Counterpunch

A Report from the Capital

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What's Wrong With This Picture?

The Press Declares NAFTA a Roaring Success

It's been just six months since NAFTA took effect and already the government and the press have pronounced the trade pact a stunning success. "Exports to Mexico soar after NAFTA," said *USA Today* in a May 25 story. "U.S.-Mexico Trade Advances Sharply Under New Accord," *The New York Times* reported on June 6. A *Newsday* editorial the same day ("Ross Pinocchio") said of NAFTA, "The results so far have been largely positive, as trade advocates argued. ...[T]he optimists had it right."

This sort of reporting — precisely like the coverage during congressional debate on NAFTA — results from the press's relentless promotion of the corporate point of view and from its aversion to talking to labor. Descending headlines from a recent *Wall Street Journal* story on NAFTA's impact nicely capture the media's sense of priorities:

"Detroit South"

"Mexican Industrial Belt is Beginning to Form As Car Makers Expand"

"Factories Sprout in Region Below Monterrey"

"Some Gripes Over the Wages"

In fact, while it's generally too early to draw any firm conclusions about the impact of NAFTA, the fears of pact opponents appear to be borne out by initial developments. Take the case of surging bilateral trade, which the stories above present as evidence that huge numbers of American jobs are being created as a result of NAFTA's passage. Such accounts emphasize the growth in U.S. exports to Mexico, which do create jobs, and downplay rising imports from Mexico, which displace U.S. workers.

Figures released by the Commerce Department in early June showed that U.S. exports to Mexico rose by 15.7 percent during the first quarter of the year, compared to the same period in 1993. Imports from Mexico rose 22.5 percent during the quarter, to a record $11.29 billion. That slashed the first quarter trade surplus with Mexico nearly in half, to $560 million.

During the debate on NAFTA, the Clinton administration argued that an increased *trade surplus* with Mexico would create 200,000 new U.S. jobs in the next five years. In an artful shift, officials now ignore import-linked job displacement. "The balance of trade is not as important as the content of trade and the increase in exports," U.S. Trade Representative Mickey Kantor recently told *The New York Times*. "That's what raises our standard of living." As Dean Baker of the Economic Policy Institute points out, this is like a Little Leaguer boasting after a game that his team scored 10 runs, while neglecting to mention that the opposing team had racked up 20.

NAFTA boosters also claim that fears that U.S. companies would head to Mexico to take advantage of cheap labor have not been realized. "[There's been no] giant sucking

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Dancing With A Dictator
The U.S., Again, Protects Mobutu

In late June the White House hosted a two-day conference to demonstrate, in the words of Assistant Secretary of State for African Affairs, George Moose, "a serious commitment...to do something about Africa's problems." As is the case so frequently with the Clinton administration, rhetoric is rarely matched by initiative: The Congressional Black Caucus has been so unimpressed by the administration's commitment to Africa that most of its members boycotted the event.

The immense cynicism of Clinton's Africa policy is starkly on display in Zaire, where Mobutu Sese Seko has ruled since taking power in a 1965 CIA-backed coup. One of the U.S.'s closest Cold War allies, the dictator collaborated in the CIA-sponsored war on Angola's leftist government and allowed Western powers to use Zaire as a launching pad for their African adventures. During his three-decade rule, Mobutu has stashed away an estimated $5 billion in overseas accounts and run Zaire's economy into the ground. Production of copper, formerly a major export earner, is off by 90 percent, and poverty and misery have reached unprecedented proportions.

Publicly, the U.S. is united in pressing for Mobutu's ouster. In a major address last year, Secretary of State Warren Christopher declared that Africa's future lies not with "corrupt dictators like Mobutu, but with courageous democrats." This posture is backed by Congress, which in 1990 cut off all military aid to Zaire. Even right-wing zealots like Rep. Dan Burton (R-Ind.) have broken with Mobutu and are demanding he step down.

Privately, the administration, rejecting repeated prodding from Congress, is rehabilitating Mobutu and pulling the rug out from under Zaire's democrats. A case in point is U.S. opposition to Etienne Tshisekedi, Zaire's legitimate Prime Minister.

Tshisekedi's authority stems from his selection last year by the High Council of the Republic (HCR), which is controlled by the opposition and which is empowered to prepare the way for democratic rule. An early ally of Mobutu's, Tshisekedi broke with the dictator more than a decade ago. During the late 1980s, he was held under house arrest and tortured during various stays in Mobutu's prisons.

