

CITY PAGES

'TIL DEBT DO US PART *Perry, 4*

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Multinational corporations
against the world.

Heads they win, tails we lose.

NAFTA

Monika Bauerlein investigates the
North American
Free Trade Agreement.

MAKING THE WORLD SAFE FOR MONEY

COVER STORY

Who NAFTA helps—
and who it doesn't.

by *Monika Bauerlein*

There are two images that stick with Sarah Stoesz from her recent trip to Mexico, and they're not memories of sunny beaches and mariachi bands. One is a paycheck stub for six days' work at a factory just south of the border. The net figure is 145,473 pesos—just over \$47 a week, or 98 cents an hour. The name on the check is a Minnesota household word: Honeywell, maker of thermostats, security systems, and industrial gear worldwide.

The other image is a traffic sign along a southern California freeway, much like the deer warning signs scattered along Minnesota roads. Instead of a jumping doe, the yellow-and-black square shows the outlines of a small family—man, woman, and child by the hand—running for their lives. Turns out Mexican migrants are routinely hit by cars here as they hurry north.

To Stoesz, these two images illustrate more powerfully than words could what's wrong with the North American Free Trade Agreement (NAFTA) that President Bush negotiated and President Clinton has endorsed. It would, she says, integrate the United States, Canada, and Mexico into a continental economy driven by captive cheap labor to the south, consumer power to the north, and total mobility for money—but not people—to move around.

For some, that's bound to mean good things: lower costs, higher profit margins, cheaper goods. For others, it may mean disaster: lost jobs (estimates range from a net gain of about 175,000 U.S. jobs to a net loss of several million), lower wages, environmental destruction, and a weakening of local sovereignty in favor of business prerogatives. Either way, insists Stoesz, there's enough at stake to make NAFTA, sched-

uled for adoption by Congress this year, "the most important public policy decision facing people in this country today."

RUN FOR THE BORDER

To see for themselves some of the effects of U.S.-Mexican trade, Stoesz and her boss, U.S. Sen. Paul Wellstone, recently went to Tijuana, the Mexican city just south of San Diego. Tijuana is one of Mexico's *maquiladora* towns, part of a special zone created in the 1960s by the Mexican and U.S. governments. Under the program, companies truck their components from warehouses north of the border to Mexican "twin plants," have them assembled, and ship them back with "Made in USA" labels.

The program got a slow start back in the '60s, but in the last five years it's taken off like a rocket. More than 2,000 U.S. firms now operate plants in Mexico, including Minnesota companies like Honeywell, 3M, H.B. Fuller, and Pillsbury/Grand Met. In all, they turn around a total of \$65 billion and employ more than half a million workers.

There are obvious advantages to operating a *maquiladora*. Salaries for the mostly female workers range from about 55 cents to \$1 an hour, about half the standard Mexican union wage in manufacturing. Unionization rates are low, and demand for jobs is so high that those who do try to organize can simply be fired.

Moving assembly work south of the border also allows companies to escape U.S. environmental and worker-safety laws. Mexico has its own, often rather stringent rules, but the government lacks money (and, some argue, the desire) to enforce them. Instead, there are plenty of documented instances of *maquiladoras* simply releasing wastes—sewage, fumes, chemicals—into the environment, turning border towns and rivers into cheap dumps. Toxic waste generated by *maquiladoras* is supposed to be shipped back into the States, but in 1988, the EPA reported that only 20 of the more than 1,600 plants then in operation had actually returned any of their waste.

Honeywell wouldn't return calls about its Mexican operation, and sources say the company was horrified when Wellstone showed their paycheck on TV during a press conference. In fact, those who saw the plant seem to agree that MexHon, as it's called, is one of the better *maquiladoras*. In addition to the 98-cent-an-hour wages, the company pays for a host of benefits including retirement and health care (which are government-mandated), subsidized meals and transportation, and a neat little basketball court in the back yard. All this brings the total labor cost up to about \$1.74.

