

November 17, 1993

Floor Speech in Opposition to NAFTA Passage

I'd like to share with my colleagues what my opposition to this NAFTA is all about, but first I want to say what it's not about.

It's not about whether I believe in a global economy. Global economic integration is inevitable. Our task is to direct it in a way that serves our people.

It's not about whether I support President Clinton. I will continue to be a strong supporter of the President, because I believe on many fronts he is moving America forward.

It's not about bashing Mexico. Those of us voting against NAFTA are doing so in part because we also want what is best for Mexican workers and the Mexican economy. We understand that by virtue of geography the American and Mexican futures are linked, and that a healthy Mexico with rising living standards is in the best interests of the United States.

So why am I voting against this NAFTA? Because the good it might do is undone by two fatal shortcomings. First, it does nothing to establish basic labor rights in Mexico, and second, it works against the sustainable use of the Earth's resources.

Let me cover the first point. This NAFTA does a lot to protect intellectual property rights. It does a lot to protect the security of foreign investment in Mexico. But it does nothing to help raise the standard of living in Mexico so that their workers might become consumers of American goods and so that their low wages don't draw away U.S. investment and U.S. jobs. And why is that? Why does this NAFTA make investment in Mexico secure and keep Mexican wages low? Because that is what the Bush administration wanted it to do. They negotiated this agreement to serve the interests of large U.S. corporations, not to serve the interests of the average Mexican or American worker.

That isn't a charge I make lightly. It clearly reflects the basic mindset of the Bush administration. Let me give you an example. In October of 1990, while the Bush administration was negotiating NAFTA, then Commerce Secretary Robert Mosbacher was holding day-long seminars to convince U.S. companies to invest in Mexico. And what do you suppose part of the argument he made was? He gave those business executives materials that claimed Mexico was a better place than the U.S. for their investment dollars because "the gap between the U.S. minimum wage and the Mexican direct wage will in fact increase"

It is interesting to note that Secretary Mosbacher was joined in his pitch by his Mexican counterpart Jaime Serra Puche, the same Mexican official who has been widely quoted as dismissing any concern that NAFTA's side agreements will be enforced. In his words, "the time frame of the process makes it very improbable that the stage of sanctions could ever be reached."

President Clinton has been very critical of the previous administration's approach to trade negotiations. He recognized the fundamental failings of the Bush NAFTA. That was the reason behind his demand that side agreements on labor and the environment be negotiated. I and many others waited to see what those negotiations would bring. And I and many others were profoundly disappointed when we discovered that the President's original concerns were addressed superficially. What's more, there is now serious question as to whether the side agreements are inseparable from this NAFTA, so even the small gains they bring to labor rights are perched precariously and could be severed from the rest of the NAFTA text.

A NAFTA that demanded progress on labor rights equal to changes achieved on intellectual property rights and security of investment would have been worth supporting. It could have ended the Mexican government's policy of suppressing wages. And let's be clear on that point, wages in Mexico are held down by the denial of basic labor rights. As a result, since 1980 Mexican wages have declined 32 percent even as Mexican productivity increased 41 percent.

A NAFTA that was truly in the best interests of our workers and of Mexican workers would have provided the Mexican people with the fundamental right to organize and to strike. It would have given the Mexican people, more than half of whom live in poverty, some hope for a better future. This NAFTA doesn't.

For America, that means a low-wage but increasingly productive Mexican work force will act as a magnet for U.S. investment. That's something most of those vaunted studies on NAFTA's economic implications completely miss. Most of them don't even factor in what NAFTA would mean to the flow of investment dollars in North America and what that means in turn for U.S. jobs. The Joint Economic Committee of Congress rightly sites this as a flaw that brings into questions whether most of those studies are worth the paper they're written on.

Fortunately, some folks have been asking the question about investment flows, and what they are telling us is disturbing. In last week's *Business Week*, Aaron Bernstein cited one estimate that NAFTA will divert \$2.5 billion in investment from the U.S. to Mexico annually. He cites another economist's projection that capital displacement of that magnitude could cost us 375,000 American jobs over five years.

Let's be clear. That capital would be going to Mexico to exploit cheap labor. Unless NAFTA is renegotiated to improve Mexican wage rates and labor rights, we can wave good-bye to those investment dollars, and to a lot of U.S. jobs. So it again comes down to whether Mexicans are allowed the fundamental rights that Americans have been fighting so long to secure in this country. It brings us back to the fact that Mexican workers and American workers share the fight for decent wages and a decent standard of living. This NAFTA points living standards for all the workers of North America in the wrong direction.

