

that, in the long run, the Arabs would outnumber the Jews in Greater Israel (Israel proper + the 1967 conquests). But this means that, to keep Israel as a Jewish state, Israel would either (a) have to give up any pretense of democracy where Arabs are concerned and rule over them in an increasingly brutal occupation; or (b) expel the Arabs to Jordan in a genocidal form of "ethnic cleansing." The Likudniks were willing to do either (a) or (b), (b) being the choice of the ultra-hard liners such as the late Rabbi Kahane's Jewish Defense League/Kach Party. But the Labor Party is not so willing to give up the trappings of Western and democratic government, and so the Labor choice is to "expel" the Arabs in a less brutal way, that is, hiving off the West Bank and Gaza into "autonomous" but still controlled regions, and thereby confining Israel to a comfortable Jewish majority.

This deal is so bad for the Palestinians that Arafat did not dare submit it to the supposedly supreme 400-man National Council of the P.L.O., since he knew he would lose. Short-circuiting the National Council, he only managed to ram it through his own Executive Committee of the P.L.O. by a very narrow margin, and *that* was after several opponents had resigned from ExecCom in disgust. But the Israeli/American/Arafat hope is that with enough U.S. and world billions—and possible troops—poured into the breach, the objections of the Palestinians can be overridden. One thing is certain: without the moral authority and charisma

of Arafat among the Palestinians the Accord would be a dead duck. Yasser Arafat has displayed a phenomenal ability to escape assassination plots in the past. He is going to need a lot more of this ability if the Accord is to survive beyond the signing ceremony. ■

## Stop Nafta!

by M.N.R.

Once again, libertarians and conservatives are being played for suckers. And once again, free-market think tanks and alleged devotees of "free trade" are serving as point-men and front-men for a sinister centrist Establishment whose devotion to freedom and free trade is somewhat akin to Leonid Brezhnev's. The last time that "free market economists" played such a repugnant role was in the 1986 "tax reform," engineered by Jacobin egalitarian economists in the name of "fairness," "equality," and free markets. [Tip: genuine free markets have nothing to do with "equality," and nothing whatever to do with modern leftist notions of "fairness."] The "social compact" devised by the 1986 Republican Jacobins was to cut upper income tax rates in exchange for "closing the loopholes," "broadening the tax base," and thereby keeping everything "revenue neutral." [Query: what's so great about keeping tax revenues up, the eternal aim of supply siders? Why not drastically lower tax rates *and* tax revenues? Isn't that the *real* free-market position?] Well, they closed the loop-

holes all right, thereby leveling a blow to the real estate market from which it has still not recovered. Thanks, Jacobins. And, as some of us predicted without being heeded in 1986, it took only a few years for the upper income tax rates to be raised again. This year, the rightist Jacobins feebly protested when Clinton put through his horrible budget. So Clinton broke the social compact of 1986! Does anybody really care?

The current Pied Piper, or Judas goat, role of free-market economists is being played over the North American Free Trade Agreement [Nafta]. Just call it "free trade," and free-market economists and libertarians will swallow anything. When Pat Buchanan ran for President, one of the main arguments of Our People in sticking with Bush is that Bush was a "free trader," while Pat had become a protectionist. Never mind that Bush's trade record was the most protectionist in many a moon. He talked a good "free trade" game, and rhetoric is all that counts, right?

Bush's major trade legacy, now coming to a head, is of course the much heralded Nafta. Well, it *says* "free trade" right there in the title, so it must be good, right? Wrong. But unfortunately, the push is on, and free-market economists are leading the hysterical propaganda parade for Nafta. In addition to the usual neocon suspects such as the *Wall Street Journal*, and free trade supply-siders such as Robert Novak, virtually every free-market think tank has joined in an unusual "Nafta Network," to beat the

drums for Nafta.

Real free trade, of course, doesn't require years of high-level government negotiations. Real free trade doesn't require codicils and compromises and agreements. If the Bush Administration had wanted real free trade, all they'd have had to do is to cut tariffs and quotas, abolish the International Trade Commission, the "anti-dumping" laws, and the rest of the panoply of monopolistic trade restrictions that injure American consumers and coddle inefficient producers.

What the Establishment wants is government-directed, government-negotiated trade, which is mercantilism *not* free trade. What it wants also is institutions of internationalist super-government to take decision-making out of American hands and into the hands of super-governments, which would rule over Americans and not be accountable to the American people. The mercantilist Establishment, emphatically including the right-centrist Bush-types, wants government-regulated trade as well as *subsidized* exports. Negotiated trade, whether Bush or Clinton is doing the negotiating or David Rockefeller were doing the negotiating directly, lowers import barriers only as bargaining chips to force-feed American exports into foreign countries. In addition, there is "foreign aid," essentially a vast racket by which the American taxpayer is forced to hand out billions to export firms and industries.

