

Dateline Mexico by Carlos Cota Meza

Support for NAFTA weakens

As George Bush's political infirmities grow, opposition is building to the North American Free Trade Agreement.

During this period of intense negotiations to finalize the text of a North American Free Trade Agreement (NAFTA), more and more leaders of Mexican industry are demanding to know exactly how their government intends to uphold their interests. As is the custom in Mexico, the New Year's message of President Carlos Salinas de Gortari, delivered on Jan. 9, was expected to clarify some of these and other concerns.

As it turned out, the wait wasn't worth it. President Salinas said only that "with the United States and Canada, we are advancing toward the signing of a Free Trade Pact, to form the largest economic region in the world, that of North America. This will enable us to create more jobs and grow more rapidly."

So much for the public relations hype, which has been repeated *ad nauseam* since 1990. But today, many are not buying it.

As *EIR* documented in its May 1991 Special Report, *Auschwitz Below the Border*, NAFTA will turn the entire Mexican economy into a *maquiladora* zone—referring to the run-away shops on the border with the United States, where Mexicans work in horrendous "free trade" conditions, for low wages. Contrary to the claims of its supporters, NAFTA will not mean U.S. investment in Mexico to create new wealth, but rather the transfer of existing plant and equipment into foreign hands; the only jobs it will create are low-wage *maquiladora* jobs; and NAFTA will open up the banking system to speculative "hot money," including, of course, drug money.

In order for the final NAFTA document to be submitted for debate and approval by the United States Congress, it has to be ready before March 1. This is the last day, according to Mexico's fantasy-ridden negotiators, that George Bush's growing infirmities and the economic depression in the United States will have "no effect" on the negotiations. The fact that Bush's dramatic slippage in the polls, and the defeat in last November's Pennsylvania senatorial election of Bush man Richard Thornburgh *around the NAFTA issue*, are taking place in an election year in which NAFTA will feature prominently, has apparently escaped the attention of the wishful thinkers of Mexico's ruling establishment.

With the U.S. congressional calendar therefore very much in mind, Mexican officials have feverishly thrown themselves into the talks, secretly negotiating away everything the U.S. side is demanding of them. This has produced a new surge of opposition and resistance to NAFTA among organizations and other forces which had earlier supported it.

For example, Victor Romo Milán, leader of the National Association of Intermediate Industries (ANIT), has demanded that Mexico's trade secretary "report on the direction of the negotiations. Given the haste with which they are being carried out, and due to the disadvantages of national industry compared to the two industrialized countries with which we will be competing, between 30 and 35% of small industry will disappear." According to ANIT, "the negotiations are full of errors."

The Permanent Agrarian Council is also demanding information from the Salinas government with respect to the agricultural portion of the NAFTA negotiations. A council spokesman recently insisted upon "the advantage of not negotiating any agricultural agreement with the United States and Canada" until the rules that the General Agreement on Tariffs and Trade (GATT) would impose upon the sector are fully clarified.

Nicolás Madhuar Camara, president of Mexico's Business Coordinating Council, indicated that "one of the greatest dangers the signing of the treaty faces is that Mexico's businessmen cannot or do not want to face competition, [and so] a mass sale of businesses to private investors is going on, which could turn Mexican businessmen into managers or financiers."

Things have gotten to the point that even the private business sector representative to the NAFTA negotiations is alarmed. Juan Gallardo Thurlow, director of the Foreign Trade Business Coordinator (COECE), has asked the Mexican government "not to cede in its negotiating positions," since the bargaining standpoint of the United States "has hardened." According to COECE, the economic crisis, the failure of Bush's tour in Japan, and the stagnation of the GATT talks have all prompted the U.S. treaty negotiators to "propose wording very advantageous for them."

Although the Mexican government insists that the negotiations "are proceeding well" and that "neither the political process nor the economic crisis in the United States will influence the negotiations," the confusion inside Mexico is growing, above all among those who formerly accepted the government's line. With each "clarification" by the Salinas government, the doubts are growing.