Now let me turn to what I believe is the second fatal flaw of this NAFTA -- it's failure to promote the sustainable use of the Earth's resources.

Beyond labor rights, this debate should also be about something else, something which has been left on the sidelines for far too long when it came to trade negotiations. It should be about whether we will have a bountiful planet to hand over to our children, or whether we will continue to plunder it irresponsibly.

I commend this administration for recognizing the clear link between trade and the environment. Even though the side agreement on the environment -- like the side agreement on labor -- suffers from the precariousness of its link to the main text, it does break some new ground, and I acknowledge that. But Mr. Speaker, there is a huge hole in both NAFTA and GATT -- a hole so big that the world's oceans and their resources can flow right through it.

Under both GATT and NAFTA, we are surrendering our right as a nation to impose sanctions upon other nations that irresponsibly exploit resources found in international waters.

I have a lot of first-hand experience with this issue -- in part because I come from the Pacific Northwest, and in part because I sit on the Merchant Marine and Fisheries Committee. I have spent my five years in this chamber fighting to protect our oceans from driftnets and other practices that decimate fisheries. We have won some of those battles and lost others. But if NAFTA and GATT stay on their current path, those who pillage our seas will be shielded from punishment and the battle to save our seas will be lost.

In the last Congress, this body passed a piece of legislation mandating sanctions upon any nation that continued to use driftnets -- those thirty-mile-long-curtains of death. A law bolstered a U.N. resolution prohibiting the use of driftnets in international waters. The ban took effect on January 1 of this year and since then our own Coast Guard has caught four vessels using the nets. Yet our government hasn't even attempted to follow US law and impose sanctions. Why? I have tried to get an answer from our government, and I am left to assume it is because our trade agreements would find it an unfair barrier to trade.

In fact, there is good reason to fear our law would be overturned. A GATT panel, in a dispute involving the U.S. and Mexico, determined that another U.S. law was in violation of GATT because it dealt with production and process methods, or PPM's, and because it related to actions taken outside the territory of the United States. What does that mean? It means that any nation can do anything it wants on the high seas -- it can rake the ocean clean of fish using driftnets or any other contraption one might devise, and the U.S. has no standing to deter that nation with trade sanctions.

Recently, another example brought this same failing of our trade agreements home with new force.

In the Bering Sea, outside the territorial waters of the United States and Russia, there is an area known as the Donut Hole. Fishing for pollock -- fish originating in the waters of Russia and the United States -- began there in the mid-1980s. The annual catch quickly expanded from roughly 360,000 metric tons in 1985 to 1.4 million metric tons in both 1988 and 1989. The U.S. and Russia tried to slow the harvest, restricting the catches of their own vessels, but other nations continued to grab all the fish they could. Eight international meetings were held to try to halt the plundering, but nothing came of them because there was no leverage -- no tool available to enforce sustainable use. By 1992 the harvest had plummeted to 10,000 metric tons. The fishery was destroyed.

That kind of horror story will be repeated unless we change course in our trade negotiations. In voting against NAFTA, we can send our trade negotiators back to the table to get it right. We can send the message that our trade agreements must be consistent with the sustainable use of the world's marine resources.

This issue is critical to NAFTA not only because resource management among NAFTA signatories is critical, but because an approved NAFTA will establish the U.S. position in current and future GATT rounds. If we aren't willing to demand that a tri-national agreement be made compatible with sustainable use of the planet's fisheries, there is very little reason to believe we will demand it when negotiations involve the more than one hundred member nations of GATT.

Some may believe this matter is esoteric or remote. Well, it isn't. It goes to the heart of whether there will be any fish left in the seas for future generations. It goes to the heart of whether we will be good stewards of the Earth. It goes to the heart of whether NAFTA and GATT look to the future or remain tied to the past.

In sum, two seemingly different reasons lead me to vote against this NAFTA, but in one critical respect sustainable use of resources and the advancement of basic labor rights are intertwined. They are both necessary if we are to secure a brighter future for our children. They would both be part of a NAFTA worthy of support. They are absent in this NAFTA and I urge my colleagues to vote no.