

June 8, 2005

TRADE BITS

COMMISSION PLEA: The Maine Citizen Trade Policy Commission is urging the state's congressional delegation "to work actively" against the passage of CAFTA, a statement from the Commission (6/3) says. "The Commission supports international trade but we are not convinced the purported merits of the agreement will outweigh its shortcomings," said Sen. Margaret Rotundo, Commission co-chair. "Increased international trade and investment are extremely important to Maine's economy but the rules contained in CAFTA exact too high a price for the benefits those rules may provide." The Commission identified basic standards that any trade agreement should meet regarding state sovereignty, basic human rights and services, labor rights, and environmental protections, and says that CAFTA fails to meet those standards. "What Maine considers an environmental protection or labor safety standard could be challenged and overturned as a 'barrier to trade,'" said co-chair Rep. John Patrick, "Today, trade agreements such as CAFTA can strike at the heart of self-governance in areas traditionally in the domain of local, state and national governments, undermining more than two centuries of American constitutional values." The Citizens Trade Policy Commission was established by the Maine legislature in 2004 to assess and monitor the legal and economic impacts of trade agreements on the state.

JUNE VOTE?: Senate Majority Leader Bill Frist has "informally signaled" that CAFTA could be one of three bills that come up for a Senate floor vote in the last week of June, Inside Trade Daily (6/3) says. Frist's tentative schedule presumes that the bill implementing CAFTA would come out of the Senate Finance Committee this month. Finance has tentatively scheduled a "mock markup" of a draft implementing bill the week of June 13. The administration "is expected to make the draft implementing bill available for review by both Republican and Democratic staff at least one week before that date," the article says. The administration does not yet have firm commitments from four Republicans on the Senate Finance Committee that they will vote for the CAFTA and against an amendment to strip out the sugar provisions expected to be offered by Sen. Kent Conrad (D-ND), a Senate aide said. The four include Sens. Craig Thomas (R-WY), Olympia Snowe (R-ME), Jim Bunning (R-KY), and Gordon Smith (R-OR). A related article in The Hill (6/7) reports that CAFTA backers "are preparing for what could be a bruising battle to pass it in the House." The Hill says CAFTA supporters are "kicking off a month-long sprint" to bring the deal to a floor vote before the July 4 recess.

JOBS AT "CRAWL": Job creation "slowed to a crawl" in May, with only 78,000 new jobs reported by the Labor Department for the month, the New York Times reports. The figure is about half the rate of the last three months, "and the smallest monthly increase in nearly two years. Since February, the average increase has "slowed to about 158,000 jobs a month," the Times says, barely equal to the rate of new jobs that must be produced simply to absorb new entrants into the jobs market. Manufacturing companies shed another 7,000 jobs in May, and have eliminated 67,000 jobs since last August. "The results highlighted what has apparently become a permanent decline in factory employment as a result of rising productivity and increased outsourcing of production to low-wage countries," the Times says, noting that the Institute for Supply Management's monthly barometer of manufacturing activity dropped to its lowest level in two years. The Labor Department also reports that hourly wages for production workers climbed only 3 cents an hour in May for an increase of 2.6% in the past year "less than the rate of inflation, suggesting that workers still have only limited bargaining power," the article says.

VERMONT ACTION?: Organized labor and leading Democrats are pressuring Vermont's governor to follow the lead of other governors and back away from his support for a pair of international trade agreements, fearing the deals could supersede state law, the Times Argus reports (6/2). A House legislative committee is considering two bills that would revoke the administration's authority to sign on in support of CAFTA and the South African Customs Union. The Times Argus says the top two Democrats in the Legislature, House Speaker Gaye Symington and Senate President Pro Tem Peter Welch, have asked Gov. James Douglas to rescind an October 2003 letter he signed committing Vermont to the two deals. "We are very concerned about the impact these agreements will have on Vermont," Symington and Welch wrote. "These agreements have already subjected states to

international lawsuits over policies they have set whether for environmental protection, business promotion or employment standards." Gov. Douglas' spokesman says he "is taking a tough look at whether the state could be harmed by including its markets in the agreements."

CLOUDED CLAIMS: The U.S. Trade Representative claims CAFTA will create "opportunities for U.S. farmers, ranchers, and processors," but America's farmers recognize this siren's song from 12 years ago when similar claims -- when have proven empty -- were made during the push to pass NAFTA, says a new study by the Economic Policy Institute. Just how empty is revealed in a new study, "Will CAFTA Be a Boon to Farmers and the Food Industry?" released last week. EPI economist Robert Scott gives American farmers, once burned, reason to be twice shy as he clearly sets pre-approval claims made for NAFTA - claims of rapidly growing demand for U.S. farm products - side-by-side with the outcome of the treaty. Scott's analysis shows that the experience under NAFTA offers a sobering reality check on similar claims now being made for CAFTA. "For farmers and food producers, NAFTA's legacy is declining prices, shrinking revenues, and rising debt burdens," Scott says. "Claims of great CAFTA benefits should only be taken with a large quantity of salt."

CALL TO GENEVA: Groups in and outside of Geneva have begun to organize to mobilize citizens during two important meetings there in July and October prior to the WTO Ministerial meeting in Hong Kong, says Alessandro Pelizzari from attac Switzerland and the Geneva People's Alliance. "The aim of these mobilizations is to secure a larger presence of civil society groups from both the South and the North during these key moments in Geneva, to monitor the negotiations and make resistance visible," Pelizzari says. The groups say that WTO members "are speeding up negotiations to ensure a successful outcome" and that the WTO "seeks more and more to resolve major conflicting issues in Geneva during General Council meetings - thus avoiding the public scrutiny and popular pressures that contributed to previous deadlocks." For more information write to suisse@attac.org <<mailto:suisse@attac.org>>.

POLICE ERRED?: A federal appeals court has found that police during the 1999 WTO meeting "may have erred by keeping some protesters out of a restricted zone based on their beliefs," the AP reports (6/3). The ruling means that some demonstrators may pursue a class-action claim that the city violated their constitutional rights, AP says. Protesters sued the city over the curfew zone, saying it violated their rights to free speech and assembly, and that their rights to equal protection were violated because demonstrators were barred, but not business owners, workers, shoppers and residents. "The police may have gone too far and infringed on certain individual protesters' constitutional rights by making the content of their expressed views the test for their entry into the restricted zone," Judge Ronald M. Gould wrote for the court.

MOBILITY MYTH: In a NYT op-ed (6/6) on the gap between the rich and poor in America, Bob Herbert points to increasingly globalized trade, the competition of low-wage workers overseas, the decline in manufacturing, outsourcing, and the weakening of the labor movement as among the factors that "have left American workers with very leverage to use against employers." Herbert comments that "it's becoming increasingly difficult for working Americans to move up in class" while "the rich are freezing nearly everybody else in place, and sprinting off with the nation's economic bounty." Class mobility in the U.S. is no greater than in Britain and France, and lower than in some Scandinavian countries, Herbert says.

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