Honeywell representatives also told Wellstone that in their view, MexHon saved plenty of U.S. jobs by keeping Honeywell in a product line it would otherwise have abandoned. And as far as the salaries are concerned, they and other *maquiladora* operators argued, most of the young workers aren't trying to support a family anyway—they're just working for "movie and clothes money."

"I am very proud of what we're doing here in Tijuana," Honeywell plant manager Angelica Muller told *El Financiero International*, an English-language Mexican newspaper that covered Wellstone's visit. "We are giving a lot of people jobs and introducing them to an industrial setting."

What the *maquiladoras* are also introducing, however, is a growing gap between how much people make and what they can afford. Until the early 1980s, Mexican incomes were low, but so were prices. Then, economic liberalization sent prices for basic commodities skyrocketing while wages failed to keep up. Today, food costs basically the same in Tijuana as in San Diego, Stoesz says. "I did a market-basket survey when we were over there, and I couldn't believe the results. A carton of eggs was \$1.16. So it takes more than an hour of work in the *maquila* to buy a carton of eggs."

As a result, conditions in *maquila* neighborhoods are unanimously described as horrific. Only one Twin Cities reporter, KTCATV's Laurie Stern, took up Wellstone's invitation to

travel along. The footage she brought included abandoned plants covered with white battery dust; black rivers of sewage plant waste flowing through neighborhoods that used them for cleaning water; large fans crammed into dwellings made of indurated refuse, perched just above manicured lawns. Border organizations also report increases in birth defects like anencephaly, a condition that causes a baby to be born without its brain.

"I had been to Latin America before, a had seen poverty before," says Stoesz. "I never had I seen it in such stark terms, when cause and effect are so clear. You see the managers of the companies who commute to plants—because who would live in Tijuana when San Diego is such a beautiful, middle-city?—you can see them in their cars, espousing their hands, complaining about the traffic at the border.

"And this is the border," Stoesz shows a ture of an eight-foot steel wall, two faces peering over the razor wire at the top. Wellstone's delegation stopped here to talk to those who line up on the Mexican side daily. "They wait until the border guard turns his head, or until there's enough of them, and then they make a break somehow go over the fence and up into the hills," Stoesz explains. "They make their way to freeways and some of them get hit by cars some don't, and they walk 110 miles to L.A."

These migrants, Stoesz argues, are the argument against the ideas underlying NAFTA. "Classical economic theory says that capital flow to where it has the highest rate of return and labor will move to where it can get the highest wage. Eventually, you achieve something called equilibrium. Except that these proponents of free-market capitalism don't have the same rules applied for labor.

"So these folks are economic slaves. They're forced physically, by this big fence, to remain in conditions of extreme economic deprivation."

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And although there are plenty of [maquiladora] jobs, they are willing to risk their lives to come over here."

SO WHAT?

There is one big problem with Stoesz's argument: All the things she talks about are already happening, NAFTA or no, and they'll probably continue whether the agreement flies or not. So why, supporters ask, does the maquiladora scene even get dragged into the debate over NAFTA?

Tim Kehoe asks that question frequently. A professor of finance at the University of Minnesota, he's one of the "free-market economists" Stoesz is talking about. He's also spent a lot of time in Mexico, often with the man he calls his best friend from college, Mexican Secretary of Trade and Industry Jaime Cerapuche.

Back in the late 1980s, when the government of President Carlos Salinas de Gortari first came up with its trade-liberalization policy, Kehoe helped put it together, taking unpaid leaves from the U to create computer models for the Mexican government. (He got paid for that work, at what he says was half his regular rate, but stresses that he's not doing consulting work while working for the university.)

"What you have to understand about NAFTA," says Kehoe, "is that it's not going to do very much at all, except lock into place the kind of things that have happened over the last four to six years. Six years ago, Mexico was one of the most closed economies in the world. Then the Mexican government decided that they needed to open up."

