

“Renegotiate NAFTA”: What’s lurking behind the TRADE Act?

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Are the Democrats making a radical turn to the left? This is the conclusion many are making after learning about the TRADE Act (Trade Reform, Accountability, Development and Employment Act). A wide coalition of leftist organizations— including labor unions, fair trade, and environmental groups— are uniting around the Democratic bill that aspires to “renegotiate NAFTA” and possibly revisit and revise many free-trade agreements the US has signed with various countries.

The bill’s appeal is far-reaching. Many who’ve recently left the Democratic Party in disgust— because of its role in the Iraq war, NAFTA, destruction of democratic rights, etc— are being brought back into its orbit, while those who claim that it’s possible to “pressure the progressive Democrats” have used this piece of “landmark legislation” as proof of their theory.

While the bill appears to address the popular outrage that has emerged over outsourcing, “corporate flight”, and globalization in general, a deeper look into the details reveals not only extremely empty rhetoric, but outright reactionary intentions.

The TRADE Act’s greatest selling point is that it will insert, through renewed negotiations, a hodge-podge of different requirements into existing trade pacts, to be applied to all future agreements. The Left organizations promoting the bill like to focus on the progressive requirements that include labor and environmental standards, as well as anti-privatization and anti-trust wording.

Ignored are the openly pro-business requirements that contradict the wording of the above paragraph, including: a review of how free-trade agreements have affected the “competitiveness” of US corporations; “protecting intellectual property rights”; the “right to hold clear title to property”; and wording that strives to guarantee trans-national corporations and investors in general against “expropriation”.

This is the language of different sections of the ruling class. One section is the US corporations that have been out-competed by foreign firms, and are ultimately seeking protectionist trade measures. The group that wants to protect intellectual property rights includes a variety of giant corporations that intend to maintain their monopoly on specific commodities— and consequent super-profits— that include pharmaceuticals, entertainment, software, etc. The group who wants protection against “expropriation” are those billionaire overseas investors who profit off the backward conditions and low wages of poor countries.

How could such clashing elements be in the same bill? The answer lies in the political philosophy of the US labor unions that helped write the bill. Instead of advancing a politically

independent platform, the unions continue to ally themselves with the “other” party of big business, the Democrats; a strategy which reflects the worksite philosophy of worker/owner “cooperation”. This approach reaches the height of absurdity on a regular basis: unions use workers’ dues money to elect Democratic politicians that attack the living standards of workers; at the bargaining table union organizers sit opposite corporate lawyers— both vote Democrat.

The TRADE Act is simply an attempt to codify this irrational relationship into legislation. Using the logic of the union bureaucrat, it’s quite reasonable to support the attempts of US corporations to install protectionist measures against foreign competition, since, for the sake of corporate “competitiveness”, union leaders have already agreed to lower workers’ wages and benefits.

But shouldn’t the bill be supported on the basis of its progressive aspects alone? Scratching the surface will reveal these progressive requirements as fine statements, but void of content. For example, the TRADE Act claims that the US will sign free-trade agreements with countries that have democratic governments, respect human rights, adhere to the labor standards of the UN’s International Labor Organization, etc. This sounds very nice, but something doesn’t add up.

The entire experience of US imperialism— itself representing the interests of the US banks and corporations— operates in the exact opposite manner. US corporations invested billions in China *because* of its lax labor standards and lack of democracy, both of which tend to boost profits. The military coups that the US frequently encourages—to “promote democracy”— create puppet dictatorships that operate in similar fashion: labor leaders are killed, unions are destroyed, and profits soar. The free-trade partners of the US are more often than not mere lackeys of US foreign policy, and use extremely brutal methods to make their foreign investors/ bosses happy.

Not only this, but the US itself cannot claim to “respect human rights”, especially after it continues to commit war-crimes in Iraq while destroying democratic rights at home. The torture that continues to happen in Guantanamo Bay and Iraqi/Afghani “detention camps” was once blamed on “a few bad apples”, but now is defended in the highest levels of government under the euphemism of “harsh interrogation”.

When it comes to labor standards, the US fares no better. Among the rich nations, the US has a dismal labor record. And in a case of extraordinary irony, an impressive collection of Canadian, Mexican, and US labor unions have filed a lawsuit against the US for violating the very shallow labor requirements contained in NAFTA, based on the common labor practices of North Carolina

If the TRADE Act were to pass, the working class of the countries affected would notice that nothing had actually changed. The bill would most likely function in the same manner of the UN’s International Labor Organization: strict labor requirements are written, violations are investigated, solutions are proposed, but absolutely nothing is ever accomplished. The ILO in fact acts as a cover-up for the horrible abuses of global capitalism, something the TRADE Act aims to accomplish on a smaller scale. No congressional bill, no matter how finely worded, can change the natural, predatory habits of profit making.

Although the TRADE Act will change absolutely nothing from the working classes

perspective, the class that owns the banks and corporations may benefit substantially. The US corporations who are bad competitors on the global market are striving to protect themselves from foreign imports. The TRADE Act will serve as the first step to fulfill this protectionist yearning, while accomplishing another sinister goal.

The employer class in the US is striving to channel the disgruntled, negative energy of its workers into safe political channels: as prices rise and wages drop, while factories close and unemployment sky-rockets, someone must be blamed. The first step of the blame game requires that the workers have their attention diverted away from our economic system in general, towards the much narrower topic of trade (they'd rather you *never* question capitalism). Once this is done, foreign countries that export to the US more than they import— such as China— are put in the spotlight and denounced; while free-trade agreements too become scapegoats for an ailing economy —both problems are given the remedy of trade barriers. Again, the strategy serves two purposes: US corporations are protected from foreign competition while workers are fooled into thinking that something “progressive” is being done.

This attempt to give the TRADE Act a “left” cover has been very successful, as many people are referring to it as the “Fair Trade Act”. In reality, the term “fair-trade” and the trade policy of protectionism have become intimately linked for deceptive purposes; so much so that an openly protectionist bill recently proposed by congress is named the Fair(!) Currency Act, and intends to punish China with trade barriers if its currency is not revalued (Barack Obama and Hillary Clinton are both co-sponsors).

Trade barriers are no answer for the working-class. Protectionism increases prices (inflation) and can deepen recessions; it is used by the ruling class to blind workers and to incite war. A capitalist economy needs free-trade like the body needs oxygen, but we do not need capitalism. An economy that produces for social need and not a blind market is the only alternative for ordinary people, a proposal that only seems radical to those who benefit from the status-quo.

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