



INSTITUTE
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and
TRADE POLICY

Where We Go From Here: The NAFTA Vote Follow-up November 18, 1993

We needed to move 17 more Representatives to defeat this NAFTA--but Clinton was clearly willing to make as many deals as needed. He bought this victory fair and square. While I would have preferred to win this round, I want to summarize what we have won and why I am optimistic that the worst aspects of this NAFTA will ultimately not be implemented. In addition, this memo outlines some ideas of what we can do to address the problems that already exist due to current and future North American trade practices and policies, and what we need to do to transform the debate and organizing into a short-term campaign on GATT and a long-term movement on the economy.

What We Have Won Already

1) De-regulation, free trade, and other "mom and apple pie" central concepts of neo-liberalism have been widely debated for the first time in years, with the end result that a majority of the citizens have concluded that these are concepts designed to put corporate profits before people--and that unemployment is created, not solved, by this approach.

If we had defeated this NAFTA, then the job losses and economic pain that is bound to occur over the next few years (due to both Reaganomics and Clintonomics) would have been blamed on the defeat of NAFTA. Those who opposed NAFTA would be blamed, much as the economic pain in the province of Ontario is being blamed on the NDP government who took over last year.

What is likely to happen is that a large number of the job losses over the next three years will be blamed on the NAFTA and those who supported it, including the shameful six enviro groups, the President, and the members of Congress who voted for it.

2) Many of the worst aspects of the February draft of the NAFTA were changed in the final draft, which undercut our efforts to build a united opposition. For example, the accession clause was cut, raw log export bans were permitted, burden of proof on SPS disputes was reversed, etc.

3) We built very solid coalitions--both at the local and national levels-- with an extremely wide range of groups. This will be the backbone of a new progressive movement in this country, and will be the force that turns the NAFTA work we have done so far into a victory in the GATT battle and to ultimately undo the current NAFTA and replace it with real solutions.

4) We forced Clinton to make an extremely large number of individual deals in order to win this vote. Many of these deals will unravel, which will hopefully make the members who made those deals vulnerable to public ridicule for selling out and getting nothing, which in turn should make this kind of vote selling a little more risky in the future.

5) A number of the deals he was forced to make are in direct contradiction to where the GATT talks seem to be headed. Clinton has either decided that there will not be an outcome to the Uruguay Round, so it doesn't matter, or he is planning on trying to bully the other nations in GATT to shaping the final outcome to accommodate the promises he made to pass NAFTA. If that is his plan, he will be quite shocked. GATT is not like a bi-lateral or tri-lateral deal with weak neighbors. Nobody in GATT will tolerate the kind of post-agreement deal making and rewriting that went on to pass NAFTA.

6) Clinton's emphasis in his post-vote press conference on expanding the NAFTA to the rest of Latin America and lack of emphasis on the GATT is another indication that perhaps the Administration has accepted the inevitability of a breakdown of the Uruguay Round.

Why I'm Optimistic About Ultimately Defeating the Worst Aspects of NAFTA

1) What we have learned in the U.S.-Canada free trade deal is that many of the specific provisions of trade deals between powerful and weak countries are difficult if not impossible to ever bring into practice. The list of specific provisions of the original deal and rulings by bi-national dispute settlement panels that the U.S. has refused to implement is impressive and depressing. When the U.S. refuses to comply, it forces the other government into reconsideration of the real benefits and ultimately undermines the deal. The steady rise in Canadian public opposition to the U.S.-Canada deal and the willingness of Canada's new pro-free trade prime minister Chretien to talk about needing major changes or he will consider abrogation is a measure of the backlash that is possible.

2) The likelihood of backpedaling by the U.S. is made even more likely by the nature of the deals that were cut to gain votes. Some deals, like the promise to weaken environmental laws to gain votes of Florida vegetable and fruit growers, seem likely to blow up almost immediately--perhaps under pressure of a consumer boycott. Other deals were not really deals, but rather just political cover--like the promise to some wheat state congressmen to possibly instigate an investigation of durum wheat dumping into the United States. When it becomes clear that these deals had no value or meaning then there will be pressure for real solutions that are likely to directly contradict promises that were made.

3) Many of the most objectionable aspects of NAFTA were attacks on environmental, economic, cultural and social aspects of Canadian and Mexican societies. These will be undone by organizing, by future governments, and by the force of democratization.

4) Some aspects of the deal are probably not constitutional under U.S. law and will be challenged and ultimately thrown out in court. Other parts of the deal that are inter-locked with these aspects will have to be reconsidered by all three governments when this occurs.

