

# ***THE WORKER*** 75¢

May 13, 2020

Newspaper of the Workers Party, U.S.A.

Vol. 34, Number 7

## **USMCA Will Secure Maximum Profits for the U.S. Imperialist Parasites**

The United States-Mexico-Canada Agreement (USMCA) is slated to replace the North American Free Trade Agreement (NAFTA) on the first of July.

As part of the program of U.S. imperialism to step up its counter-revolutionary offensive to suppress the rights and gains of the working class and to attempt to increase its economic penetration of the North American trade bloc, the two parties voted overwhelmingly in favor of the new trade deal in the House by a vote of 385 to 41 and in the Senate by a vote of 89 to 10.

Without organizing any public discussion, much less a binding referendum, the treaty became U.S. law on January 29.

Once he secured his place in the White House, Donald Trump quickly abandoned his initial election campaign demagoguery against "leftist globalism" as a label for the hated practices of neo-liberalism and negotiated a new North American trade deal to continue the neo-liberal policies of NAFTA. Through the USMCA, U.S. imperialism seeks to dictate even more directly the economic and political structures of the countries of the bloc in order to offset the loss of U.S. imperialism's financial hegemony in the world

and the problems of its trade balance.

The NAFTA zone that began in 1994 and the Canada-U.S. Free Trade Agreement zone that began in 1989 already went a long way in facilitating the subordination of the economies of the three countries to the service of the monopoly corporations and financial oligarchy. USMCA tracks the earlier treaties in reducing or eliminating customs tariffs on thousands of products manufactured in any of the three countries and sold in another, and in removing nearly all restrictions on the flow of capital between the three countries. USMCA also tracks NAFTA in being particularly partial to pressuring Mexico to enable foreign investors to gain direct ownership of land and to enable complete take over the Mexican economy by the big corporations north of the Rio Grande.

Despite being advertised as a "free trade" agreement, USMCA builds on the established practice of preventing the developing countries from obtaining high technology so as to perpetuate their scientific and technological dependence on U.S. imperialism.

On April 24, President Trump explained, "My Administration is building on our Nation's history of securing

intellectual property rights. In the United States, intellectual property-intensive industries account for nearly one-third of all employment and approximately 40 percent of our country's gross domestic product, an estimated \$6.6 trillion. To support these industries, in January of this year I signed the USMCA into law, replacing the outdated and unbalanced North American Free Trade Agreement. USMCA furthers my Administration's pro-growth agenda by establishing ground-breaking protections for trade secrets, strengthening border security, and enhancing trademark, copyright, and patent provisions. These are the most comprehensive intellectual property standards ever included in a free trade agreement."

U.S.-backed intellectual property rules often establish exclusive rights for many decades. USMCA expands these powers and includes demands for signatories to pursue criminal charges over alleged trade secret appropriation. Privileges in trade related aspects of intellectual property rights have greatly benefited the U.S. monopoly capitalist class and have been instrumental in helping it entrench the unequal neo-colonial status of many of the developing countries. The big pharmaceutical

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# United States-Mexico-Canada Agreement

from page 1

capitalists are one example of an industry that benefits greatly from this set-up. These companies grabbed more than \$46 billion in profits in 2019 and in the U.S. the industry boasts the highest rate of any industry. These profits translate into want and poverty for the masses in the midst of plenty and the potential for abundance.

A typical scenario of the benefit given through monopoly control of exclusive intellectual property rights is that when the new technology first goes to subsidiary plants in the developing countries it is only permitted to filter through to the national companies after much delay. Sale to local companies is hedged with onerous reservations and conditions. In many cases a monopoly will bind a local company to buy intermediate products and equipment from its subsidiaries in the given country, or to make it accept technology it has no need of for an additional payment. U.S. monopolists often make local license purchasers hand over a part of their equity, prohibit exports of the finished product, and restrict their freedom of action in other ways. Behind the national company signboard, the U.S. monopolists come to secure their grip on the key positions in the economy of the countries held hostage in this way, and continue to plunder their natural and manpower resources.

USMCA is also being advertised as a powerful lever for “job creation” based on the worn out old “logic” that by “restoring the confidence” of the Wall Street

bankers and the billionaire financial swindlers this will stimulate business investment and result in economic growth and lower unemployment. However, as the workers have learned from much bitter experience, helping the capitalists enjoy unprecedented prosperity merely means helping the capitalists wallow in filth and luxury by grinding the working masses into the dirt.

The simple fact is that implementing the free trade agreement does nothing at all to increase the total North American market. All that is accomplished is that the same market becomes further monopolized — monopolized by the giant U.S. multi-national corporations. Of course, for the capitalists the goal of this monopolization is to further cut wages by creating a larger labor pool and forcing U.S., Mexican, and Canadian workers to bid against each other in order to keep fewer and fewer jobs at lower and lower wages. This process does, in turn, actually shrink the total market by reducing the purchasing power of the working masses.

USMCA is yet another factor for undermining the jobs and economic well-being of the people precisely because it is designed to strengthen the position of the biggest monopoly corporations — specifically the big U.S. monopolies. USMCA’s provisions can only make it easier for the big monopolies to dominate the economics of Canada, U.S. and Mexico. USMCA’s provisions can only make it easier for the big corporations to close down plants

and relocate according to their will because its provisions strengthen their economic monopoly.

For the working class and broad masses of the people, USMCA poses the important political issue of the need for everyone seeking real solutions to join with the party of the working class in the activity of mobilizing the working class to play its leading and independent role. Why should a handful of big monopolists have the power to cause massive disruptions in the economic life of society and destroy the livelihoods and living standards of the working people? Shouldn't the rights of the masses of people to secure jobs and economic well-being come ahead of the profit-drive of the big monopolies?

Rather than strengthening the power and privilege of the big monopolies — rather than allowing them to continue to disrupt the economic life of society and well-being of the people — it is precisely this power and this privilege which must be challenged in order to secure the economic and political rights of the vast majority of the population.

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Newspaper of the  
Workers Party, USA.

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