Mobutu never accepted Tshisekedi's appointment. On June 14, he orchestrated a new election—boycotted by the opposition—in which rightist Kengo wa Dondo was picked to fill the Prime Minister post by the HCR's pro-Mobutu rump.

The Clinton administration not only failed to pressure Mobutu when he rejected Tshisekedi's election, but put strong pressure on its ostensible ally. "They told [Tshisekedi] that his only option was to negotiate and that there would be no effort made to block Mobutu," says a source familiar with the behind-the-scenes maneuvering. Now the U.S. has thrown its support behind Kengo. On June 16, the State Department expressed hope that his selection would lead to "the formation of a credible government of national unity." In Kinshasa, U.S. embassy officials are pressing Tshisekedi's backers to unite behind Kengo's regime. (Kengo lacks popular support and has thus far failed to convince the legitimate opposition to join his government. If past practice is any guide, large sums of money will soon be offered in an attempt to weaken the resistance of anti-Mobutu forces.)

Other indicators of the Clinton administration's *de facto* support for Mobutu abound. Within months of taking office, an internal memorandum from the State Department proposed seizure of the dictator's overseas assets. Such action has long been promised but thus far the U.S.—along with France and Belgium, the other members of the "troika" coordinating the West's Zaire policy—have done nothing more than ban visas to Mobutu and his closest allies. Tougher action, such as Zaire's formal suspension from the World Bank and the IMF or the expulsion of Mobutu's ambassadors from Western capitals, are not even being considered. "There's been no systematic effort made to pressure Mobutu," says Peter Rosenblum of the International Human Rights Law Group.

Spineless in Washington

Four major forces account for the administration's spineless policy. The first is that the U.S.'s chief enemy in Zaire is not Mobutu but Tshisekedi, a populist who, like Haiti's Jean-Bertrand Aristide, is looked upon with fear and loathing by American policymakers. Kengo, on the other hand, is Zaire's Marc Bazin. While serving as Mobutu's Prime Minister in the late 1980s, he implemented IMF and World Bank recipes with such relish that even the dictator complained about the degree of austerity imposed on the people. Kengo is also a notorious thief, having been placed on a list of officials who opposition parties say have grown rich through the acquisition of "ill-gotten goods." (In a lengthy front-page report on July 10, *The Washington Post*'s Keith Richburg wrote that Kengo has "more legitimate anti-Mobutu credentials [than Tshisekedi]." The story, which relied heavily on the views of unnamed Western diplomats, also whitewashed U.S. involvement in Zaire's ongoing tragedy.)

Another factor behind U.S. maneuvering is the odd assortment of U.S. executives and officials who built their careers around Mobutu and continue to influence policy. These include:

- **Diamond magnate Maurice Tempelsman,** Jackie O's last companion ("the mysterious millionaire who cherished her, protected her and was by her side at the end," said the July 11 *People*), has been involved in Zaire since Mobutu came to power and has brokered business deals there for many U.S. firms. State Department cables from the mid-1960's, first obtained by David Gibbs, described Tempelsman as "very influential with Mobutu," though occasionally "annoyed [by] having his advice ignored."

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Tempelsman has business dealings in many African nations, but denies that he's still involved in Zaire. However, Gilbert Mundela at the Zaire Network, a group based in Washington, says sources on the ground claim that Tempelsman is still buying diamonds through Socodiaz, a state-run firm.

A well-connected Democrat, Tempelsman has excellent channels of communication with the current administration. Last summer, he and Jackie sailed with Bill and Hillary off Nantucket island. At the major dinner held in conjunction with the White House conference on Africa, Tempelsman sat at the main table with Secretary of State Christopher and Assistant Secretary Moose.

- **Dr. William Close,** father of actress Glen Close, was Mobutu's personal physician and close advisor between 1965 and 1976. Widely believed to be linked to the CIA, Close now lives in Wyoming but maintains excellent contacts in Kinshasa and Washington. He has broken with Mobutu in recent years but is said to be lobbying on Kengo's behalf. In *Sand Hill*, a bulletin on Zaire which he sends to key policymakers and journalists, Close once called Tshisekedi's administration "a government without balls."

