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TRADE BITS

ANOTHER BAD YEAR: Layoffs of North Carolina's textile and apparel workers have continued at such a rate that 2005 may be recorded as the second-worst year ever for the industry, the AP reports (2/21). "I think we could lose as many as 20,000 jobs this year," says Mark Vitner, economist at Wachovia Corp. in Charlotte. "We are going to see another round of significant layoffs." Figures from the U.S. Bureau of Labor Statistics show that North Carolina's textile and apparel industry has lost over 160,000 jobs since 1994, AP says. Rose Wilson was informed January 12 that she no longer had her job sewing at the WestPoint Stevens plant in Burlington. "It don't feel good, I'll tell you that," the 53-year-old widow told AP. The company will close this spring, putting all 560 of its employees out of work. "When a company like (WestPoint Stevens) closes down ... it affects more than the people inside the plant," says Mac Williams of the Alamance County Chamber of Commerce. "If it happens to the significant level that it has in Alamance County and North Carolina, you start losing the foundation of your economy."

MADNESS: A new study from Public Citizen describes how Canadian cattle producers are using NAFTA to demand \$300 million in compensation from U.S. taxpayer funds, claiming that the Canadian cattle import ban instituted after mad cow disease was found in Canada violates their NAFTA rights, a release from the group says (2/22). The report says that 42 cases have been filed by corporate interests under NAFTA's "Chapter 11" investor provisions, which grant foreign interests more expansive legal rights and privileges than those enjoyed by U.S. citizens or corporations. With only 11 of the 42 cases finalized, some \$35 million in taxpayer funds have been granted to five corporations that have succeeded with their claims. "It's unbelievable that the Bush administration is pushing a NAFTA expansion to Central America that would expose the United States to yet greater liability," said Lori Wallach, director of Public Citizen's Global Trade Watch.

RHETORIC: The U.S. House Hispanic Caucus has attacked the Bush administration for using inflammatory ethnic rhetoric to win votes for the Central America Free Trade Agreement (CAFTA), Inside U.S. Trade reports (2/18). In letters sent to U.S. Trade Representative Robert Zoellick and Commerce Secretary Carlos Gutierrez, 16 of the 21 House Hispanic Caucus members warned the administration against using a strategy of portraying CAFTA opponents as being "anti-Hispanic." Supporters of CAFTA "have previously indicated that they would seek to win support by casting votes against the deal as votes against boosting economic and democratic improvements in Central America," Inside Trade notes. The letter from the legislators called on the administration to discourage its officials and "allies" from using such "underhanded" tactics. "We represent a variety of perspectives on trade issues, and we find any attempt to inject ethnic rhetoric into this debate highly offensive," the letters said.

GATS NEGOTIATIONS: A group representing some of the largest financial sector corporations met last week at the WTO in an attempt to convince developing countries to open up their financial services sector under the General Agreement on Trade in Services (GATS), the Third World Network (TWN) says. WTO members began a week of negotiating in the Special Session of the Council of Trade in Services on Monday. The TWN says that developed countries were expected to present a paper "calling for the removal of all restrictions limiting the participation of foreign firms in the finance sector" this week. The Polaris Institute says that "trade negotiators are in Geneva pushing once again to get a corporate friendly trade and investment deal on services." The Institute has a link on their website www.polarisinstitute.org to allow viewers to send a fax "to the most aggressive of these trade negotiators directly at their offices in Geneva . . . telling [them] that civil society is watching and the WTO must keep its hands off of critical services."

BREAKDOWN?: Peter Mandelson, the European Union's chief trade negotiator, says that agriculture and "trade in services" issues must be addressed to avoid a "serious potential breakdown" in the work of the World Trade Organization (WTO), the New York Times reports (2/22). A statement by Mandelson circulated in the EU's weekly trade newsletter says that reduced regulation is a goal of current trade talks. "Trade policy can achieve better market access for European goods and services worldwide," Mandelson said, "with better enforceable international rules . . . and a new drive to achieve regulatory convergence with our biggest trading partners so as to lower non-tariff barriers to trade." In Brussels earlier this week, George Bush said that the U.S. would work to reach agreement on the current WTO agenda, known as the "Doha round" of negotiations.

BACKLASH: A "heated backlash" in Latin America against privatization of water, electricity, and other services has "left governments vulnerable to volatile protests and forced foreign companies to retreat," the New York Times says (2/22). The Times says that across Latin America, "companies are more than ever weighing political risks when considering expansion plans," and foreign investment has declined. Privatization of water, electrical, and phone services, as well as mineral, oil and gas production, have created the greatest public opposition. "It has been phenomenal to see a movement largely made up of the indigenous and peasant farmers fight and win," says Deborah James of Global Exchange. "What you see is a massive popular rejection of transnational companies owning essential services."

ACTING: Peter F. Allgeier has taken over as acting U.S. trade representative while the White House continues to consider a permanent replacement to be the country's top trade envoy, the Washington Times reports (2/23). The Times says that the new trade representative "will face myriad challenges, including tough negotiations at the World Trade Organization, growing competition from China and a difficult fight in Congress to win approval for a free-trade pact with Central America." Robert B. Zoellick was sworn in as deputy secretary of state yesterday, formally leaving the Trade Representative post he had held since February 2001. In addition to the proposed Central America Free Trade Agreement (CAFTA) pending before Congress, the Times says that U.S. negotiations on new deals with Panama, three Andean nations, five nations in southern Africa, two Persian Gulf nations and Thailand are under way.

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