That decision didn't come by itself. It was a result of pressure from the World Bank, the International Monetary Fund, and large U.S. banks, which had lent huge amounts of money



Farmers listen to Paul Wellstone at a NAFTA town meeting in Northfield: It's been slow in coming, but politicians admit the backlash against NAFTA is here.

to developing countries, including Mexico. When these countries could no longer make their interest payments, the banks offered some more loans. But in exchange, they demanded radical policy changes, known as "structural adjustment." These included cutting the value of national currencies, encouraging exports, and encouraging foreign investment—all things that assisted companies like the maquiladoras.

All NAFTA will do, Kehoe says, is put those investments into "a more stable financial and political environment"—preventing, for example, future Mexican governments from taking control of the country's industrial sector.

So much for NAFTA's effect on Mexico. Now for the United States: "What's happened is that for the last 20 years wages of low-scale workers have fallen," Kehoe says. "Part of the

reason is what people call the New World Economy—you know, automobile workers in Detroit have to compete with automobile workers in Japan and South Korea. For the people who lost their jobs, that's a pretty unfortunate trend."

But NAFTA, Kehoe insists, won't have a big effect on that trend. First of all, he says, the U.S. economy is more than 20 times as large as Mexico's, so NAFTA's effects will amount to no more than "a blip on the screen." More important, "those companies that want to exit the United States are already doing it—there's been nothing to keep them from doing it for years."

So what, if anything, will happen under NAFTA? This, in broad strokes, is the scenario its more enthusiastic proponents are painting: As soon as the Mexican market opens up, consumers hungry for blue jeans, computers, and Froot Loops will make a run on U.S. goods, boosting this country's exports. At the same time, U.S. (and European, and Japanese) companies will find North America a more attractive continent to invest in, so they'll liberate the dollars now stashed in bank accounts and securities. "The bottom line," Kehoe says, "is that whatever computer model you choose, you plug in NAFTA and you find incomes going up about 1 percent in Mexico, 1 percent in the U.S., and not much else."

THE VIEW FROM NORTHFIELD

Diane Mayfield is not impressed with those models. She's the president of Amalgamated Clothing and Textile Workers Union (ACTWU) Local 1481, which represents some 450 workers at Northfield-based Sheldahl Corporation. The company has gone through its share of layoffs, often due to the whims of the auto industry, which buys a lot of Sheldahl's high-tech products. But none of that prepared workers for the announcement in early February that Sheldahl was about to build a new plant in Mexico and

send 104 of the Northfield jobs there.

There may have been any number of reasons for that decision. Workers speculate that at least one was the company's run-ins with environmental regulators (a few years ago, Sheldahl was cited as one of the nation's top 50 producers of carcinogenic chemicals, and it subsequently agreed to reduce emissions by 75 percent).

But company spokesman Bev Brumbaugh says the Mexico plan was grounded in a long-term corporate strategy—a strategy that happens to be a good example of what other U.S. manufacturers have been doing over the past decade.

On one hand, Sheldahl plans to invest at home, buying sophisticated machines that reduce labor costs and improve products at the Northfield plant. On the other, he explains, "there is a world-market price for circuit finishing [one of the more labor-intensive parts of Sheldahl's process]. Our competitors are in Japan and Europe, and they're assembling in places like Thailand. We realize that we can't compete with people who are paying a dollar a day, but we have to be more competitive than we are."

It turns out that that doesn't have to mean Mexico. Two weeks ago, Sheldahl announced it had changed its mind: Instead of Mexico, the 104 jobs were going to an unannounced location, probably in the Dakotas. Brumbaugh says it just didn't make sense to start a whole maquiladora. "If we had a larger operation, maybe we would want to do it," he adds. "And we may want to do it in the future."

