

# NAFTA will lower living standards here and in Mexico

WASHINGTON



**A** recent trip to Mexico with five other members of Congress has only confirmed my worst fears about the effect the

North American Free Trade Agreement (NAFTA) will have on the standard of living, and quality of life, for both Americans and Mexicans.

In our country, the working people are currently facing their worst economic crisis since the Great Depression. Real wages have declined by 20 percent since 1973; the distribution of wealth is more uneven than at any time since the 1920s, with the richest 1 percent owning more wealth than the bottom 90 percent; and extremely frightening for the future, most of the new employment being created consists of low wage, part-time and temporary jobs with minimal benefits. In my view, NAFTA will accelerate all of these negative economic trends, and will only benefit the ruling elites of the United States, Mexico and Canada.

In Mexico, I observed workers employed at a high-tech General Motors radio assembly plant earning \$1.80 an hour, and living in shacks without electricity or running water. I met with an employee of Zenith, who broke down in tears as she described how hard it was to keep her family alive on the \$1 an hour she was paid. I heard another woman express the view that her miscarriage, and the illnesses of other workers in her plant, were related to the dangerous chemicals to which they were exposed. In Brownsville, Texas, I met with a physician who is deeply concerned about birth defects in the area that may be linked to toxic wastes discharged by the factories in the border maquiladora area.

The essence of NAFTA is

that American workers will be forced to compete against desperate and impoverished Mexican workers who earn a minimum wage of 58 cents an hour, and an average manufacturing wage of \$2.35 cents an hour. Already, some 2,000 American companies (AT&T, Ford, General Motors, Zenith, Digital, etc.) have thrown more than a half a million American workers out on the streets as they have headed south for low wage labor. Under NAFTA, when all trade barriers are removed and American corporations will have even more security in Mexico, the exodus of American jobs will only accelerate. According to a September 1992 Wall Street Journal poll, 40 percent of the companies contacted indicated that they were likely to shift some production to Mexico.

---

*If NAFTA passes, corporate profits will soar because it will be even easier than now for American companies to flee to Mexico and hire workers there for starvation wages.*

---

The good news, therefore, is that American corporations are building some of the most technologically sophisticated factories in the world, and are hiring hundreds of thousands of people. The bad news is that they are not building these plants in Brattleboro, Bennington, Windsor or White River Junction. They are building them in Mexico, with low wage labor — and are throwing American workers out on the streets in the process.

The new factories that are being built in Mexico by American companies are high tech, state of the art plants, which are producing some of the highest quality products in the world with skilled Mexican workers. Mexico, which ex-

ported 1.3 million automotive engines last year, now leads the world in that category. Studies have indicated that Mexican manufacturing workers have now reached 80 percent of the productivity level of American workers — while earning 15 percent of the income, an extremely attractive equation for thousands of American companies who want to increase their profits.

Wages have declined in Mexico, despite the growth of high tech jobs, because of the low wage policy established and enforced by the undemocratic government of President Carlos Salinas — the leader of the authoritarian PRI Party. The PRI has been in complete control of the government since 1929, never having “lost” a national election. Workers in Mexico today are not allowed to organize free trade unions, state and federal elections are rigged, the media is heavily controlled by the government, and dissidents have been jailed. How do you have a “free” trade agreement with a country that is not “free?”

Why is it that virtually every multinational corporation in America supports NAFTA, and they are putting millions of dollars into a campaign to see it passed? Why is it that the Mexican government, dominated by 30 super-rich families, are putting an unprecedented \$40 million into a pro-NAFTA lobbying effort? The answer is obvious. If NAFTA passes, corporate profits will soar because it will be even easier than now for American companies to flee to Mexico and hire workers there for starvation wages.

**N** AFTA must be defeated. The goal of American economic policy must be to raise wages in our country, not lower them. American corporations must reinvest in America, and not exploit desperate third world workers.

**Congressman Bernard Sanders, I-Vermont, is a member of the U.S. House of Representatives.**