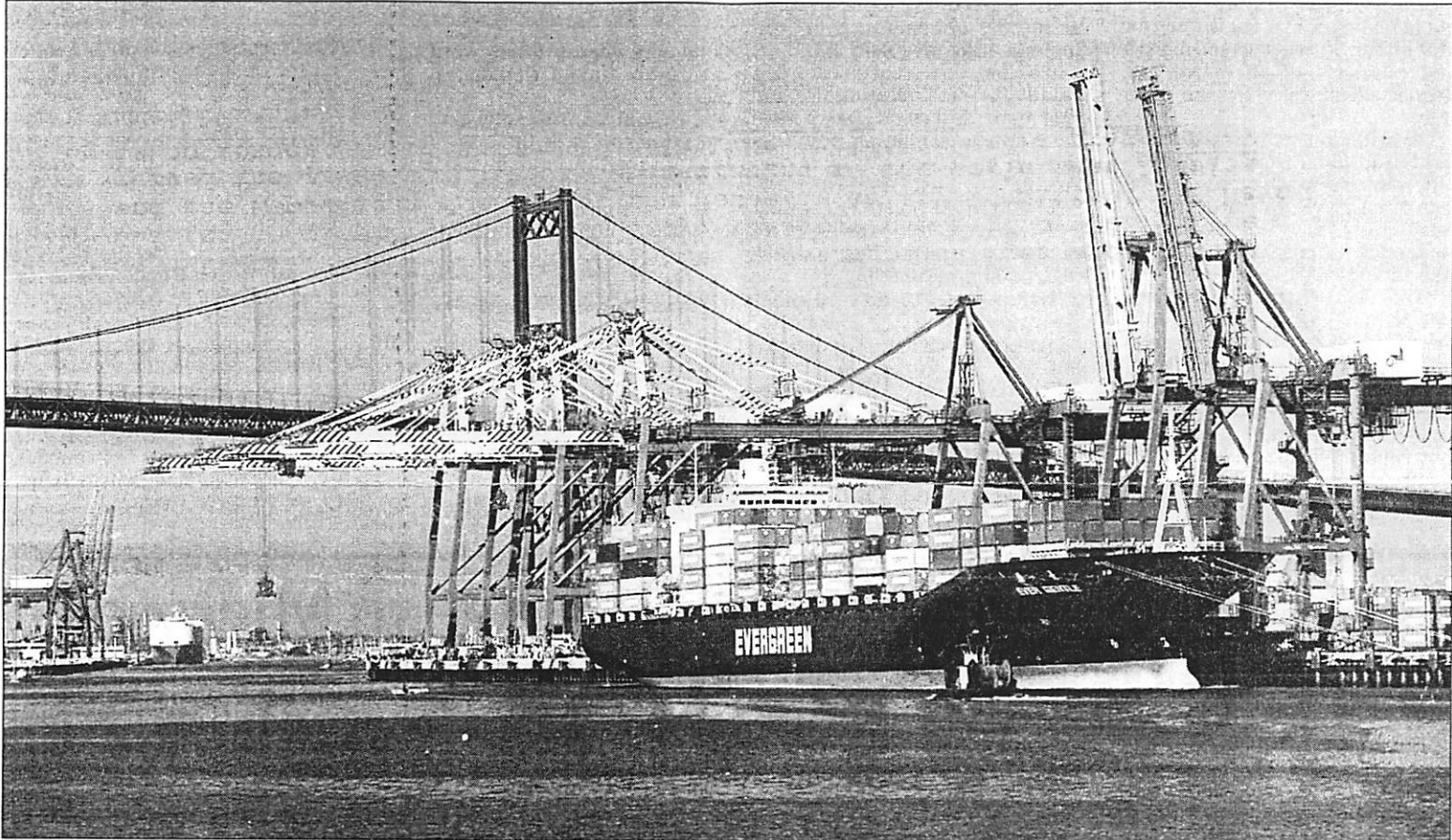


Globalization, free trade falter



Surging trade through the Port of Los Angeles has helped the region's economy, but globalization's impact has been harmful elsewhere. AP

Advocates regrouping after string of setbacks

By Marc Selinger
THE WASHINGTON TIMES 12-15-98

Free-trade forces are in a slump.

