recent comments by Peter Munk, CEO of the Toronto-based Barrick Gold Corporation (whose board of directors includes former Canadian Prime Minister Brian Mulroney and former U.S. President George Bush), which has invested heavily in Chile, underscore this point. At a shareholders' meeting in May of this year, Munk openly praised Pinochet. Later, when Munk was asked whether he believed that, in the case of Pinochet, the ends (namely, rapid capital expansion) justified the means (namely, state terror), he replied, "I think that it does, because it brought wealth to an enormous number of people, I mean... in my terms. If you ask somebody who is in jail, he'll say no. But that's the wonderful thing about our world: we can have the freedom to disagree."

With CEOs like Munk leading Canada's charge into the Chilean market, and with men like Pinochet (who is still in command of the armed forces) clearing a path, many believe that the Canadian government has a responsibility to use the current trade talks to advance workers' rights and protect the environment in both countries.

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**BILATERAL TALKS**

by Common Frontiers

NovaCorp, headquartered in the Canadian province of Calgary, has a controlling interest in the Chilean corporation GasAndes, which is constructing a pipeline from western Argentina to Santiago. The route of the pipeline was originally approved by the Chilean government without due consideration of safer, more benign courses through the Andes mountains.

Many residents of San Alfonso, a small town located on the southern outskirts of Santiago, opposed the construction plans. On 17 June, more than 150 police and three anti-riot mini-tanks faced off with the 300 community members who had joined to block the entrance to nearby Las Animas Nature Sanctuary, through which the pipeline had been slated to run.

On 18 June, GasAndes met with three representatives of the San Alfonso community. With the assistance of the Chair of the Chilean House of Representatives, they were able to agree to begin face-to-face negotiations. At the initiation of talks, GasAndes agreed: to recognize the community's right to negotiate; to consider alternative pipeline routes, including the community's proposal of a course through the Caldera Valley; and not to exercise its legal right to call in the police to gain access to the site for six days.

On 25 June, an agreement was reached that calls for building the pipeline alongside the sanctuary instead of through it. It will also bypass San Alfonso by climbing 1,300 meters above it. GasAndes refused to change the route to the Caldera Valley, however, because it claimed that it had to meet an urgent deadline for the delivery of gas to Santiago.

GasAndes did agree to put US$1 million into a foundation for the betterment of the community. There will also be safety valves on the pipeline at either end of San Alfonso, and the community will have a representative on the technical committee planning the route in the area. There will be independent monitoring of the process, as well, funded by the government.

Overall, San Alfonso residents say that they are satisfied with the fact that GasAndes now recognizes them as valid spokespersons in the negotiation process. They will have to learn to live, however, with an unwanted natural gas pipeline and with the divisions within the community left in the wake of the controversy. Many are frustrated because they feel they were not supported by the government in the talks. They also feel that the weakness of the country's environmental law has been clearly demonstrated and that there is a need for explicit provisions to allow effective public participation early in the process so these problems will not arise in the future.

While this episode represents the first time in Chile history that a community has negotiated directly with a large international company, observers contend that the affair also demonstrates the government's willingness to give multinationals a free hand in the development of megaprojects. In this regard, the residents of San Alfonso see the ability of GasAndes to call upon the use of police and/or military force to enforce its economic rights against community interests as raising serious questions about the quality of Chilean democracy.
Letter of National and International Solidarity with the Striking Lota Coal Miners

The following letter was disseminated by a coalition of Chilean labour organisations at a press conference in Santiago on 6 June and delivered to the Canadian Embassy the next day. In Canada, social organisations delivered it to their government authorities. We have included this letter in Our Americas as an example of the work that can be accomplished jointly by organisations in different countries organizing around common issues. Actions such as these facilitate the building of a hemispheric coalition.

To the Honorable Jean Chretien, Prime Minister of Canada,
To the Parliament of Canada,
To the People of Canada,

In light of the new round of negotiations between Chile and Canada for a bilateral free-trade agreement, the following organisations would like to state that:

1. Recent events in our country, especially the crisis in the coal-mining sector and the strike of the Lota workers, illustrate clearly that Chile does not meet the minimum requirements to address the social and environmental costs that such an agreement would entail;

2. The crisis in the coal-mining sector, which affects tens of thousands of workers and a vast region of our country, illustrates that Chile does not have adequate mechanisms to meet the requirements implicit in a free-trade agreement. The absence and/or limited nature and the inadequacy of Productive Restructuring Funds, Compensation Funds and Retraining Funds once again provide evidence that the liberalisation of the economy is being effected at the expense of workers and the poorest sectors. There are no mechanisms to deal with the regional impact of these decisions and the effects of increased globalization;

3. The Lota strike demonstrates that this country does not respect ILO conventions guaranteeing labour rights, in particular protections against:

   * mass firings without cause,
   * a pattern of suppression of labour rights, and
   * the repeated use of illegal anti-union practices in the private sector.

Therefore, since the bilateral agreement with Canada is a precursor to Chile’s accession to NAFTA, and since neither this bilateral agreement nor NAFTA offer adequate mechanisms to safeguard labour rights and the environment, we ask that you suspend negotiations until such time as there can be effective guarantees that the national benefits of free trade will not come at the expense of workers and Chileans in the popular sector.

UNION COORDINATING COMMITTEE ON NAFTA AND OTHER TRADE BLOCS

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Summer 1996
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