

A Note from the Editor

'Free Trade' Costs Lives and Jobs

As we go to press, President Bush and other leaders of 34 American nations agreed to create a hemisphere-wide Free Trade Area of the Americas. Bush is pushing to have this functioning by next year.

The North American Free Trade Agreement (NAFTA) is now in its eleventh year. At the time it was signed by Mexico, the United States, and Canada, Mexican President Carlos Salinas swore that all three countries would benefit. NAFTA was supposed to open up a large market in Mexico for U.S. products, Mexican wages were supposed to rise, thus keeping Mexicans working in their own country, with the tide of illegal immigrants coming to a virtual halt.

It hasn't worked out that way. Real wages in Mexico are lower than before NAFTA. While American manufacturing jobs have been going south to Mexico and across the Pacific to China and other Asian countries, Mexico, in turn has been losing jobs to China and other countries. Employment at Mexican-American border *maquiladoras* is down more than 20% from four years ago. According to the U.S. General Accounting Office, manufacturing wages in Mexico now exceed those of the Dominican Republic by 67% and are about 92% higher than in Honduras. With trade liberalization and World Trade Organization diktats, Mexico is experiencing some of the same negative consequences of "Free Trade" that Americans have over the past decade. Textile, apparel, shoe and toy production jobs that went from the United States to Mexico are now going to even lower-wage countries in the Caribbean, Central America, and Asia.

Illegal aliens and drugs continue to flow across the Mexican border. Twenty-nine states report more than 100% increases in their Mexican born populations.

Americans are told that we are in the midst of an economic "recovery." But it is a recovery without new good jobs. We now have 2,944,000 fewer private sector jobs than the U.S. had in January 2001. During the past 25 months, the U.S. economy shed another 1,321,000 manufacturing jobs, and over 2.7 manufacturing jobs have been lost since Bush became president. Rep. Bernie Sanders (Independent-Vermont) made the following points in the October 14, 2003 issue of *The Hill*:

Our economy has been decimated by 'free' trade, and someone has to point out that, like the proverbial naked emperor, our policies have no clothes—or more appropriately in this context, no jobs making clothes, or electronics, or a host of products we use every day....

The demise of well-paid manufacturing jobs is best illustrated by the following: 20 years ago, the largest private employer in the United States was General Motors, where workers earned – and still earn – a good income. Today, our largest employer is Wal-Mart, where workers earn below-poverty wages.

Corporate America and its supporters in the White House and Congress are destroying the American middle class by making jobs America's No. 1 export. If we continue to force American workers to 'compete' against desperate people throughout the world, American workers will continue to lose.

'Free Trade' is not just costing Americans their jobs; it is literally killing some of us. In October, 38-year old auto mechanic Jeff Cook became the first person to die in what federal officials reported as the worst outbreak of hepatitis A in the United States. Cook contracted the liver-destroying disease from green onions consumed at a Chi-Chi's Mexican restaurant outside Pittsburgh, PA. At least three other people died and over 600 were sickened from infected Mexican produce sold in Pennsylvania, Ohio, Tennessee, North Carolina, and Georgia. According to the federal Centers for Disease Control, "hepatitis

A is spread from person to person by putting something in the mouth that has been contaminated with the stool of a person with Hepatitis A. The virus is more easily spread in areas where there are poor sanitary conditions or where good personal hygiene is not observed.” The U.S. Department of Agriculture reports that 23% of the fresh fruits and vegetables consumed in the U.S. are imported, with Mexico being the top source of winter produce. Fruits and vegetables are not subject to the same inspections that imported meat is. Hepatitis A can linger for weeks in raw produce. Polluted water, children in diapers roaming the Mexican fields, and poor hygiene among agricultural workers all contribute to the spread of the disease.

In this issue, we reprint an article by John M. Culbertson, Emeritus Professor of Economics at the University of Wisconsin at Madison, “US ‘Free Trade’ With Mexico: Progress Or Self-Destruction?” First published in *The Social Contract*, Fall 1991, it is well worth reading again.

* * * *

We express our thanks to Gerda Bikales for guest-editing our feature section. France, the Netherlands, Germany, England, indeed all the European countries, are grappling with the rise of Muslim populations. What expectation can there be that such militantly un-Western people can ever genuinely be “assimilated”? This leads to the real issue at stake: do the men and women of the West have the will to survive in their own homelands?

Wayne Lutton, Ph.D.