Some difference, union board member Dianne Thompson grumbles over a cup of coffee in a VFW meeting room. "If they're moving 104 jobs, I'm out of here. I got nine years, and I'm at the bottom of the seniority list. And I'm 45 years old, I have no college, I didn't enter the job market until 10 years ago when I started at Sheldahl. There's no way I'm going to find a \$10

job someplace else. And no way I'm getting health insurance."

"This is why we still believe this is a NAFTA issue," Mayfield adds. "Right now, South Dakota is Mexico. The driving force behind the move is the fact that they need cheaper labor. And I think you have to be realistic that in time, even jobs in South Dakota at five dollars and a quarter will be too high for them to pay."

What's happening at Sheldahl, argue people who've studied the process, is the beginning of a spiral. Communities, states, nations, and unions

"Look, this is all about the bottom line," one maquila executive told Wellstone. "If you make it too hard to do business in Mexico, we are just going to move to Asia."

compete for companies to stay or expand. And as people get more desperate, they're more likely to give on wages, environmental regulations, tax breaks and the like. The result is the opposite of the picture Kehoe and other NAFTA supporters paint—a system where competition brings everyone's standards down, rather than up.

And the spiral keeps moving. "We ask these companies, what are you going to do in 10, 15 years, when the Mexicans get fed up with their living conditions?" says Leif Grina, an organiz-

er at ACTWU's Minneapolis office. "It's a very racist assumption, you know, to believe that the Mexicans will simply accept the status they've been assigned."

"Well, they'll move to another country. Like China, where they can pay 18 cents an hour, and where there's a government that will keep people in line."

That, apparently, is no idle speculation. When Wellstone went to Mexico, he had dinner with a group called the Western Maquiladora Owners Association. El Financiero, the Mexican paper that covered the meeting, quoted one maquila executive as saying: "Look, this is all about competitiveness and the bottom line. If you make it too hard or too expensive to do business in Mexico, we are just going to move to Asia, not to the United States."

THE ULTIMATE BARGAINING CHIP

There are many who argue that what's happening here is just a local adjustment—a highly sophisticated economy shedding relics of the past like grimy factory work. The wave of the future, goes this argument, is for Americans to become the white-coat, computer-literate operators seen on pamphlets from places like GM's Saturn plants. Countries like Mexico, meanwhile, will take over the grunt work, prosper, and buy U.S. goods.

But that bright image is fading fast. Perhaps its critics' best piece of ammunition is a recent article in The New York Times, profiling what it called "America's Newest Industrial Belt" in northern Mexico. Over the last five to 10 years, the story noted, dozens of Fortune 500 companies have located a new kind of plant in Mexico—not maquiladoras, but high-tech operations that attract university graduates to white-coat, computer-literate jobs in cities like Chihuahua and Monterrey. There's also—Iron Rangers take note—a plan for a giant airline maintenance base outside Tijuana, staffed with

mechanics trained in Mexican technical schools.

And contrary to the image of Mexican workers as low-skilled human assembly machine productivity at Mexican high-tech plants turn out to be stellar. University of California-San Diego economist Harley Shaiker found that within a few years of start-up, Mexican plant produce as well as or better than their U.S. counterparts—at one-fourth the wages. "Mexican advanced industrial sector," Shaiker concludes, "combines world-class productivity and quality with Third World wages and working conditions."

For some economists, like the UM's Kehoe this just goes to prove that in the long term NAFTA will bring Mexico closer to U.S. standards of living and working. But the reverse is equally possible. As part of the Mexican government's free-trade policies, President Salinas Gortari got the country's state-sponsored unions to hold down wage increases.

As for U.S. wages, Shaiker notes that last year one-fourth of corporate executives polled by The Wall Street Journal said they were "very likely" or "somewhat likely" to use NAFTA as a "bargaining chip to try to hold down wages the U.S." And in the late 1980s, Goodyear executive vice president Stanley J. Michels told The New York Times that "until we get a wage levels down much closer to those of Brazil and Korea, we cannot pass along productivity gains and still be competitive."

