

SOCIALIST STUDIES

The Political Uses of the Debate on NAFTA

By Robert Bills

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The following is the text of an address delivered at the SLP's Northern California Thanksgiving Fund Banquet on November 14, 1993, by the Party's National Secretary, Robert Bills. The subject of the address was the debate then taking place over the North American Free Trade Agreement, and efforts to convince working men and women that their interests would be affected by the outcome. Since the address was delivered both Houses of Congress voted to approve, and President Clinton has signed, the agreement. However, the argument presented here, which demonstrates that workers have no stake in NAFTA, or any other ruling class "issue," has not been altered by the House vote.



Special occasions such as this often present me with a dilemma: What to talk about. Capitalism creates so many problems it is hard to know which one to focus on. Every so often, however, something comes along that seems to put everything else into perspective. That something else may not have a direct affect on the working class, though the treatment it receives in the mass media, or at the hands of the politicians, the unions, and all the institutions of capitalism, often converge to make it appear otherwise. This is particularly true whenever the capitalist class has a big stake in the outcome of some piece of legislation, or some dispute with another country. When that happens, all the institutions of capitalism converge to claim that workers also have an enormous stake in how the issue is resolved.

While most issues affecting the capitalist class do not affect the vital interests of the working class, they invariably serve the purpose of confusing the working class and, more important, of distorting or concealing entirely what workers' interests really are. The present debate over the pros and cons of the North American Free Trade Agreement, or NAFTA, provides a case in point.

The debate over NAFTA has touched on virtually all the evils of

capitalism. Nearly every dreadful effect of the capitalist system has been dragged into it in one way or another, including, among others, U.S. capitalism's place in the world market, the role of the political state, the power and influence of the ruling class, the limits on that power, the unions, poverty, wages, jobs, unemployment, immigration, crime and pollution.

Opponents of NAFTA claim that enactment of the treaty will eliminate thousands upon thousands of jobs from American industries because American capital will flock to Mexico, where labor is cheaper and the possibilities for becoming more competitive on the world market are enhanced.

Proponents claim something different—that the global market is a fact of life, and that jobs for American workers depend on American companies becoming more competitive in the struggle for places in that world market. Mexico, they contend, will be an important outlet for the products of American labor, and NAFTA will ensure that the Mexican market remains open to them.

However, that does not mean that jobs will be plentiful or that the working class should anticipate any significant decline in unemployment. Some of the most vocal advocates of NAFTA have conceded this in different ways. One of them is Senator Bill Bradley of New Jersey. In a recent speech before the Center for National Policy, Bradley put it this way:

“The days of the 40-year career on the assembly line of one company making one product are over.”

To illustrate the point, he went on to add that in 1980 “there were 721,000 steel workers in America, and today there are only 374,000. But those 374,000 are highly efficient. . . . This story is being told over and over again in our economy as companies, in order to compete, become leaner, producing more for less.”

Anyone who stops to think the matter through must come to the conclusion that, with or without NAFTA, the future of the American worker—indeed, of workers everywhere—is not promising.

Suppose capitalists like Ross Perot and trade union leaders like Lane Kirkland are right about the effect NAFTA will have on American jobs. What of it? How would defeat of NAFTA protect the jobs of American workers and

change the fact of international capitalist competition for markets? What good will it do a worker to have a job in an industry where new techniques of production increase productivity or exploitation to the point where domestic markets cannot be found to dispose of it all? What good will it do when the same new techniques of production, increased productivity and exploitation are duplicated in identical industries in other countries where unsold surpluses present the same problem? Robert Samuelson, in an article published in *The Washington Post National Weekly Edition* a few weeks ago, put it this way:

“The obsession with jobs obscures what NAFTA is really about: the remaking of Mexico. Some U.S. industries would lose under NAFTA; others would gain. But the potential losses are tiny compared with job disruptions that are caused by business cycles or new technologies.”

