



Written by [Christian Gomez](#) on April 30, 2019

## Mexico's Collective Bargaining Law Paves Way for USMCA and North American Union

On Monday, April 29, 2019, by a vote of 70 to 50, Mexico's Senate of the Republic passed a highly anticipated labor reform bill that U.S. lawmakers regard as essential to the implementation of the United States-Mexico-Canada Agreement (USMCA).

In a [tweet](#), Mexican Senate President Martí Batres Guadarrama (shown in photo on left) described the legislative package as "the first progressive labor reform in a long time."



In 2011, Batres founded MORENA as a radical left-wing, nationalist, and populist coalition of political parties in Mexico, among which includes the vehemently anti-capitalist and outright socialist Labor Party of Mexico that was founded by Maoist activists in 1990. MORENA is also an international affiliate of the São Paulo Forum, a network of Latin American Marxist parties that includes Nicaragua's Sandinista National Liberation Front (FSLN) and the ruling United Socialist Party of Venezuela (PSUV) of Nicolás Maduro, which is backed by both the Communist Party of Venezuela and the ruling Communist Party of Cuba.

In Mexico's 2018 federal elections, MORENA nominated Andrés Manuel López Obrador (AMLO) as its presidential candidate and won. MORENA also won control of both chambers of Mexico's Congress — the lower Chamber of Deputies and the higher Senate of the Republic. MORENA campaigned, in part, in favor of strong progressive labor reform, like the one that was passed by the Chamber of Deputies earlier in April and the Senate of the Republic Monday night.

The labor reform package will not only make it easier for workers in Mexico to unionize but will also make unions more democratic by allowing union members to elect their own union leaders and vote for the approval of contracts by secret ballot. Currently unions in Mexico are often managed by the same companies that employees work for, and the company chooses who the union leader is as well as makes the contracts without the approval of workers.

During a press conference last week, President AMLO [said](#), "We think that the Labor Reform must be approved, hopefully because it has very important advances, for example, that of union democracy that the workers can freely choose their leaders."

Senators belonging to the PAN (*Partido Acción Nacional*; Spanish for Party of National Action) raised concerns that the labor bill was not all inclusive because it could compel workers to join a union against their will. PAN Senator Ale "Wera" Reynoso [asked](#) that the option to "not belong or be represented by a union" also be included in the bill, but MORENA Senators opposed the provision and passed the labor reform bill without it.

According to MORENA [Senator Napoleón Gómez Urrutia](#), the purpose of the new labor reform is to promote labor justice, democracy of unions, and collective bargaining.



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Democratic Congressman Bill Pascrell of New Jersey, who sits on the House Ways and Means Committee, from which a USMCA Implementation Act would emerge, praised Mexico's labor reforms, describing them as "a major step toward [that] could reduce one incentive for American companies to outsource jobs — a central problem in the old NAFTA." Although Rep. Pascrell fell short of saying that Congress should schedule a vote on the USMCA, instead he argued, "We now must see implementation and meaningful enforcement of these reforms [in Mexico]."

The democratization of labor unions in Mexico is expected to help workers garner higher wages, which U.S. Democratic lawmakers see as key to preventing the outsourcing of American jobs under the USMCA. NAFTA, unlike the new USMCA, did not have a labor chapter.

Although the USMCA does contain a new chapter on labor, Democrats, who like the new progressive chapter, have nevertheless expressed concerns over what they claim is a lack of enforcement. However, according to Mexican officials, the passage of Mexico's domestic labor reform should address those concerns.

In his press conference last week, President AMLO urged the Senate of the Republic to pass the labor bill in order for the U.S. to expedite the passage of the USMCA. "We do not want this issue to be used as a pretext to be said in the United States that we are not complying with the free trade agreement and want to reopen the renegotiation," AMLO said. In other words, the bill is designed to fully address any objections from Washington.

Following the bill's passage, Senator Samuel García [said](#), "The United States no longer has an excuse to not ratify the T-MEC."

Once AMLO signs the bill into law, Mexico expects that the U.S. Congress will introduce a USMCA Implementation Act within a month to be voted on sometime in early summer of this year.

Mexico has indicated that, shortly after the U.S. Congress passes its USMCA implementing legislation, it will follow by ratifying it as a treaty in the Senate of the Republic. Unlike the U.S. government, which calls it an "agreement," Mexico regards it as a treaty. In Mexico, the government's official name for the USMCA is the *Tratado México-Estados Unidos-Canadá* (Spanish for Mexico-United States-Canada Treaty), also known by the Spanish acronym T-MEC.

If the U.S. passes and implements the USMCA *and* Mexico ratifies the USMCA/T-MEC, then (and only then) Canada is expected to ratify it as a treaty (despite also referring to it as an "agreement") towards the end of the year, in order for it to go into effect by January 1, 2020.