- **Larry Devlin,** CIA station chief in Zaire when Mobutu was brought to power, was one of the dictator's closest advisors. Paul Sakwa, a retired CIA official and former poker partner of the station chief, says Devlin claims to have set up the 1961 assassination of Prime Minister Patrice Lumumba, a leftist enemy of the Agency whom Mobutu later replaced. "He boasted that he was instrumental is knocking [Lumumba] off," recalls Sakwa, who labels Devlin a "first-class piece of shit."

Devlin left the CIA in 1974 to take a six-figure job with Tempelsman. Now retired, Devlin spends six months a year in Washington and six in warmer climes. He is said to maintain excellent contacts in the intelligence community.

Malign Neglect

A third factor in policy formulation is the overwhelming conservatism of State Department officials. As William Minter of the Washington Office on Africa says, "The Cold War is over but the people who ran it are still making policy. They feel much more comfortable with the people they worked with during that period than they do with people like Tshisekedi, who have questionable populist backgrounds."

This issue takes on greater importance in the case of Zaire, and Africa in general, due to the apathetic nature of Assistant Secretary Moose. A prototypical faceless bureaucrat, Moose is a career foreign officer who under George Bush won a State Department award for best implementing the president's policies. One source, who calls Moose a "useless do-nothing," says he was chosen for his current post because he could be relied upon not to come up with any controversial ideas or initiatives.

With the laggardly Moose at the helm, Zaire policy has been dominated by Herman Cohen, the Bush administration's Assistant Secretary for African Affairs. Now at the World-Bank-linked Global Coalition for Africa, he has made several "private" visits to Mobutu, a friend since Cohen was posted in Africa in the 1950s. After his most recent trip in mid-June, Cohen told a Belgian reporter that while he had no favorite in Zaire, the country needed "a technocrat who enjoys a certain credibility with international financial institutions"—read, Kengo.

(Nancy Warlick, a Presbyterian missionary who has spent many years in Zaire, recently met with Cohen. He informed her that Tshisekedi was widely unpopular, even in his home region of Kasai. Warlick, who is well familiar with Kasai and says Tshisekedi enjoys tremendous support there, asked Cohen who his source for this piece of intelligence was. The response: Mobutu.)

Perhaps the most important factor in explaining Zaire policy is malign neglect. With the end of the Cold War, the U.S. simply isn't interested in sub-Saharan Africa (except for South Africa) or the suffering of its people. Described by economist Robert Heilbroner as part of the "lumpen planet," the continent's difficulties are an irritating distraction from "important" issues like NAFTA, GATT and the former Soviet Union.

The primary goal of current African policy is simply to do nothing that would require deeper involvement in the continent's affairs. Steve Askin, the co-author with Carole Collins of the upcoming book, *Zaire: The Theft of a Nation,* says that in "refusing to deal with any tough problems, Clinton's African policy is in many cases worse than the policy of George Bush." He classifies the administration's May 16 decision to prevent U.N. intervention in Rwanda as the "most immoral act by the United States on the world stage since atomic bombs were dropped on Hiroshima and Nagasaki."

In the case of Zaire, then, the U.S. prefers "stability" under Mobutu to the unknown consequences of his departure (especially with the crisis in Rwanda already having almost forced the administration to take unwanted action). This policy is hopelessly shortsighted. As Askin says, "It's possible that Mobutu's departure will provoke a period of chaos, but chaos is a certainty if he remains in power." •

NAFTA, from p. 1

sound...made by American companies rushing to move factories to Mexico," crowed *Newsday*'s editorial.

The basis for this assertion is that "only" some 4,600 workers have been approved for NAFTA-related Trade Adjustment Assistance (TAA), a special program that offers retraining to workers displaced by the trade pact. Omitted here is that as of June 27, the Labor Department has rejected 66 petitions covering an estimated 6,000 workers. Another 41 petitions are pending. "There's every political incentive for the Labor Department not to assist these people," says Sheldon Friedman of the AFL-CIO. "The [4,600 figure] represents just the tip of the iceberg."