Samuelson puts his finger closer to the point than most. And while he would not or could not say, or does not understand, that these “disruptions . . . caused by business cycles or new technologies” are synonymous with capitalism, and only with capitalism, logic tells us that there is no escaping the fact.

In *Capital*, Karl Marx devoted a large chapter to the advanced technology of his day. He opened with this observation:

“John Stuart Mill says in his *Principles of Political Economy*: ‘It is questionable if all the mechanical inventions yet made have lightened the day’s toil of any human beings.’ That is, however, by no means the aim of the capitalistic application of machinery. Like every other increase in the productiveness of labor, machinery is intended to cheapen commodities, and, by shortening that portion of the working day, in which the laborer works for himself, to lengthen the other portion that he gives, without an equivalent, to the capitalist. In short, it is a means for producing surplus value.”

The fact is that unemployment is not caused by capitalist trade and treaties. It is caused by capitalism itself—by the way in which our whole society is constructed. That is why the SLP maintains that workers have no stake in NAFTA, or any other capitalist issue. As Daniel De Leon explained long ago, when Congress had an earlier piece of trade legislation up for consideration:

“The new tariff bill . . . is a document the purpose of which does not concern the working class. . . . Low, or high, or no tariff on iron, or leather, or cotton seed oil, or works of art . . . are issues that do not affect the law under which wages are regulated in capitalist society. Whatever the tariff be, the share Labor receives of its own product is determined by the supply thereof in the Labor-market. Tariff or no tariff, Labor’s share is and remains a declining one—with no prospect of improvement but through the movement to overthrow the Capitalist System. Looked at from this viewpoint, the tariff bill has no place on the tapis of Labor issues.

“But there is another angle of vision in the matter. The tariff bill affords several insights into the mechanism of capitalist thought. In this respect the tariff bill deserves some attention by Labor. One of these insights is luminous on the essence of capitalism.

“The charge against capitalism and the proof that it compels its own overthrow is that it concentrates wealth instead of diffusing it. Capitalism realizes that the charge is a strong one, hence much of the time of its apologists is spent in the attempt to prove the charge false, and that, on the contrary, capitalism is the arch defender of well-being. The tariff bill is eloquent on the truth herein.”

The future isn’t about jobs, or crime, or the environment. It isn’t about unemployment, or poverty, or insecurity, or hopelessness or despair. It is not about child labor, malnutrition, education, or ignorance. It isn’t about any one of these things, or any combination of these things, or all of them put together.

All of these things are givens, absolute certainties, within the framework of capitalist society, and there is no way to get around them within that framework. They are givens and certainties because they are inevitable byproducts of the capitalist system. They are certainties, even though they obviously go against the interests of the great mass of people—the working class—who count for nothing, within the structure of capitalist priorities. The future is about something else entirely, but something that embraces all of these things and many more besides. The future is about who will make the decisions, and whom the decision-makers will make their decisions for.

For example: What the unions are arguing, in effect, is that by lowering or eliminating certain trade barriers with Mexico the supply of labor on the labor market will be increased. The effect will be a downward pressure on wages in the industries affected, where plants are not entirely removed, jobs eliminated and union membership eroded.

It may be superfluous to inject that this amounts to an admission that labor, too, is a commodity, the price of which will rise or fall in response to the “law” of supply and demand. Admissions of this kind, no matter how indirectly they are made, should never be passed over unnoticed, however, because it is this commodity status of labor that will tell us more about the probable effects of post-Cold War capitalism on the working class than NAFTA, or any of the other trade and tariff treaties being negotiated.

That wages in Mexico are substantially lower in the industries most likely to remove operations from here to there cannot be disputed. That wages in America are falling in relation to wages in the rest of the industrialized world is also beyond dispute, however, and the likely effect of NAFTA is small potatoes in the overall picture. One fact attesting to this is that the United States is becoming increasingly attractive to German and Japanese capitalists seeking to relocate production plants in low wage countries, like the United States. Recently, for example, Japan’s Honda announced that its entire production of the Civic and Accord lines will be moved to Ohio by 1996, and BMW is moving some of its production operations to South Carolina, and Mercedes-Benz is moving similar facilities to Alabama—all to take advantage of lower costs. Workers concerned about “their” jobs going to Mexico are workers who have jobs to worry about.