"This is the whole thing that's been happening to wages in this country," concludes ACTWU's Grina. "The lure of cheap labor like an axe over people's heads. We had an organizing drive not long ago in Owatonna, just down the road from Northfield. The company said if the union won, they were moving 1 plant to Iowa or Mexico. We lost the election."

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COMMON DENOMINATORS

Labor, of course, isn't the only issue in NAFTA, and workers aren't the only ones who will be affected. In fact, critics and proponents alike say what the deal is really about is a complex political agenda, implemented both in NAFTA and its global counterpart, the General Agreement on Tariffs and Trade (GATT). GATT, if you remember, is the deal U.S. and European negotiators have been working on without much success for much of the past decade; headlines generally focus on U.S.-European disputes about agriculture subsidies, but the meat of the pact is an attempt to open up trade in goods and services worldwide.

One of the earliest battles in the NAFTA fight was fought over the Bush administration's demand that the deal be put on a congressional "fast track." Negotiators would work in non-public deliberations with help from select advisers (one advocacy group calculates that out of more than 1,000 advisers, six were environmentalists and about a dozen came from the labor movement). Congress would only have the power to approve or disapprove the finished pact—no amendments, conditions, or modifications. Congress agreed to the fast track for both NAFTA and GATT, and may extend it again when the Clinton administration asks.

But then you could argue that government bodies had better get used to losing control; if NAFTA is approved, it will cede local and national sovereignty on many issues to international trade boards. In negotiations on both NAFTA and GATT, there has been much talk of striking down "nontariff barriers"—in other words, laws and regulations that restrict the free flow of trade. It doesn't matter whether they were even conceived as trade measures. All that matters is whether they take away an economic opportunity a trading partner "might reasonably have expected to accrue to it."

And if this sounds like mere legal hairsplitting, it's not. In 1991, a GATT panel overturned the Thai government's health ban on tobacco imports because it was "not the least trade-restrictive measure," thus opening that market for U.S. cigarette makers. Closer to home, a panel under the U.S.-Canada Free Trade Agreement in 1989 overturned U.S. bans on asbestos imports. And in 1990, a group of Mexican fish processors challenged the U.S. Marine Mammal Protection Act, which prohibits imports of tuna caught with non-dolphin-safe nets. The case was settled.

Under either GATT or NAFTA, decisions like these are not made by judges and juries. They are the responsibility of small panels, appointed by international trade agencies, deliberating in secret, and relying heavily on existing international standards—such as the rules put

together by a Rome-based United Nations agency known as the Codex Alimentarius. Codex's meetings are dominated by industry representatives: At one recent meeting, 16 of 28 U.S. delegates came from food and agriculture giants like Nestle, Coca-Cola, Hershey, and Kraft. It regulates fewer pesticides than either the U.S. or Minnesota, and routinely certifies as "safe" pesticide concentrations many times over U.S. limits, according to a report from Congress's General Accounting Office.

And that's only the beginning. Both GATT and NAFTA are very clear about the fact that states, cities, and towns can't be permitted to discriminate against foreign producers, either. Earlier this year, researchers at the state Legislature compiled a preliminary list of Minnesota laws that could be under the gun with GATT or NAFTA. They included subsidies for small businesses, local breweries, and distressed regions like the Iron Range; restrictions on certain pesti-

cides, toxic materials, and wasteful packaging; "Buy Minnesota" laws that give preference to in-state contractors; subsidies for family farms and sustainable agriculture; and dozens more.

What this amounts to, according to some advocates, is nothing short of a wholesale attack on the way Americans have been governed—a shift away from legislatures and elections, and toward secret negotiations, administrative panels, and international trade agencies.

