

October 25, 2005

TRADE BITS

WATER CRISIS: The threat of international trade agreements to community water sources was a major focus of the inaugural meeting of the New Hampshire Water Table this past Saturday in Manchester, NH. The Water Table, a network of groups in the Granite state fighting extraction of groundwater for commercial bottling and the privatization of municipal water systems by multinational corporations, heard Maude Barlow of the Council of Canadians describe the need for merging local water battles into an international movement for "water justice." Barlow says that water has become "blue gold" with corporations hunting globally for ways to exploit water for profit, creating the potential for "the greatest ecological crisis of our time" as water supplies are depleted and polluted. Barlow outlined the work of the World Bank and WTO in advancing the commodification of water, and the role of the U.S. and European governments in promoting this agenda. The possibility of water supply being classified as a "service" under the WTO is a reason "a lot of us are fighting the General Agreement on Trade in Services (GATS)," Barlow said. She called instead for a "Global Marshall Plan" for water promoting greater roles for citizens in determining water policy, and removal of water from the jurisdiction of both NAFTA and the WTO. For more information on the New Hampshire Water Table, contact Arnie Alpert at aalpert@afsc.org.

VANISHING ACT: The outsourcing of jobs in the U.S. resulting from trade policies is the subject of an article in the September-October 2005 issue of the magazine "Public Employee" published by the American Federation of Municipal, County, and State Employees (AFSCME). The article presents the results of a study by Kate Bronfenbrenner and Stephanie Luce which concludes that jobs leaving the U.S. "are more likely to be good jobs, with full health care and pension plans, making the cost of these production shifts to workers and communities even higher." In the manufacturing sector alone, employers send 140,000 jobs to Mexico annually, and 99,000 jobs were shifted to China last year, many in "higher-end manufacturing of goods such as bicycles, furniture, motors, compressors, generators, fiber optics, injection molding and computer components." The article says three new policies are needed to stop the "race to the bottom." First, trade policies must be changed to take away the incentive for employers to move jobs to where wages and environmental protections are lower; second, workers in the developing world must be helped to form unions; and third, health care costs and corporate giveaways in the U.S. must be reduced. "Prospects for change depend on changing the political landscape in Washington," the article says.

WTO TROUBLE: Nations seeking agreement in Geneva WTO negotiations last week on agriculture failed to reach agreement after "sharp divisions arose over the level of tariff cuts for industrializing and developed countries, the treatment of 'sensitive' products for industrial nations and the 'special products' and special safeguard mechanisms for developing countries," Washington Trade Daily reports (10/20). U.S. Agriculture Secretary Mike Johanns "placed responsibility for a possible failure of the [WTO] talks squarely on the EU," but EU trade commissioner Peter Mandelson declared that he is not in a position to move "further on agriculture" without knowing "the shape of the package for Hong Kong on NAMA [non-agricultural tariffs], services, [and] antidumping" issues. The EU trade commissioner said while agriculture "can 'unlock' the rest of the negotiations," it is "equally true" that talks could fail over inactivity in nonagricultural sectors and "unreasonable demands" on agriculture market access. Trade Daily reports the comments of one envoy that the EU commissioner "rightly placed the ball in the Brazilian and Indian court over the need to know how they intend to move on NAMA and services." In a related article, Asia News says (10/24) that wealthy but small agricultural importers such as Japan, South Korea and Switzerland, warned that they would not shy away from blocking a deal that did not allow some protection for "sensitive" domestic products."

ILLEGAL TRADE: "Chinese logging countries are plundering vast swathes of Burma's northern forests" despite Beijing's international commitment "to crack down on illegal logging," the environmental group Global Witness told the Financial Times (10/19). "It's a trade that's completely out of control," a spokeswoman for the group said, noting that 95% of China's wood imports from Burma are illegal. The

Financial Times says that the Burmese military and ethnic militias control large parts of Burma's forest regions and "appear to be in a race for profits that come from allowing more than 100 Yunnan-based Chinese logging companies to operate in the areas." China is the second largest wood importer after Japan, and "has a rapacious appetite" for wood to feed its domestic furniture industry which exported \$3 billion of wood products to the U.S. in 2003, the FT says. On a related note, Dr. Burghart Ilge of the Dutch non-profit group Both Ends writes that Canada, the U.S., Hong Kong, New Zealand and Thailand have recently made a proposal for a "multilateral free trade agreement on wood and wood products" under the WTO, reminiscent of the "global free logging agreement" proposed before the 1999 Seattle WTO ministerial. Ilge notes that this initiative would also cover all products of the printing industry such as books and newspapers "which one might not expect to be covered" by a forest products initiative.