The renegade free marketers and free traders who endorse Nafta have two contrasting rebuttals to our argument, rebut-

tals which virtually cancel each other out: (1) that by opposing Nafta we are being "too purist," that we are, in the common phrase, "using the best to oppose the good"; and (2) that we are associating with the absurd arguments and the sinister

interests of Left Liberals, the AFL-CIO, and/or of such conservative protectionists as Pat Buchanan.

On the first point, No. Though we may be purists, we *don't* think that "half a loaf is worse than no loaf at all." I grant, for

## Rating Senate Republicans

A third horrendous appointment voted on August 3 was the nomination of Thomas Payzant, superintendent of schools in San Diego, for assistant secretary of education in charge of elementary and secondary schools. Payzant had led the fight in banning Boy Scouts from public school programs, because of Scout policy of forbidding homosexual members and leaders. Payzant also set up a system of assigning students to programs on the basis of race quotas rather than merit. Payzant was approved by the Senate by a vote of 72-27. Republicans were split, 18 endorsing Payzant, and fortunately a majority, or 26, opposing him.

### Thomas Payzant

<b>Alaska</b> Murkowski + Stevens --	<b>Maine</b> Cohen --	<b>Pennsylvania</b> Specter --
<b>Arizona</b> McCain +	<b>Minnesota</b> Durenberger --	<b>Rhode Island</b> Chafee --
<b>Colorado</b> Brown +	<b>Mississippi</b> Lott + Cochran +	<b>South Carolina</b> Thurmond --
<b>Delaware</b> Roth --	<b>Missouri</b> Bond + Danforth --	<b>South Dakota</b> Pressler +
<b>Florida</b> Mack +	<b>Montana</b> Burns +	<b>Texas</b> Hutchinson -- Gramm +
<b>Georgia</b> Coverdell +	<b>New Hampshire</b> Gregg + Smith +	<b>Utah</b> Bennett -- Hatch +
<b>Idaho</b> Kempthorne + Craig +	<b>New Mexico</b> Domenici --	<b>Vermont</b> Jeffords --
<b>Indiana</b> Coats + Lugar --	<b>New York</b> D'Amato --	<b>Virginia</b> Warner +
<b>Iowa</b> Grassley +	<b>North Carolina</b> Faircloth + Helms +	<b>Washington</b> Gorton +
<b>Kansas</b> Dole + Kassebaum --	<b>Oklahoma</b> Nickles +	<b>Wyoming</b> Wallop + Simpson --
<b>Kentucky</b> McConnell +	<b>Oregon</b> Packwood -- Hatfield --	

example, that some of the 19th century treaties, such as the Anglo-French Treaty of 1860, were great steps toward free trade (e.g. Richard Cobden in England and Michel Chevalier in France.) They were made in a general atmosphere of devotion to free trade. The current treaties are very different; they are made by centrist mercantilists to advance such anti-free trade and collectivist policies as internationalist supra-government, regulated trade, and export subsidy. Whatever tariffs may be reduced, they are *more than offset* by the march toward regional, and eventually world, super-government that is the essence of Nafta and all similar treaties in today's world. Nafta would not bring us "half a loaf" of free trade; if we can continue the analogy, it would bring us a "negative loaf." Nafta is *worse* than no agreement at all.

In particular, the super-government. We should heed the warning of the leading free-market expert on Nafta, James Sheehan of the Competitive Enterprise Institute (a generally estimable outfit which has unaccountably joined the Nafta Network). Sheehan points out that Nafta would set up three-governmental regional commissions, that would have the power to levy fines on business, search the premises of business, and sue in American courts, in order to enforce three-country labor or environmental regulations.

It's like the European Community, which is being sold to the public as a wonderful European "free trade zone." But

European superbureaucrats in Brussels have the power to enforce "harmonization" of: taxes, welfare state regulations etc., in all these countries. In order to insure a "level playing field" [another synonym for left-wing "fairness"], the Eurocrats can and have *forced* low-tax countries to raise their taxes to be on par with their fellow-countries, and to impose a greater welfare state or more stringent labor regulations. The *same powers* would be placed by Nafta into the hands of these North American bureaucrat Commissions.