"NAFTA is very much an economic document," says Larry Weiss, coordinator of the Fair Trade Coalition, a group of 84 Minnesota organizations critical of the agreement. "But it's also a tremendously political document, because it creates sort of a North America of the corporations, by the corporations, and for the corporations. It removes from citizens their rights to enact their own policies and regulations. The Canadians see this far more clearly than we do—they're not even talking about trade anymore, they talk about the corporate agenda. And that includes a lot of the things we have known as Reaganomics, as well as the attack on local sovereignty, and so on."

Not everyone sees such a gloomy picture. Ford Runge, a University of Minnesota professor who worked on GATT for the Carter administration and has talked to the Clinton team, says the danger to local laws is overdrawn: "Wouldn't you be surprised to find that GATT had overturned the municipal water standards in Minnesota?"

"Make no mistake," Runge adds. "The real objective here is to defeat NAFTA itself, and the fears particularly on environmental issues are being used to advance an agenda that is protectionist in nature."

CLINTON'S FIX

Runge is right—there are a lot of people trying to defeat NAFTA, and many of them are driven by fear. Even Wellstone says he was stunned this Easter recess when, stumping in small-town cafes from Glenwood to Owatonna, three-quarters of the audiences knew of NAFTA, and the majority disliked it.

One of the earliest critics of the deal, Wellstone has been painted as sitting somewhere between protectionism and the lunatic fringe; opponents note that on this one, he agrees with Pat Buchanan, David Duke, and Jesse Helms. But Wellstone insists that "my position has never been 'never.' It's been 'yes, if.'" And now, he may get the satisfaction of finding himself squarely in the mainstream of congressional Democratic opinion. According to one count, 74 of 110 newly elected members of Congress are opposed to the deal. And House Majority Leader George Mitchell (D-Maine) recently told *The Washington Post* he didn't believe the "votes are there" for NAFTA unless there are substantial changes in the agreement.

The way Clinton seems to want to resolve the problem is with one of the maneuvers he's a master at—get what you want, but make everyone feel they achieved something. During his campaign, Clinton was under pressure to disavow NAFTA as a Bush-era mistake. Instead he said he'd keep it, but put it on a leash by negotiating stringent "side agreements" on labor and the environment, to be enforced by trilateral commissions.

But even those hopes are evaporating. Two weeks ago, *The Wall Street Journal* reported that in a move designed to "allay fears in Mexico and Canada," Clinton does not plan to let those commissions have any enforcement power. Instead, they would carry what one administration official called "moral suasion."

What advocates find particularly galling is that NAFTA does talk tough about standards when it comes to things that matter to companies' bottom lines—like intellectual property rights such as patents and copyrights. Under the NAFTA draft, a U.S. company whose patent has been violated by a Mexican firm can bring a claim and stop products right at the border. No such

enforcement is envisioned for labor and environmental standards, which NAFTA supporters say have no business in a trade agreement.

HISTORY LESSON

But while the official debate focuses on just how meaningful the side agreements will be, the real story may be somewhere else. One group that has been trying to open up the narrow confines of NAFTA discussions ("You're stealing my job!" "Am not!") is Mexico-U.S. Dialogos, a New York-based organization headed by Mexican journalist David Brooks (never mind the gringo name). Dialogos sponsors discussions with people from the U.S., Mexico, and Canada, from what Brooks says is a broad spectrum including business, labor, environmentalists, and so on.

First, says Brooks, remember that NAFTA didn't come out of nowhere. "In all three countries [Mexico, the U.S., and Canada] we've had policies implemented over the last 10 years that are quite similar. They have been implemented by the same policymakers that are proposing NAFTA, and they have resulted in economic growth.

Minnesota laws that could be threatened under either NAFTA or GATT include subsidies to distressed regions, family farmers, and local beer; restrictions on toxics, pesticides, and wasteful packaging; and dozens more.

"But the consequences of this economic growth have not been increased employment or better living conditions. On the contrary—living standards have gone down and jobs have been lost in all three countries."

So the question is, Brooks says: What do you want economic growth and trade for? Is it enough to get money to move around? Or are there other goals that aren't automatically achieved through more business?