Advocates of free trade and globalization suffered the latest in a string of defeats recently when the world's most developed economies killed an international investment agreement. To end their slump, free-trade forces need to do a better job explaining the benefits of trade, they say. But free-trade critics say the public has gotten the message and doesn't like it.

In fact, 58 percent of Americans think trade is bad for the U.S. economy because cheap imports hurt wages and jobs, according to a Wall Street Journal/NBC News poll released Thursday.

The free-trade forces lost their their most recent battle Dec. 3, when the major industrial countries decided they could not settle their differences over the Multilat-

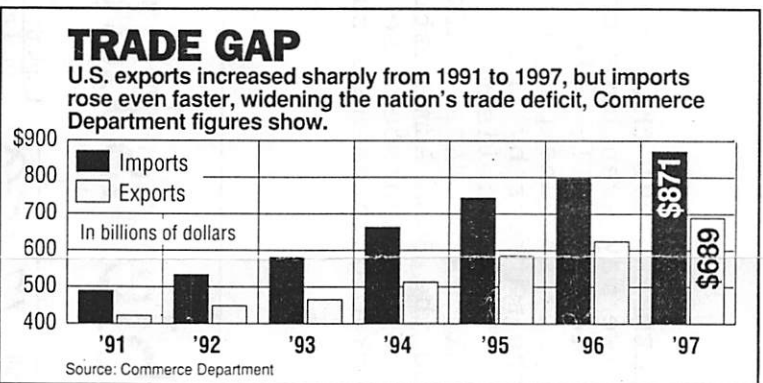
eral Agreement on Investment, which would have made it easier for companies to invest overseas.

Last month, the United States, Japan and other Asia-Pacific nations failed to complete a deal to curb tariffs and other barriers to trade worth \$1.5 trillion.

And in September, "fast-track" trade legislation died in the House for the second time in two years, denying the president enhanced power to negotiate trade agreements. Every president since Gerald Ford has had the authority, which expired during President Clinton's first term.

Free trade is even being challenged under existing rules, as U.S. steelmakers and other industries seek or consider asking the government for protection from a surge of cheap imports from weak foreign economies.

Experts on both sides of the trade issue agree the developments show that economic prob-



lems around the world have strengthened the hand of critics of global integration. In the United States, concern about globalization has grown because declining exports to Asia and rising imports have inflated the trade deficit, U.S. Treasury Secretary Robert E. Rubin said in a speech Dec. 7 to the National Foreign Trade Council, an industry group.

"During the 26 years I spent on Wall Street and the six years in the [Clinton] administration, I witnessed great movement... toward a global consensus on market-based policies and integration with the global economy as the best

path toward prosperity," Mr. Rubin said. "That consensus is now being more forcefully challenged."

Business groups are mounting education campaigns to explain trade's benefits. The National Association of Manufacturers announced Dec. 4 that it is taking several steps, including encouraging its members to sell their employees and lawmakers on the economic importance of trade. The Business Roundtable and the Emergency Committee for American Trade also are among the groups starting campaigns.

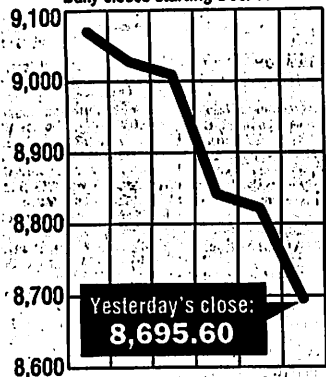
ACCT WARNED BACK IN DECEMBER 1991 that world markets were in for a very long volatile period with huge downsizings (we may even have coined that phrase) particularly in manufacturing but also in service industries as well. The illusory prosperity of the 1990s was pumped up by (1) the government keeping the unemployment statistics down with fictitious figures and (2) the manipulations of the markets by the Federal Reserve System aided and abetted by the propaganda fed out daily by the Establishment news media which accepts all government statistics as Holy Writ. In my book, TRADE WARS AGAINST AMERICA, A History of U.S. Trade & Monetary Policy [from Colonial Times to the Bush Administration] it was predicted that the Japanese economy would eventually go into the tank because of the wanton debt leveraging of Japan's industries by its banks and the Tokyo government's subsidizing of exports to capture world markets. WJG

Range of problems haunting markets worldwide

WALL STREET WOES

The Dow Jones Industrial Average has dropped 375 points in a week amidst President Clinton's impeachment troubles.