There are millions upon millions of jobless workers right here in the U.S. who are glutting the labor market and exerting a downward pressure on wages. That is one reason why unions have been reluctant to resist wage cuts, wage freezes or nominal wage increases during the past decade, and why strikes in major manufacturing industries such as steel and autos have been so rare. Workers are scared, union bosses are scared. NAFTA, however, isn’t what scares them. NAFTA is only one spook in the haunted house of capitalism.

Another capitalist politician who has expressed opposition to NAFTA is David E. Bonior, the chief majority whip in the House of Representatives. According to Bonior, NAFTA will mean the undoing of the whole web of social reforms that liberals and procapitalist trade unionists have woven together over the past 50 years of so. NAFTA, he says, “is really a betrayal of all the things people have fought for since the 1920s and 1930s. All the things [labor leaders Walter] Reuther stood for, A. Philip Randolph and all the champions

of the people. People forget that there was a time in this country when we didn't have child labor laws, a minimum wage, we didn't have Social Security."

But what does this mean if not that all the time and effort that went into making these gains was so much time wasted if they can be wiped out simply because capitalism has reached a point where it must become more competitive to survive? What does it mean unless it is that everything the SLP has said all along about the nature of reform was correct? What does it mean if not precisely what De Leon had in mind when, in 1913, he wrote the following about the nature of reform:

"Some of these economic reforms concern issues that do not concern the wage slave class. Such are tariff, currency, taxation and more of that sort. The capitalist class . . . loudly asserts that these issues are raised for the benefit of the workers. The falsity of the claim the SLP stoutly exposes for the double purpose of teaching economics, and weaning the proletariat from mental subjection to bourgeois thought. . . .

"[T]he vast majority of economic reforms that theoretically concern the proletariat, would, at best, only tend to make capitalism bearable. At best they are narcotics, or messes of pottage. For all these reasons, the SLP excludes such reforms from its platform; and, when the reforms are preached from the capitalist stump, the SLP unrolls the scroll of the immediate past, to warn the proletariat against the lure. It would take less time to overthrow the capitalist system than to capture the wheels and the mechanism of the political state to secure the passage by Legislatures, the signing by Executives and the approval by judiciaries, of petty reforms which leave the tiger of capitalism alive."

It is a never ending source of amazement to Socialists how close some can come to recognizing that capitalism is at the root of all these social and economic problems, only to back out at the last moment and divert themselves onto some sidetrack. Any number of examples of this phenomenon have arisen during the present debate on NAFTA. However, a couple of examples are sufficient to make the point.

There is, for example, a group or institution calling itself the Center for Economic Conversion. It puts out a publication called *Positive Alternatives*, in which it describes itself as a group "building an economy that meets human needs and preserves the planet." It is opposed to NAFTA, and in a recent

issue it gave prominent display to an article written for it by Michael Closson and Joan Holtzman. Here is what Closson and Holtzman had to say in expressing their opposition to NAFTA:

“First, let’s look at who NAFTA’s main boosters are. They are large and powerful transnational corporations. The companies bankrolling the plan include Eastman Kodak, American Express, EXXON, Dow Chemical, General Electric, Dupont and Union Carbide, to name a few.

“What is the purpose of these corporate behemoths? As they themselves would admit, it is to generate the maximum profit for their shareholders. To that end, they seek to accrue power for their managerial elites, while weakening governmental controls over their activities.

“A look at their sorry track record in these areas shows that the needs of their workers, the communities in which they are based, and our fragile natural environment are of little, if any, concern to them. For example, between 1979 and 1992, *Fortune* 500 companies laid off an average of 340,000 workers every year.”