The point is this: while leftist critics of Nafta are wailing about evil Mexico avoiding those wonderful statist and welfarist U.S. "labor" and "environmental" regulations, the real problem is precisely the opposite. The real problem is that these rotten statist measures will be enforced by supra-government commissions, commissions which have acquired super-sovereignty, over Americans, Canadians, and Mexicans, thereby injuring the consumers and the economies of all three nations.

Article 756 of Nafta requires these three-country commissions to "harmonize" their labor, health, and environmental laws, which means, as in Europe, harmonizing all of these measures

in a statist and collectivist direction.

For example: do the citizens of Texas, Arizona, and other right-to-work law states know that Nafta would give these bureaucratic commissions the right to challenge right-to-work laws in American courts, on the grounds of violating the Nafta treaty? And do they realize that because the Eisenhower Administration managed to kill the great Old Right Bricker Amendment in the 1950s, that treaties have been interpreted as constitutionally overriding all other parts of the U.S. Constitution? And if the Clinton Administration

should fail in its ambition to prohibit employers from replacing strikers, the Nafta Commission might be able to sue to impose such prohibitions because union-ridden Canada and Mexico have them.

Article 1114 of Nafta prevents any country from "lowering any environmental standard." So this means that the U.S. would be prevented by

this super-sovereign commission from trying to get out of any environmental rules and restrictions imposed by Canada and Mexico, who are often more in the grip of environmentalist socialists than we are.

Ironically, it was precisely the power of the super-bureaucratic

**Under Nafta, these bureaucratic commissions could challenge right-to-work laws in American courts.**

commissions that led Canadian Prime Minister Kim Campbell to withhold her consent from Nafta. In a last minute deal, the U.S. then agreed to let Canada off the hook and keep its sovereignty, while the rest will be ruled by the Commissions. Canada can decide these disputes for itself, while the U.S. and Mexico have agreed to abide by Commission rulings.

Why aren't Americans allowed the same powers of self-government as Canadians?

The second rebuttal is Guilt-by-Association. No, we are not buying the absurd protectionist argument that "high-wage Americans" should not have to compete with "low-wage Mexicans (Taiwanese, or...)." This argument from economic ignorance puts the cart before the horse: and it doesn't treat the deeper question: why *are* U.S. wages so high, while Taiwanese or Mexican wages are much lower? The reason is that American employers can *afford* to pay such high wages while Mexican employers cannot. The reason for that is the superior capital investment of the American economy, which has made the productivity of U.S. workers far higher than in Mexico. This means that the *labor cost* per unit of product in the

U.S. tends to be much lower than in Mexico, even though the *wage rate* is higher. For high labor productivity means low labor cost.

Moreover, the very fact that the U.S. exports a lot of goods to Mexico, Taiwan, etc. demonstrates that there is something

very wrong with this protectionist "low-wage" argument.

But the problem, as we indicated above, is the reverse of the standard protectionist line. The problem with Nafta is not that it will allow U.S. businesses to move to "low-wage" Mexico (they can do that now!) The problem is not that Mexico might be able to escape U.S. union, wage,

and environmental regulations. The problem is that the United States is going to suffer *even more* of these regulations as imposed by the supra-sovereign North American Commissions.

Besides, people in glass houses, etc. If *we* are "associating" with the AFL-CIO, you guys have to look in the mirror every morning after associating with President Clinton and Mickey Kantor (Yucch!).

It is important that freedom-lovers in the American public not get fooled by the "free-market" think-tank monolith. Nafta, like the European Monetary System now virtually dismantled,

is bad news. It's worse than open socialism; for it's internationalist socialism camouflaged in the fair clothing of freedom and free markets. Populists, even protectionist populists, are right to view it with deep suspicion.

Kill Nafta—and strike a blow directly in the gut of the Clinton Administration. A good rule of thumb: other things being equal, if the Clinton Administration is for it, whatever *it* is, it should be opposed on general principles. The more the Clinton Administration fails, the more it withers and dies, the more American freedom and prosperity, the more the Old Republic, shall live. ■

## Anti-Anti-Semitism Gone Bananas

by M.N.R.

For many years, Stormin' Norman Podhoretz, editor of *Commentary*, has managed to instill deeply into the public consciousness the notion that the definition of an "anti-Semite" is anyone who disagrees with Podhoretz on any public issue. In this task, he has been aided by a lushly-financed cadre of neoconservative media pundits. For years, Podhoretz laid down the law that anyone who publicly disagrees with the State of Israel on any matter whatever is an "anti-Semite," be he Jew or Gentile (the former coming under the rubric as a "self-hating" Jew). And there was no storing up of brownie points in

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