

## Defeat of NAFTA can shift U.S. policies

by H. Graham Lowry

Ratification by the U.S. Congress of the North American Free Trade Agreement (NAFTA) has suddenly become far less than a sure thing. The pet project of former President George Bush, now embraced by Bill Clinton, ran into a storm of opposition during the two weeks prior to Labor Day, from such diverse camps as organized labor, conservative libertarians, leading House Democrats, Ross Perot, and Jesse Jackson.

The defeat of NAFTA — a malthusian scheme for financial looting on a vast scale — could turn into a significant reversal of the ruinous policies which have driven the United States to the point of collapse. Seizing that opportunity depends on accurately identifying and fundamentally rejecting NAFTA for what it really is, and not for the limited flaws cited by various critics.

During his campaign for the 1992 presidential election, independent Democrat Lyndon LaRouche blasted the proposed NAFTA treaty as a blueprint for “an Auschwitz below the border.” As his official campaign platform described it, “It is a blueprint for looting and destroying the labor force of all of North and South America, to prop up the bankers’ bankrupt financial institutions and unpayable foreign debts. Since 1982, the International Monetary Fund (IMF), the international banks, and the western governments led by Washington, have enforced a brutal regime of debt-looting, extracting from the impoverished economies of Ibero-America over \$250 billion in interest payments alone, even as the debt rose.”

The low-wage, disease-infested labor camps along the Mexican-U.S. border — the infamous runaway shops called *maquiladoras* — have proliferated for more than 25 years under NAFTA-like tariff exemptions. NAFTA, LaRouche’s 1992 platform noted, “will turn all of Mexico into one giant *maquiladora*. It will also be used to smash the U.S. labor movement, collapse wages, and eliminate a million or more

industrial jobs over the next few years.”

Allowing NAFTA to be ratified now would simply lock the United States into accelerated economic collapse, which is already threatening the very existence of the institutions of government. As LaRouche declared in his weekly radio interview, “*EIR Talks*,” taped from prison on Aug. 25, “If we take the current projectable rate of decline, we’re in a spiraling worldwide economic depression. All this talk about recovery, is all nonsense. There has been no recovery anywhere in the world since the 1987 stock market crash, which actually was an early derivatives collapse.”

LaRouche warned, “If present policies continue, if people continue to listen to Phil Gramm and Milton Friedman and people who say you can’t touch the Fed, and people who defend derivatives, then in two or three years from now, we will begin to have a process of disintegration of government.” Collapsing employment, declining wages, and a dwindling tax base are already forcing the elimination or shutdown of vital public functions — from education to health care to public safety — of state and local governments around the country. It is in the context of this broader threat to the nation’s institutions that NAFTA’s destructive effects must be understood.

### NAFTA under fire

The recent public brawling over NAFTA has demonstrated its vulnerability to defeat in Congress, despite the fundamental shortcomings in much of the opposition’s attacks. The most striking evidence, in fact, comes from the treaty’s advocates, whose media mouthpieces have poured forth some revealing hysteria about the larger stakes involved.

On consecutive days, both the *Wall Street Journal* and the *Washington Post* were driven to foaming at the mouth over a small demonstration of about 150 people against NAFTA in

California. The *Journal's* "Business World" commentary of Aug. 24 focused on an Aug. 18 "mini-rally against free trade" coordinated by California's freshman Democratic Rep. Jane Harman, and the "jarring alliances" against NAFTA which were on display. The elements involved included "the comical and the portentous," the *Journal* noted. Besides the Liberty Lobby, the turnout included some of Ross Perot's "lost souls," who also attacked the treaty as a Trilateral Commission plot, while one quoted Henry Clay against free trade. The president of a longshoremen's union local raised the cry against "international government." Other vocal opponents included an AFL-CIO official from Los Angeles, a Los Angeles city councilman, and leaders from the teamsters and machinists.

The *Journal* railed against the population's despair over "joblessness in the Depression" as a threat to George Bush's "boldest legacy." Even more revealing, it expressed fears that "this new mass, or perhaps new majority, is pitted against what it sees as a corrupt elite presiding over the ruin of their land."