Having gone that far—having identified profit as the sole consideration of the capitalist corporations who have an interest in and are promoting NAFTA, what do these two writers—and presumably the Center for Economic Conversion—see as the alternative and solution? Simply this:

“NAFTA is a bad deal for the great majority of people in North America. Yet the alternative is not isolationism or protectionist trade barriers. A global economy exists and we should participate in it. But we should shape it in a way that enhances the lives of ordinary people at home and abroad.

“A vision of a sustainable global economy must include decent work for all at fair wages, healthy communities with vibrant, diversified local economies, strong environmental standards, and the national sovereignty to insist upon these objectives. That’s really what economic conversion is all about.”

It seems difficult to believe that two presumably intelligent, well-informed and perceptive people could draw such conclusions from the body of facts that they assembled, mulled over and presented in such clear and unmistakable terms. Yet, there it is, and it is not the only example that could be cited.

Here’s another that not only reveals the same level of confusion, but may even offer a suggestion as to why people can come so close to drawing logical conclusions from clearly stated premises.

This example is provided by Molly Ivins, a columnist for the *Forth Worth Star Telegram*. What I have taken to illustrate my point may seem a little long, but it is worth listening to. Here is what she wrote in opposition to NAFTA:

“The mainstream economists are mostly right—short term, we lose some jobs, long term, we gain some trade, and nothing cataclysmic happens overall. . . .

“What I think is more important is the whole tenor of the U.S. economy. What with the fashionable ‘downsizing’ of corporations, the disappearance of a market for unskilled labor, the increase in low-wage, service-sector jobs at the expense of high-wage, manufacturing jobs, working people are quite simply not as well off as they were 40 years ago. The only reason most of them still have their noses above water is because wives and mothers have gone to work, too.

“What we have here is a truly lopsided imbalance between the forces of labor and the forces of capital. I’ll be the first to admit that the American labor movement is always ungainly, often unlovely, sometimes corrupt and occasionally quite barmy. I also think labor has the best interest of more people at heart than corporations do, and I think history proves that American capitalists frequently have no idea what is in their own best interest. . . .

“Now many experts will tell you that the American economy is in a ‘post-industrial’ phase, and that the old verities no longer apply, that these quaint, old-fashioned notions concerning labor vs. capital are as dated as Marxism. In fact, some of the smartest labor skates I know are hot for Total Quality Management, reinventing government and the Japanese model of cooperation rather than confrontation. Sign me up for that program, too.

“But don’t expect me to believe that the united, massed forces of corporate America, spending millions of dollars to convince us that NAFTA will be nothing but good for the average worker, care about anything but their profits. Look at what these fools have already done to American workers. I would not trust them to make a decision like this for all the world. Read the new book on IBM; read the new book on Procter & Gamble. Are these people you want deciding your economic future?

“To hell with ’em. Vote no.”

How can this writer hit so many nails on the head, only to smash her finger on the question of Marxism? If we take her writing at face value and as sincere, only two answers are possible—and both reduce themselves to a combination of ignorance and prejudice against the one thing that holds the key—Marxism, or genuine socialism.

It is an unfortunate fact that the same mixture of insufficient knowledge

and prejudice affects the working class. Overcoming that ignorance is the great task that faces the minority of classconscious workers, the Socialist Labor Party, and the Party's friends and supporters. It is a monumental task. However, the Socialist Labor Party is neither pessimistic about the future, nor does it cultivate a pessimistic outlook for the workers or society: Just the opposite. The SLP firmly believes that the workers are both intelligent enough and fully able to accomplish their emancipation from wage slavery by the establishment of the Socialist Industrial Republic.

To recognize social and historic facts on the one hand shows neither gloom nor pessimism; but, on the other, to fail to call attention to such facts, and the consequences that flow from them, would be anything but optimism. It would be criminal!

The SLP clearly perceives two tendencies in the present development of capitalist society, one toward socialism and freedom, the other toward a new stage of capitalism marked by massive misery, insecurity, oppression and discontent. Perceiving this, the SLP and *The People* constantly call attention to those facts and warn workers to hasten their education and organize so that the evil tendencies of capitalism may not get the upper hand. If we did not know and feel that the workers were able to combat these evils and organize for their emancipation, what would be the use of our agitation? We would, in that case, have folded our tents long ago and have gone to play golf.