Daily closes starting Dec. 7.



Source: Bloomberg News

The Washington Times

By Patrice Hill
THE WASHINGTON TIMES 12-15-98

Unresolved problems, from President Clinton's impeachment inquiry to Japan's crumbling economy, keep dogging the world's financial markets, weighing down stocks from Wall Street to Tokyo.

Markets reacted sharply yesterday to signs that the House is moving to impeach Mr. Clinton. The dollar fell, as did stocks on markets in Asia, Europe and Latin America. The Dow Jones Industrial average lost 126 points, capping a nearly 400-point fall that coincided with Mr. Clinton's escalating troubles in the last week.

Meanwhile, Japan's economy continued to weaken, with the Bank of Japan reporting yesterday that confidence hit a record low among small businesses. That caused stocks to tumble throughout Asia, overshadowing Tokyo's widely applauded move to take over the failing Nippon Credit

Bank this weekend.

In Latin America, some fear Venezuela's oil-driven economy is headed for a Russian-style collapse, while Brazil's Congress is balking at sharp budget cuts demanded by the West in return for \$42 billion of loans.

Sao Paulo's main stock index plummeted 8.5 percent as the Congress adjourned for Christmas without taking action on the budget cuts, and traders pondered whether Mr. Clinton, the leader of the world's most powerful economy, might be forced out of office.

"The real possibility of a trial against U.S. President Bill Clinton increased the nervousness among investors" caused by the Congress' delays, said Antonio Carlos Colanago, a Brazilian market analyst.

On Wall Street, stocks suffered their fourth day of losses, with the technology-heavy Nasdaq Composite Index dropping by 3 percent, on worries that Mr. Clinton will be paralyzed by the im-

peachment process and unable to deal with stubborn economic problems around the world.

"Bill Clinton is favored on Wall Street — he's been good for Wall Street, but nobody is indispensable," said Chuck Gabriel, analyst at Prudential Securities. "The worry is a distracted chief executive might not be able to lead a free world in the middle of a global crisis."

The stock market has dropped twice before this year on Mr. Clinton's woes — in January and August — but recovered afterward on the belief no damage would be done to the economy as long as Federal Reserve Chairman Alan Greenspan and Treasury Secretary Robert E. Rubin remain in office, he said.

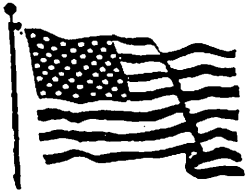
Investors in the stock market are assuming that Mr. Clinton would not actually be thrown out of office after an impeachment trial in the Senate; he said. But if that were to happen, the reaction would

be much worse, he said.

While Mr. Clinton's troubles have been riling markets in the last week, analysts say economic trouble spots around the globe — particularly Japan and Brazil — actually pose far greater risks for stock investors, many of whom had come to the conclusion that the global crisis was over.

"Global economic conditions did not improve in October and November, yet markets chose to assume they had," said John H. Makin, economist with Caxton Assoc. in New York.

"Japan's economic picture continues to be weak and deteriorating" with consumers and businesses cutting spending deeply out of worries about the future, he said.



ACCT

American Coalition for Competitive Trade, Inc.

Defending U.S. Jobs, Industry, and Agriculture

December 26, 1998

William J. Gill
President

Dear Friend of ACCT,

This letter is sent to you in this holy season for several good reasons. First, I want to thank all those who contributed during the past year for the support that makes our work possible. Secondly, I'd like to give you a brief annual report on ACCT's accomplishments in 1998 as well as a glimpse of the outlook for the coming year.