In its lead editorial on Aug. 25, "NAFTA and 'One World,'" the *Washington Post* cried that there was no reason for the treaty's opponents to raise an obsolete issue like "national sovereignty," and attacked the same California rally for raising the charge that a vote for NAFTA was a vote for "treason." Any criticism, the *Post* declared, must be limited to "more reasonable grounds involving fears of job losses and worries [about the environment]. . . . The argument here is over evidence and its meaning, and the same cannot be said of those who claim to see in NAFTA the shadowy hand of villainous forces," and those "who would use the NAFTA debate to sell their favorite theories about the plots and schemes of unspeakable, sinister forces."

The *Post* followed this up Aug. 29 with a front-page open letter to President Clinton by columnist Hobart Rowen, who told the President, "as I write, you are losing the battle for the North American Free Trade Agreement . . . and you can't afford to." Noting the declared opposition of the Democrats' House Majority Leader Richard Gephardt and Majority Whip David Bonior, Rowen went so far as to suggest they "should be tossed out of their party posts." Rowen also flatly informed Clinton, "Your administration's entire international credibility is on the line. . . . How could you negotiate a trade agreement with any country in the world if you can't get a deal with neighboring Mexico through Congress?"

Jumping into the spotlight at a Washington press conference on Aug. 26, former Republican presidential candidate Pat Buchanan declared that NAFTA "is not a free trade treaty at all, but an insiders' deal among the transnational elites of three countries, an American Maastricht, and an economic Munich." NAFTA would establish "supernational enforcement panels," Buchanan charged, that could challenge U.S. state laws "and interfere in American business and American industry," with power to prohibit "rolling back the labor and environmental excesses of very recent years. Big government

would be frozen into federal law by a treaty which has the same standing virtually as the Constitution of the United States. NAFTA adds up, then, to an insiders' deal for the leveraged buy-out of American liberty."

Buchanan added, "I noticed the *Washington Post* said yesterday that it was illegitimate for me even to raise the issue of national sovereignty. . . . Let me tell you something. Henry Kissinger has just praised this treaty to the skies. It's the beginning of the new world order, what he calls a new international system. It's where the globalists in Paris, and London, and New York, and Tokyo decide the destiny of countries and impose economic decisions on them. If we can defeat NAFTA here, I think the internationalists will be rolled back."

### Opponents still embrace free trade

But Buchanan's proposed cure is just as bad as the disease. Buchanan talked about building a movement of "free traders," of "America Firsters," and of pursuing "free trade between comparable economies, where the wage levels are similar"—instead of restoring national sovereignty according to principles of American System economics, and repudiating the supranational looting schemes typified by the British Empire. Buchanan went so far as to conclude his remarks by declaring, "For example, if Britain somehow dropped out of the EC [European Community], I would think the U.S. ought to make a move to try to bring Britain into some kind of agreement with the United States to weld the countries together through trade. But Mexico, with all due respect to the folks who are here from Mexico, is a Third World country."

As for opposition among House Democratic leaders, Majority Whip David Bonior has presented a case which is also still enmeshed in the destructive axioms of British free-trade thinking. In an Aug. 29 appearance on NBC's "Meet the Press," Bonior appropriately noted a Commerce Department report indicating that NAFTA could eliminate "up to 40% of [U.S.] jobs in auto, steel, apparel, [and] textiles, and that means whole communities being devastated." Yet he also argued for imposing free-market "reforms" on the Mexican people: "And they're right on the cusp of changing the political, the social, and the economic system. There are some wonderful people in Mexico, people that equal the likes of Havel in Czechoslovakia and Walesa in Poland who are ready to change that system. . . . And by passing this treaty all we are doing is institutionalizing the corruption over there and impeding . . . a real treaty in the future."

As LaRouche pointed out, "as we see happening in eastern Europe and Russia, where institutions are disintegrating, as the economic basis for tax revenues and other essential functions of society break down economically, we see a breakdown in the corresponding institutions of government." It can happen here too, unless we scrap prevailing notions of free trade and free markets in their entirety.