This is where NAFTA meets world history. For as long as anyone can remember, people—in the industrialized world at least—have not talked about the relationship between rich and poor countries as something that actually affected them. Almost the only people who cared about international trade were those who had a stake in it—transnational companies, customs agents, academics.

The NAFTA debate, says Brooks, is the first time large numbers of people have taken an interest in "North-South relations," read: the massive global inequities that are starting to look like the biggest issue of the 21st century. And since the U.S.-Mexico border is "the most unique meeting of North and South in the world," this is where the debate gets its first and most visible real-life test. "This is no longer the abstract rhetoric of the U.N.," Brooks concludes. "It's real people who for the first time are talking about international economics as a real issue, a domestic policy issue. And that's tremendously important."

It's not an easy debate, though. One of the ugly truths that can only be whispered even in critical discussions on NAFTA is that even the fairest trade policies won't be able to bring people everywhere up to U.S. standards of living—simply because those standards incorporate some low-cost labor and environmental degradation into their very balance sheets. And practi-

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cally no one wants to talk about Americans (or other "have" nations) having to give up what they've got.

"U.S. labor unions have a long history of protectionism—trying to preserve U.S. standards of living at the expense of workers in other countries," acknowledges Peter Rachleff, a labor history professor at Macalester College. "And that's just not possible any longer, whether there's a NAFTA or not."

Tom Laney has suspected that for a while. A few years ago, one of his co-workers at the Ford plant in St. Paul was browsing through the computer bulletin board PeaceNet when he found a news item about another Ford plant, in a Mexican city named Cuatitlan. Apparently, Ford had laid off a number of people, then hired them back at sharply reduced wages. The workers—at about \$13 a day among the best-paid manu-

facturing workers in Mexico—went on strike.

Several hundred armed guards were brought in; it's not clear just who hired them, Ford or Mexico's government-sponsored union. A fight broke out; nine workers were injured and one died.

Laney and others figured some solidarity was in order—after all, these were fellow Ford workers. "We put in a number of requests to our international union, asking them to support that strike," he says. "They didn't even respond. We asked them to do a voluntary collection, 10 cents a member. All they said was 'and what are we going to do the next time someone wants a dime?'"

Laney and the others did what they could. They sent delegations to Cuatitlan, brought Mexican workers to St. Paul. They got Wellstone (then barely installed in his Senate seat) to send letters. But in the end, Laney says, they concluded that what was really needed was a different

union. "We need to be transnational unions, just like these companies are transnational. So that Ford workers everywhere are on the same side, so that we can tell Ford that if you're going to shoot Ford workers in Mexico, we won't handle Mexican parts when they come to our shops. That's what the old UAW would have done."

"There's this 20-year organizing gap in American labor," Laney adds. "We've been going to the table every year to collect our 3 percent increase. In the meantime, they were sending the National Guard into Hormel (the Austin meat-packing plant), and they were shooting down Mexican workers. And what we're finding now is that because we didn't deal with these things, the meatpackers in Austin and the workers in Cuatitlan can't afford to buy a new pickup truck, and we can't sell the products we make."

If Laney's experience is any guide, NAFTA has actually started breaking down barriers—though not in the way negotiators may have had

in mind. Either way, says Rachleff, the wake-up call was desperately needed. "NAFTA is forcing us to do things that needed to be done, on two planes. [First] we need to organize together with Canadians and Mexicans, not to defend special interests of Americans vis-a-vis our neighbors to the north or south, but to organize globally against our common enemies."

"The other kind of organizing we need to do is horizontal: labor together with environmentalists, together with farm activists, together with peace and justice activists. NAFTA forces us into a position of organizing the kind of multinational coalition that all these groups need if they are to find a position of power to fight multinational corporations from." In an ironic way, NAFTA might end up being a god-send even to its critics. **CP**

News interns Trent Gegax and Sam Aselstine contributed to this story.