Finally, we want to try to present a somewhat different view of current events and what they may ordain for the future of our country than you are likely to get from your local newspaper, network television news, or the internet.

If you have been reading ACCT's newsletters regularly, as I hope you have, then you already must sense that 1998 may well have been the great turning point in ACCT's battle to restore America's sovereignty and independence.

In our May issue we warned that the New World Order cabal was seeking to end Christian civilization by the year 2000 or shortly thereafter. The plotters hoped to have world government in place and they are using wide-open free trade to bring this about.

Indeed, Renato Ruggiero, director general of the World Trade Organization, boasted that the WTO and the Paris-based Organization for Economic Cooperation and Development (OECD) were ready to put the finishing touches on "the constitution for a single global economy."

But earlier this month, as we reported in our December newsletter, the "constitution" -- alias the Multilateral Agreement on Investment (MAI) -- was put on the shelf indefinitely. Ruggiero and his WTO-OECD team will not be able to erase all national borders by this coming year as they had planned. However, they will be coming back for another try and we must not let our guard down. Indeed, it would be wise for ACCT, if it can obtain sufficient support, to step up our efforts to educate the public on the dangers of the global "constitution" whose authority will not be limited to economic matters.

The other big victory of 1998 was the resounding defeat of the Fast Track legislation in the House of Representatives by an over-

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whelming vote of 242-to-180. Compare this September 1998 House vote with the vote of 234-to-200 for NAFTA in 1993 and you can see there has been a complete about-face on the trade issue in those five intervening years. Moreover, in 1993 there were only 43 Republican votes against NAFTA but this year 71 GOP House members went against the Fast Track legislation which would have handed Bill Clinton dictatorial powers to extend NAFTA to all Latin America.

Further, "58 percent of Americans think trade is bad for the U.S. economy because cheap imports hurt wages and jobs," according to a Wall Street Journal/NBC News poll taken earlier this month. I have good reason to believe it is more like 68 percent or even higher. But when the Establishment media concedes a clear majority of Americans are opposed to the trade policy the media has so long propagandized for, then we are certain progress is being made.

In short, we now have the momentum on the trade issue -- provided we can keep it moving against the billions which the multinational corporations and international bankers are pouring in against us. I believe we are witnessing a miracle -- or at least a potential miracle. And this could only have occurred because of a tremendous outpouring of prayer for our country.

Moreover, this dramatic turn-around is not limited to the trade issue and the effort to rescue America's sovereignty. The courageous vote for impeachment of Bill Clinton by the Republicans, and a literal handful of Democrats in the House of Representatives, is further proof that America is -- against all odds -- beginning to win back its soul.

Even if the Senate rejects the impeachment charges and permits Clinton to ride out his presidency, the heroic effort by Henry Hyde and the Republican members of the House Judiciary Committee will have served the great purpose of demonstrating to the world that America is no longer governed by the polls, the insidious media propaganda, and the frantic manipulations of the New World Order cabal.

We the people have not yet won, but we are on the way to winning if we just keep forging ahead. In 1998 our constitutional defenses at last succeeded. Now we must go on the offense and, as I have said before, there is no better way to defeat the drive for world government than on the trade front.

For 1998 the merchandise trade deficit will be at least \$250 Billion with roughly half coming from China and Japan, whose trade surpluses against us will both top \$60 Billion. That \$250 Billion deficit translates -- by the Commerce Department's own yardstick -- into no less than 3,500,000 lost American jobs. And that is the net loss. The gross job loss from the more than \$1 Trillion in imports that flooded our country this year is over four times that number.

Of course, exports make up a good deal of the difference which explains why the economy hasn't collapsed. But at some point the excruciating pressure of the net job losses caused by the horrendous trade deficits will bring the whole house of cards down unless the trade policy is changed very soon.

With your support ACCT plans to re-file our case against Bill Clinton for the unconstitutional promulgation of the NAFTA treaty. It is probably the best chance we will ever have for reforming trade and regaining America's independence. Let's seize this opportunity and make 1999 a truly Happy New Year for our country and its people!