### **USMCA; a stepping-stone for North American Union?**

However, as *The New American* has previously reported, the USMCA is more than just a simple trade agreement between countries. Instead; it builds on top of NAFTA, updating the agreement with aspects that are [consistent with the Trans-Pacific Partnership](#) — both of which President Trump has rightly decried as being the worst trade agreements ever negotiated — in order to further integrate the economies of the United States, Mexico, and Canada into one unified economic and political bloc, similar to the early stages of the European Union.

Shortly before signing the USMCA in Buenos Aires, Argentina, on his last day in office, then-President of Mexico Enrique Peña Nieto [said](#) in his remarks, which he delivered in Spanish, "The negotiation of the Mexico-United States-Canada Treaty made it possible to reaffirm the importance of the economic integration of North America." Peña Nieto further stated, "The Mexico-United States-and-Canada



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Treaty gives a renewed face toward our integration.”

Peña Nieto’s remarks are also consistent with the text of the agreement, or treaty, itself. In the USMCA’s [Chapter 26](#) on Competitiveness, all three countries agree to establish a Committee on Competitiveness, or a North American Competitiveness Committee, with “a view to promoting further economic integration among the Parties and enhancing the competitiveness of North American exports.” Article 26.5 of the USMCA further states:

The Competitiveness Committee shall [...] provide advice and recommendations, as appropriate, to the Commission on ways to further enhance the competitiveness of *the North American economy*. [Emphasis added.]

Rather than trying to make each country competitive, the USMCA’s objective is to further integrate the economies and industrial supply chains of all three countries, on top of what has already been achieved by NAFTA, into a singular “North American economy.”

The Commission referred to in the USMCA’s Article 26.5 is the Free Trade Commission, which is established and functions detailed in [Chapter 30](#) of the agreement. Article 30.1 of the USMCA’s Chapter 30, entitled “Administrative and Institutional Provisions,” states: “The Parties [United States, Mexico, and Canada] hereby establish a Free Trade Commission (Commission), composed of government representatives of each Party at the level of Ministers or their designees.”

Although NAFTA also established its own Free Trade Commission, the one described in Chapter 30 of the USMCA is virtually identical to the governing commission in the TPP. According to Article 30.2, the USMCA’s Free Trade Commission is empowered to:

- (a) consider matters relating to the implementation or operation of this Agreement;
- (b) consider proposals to amend or modify this Agreement;
- (c) supervise the work of committees, working groups, and other subsidiary bodies established under this Agreement;
- (d) consider ways to further enhance trade and investment between the Parties;
- (e) adopt and update the Rules of Procedure and Code of Conduct applicable to dispute settlement proceedings; and
- (f) review the roster established under Article 31.8 (Roster and Qualifications of Panelists) every three years and, when appropriate, constitute a new roster.

Giving these powers to the Free Trade Commission makes the USMCA a “living agreement,” much like the TPP, allowing the commission to change the agreement without the approval of the U.S. Congress.



In addition to those powers, Article 30.2 further empowers the Free Trade Commission to delegate new tasks or responsibilities to its subordinate committees; either merge or dissolve its subordinate committees; change the schedule or dates of when certain duties or tariffs are to be lowered or



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removed; ambiguously “develop arrangements for implementing this Agreement”; and get advice from “non-governmental persons or groups” such as the Council on Foreign Relations or academics who advocate for greater North American integration; among other powers.

According to Article 30.2, the Free Trade Commission may even “modify any Uniform Regulations agreed jointly by the Parties under Article 5.16 (Uniform Regulations), subject to completion of applicable legal procedures by each Party.” That is, the commission would have the power to change the “Uniform” (or universal) regulations for all three countries, so long as the governments of all three countries eventually approve those changes, thus opening the door for the U.S. Congress, in addition to Mexico’s Congress and Canada’s Parliament, to become a rubber-stamp body for any new changes to the country’s regulations because the USMCA’s governing Free Trade Commission demands it. This in many ways resembles the overarching power of the EU’s unelected European Commission, which makes new laws or regulations that the European Parliament and in turn the parliaments of all EU-member nations are forced to accept.

Rather than wait for a future Amexit (American exit) from the coming North American Union, it would be more prudent to learn from both the present and past mistakes of Great Britain by avoiding all together passage and entry into the USMCA.

The recent passage of the labor bill by Mexico’s Senate of the Republic should raise the eyebrows of patriots and constitutionalists in the United States who want to preserve their country’s sovereignty. This underscores the need to urge Congress to reject the USMCA implementation legislation. In addition to stopping the USMCA, Congress should also, as President Trump has previously suggested, withdraw from NAFTA. Just as “no deal is better than NAFTA,” as Trump has repeatedly stated, it is also true that no deal is better than USMCA, especially for the preservation of American sovereignty and independence.

*Photo: Mexico’s Senate of the Republic; Senate President Martí Batres Guadarrama on left*



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