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These pacts undermine citizens' rights, job security

The North American Free Trade Agreement (NAFTA) turned 10 years old this year. Initially, bi-partisan supporters promised the trade agreement would promote prosperity for working people in the United States, Mexico, and Canada.

At the time it was being debated, Sen. Jay Rockefeller, D-W.Va., predicted that “some industries will lose jobs, others will gain exports but not necessarily jobs. That is not to say there are no American winners in the NAFTA. No doubt, there are. But they will be hard to find in West Virginia.”

Time has proven Rockefeller right, particularly in industries such as West Virginia's once-thriving textile manufacturing sector. Since NAFTA, textile plants have closed across the state from Harrisville to Spencer to Franklin to Glenville to Bradshaw. Other industries have been affected, as well.

The Economic Policy Institute estimated that between 1993 and 2002, West Virginia gained 4,030 jobs due to increased exports due to NAFTA — but lost 7,512 jobs due to increases in imports, a net job loss of 3,482. Of course, more job losses have occurred here since then for other reasons related to outsourcing, including around 10,000 manufacturing jobs in the past four years.

Aside from weakening manufacturing and contributing to America's record trade deficit — \$489.4 billion in 2003 and \$54 billion in August 2004 alone — agreements like NAFTA also threaten to undercut democratic decision-making.

According to economist Jeff Faux, NAFTA represents “the constitution of an emerging continental economy that recognizes one citizen — the business corporation. It gives corporations extraordinary protections from government policies that might limit future profits, and extraordinary rights to force the privatization of virtually all civilian public services. Disputes are settled by secret tribunals of experts, many of whom are employed privately as corporate lawyers and consultants. At the same time, NAFTA excludes protections for workers, the environment and the public that are part of the social contract established through long political struggle in each of the countries.”

Under NAFTA's Chapter 11, corporations can sue democratically elected governments in secretive private tribunals where they can claim that government regulations in the public interest cost them money.

When California took measures to ban the toxic chemical MTBE, which began showing up in drinking water, the Canadian-based company Methanex invoked Chapter 11. In Mexico, the U.S.-based company Metalclad successfully used Chapter 11 to challenge

the denial of a construction permit for a toxic-waste facility. Canada has been forced to reverse bans on suspected toxins under this treaty. No country has emerged unscathed.

Costs of these unaccountable tribunals will be passed on to citizens in all countries involved. According to Public Citizen: “In the first seven years of NAFTA, with only a small number of cases filed, an astonishing \$13 billion has been claimed by corporations in their initial filings: \$1.8 billion from U.S. taxpayers, \$294 million from Mexican taxpayers and a whopping \$11 billion from Canadian taxpayers.”

The net effects of NAFTA’s Chapter 11 include giving international corporate investors more rights than citizens, undermining political sovereignty, and contributing to a race to the bottom where workers’ rights, environmental standards, and political rights are reduced to the lowest common denominator.

Unfortunately, NAFTA represents the “good old days” of trade agreements. New rounds of trade agreements supported by President Bush are even worse and have been described as “NAFTA on steroids.” The Central American Free Trade Agreement (CAFTA) would extend NAFTA-type trade agreements to five Central American nations and the Dominican Republic. Beyond that stands the Free Trade Area of the Americas. This would include 34 countries in the Western Hemisphere in a similar trade pact.

Ominously, these agreements extend beyond the manufacturing and agricultural sectors covered by NAFTA to include “services,” which has been described as “anything you can’t drop on your foot.” This could include construction, insurance, banking, accounting, and retail, as well as things like the postal service, the public sector, transportation, education, health care, water supply, waste disposal, and just about anything else.

If this happens, factory workers won’t be the only ones to face job loss. For example, prevailing wage laws and project labor agreements that provide family friendly wages and benefits would be undermined across the country, as would state and local government policies designed to support local businesses and workers. Public employees could be outsourced, as well.

No sector of the economy — and no worker — would be immune from privatization and the erosion of labor and environmental standards. The only winners in the new race to the bottom would be international investors.

Community organizations, farmers, labor unions, responsible businesses, and environmental groups throughout the hemisphere are organizing now to stop or at least substantially modify these trade agreements to provide protections for workers, citizens and communities that are at least as strong as the protections given to corporations. The goal is fair trade with protections for the common good.

President Bush supports CAFTA and the FTAA and can be expected to push hard for much more of the same, regardless of the cost to American workers.

Sen. John Kerry opposes trade agreements on services that promote privatization and deregulation of public services. He supports the enforcement of internationally recognized labor and environmental standards in any trade deals to protect workers and communities. In addition, he supports a 120-day review of current trade agreements to identify problems and take steps to correct their negative aspects.

CAFTA won't come before a vote in Congress until after the election.

Although international trade agreements haven't been a huge issue in this year's political campaigns, people will be voting on the future of their jobs.

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