Developing and Implementing Real Solutions to the Real Problems Due to Current and Anticipated North American Trade Policies and Practices

The debate has generated an extensive (and depressing) inventory of the real problems that already exist and of problems that are likely to be created by further North American integration--with or without NAFTA. And, we have gotten a reasonable start on developing real solutions through our trilateral discussions, research projects, etc. We now need to institutionalize this analysis, set priorities for pursuing solutions, and launch campaigns aimed at achieving real changes, real solutions. The following are just a few examples to stimulate discussion.

1) Large Scale Water Diversions--The current US-Canada deal plus the NAFTA make this a threat. We need to pass laws in all three countries making this illegal.

2) Methyl Bromide is a threat to farmworkers, farmers, consumers, nature, and the ozone layer. It's use may be expanded due to NAFTA. We need a campaign to get it banned in all three countries.

3) Bovine TB--We have produced an in-depth analysis of the problem, and have gathered up a number of the ideas on solutions. We need to deepen this work and begin to move towards legislative proposals in all 3 countries.

4) Human rights abuses, especially by police and border patrols in the border regions of both the U.S. and Mexico, are a national disgrace. We need to get behind efforts to clean-up this situation.

5) Corn farmers in the U.S., Canada, and Mexico are being devastated by low prices. We need a trinational strategy to turn this around.

Transforming the NAFTA Debate into a Short-term GATT Campaign

Most of the core groups active in the NAFTA debate came to this issue through their initial concern about the proposals being put forward in the Uruguay Round of the GATT. These proposals are still at the heart of the final GATT deal that is under consideration by the White House right now. By setting a December deadline, the Administration signaled that they were not interested in any significant changes from the Reagan/Bush deal that is under final consideration.

This needs to be addressed immediately--for two reasons. First, as a policy matter the current Dunkel Draft/Blair House package would be a disaster for family farmers and the environment both in the U.S. and around the world. We have thousands of pages of analysis already developed on this.

Second, the splitting of the Democratic Party that has already taken place as a result of the NAFTA fight will be accelerated by a GATT fight. While many citizens have come to see the Democratic Party as no different and no better than the Republicans, and therefore could not care less to see them split even further, there are still a few, (but only a few) key issues where the parties do differ.

We need to develop and implement a GATT strategy as quickly as possible--including some of the following elements:

1) Meetings with members of Congress back in the home districts to thank them for their support in the NAFTA fight and to explain our concerns about where the GATT talks are headed----- or to express our disappointment and then to explain our concerns about GATT. The main message is that we are going to mount the same or bigger campaign on GATT as we did on NAFTA.

To do this we need to quickly define the specific problems that we have with the current GATT, with Dunkel/Blair, and with the new problems created by the sweetheart deals cut for NAFTA.

2) Full page ads in the major newspapers on GATT ASAP explaining the major problems and making it clear to every single congressperson that there is going to be a huge campaign on GATT.

3) Meetings with EC, Japanese, French, Canadian, and GATT officials to explain to them our concerns and determination to fight any bad deal that is presented.

4) Media blitz explaining the problems with GATT

5) Getting information out to the groups that will be harmed by the deals that Clinton made as part of the NAFTA as they relate to GATT. For example, all of the rest of agriculture will have to take bigger hits in GATT because Clinton promised the Florida fruit and vegetable people that they would only have to take the minimum hit. GATT, as now proposed, would require an average of 36% reduction in tariffs with a minimum of 15% and a maximum of 100%. Since Clinton promises fruits and vegetables that they will only take a 15% hit, everyone else will have to take larger hits to make up for this deal.

6) Planning for a campaign on fast track.

Transforming the NAFTA Debate into a Long-term Fair Trade and Economic Justice Movement

President Clinton made a few backhanded compliments during his post-vote press conference. One of them was to the strength of the grassroots organizing that went into the fight. What made this effort work was the breadth of the local coalitions and the depth of experience that people have in organizing--accumulated over many years and many struggles.

We have reached a point in grassroots organizing where the fundamental issues are defining. The NAFTA debate did not end up being about the specifics, which were changing by the hour as Clinton made deals. It was about economic interests--corporate profits before people--wall street vs. main street--big business vs. the average citizen. It was said a hundred different ways in the debate, but the message was roughly the same--that NAFTA was class war against the working people of all three countries.

We need to take the energy, commitment, skills, and structures collected up and organized for action in the NAFTA debate and move into a longer term economic justice/fair trade movement.

We need to have a meeting by phone or in person with the main local organizers to discuss our long-term structure, visions, and goals.

We need an ongoing trade monitoring operation to keep on top of Clinton's proposals to push NAFTA into all of Latin America and into Asia.

We need to articulate a positive vision for our future--one that can be directly contrasted with the neo-liberal, deregulation vision of big business and Clinton.

We need a positive national campaign with strong local activities and objectives. For example, we could package up all of our ideas for job creation into a National Jobs Initiative. Perhaps Bill Clinton doesn't care about employment and unemployment, but we do.