



Written by on April 21, 2009

Obama to Strengthen NAFTA Without New Negotiations

"The president has said we will look at all of our options, but I think they can be addressed without having to reopen the agreement," said Kirk. He also stated that Obama and Mexican President Felipe Calderon "have both said they don't believe we have to reopen the agreement now" to address labor and environmental side agreements.



The *New York Times* quoted Kirk as saying that Obama had conferred with the leaders of Mexico and Canada — the other parties to the NAFTA agreement — and that "they are all of the mind we should look for opportunities to strengthen NAFTA."

Reuters news reported that President Obama stopped in Mexico City for meetings with President Felipe Calderon on his way to the Trinidad meeting and had met with Canadian Prime Minister Stephen Harper in February in Ottawa. Kirk told reporters that all three North American leaders were "of the mind that we should be looking for opportunities to strengthen NAFTA, and at an appropriate time I will be meeting with our colleagues to try to put a little more form to that."

During the conference call, Kirk also said he expected U.S. Transportation Secretary Ray LaHood to give the president his recommendations for resolving an ongoing trade dispute with Mexico concerning Mexican trucking. According to NAFTA provisions, Mexican long-haul trucking firms were to have been granted access to U.S. highways, but Congress canceled the program after U.S. truckers and Teamsters Union officials complained that the Mexican trucks did not meet U.S. safety standards. In retaliation, Mexico imposed 2.4 billion dollars' worth of duties on U.S. manufacturing and agricultural goods.

"This is an issue of great concern for us," Kirk said, adding that Obama had asked his entire economic team to work under LaHood's leadership to resolve the dispute.

AP quoted Kirk as saying: "What remains to be done is a review of what our actual opportunities are to strengthen NAFTA, and at an appropriate time I will be meeting with my counterparts from Mexico and Canada (to) make some decision on the path forward."

Since Kirk's statement suggests that the leaders of the United States, Canada, and Mexico are in agreement about the desirability to strengthen NAFTA, there appears to be little need, from their point of view, to reopen negotiations. If all are in agreement, why negotiate?

The fact that Obama (and his onetime rival Hillary Clinton) both broached the subject of renegotiating NAFTA during the campaign indicates that NAFTA, as it stands, is not terribly popular among rank-and-file Americans. However, for an unpopular institution, the agreement has enjoyed a substantial degree of bipartisan support over its history.

NAFTA was signed on December 17, 1992 by George H.W. Bush, who met with Canada's Prime Minister Brian Mulroney and Mexico's President Carlos Salinas in San Antonio to pen the agreement. However,



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NAFTA needed to be passed by Congress. Requiring public support, it was misrepresented to the American public from the very beginning. Touted as a so-called free-trade agreement, NAFTA in reality has little to do with free trade, but a great deal to do with economic consolidation and eventual political union, in the manner of the European Union.

Shortly after NAFTA was announced, James Bovard of the CATO Institute (which promotes genuine free trade) warned: "With each passing month, the North American Free Trade Agreement (NAFTA) is acquiring more protectionist overtones." Bovard observed that the pact contains Byzantine "rules of origin" for products to qualify as North American products. He also pointed out the unlikelihood that the treaty, which was over 1,000 pages long, could represent anything resembling true free trade by stating the obvious: "Free trade is not complex — it is protectionism that requires endless administrative gimmicks to camouflage its true nature. NAFTA amounts to a proliferation of new definitions of fair trade."

During the same time period (late 1992), John Birch Society president John F. McManus, who is also the publisher of *The New American*, [warned](#) that "economic union precedes political union" and that NAFTA "is a giant step toward an economic union of all North America."

Another contributor to *The New American*, Thomas Eddlem, [wrote](#) in the issue of December 28, 1992:

NAFTA follows the internationalist strategy mapped out by Richard N. Gardner (CFR) in his 1974 *Foreign Affairs* article "The Hard Road to World Order." Gardner wrote, "The hope for the foreseeable future lies, not in building up a few ambitious central institutions of universal membership and general jurisdiction as was envisaged at the end of the last war, but rather in the much more decentralized, disorderly and pragmatic process of inventing or adapting institutions of limited jurisdiction and selected membership to deal with specific problems on a case-by-case basis."

The first Bush administration ended, and Bill Clinton assumed the presidency with NAFTA still not approved by Congress. During Clinton's first months in the White House, James Sheehan, a research associate with the Competitive Enterprise Institute, argued that NAFTA could no longer be recognized as anything even resembling free trade. "All the debate these days is about whether or not the environmental agreement will have 'teeth'" said Sheehan, "but no one seems to care that the free trade provisions of NAFTA have no teeth. If NAFTA were really a free trade treaty, these side agreements would be impossible to append."

Sheehan predicted that the side agreements on labor and the environment being negotiated by the Clinton administration would "transform NAFTA into a labor and environmental pact whose main goal is to create a European-style social charter."

John McManus addressed NAFTA again in *The New American* for October 4, 1993: "NAFTA is supposed to be about freedom. But how can something containing 2,000 pages of regulations and controls have anything to do with freedom? The answer is that NAFTA is not about free trade; NAFTA is about setting up a supranational government bureaucracy to control what should not be controlled."

NAFTA was passed by the House of Representatives on November 17, 1993, by a vote of 234 to 200. The fact that the approving votes included 132 Republicans and only 102 Democrats reflected the sales job that its promoters had done to convince Americans that the agreement promoted "free trade." President Bill Clinton signed the agreement into law on December 8, 1993 and it went into effect on January 1, 1994.



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Since NAFTA went into effect, many studies have been published about the adverse effects the agreement has had on the U.S. economy. On the 10th anniversary of the pact, the Economic Policy Institute published a report that stated:

Since the North American Free Trade Agreement (NAFTA) was signed in 1993, the rise in the U.S. trade deficit with Canada and Mexico through 2002 caused the displacement of production that supported 879,280 U.S. jobs.... Proponents of new trade agreements that build on NAFTA, such as the proposed Free Trade Agreement of the Americas (FTAA), have frequently claimed that such deals create jobs and raise incomes in the United States.

The report presented the following statistics: "Between 1993 and 2002, NAFTA resulted in an increase in exports that created 794,194 jobs, but it displaced production that would have supported 1,673,454 jobs.... Thus, the combined effect of changes in imports and exports as a result of NAFTA was a loss of 879,280 U.S. jobs. These NAFTA-related job losses suggest that U.S. workers have good reason to be concerned that the proposed Free Trade Agreement of the Americas will threaten jobs and communities."

Since that report was written, the loss in jobs, particularly in the Great Lakes region, has only become worse.

And the economic impact is only part of the problem with these so-called free trade pacts. A look at the European Union model provides a clear look at the handwriting on the wall. As bad as the loss in jobs is, the loss of national sovereignty is even more devastating.

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