Of course it is in accord with Marx to say that no economic system dies—or is changed—until its existence is incompatible with the existence of society. That is exactly the moment that we are approaching now. The incompatibility of capitalism with the existence of society is shown in a hundred different ways. One of the results of this general economic chaos, to be sure, is “widespread unemployment.” It is undoubtedly true that such widespread unemployment weakens the resistance of the working class but the “general chaos of capitalism also does something to the capitalist class and the system itself. Notice today the erratic manner in which the “best brains” of capitalism act. They do not understand their own system and least of all do they understand the proletarian force that is moving in upon them.

For all that, however, we cannot afford to console ourselves in the view that ultimately the working class will wake up to its situation and move accordingly. As supporters of the SLP and the program for Socialist

Industrial Unionism we cannot take the view that for a successful revolutionary movement to emerge it must be based on what we regard as the correct strategy, tactics and form of post-revolutionary society.

Socialism, as De Leon once remarked, is no automatic affair. It does not follow capitalism as night follows day. If it did there would be no reason to express concern over the poor state of classconsciousness among workers today, or over the fact that our party does not have the strength and influence it should have at this moment.

Yet, without underestimating the enormity of the problems we face because of the low state of class awareness among working people, socialists can make a difference on the course the class struggle will take if the strategy and tactics they pursue are the correct ones—and if they pursue them with determination.

The program of the Socialist Labor Party offers the strategy and tactics through which workers can effectively defend themselves against the encroachments of capitalism and create the organizations needed to demolish capitalism and replace it with a socialist society. That program—Socialist Industrial Unionism—has revolutionary objectives and calls upon workers to form their own classwide political and economic organizations: A political party

- To promote classconsciousness among workers while advocating a completer revolutionary change from capitalism to socialism . . .

- To urge into being a revolutionary economic organization embracing all workers . . .

- To challenge the power of the ruling class, to capture the state machinery and to turn the reins of social administration over to a socialist industrial government.

The immediate role of the Socialist Industrial Union form of classwide economic organization would be to mobilize workers to fight the class struggle on a daily basis. SIUs would organize both the employed and the unemployed to fight against all manifestations of exploitation. The class solidarity it would engender, the general revolutionary outlook it would embody, would make them infinitely more responsive to workers' needs and more effective in pursuing them than the existing unions with their procapitalist leadership and bourgeois ideology.

But the SIU's ultimate purpose would be to unite workers at all levels within an industry into a single integrated body capable of wielding the workers collective economic might in behalf of their class interests. All the unions in the various industries would, in turn, be united at the local, regional and national levels around a common set of working class objectives. Workers from all industries and services would be united into a single movement. The class solidarity that such organization would embody would make it a potent force.

These socialist union organizations would also provide a framework on which to structure socialist society. Comprising a united network of producers fully competent and equipped to manage production cooperatively and democratically, the SIUs would be fully capable of seizing control of the entire productive process and of expropriating the capitalist class.

The chaos and increasing oppression that exists in capitalist America today makes it clear that socialist revolution is past due. The working class is paying a heavy toll in human misery and suffering, which will become more intense unless our class organizes its political and economic strength and uses it to establish the socialist alternative.

As a Marxist organization, the SLP could provide positive revolutionary direction to the workers by promoting the growth of classconsciousness. But classconsciousness will not grow of its own accord. It is the responsibility of a revolutionary movement to promote it. And that responsibility ultimately rests with each and every one of us who compose that movement.

The times are right. Capitalism has set the stage. The rest is up to us, and we can do our work confident of ultimate success. With De Leon we recognize that—

“The triumphs of error are the events that dig its grave. The defeats of truth are the events that invigorate its fiber. Error travels in a procession of triumphs to its downfall. Truth travels in a procession of defeats to final *victory!*”

So let's get on with the work that needs doing.