

# FAILURE IS **NOT** AN ALTERNATIVE

**This is an excerpt of an address given by Public Citizen's Lori Wallach to the 19th Annual General Meeting of The Council of Canadians in Winnipeg in October 2004.**

I want to thank the Council of Canadians for the honour of speaking at your annual general meeting. I've always wanted to say in front of a large group of people from the Council, that Public Citizen, the group I'm from, is probably the closest kind of organization to the Council in the U.S. We would like to have the right to, in violation of all existing patent laws, copy a lot of the things you do better than we do. I often say that the only good thing that came out of NAFTA was getting to work with and learn from my Canadian friends, including Maude Barlow.

I want to share the context of the fight we face because it's not about trade. If you talk to people about trade their eyes glaze over. They think "Oh good lord, someone is going to talk to me about tariffs and quotas." But it's not about tariff agreements. It's about democracy. The so-called trade agreements like NAFTA and the WTO, have very little to do with trade. Rather they created a whole new set of rights and powers for transnational capital.

The bottom line is there is now a ten-year record. And that record of damage is perhaps one of the strongest things we have going for us.

These instruments, NAFTA, WTO, the IMF and the World Bank, are not inevitable. He or she who writes the rules rule, and we weren't there to write the rules. So the bottom line of our business is to educate people that there are options. And if we don't like the measurable outcomes of this particular version of the rules, not only can we change them, we must change them.

In the U.S. we've seen a real shift because

of the NAFTA record. For the first time in the U.S., trade and jobs and off-shoring have been at the centre of the U.S. election. John Kerry has a terrible record of voting for all of the past trade agreements. But for the man, though he supported NAFTA, WTO, etc., is a very cunning politician. And he can measure where the public is. And in ten years of living with this model, the word NAFTA has become a dangerous word for politics.

Why? Because in ten years the U.S. has lost three million manufacturing jobs. To put this in perspective, that's one out of every six in our entire manufacturing sector. Ten years, one out of six. And the labour department says the folks who are losing those jobs, when they find a new job, are being paid on average twenty per cent less. And over half of them get no benefits. What we're seeing really is a total shift in the composition of the U.S. work force toward lower-wage jobs.

The number of people who are working poor has jumped through the ceiling. Our child poverty rate has also jumped through the ceiling this past ten years. In the first five years of NAFTA 900,000 manufacturing jobs went to Mexico. And in Mexico, the daily wage was less than the hourly wage in the U.S., but in the second five years of NAFTA about a half a million of those jobs, over half of them, have left Mexico to go to China. Because 5, 10, 15 dollars a day is too expensive. A dollar a day is what the companies want. This kind of race to the bottom has no bottom. Up until seven months ago, households that made \$60,000 or less thought the status quo was a disaster and they didn't want to expand it. People making \$60,000 and up thought it was either okay or it

was good. Now families making \$120,000 are thinking that existing trade and globalization policies are a mess and U.S. workers are net losers. It's an incredible political opportunity. They see this model of globalization – not just NAFTA, not just the WTO – but the overall motto as a cancer on the middle class.

With agriculture, the volume of trade in the goods is way up. More stuff is being shipped around, but farmers in all three countries are having the worst economic times since the great Depression. So volume up, farm income way down. In the ten years of NAFTA, the U.S. has lost 40,000 small farms. In Canada you have the highest small farm bankruptcy rate that you've had in decades. And in Mexico perhaps 2 million people – the numbers vary – have lost their livelihoods. And though the prices paid to farmers are down, the price for consumer goods is up.

Then there is the outrage of the NAFTA investor-state dispute resolution system, the so-called chapter 11 investment attack system, where corporations can sue governments for cash damages. The kinds of cases that are coming up are just horrific. They attack the most basic rights for governments to regulate in the public interest. Such as whether a toxic waste dump should be near a water system or a school if it's owned by a foreign company. And there's a string of these cases where money has been paid. This incredible raid on our treasury dollars undermines the most basic normal rules. This does not have to be in the trade agreement.

I'm not advocating that we have no trade. We can have trade and we need trade

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rules. Environmental problems are global in nature. So we're not the side that is isolationist and unilateral. That would be them. Rather we want different rules. We want rules that put people on the planet first, not profits.

Basically we've got a system that is livelihood killing, democracy killing, planet killing, health killing, environment killing. And people are only going to take so much of it. So one of the things that we have to face up to is the current system is not going to hold. We're seeing all over the world growing civil unrest and people who are in a state of extreme misery who don't have a lot more to lose.

So we have to get serious about what we're for. One very exciting project is with the International Forum on Globalization. There's a new book that Maude and I and others have worked on called *Alternatives to Economic Globalization: A Better World Is Possible*. And the key gist of the book is to counter the there-is-no-alternative, or TINA, idea. And the truth actually is TATA – there are thousands of alternatives.

What do we need to do? We need to fight back against attempts to expand the agenda. They want to expand NAFTA through the Free Trade Area of the Americas. Just think NAFTA on steroids for the entire

hemisphere and you've got the picture. We must stop them.

We have to link together campaigns in all of our countries. We have to keep actually doing the "street heat" to make sure our governments recognize that if they're going to sell us out at these negotiations, they better like the venue because they shouldn't come home.

And we need to work on the alternatives. To quote Charlene Barshefsky, the U.S. trade representative who was in charge at the time of the Seattle WTO, "failure is not an alternative."



Photo: Mel Yezman

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