GATT/WTO Is A BETRAYAL OF AMERICAN WORKERS

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"Free trade," which used to be an economic dogma for liberals and conservatives alike, has become the mantra of the advocates of GATI/WTO. But common sense should warn us that there is no such thing as a free lunch, and that even free trade can be very costly, indeed.

There is a fundamental difference between free trade as we know it in the great common market we enjoy in the United States, and the global free trade which is the goal of GATI/WTO. Our country survived the transfer of industries from the Rust Belt to the Sun Belt, but we are simply not prepared for the impending shock of integrating Americans with the four billion people in the Third World (forecast to be 6.5 billion in 35 years).

Whether we will be able to integrate Mexico into the U.S. economy through NAFTA is still an open question. But attempting to create a global free trade area with Asia is blind, foolish utopianism, that will cause consequences we cannot anticipate.

This is the thesis of a hardhitting new book called "The Trap," just published by Sir James Goldsmith, internationally successful businessman and member of the European Parliament. In lucid prose, he asserts that the fundamental assumptions and arguments made by the GATI/WTO advocates are wrong and, if implemented, will impoverish and destabilize the industrialized world, while at the same time cruelly ravaging the Third World.

The principal theoretician of free trade was David Ricardo, a British economist who lived nearly 200 years ago. He developed the theory of specialization, i.e., each nation should specialize in the activities in which it can develop an advantage and abandon those activities that other countries can pursue more efficiently.

But, says Goldsmith, this theory is not valid in today's world, where four billion people have suddenly entered the world economy from the former Soviet and Chinese Communist empires. Those countries have very high unemployment and people are willing to work in, say, Vietnam or the Philippines, for one-forty-seventh of the cost of one worker in France.

GATI/WTO holds out the promise that anything can be manufactured anywhere in the world to be sold anywhere else. To force American citizens into that kind of global competition would be a betrayal of everything, politically and economically, we have achieved in two centuries.

Ricardo developed the theory that a country has a comparative advantage when it produces a product more cheaply, but he calculated this advantage in monetary terms at a time when trading nations had money of fixed value. Goldsmith shows what nonsense

this is in a world in which currencies are suddenly devalued or revalued. Under Ricardo's theory, the industries America concentrated on in 1981 would have had to be abandoned in 1985, and then recreated again in 1992 in order to accommodate the fluctuations in the exchange rate.

GATI/WTO will have winners and losers, like in "a poker game on the Titanic." The winners will be those who can benefit from an almost inexhaustible supply of very cheap labor, who can move their production to low-cost areas, and who have capital to invest where labor is the cheapest. The losers will be those who lose their jobs, and "the wounds inflicted will be deep and brutal."

Why can't we repeat the amazing success stories of our trade with Taiwan, Hong Kong, South Korea, and Singapore? Goldsmith answers, the combined population of those countries is only about 75 million people and they received very favorable concessions from us as part of our Cold War policy.

Goldsmith says that the World Trade Organization, which is created by GATI, is just "another international bureaucracy whose functionaries will be largely autonomous. America and every European nation will be handing over ultimate control of its economy to an unelected, uncontrolled group of international bureaucrats."

GATI/WTO's parallel to the Treaty of Maastricht (which radically diminished national sovereignty by setting up a European government headquartered in Brussels), is apt. Goldsmith, who is a supporter of the European Community but an opponent of Maastricht, describes how Maastricht was built in secret by the ruling elite in a skillfully executed maneuver to transfer power to 17 unelected technocrats who are not answerable to anyone.

The Brussels bureaucrats have moved rapidly to consolidate extensive executive and legislative power into their own hands. They now declare that 80 percent of all laws governing economic, social and fiscal affairs of each European nation will originate from the Commission in Brussels.

GATI /WTO is following the same pattern. GATI /WTO was planned and written in secret by the globalist elite, who plan to lock us in by trickery that includes bypassing the treaty provision of the Constitution, inducing Congress to vote in a lame duck session, violating the Budget Enforcement Act, limiting debate to 20 hours on each side in the House, forbidding a Senate filibuster, and making lucrative payoffs to the Washington Post and other special interests.