NAFTA-related TAA petitions are supposed to be available at all state unemployment offices, but spot checks by the AFL-CIO have found that in many cases forms were not available and state employees didn't know the program existed. Furthermore, the Clinton administration's miserly allocation for NAFTA retraining—$90 million over 18 months, less than one-quarter than what George Bush proposed—can serve only around 10,000 workers per year. Because the program is so deficient, many unions, including the United Auto Workers, have recommended that fired workers apply for regular TAA, even if they were laid off because of NAFTA.

(U.S. job training programs, endlessly touted by Labor Secretary Robert Reich as essential to preparing workers to participate in the new global economy, are hopelessly inadequate. The minority of workers who find a place in a program suffer an average wage reduction of 25 percent over a five-year period. Only one in four "re-trained" manufacturing workers ever matches previous salary levels.)

Gauging the impact of NAFTA is often difficult because external factors, such as the Chiapas uprising and political turmoil, have certainly slowed corporate moves to Mexico. Furthermore, U.S. firms are acutely aware of the unwelcome publicity that new investments in Mexico can bring. In June, Motorola signed a major joint production deal with a Mexican firm which produces cellular phones. Executives didn't plan to publicize the move but their hand was forced when their Mexican partner announced the agreement. "The surge [in investment] hasn't really begun, but once the legal framework and telecommunications infrastructure is firmly established it will come," says Greg Woodhead, an AFL-CIO economist. "With an 8-1 differential in average pay scales and a docile labor force, Mexico is too attractive to pass up."

Chris Townsend, an official with the United Electrical, Radio and Machine Workers (UE), says U.S. firms have continued moving to Mexico but they are generally adding to existing operations, not building new factories. In the past few months, Reed Plastics of Pennsylvania, Genicom of Virginia, and a GE plant in Hudson Falls, New York have all shifted product lines to Mexico, while cutting between 10 and 30 posts at their respective U.S. plants.

The UE once represented 1,500 people at Hudson Falls, a figure now reduced to about 350. Says Townsend, who in May participated in the UE's salary negotiations with GE: "We know that every time we increase wages and pensions, and resist givebacks it gets more and more likely that the company will cash out and move to Mexico. But what are we supposed to do? We could give up on work rules and agree to speed-ups but there's no way we can be competitive [with Mexican labor] unless we accept the minimum wage and give back all our benefits."

Nor has NAFTA benefited Mexican workers, as was cynically pledged by government and corporate officials during congressional debate. The San Antonio-based Coalition for Justice in the *Maquiladoras* has documented continued abuses at numerous assembly plants. At a Zenith factory in Reynosa, all female employees were forced to take pregnancy examinations in mid-February. Several workers were fired when tests came back positive. Sony has conducted flagrant anti-union activities at its plant in Nuevo Laredo, firing activists and intimidating employees both on and off company premises. On April 16, 250 Sony workers were attacked by police while holding a peaceful demonstration calling for union democracy.

And what of the fabled labor side accord, which was supposed to prevent such abuses? Two complaints have thus far been filed with the U.S. National Administrative Office (NAO), the agency established by the side accord to investigate unfair labor practices. The UE is demanding action at a GE motors plant at Juarez, where 11 union activists were fired in November, days after NAFTA was ratified by the House of Representatives. GE later reinstated six workers but has refused to rehire the other five. The Teamsters are seeking redress for 20 union supporters fired from a Honeywell plant in Chihuahua. The company, which pays its employees about $45 per week, allegedly uses electronic surveillance and threats to intimidate activists.

Just as Mexican trade negotiator Jaime Serra Puche confidently predicted before NAFTA's approval—"the time frame of the process makes it very improbable that the stage of sanctions could be reached"—these cases are moving through the NAO office at a numbingly slow pace. The UE submitted a petition on behalf of the Juarez workers on Feb. 14. Sixty days later—the exact deadline allowed—the NAO agreed to consider further investigation. The Office now has up to 180 days to decide whether to hold a public hearing. Union officials estimate that resolution of the case could take two years.

During debate on NAFTA, opponents predicted that the trade deal would accelerate the neo-liberal policies implemented by Salinas and further weaken the position of U.S. labor by incorporating 50 million low-paid Mexican workers into the North American labor market. As Jeff Faux of the Economic Policy Institute warned last year, "NAFTA will undercut any chance we have to create a high-skill, high-wage American answer to global competition. It will encourage U.S. producers to compete by lowering wage costs rather than by increasing investment and organizing high-performance workplaces."

Based on the early results, that assessment still holds. •