VISA HIKE?: The Senate Judiciary Committee has approved an increase in the number of H1-B visas "coveted by Silicon Valley companies to hire highly skilled foreign workers," but it isn't clear the measure will become law, says the San Jose Mercury News (10/21). Under a proposal by Sen. Dianne Feinstein (D-CA) the annual number of H-1B visas would increase from 65,000 to 95,000, and fees for the visas would be raised in budget reconciliation legislation now before the Congress. The increase was approved by the Judiciary Committee after it rejected a proposal by Committee Chair Arlen Specter (R-PA) for an increase of twice the size, to 125,000 a year. "High-tech executives have been pushing for more of the controversial H-1B visas, which critics say displace American workers in favor of less expensive foreigners beholden to the company that sponsors them," the Mercury News reports. Rep. Zoe Lofgren (D-CA), who pushed for large increases in H-1B visas passed by Congress in 1998 and 2000 which were cut back after the collapse of the dot-com boom, says that making changes to the program is an "immigration matter" that should be the subject of hearings, not dealt with in a "backhanded" way through the budget process.

BLACKS, UNIONS LOSE: The shift of work overseas is one of the factors that have led to a disproportionate decline in trade union membership among black Americans, the New York Times reports (10/23). "For a while in the 1980's, one out of every four blacks was a union member; now it is closer to one in seven," the Times says. "This loss of better paying jobs helps to explain why blacks are doing worse than any other group in the current recovery." The article reports that the decline in black union membership was particularly steep last year: blacks accounted for 55% of an overall loss of 340,000 union members, even though whites outnumber blacks in unions 6 to 1. The trend will likely continue as jobs are lost in the automotive industry, but in addition to manufacturing job losses affecting black Americans privatization and outsourcing "have eaten away at federal employment of black workers" represented by the American Federation of Government Employees (AFGE) and postal unions. African-Americans make up a high percentage of the AFGE members in units that the Bush Administration has targeted for outsourcing to private contractors including VA laundries and food service, groundskeeping, and security at federal facilities.

ANDEAN DEAL?: Ecuador's Minister of Trade Jorge Illingworth says that the U.S. negotiating positions on agriculture and intellectual property rights in the U.S.-Andean Free Trade Agreement negotiations may make it difficult for the talks to be wrapped up in November, the Bureau of National Affairs Daily Executive Report says (10/21). Ecuador's President Alfredo Palacio "is very worried about the issue of access to medicines," Illingworth said. There is a "red line" in discussions on intellectual property protections which "we're just not going to cross," according to Illingworth. Illingworth also said that the negotiations would be very tough if the U.S. did not recognize "asymmetries" in agriculture by using longer tariff phaseouts, exclusions, and safeguards to protect farmers in the developing countries. The presidents of Colombia, Ecuador, and Peru will meet with President Bush on Nov. 4 at the Summit of the Americas in Argentina to discuss the pact, the article notes.

NEW PLAN: "Given the choice of defending Hollywood's interests or joining an international consensus, the U.S. stood almost alone at UNESCO in opposing a new convention on cultural diversity designed to combat the homogenizing effect of cultural globalization," the New York Times reports (10/21). The convention, adopted at the Paris headquarters of the U.N. Educational, Scientific, and Cultural Organization with 148 votes in favor and only the U.S. and Israel opposed, was hailed by

supporters as "an important step toward protecting threatened cultures, particularly in developing countries." The convention sponsors, Canada and France, won broad support "partly by blurring the question of its impact on trade liberalization or future trade talks," the Times says. Although the convention says that it can't be interpreted as "rights and obligations" under existing trade agreements, governments are required to take it into account in international negotiations.

GOOD JOBS? How good is the economy at creating good jobs? Not very, judging by results of a study by that name done by the Center for Economic Policy and Research and reported by the Workers Independent News network. The study says just 25.2% of U.S. workers have jobs that pay at least \$16 an hour and provide health insurance and a pension. Despite economic growth from 1974 through 2004 the percentage of good jobs has stayed the same, leaving 75 percent of American workers struggling in jobs that don't provide a middle class wage with a pension and health care. Find more information about WIN at www.laborradio.org.

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