

NAFTA's Deplorable Legacy

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Theme: [Global Economy](#), [Poverty & Social Inequality](#)

Wall Street Journal columnist Mary O'Grady reinvents history. She does it her way. It's the wrong way. She turns truth on its head.

Her commentaries read like bad fiction. They substitute misinformation for indisputable facts. Responsible editors wouldn't touch this. Journal editors embrace it.

NAFTA was hugely destructive trade policy. It's opposite of what's needed. More on why below.

Not according to O'Grady. On January 5, she [headlined](#) "Nafta at 20: A Model for Trade Policy." It's a model for the wrongheaded kind.

O'Grady claims otherwise.

"Those who predicted that Nafta would lead to joblessness and poverty have been proven definitively wrong," claims O'Grady.

Hundreds of thousands of impoverished jobless workers explain otherwise. More on this below.

"Freedom to trade with the neighbors (Canada, Mexico and the US) has instead created wealth and opportunity and made the continent more globally competitive," she says.

Indeed so for corporate predators and rich elites. They profited hugely. They did the old-fashioned way. They benefitted on backs of exploited people.

O'Grady supports more of the same. She's for greater "North American integration." In other words, greater corporate favoritism. Fewer worker rights. More job losses. Lower pay and benefits. Profits at the expense of people.

"(E)xpanding economic freedom in North America requires a commitment to the cause," she claims.

She's on the wrong side of history. Anti-labor, anti-environment, anti-consumer and anti-democratic measures harm millions. One-sided "free trade" isn't fair.

NAFTA proponents promised tens of thousands of newly created jobs. Small farmers would export their way to wealth.

Mexican living standards would rise. Economic opportunities would reduce regional immigration to America.

Promises made never materialized. Reality disproved hype. It does it every time. Ideologues praising NAFTA are exposed.

They're frauds. They're defrocked. They're discredited liars.

A decade post-NAFTA, about a million US jobs were lost. America's Mexican trade deficit alone cost around 700,000 jobs by 2010.

Government data show nearly five million US manufacturing disappeared since 1994.

NAFTA alone wasn't responsible. Losing them reflected broken promises, lost futures, and other trade deals from hell to follow. The Trans-Pacific Partnership (TPP) and Trans-Atlantic Free Trade Agreement (TAFTA) stand out.

Public Citizen's [new report is titled](#) "NAFTA at 20: One Million US Jobs Lost, Mass Displacement and Instability in Mexico, Record Income Inequality, Scores of Corporate Attacks on Environmental and Health Laws."

Lori Wallach heads Public Citizen's Global Trade Watch. Ralph Nader calls her "the Trade Debate's Guerrilla Warrior."

Public Citizen calls her "a relentless campaigner." She's been so for 20 years. She's a Harvard Law School trained lawyer. In 1993, she founded Citizens Trade Campaign.

It's a national coalition of consumer, labor, environmental, family farm, religious, and civil rights groups. They represent over 11 million Americans. According to Wallach:

"NAFTA's actual outcomes prove how damaging this type of agreement is for most people, that it should be renegotiated and why we cannot have any more such deals that include job-offshoring incentives, requirements that we import food that doesn't meet our safety standards or new rights for firms to get taxpayer compensation before foreign tribunals over laws they don't like."

NAFTA remains hugely destructive. It's "equal parts disgusting and infuriating," says Wallach. Obama joined "the corporate Pinocchios."

They lie about NAFTA. They've done so from inception. They're doing it again now. They selling similar Trans-Pacific Partnership (TPP) snake oil. It's NAFTA on steroids.

Public Citizen's study discusses promises made and broken. Post-NAFTA trade and investments contributed to huge job losses, pay cuts and lost futures. Income inequality keeps growing.

America's trade deficit with Mexico and Canada is 45% higher than with countries not party to US trade agreements.

US manufacturing and services exports to NAFTA partners grew at less than half their pre-NAFTA rate. Polls show more than half of Americans want NAFTA renegotiated or abandoned.

Few want US membership continued. Opposition cuts across parties, income classes and educational levels.

Subsidized US corn exports to Mexico increased. Doing so destroyed the livelihoods of over one million Mexican small farmers.

Another 1.5 million agriculture-dependent Mexican workers lost jobs. Doing so doubled Mexican immigration to America. Most are undocumented. Desperate poor people come north for jobs.

They're still coming. Doing so increases competition for scarce service sector ones. Government data show the destructive effects of offshoring.

Affected workers lost 20% of their income on average. They did so compared to non-offshorable jobs gotten.

NAFTA damaged millions of lives. It doesn't matter. Obama wants TPP fast-tracked. He wants TAFTA legislation passed.

He wants millions more US workers displaced. He wants others rehired for less pay. He wants them consigned to poverty. He wants corporate predators profiting at their expense.

According to Wallach, NAFTA-type trade agreements are "corporate Christmas" presents year-round. Big business loves them.

They "jack up medicine prices with patent extensions for Big Pharma," says Wallach.

"Big Content loves them because (of) SOPA-type copyright rules. Chemical and pharmaceutical companies love them because" they're freed from regulations and inspections.

Big "oil and gas companies love them because they (get) absolute rights to natural resources."

"Chronic job offshoring companies love them because (they get) new investor protections" abroad.

They're win-win for corporate predators. Workers, America's unemployed and underemployed lose out big time.

Fast-tracking got NAFTA passed. It's an arcane Nixon-era procedure. It lets executive branch officials write legislation.

Corporate lobbyists do it for them. They stuff everything in measures corporations love.

Congress is denied debate. No amendments are allowed. Up or down voting alone follows.

Fast-tracking is a way of railroading legislation through Congress. It does so against enormous public opposition.

Anti-NAFTA sentiment before passage added more corporate sweeteners than originally planned.

NAFTA "established a radically new 'trade' agreement model," said Public Citizen. It differed from earlier trade deals. It's "only partially about trade."

It “created new privileges and protections for foreign investors..” It incentivized offshore investments and jobs. It did so by “eliminating many of the risks normally associated with moving production to low-wage countries.”

NAFTA lets foreign companies and investors challenge domestic laws, regulations and standards. They can demand compensation for alleged lost profits.

Regulation of trucking, banking and other services is restricted. Medicine patent monopolies are extended.

Food and product safety standards are limited. So are domestic procurement preferences like “Buy American.”

Pre-NAFTA enactment debate sold empty promises. It’s record 20 years later proves otherwise. It’s responsible for hundreds of thousands of lost jobs, lower wages, and grim futures for millions.

According to the Bureau of Labor Statistics, two-thirds of NAFTA-displaced manufacturing workers able to find jobs lost 20% or more of their former wages.

NAFTA’s deplorable record reflects race to the bottom reality. It includes unemployment, underemployment, low pay, poor benefits, and lost futures for millions.

According to Public Citizen, “a 188 percent rise in food imports from Canada and Mexico” had no impact on containing prices. They “jumped 65 percent since” NAFTA’s implementation.

Scores of US companies promised to create specific numbers of jobs if NAFTA passed. They cut them hugely instead.

General Electric cut nearly 5,000 jobs. Chrysler eliminated over 7,700. Nearly 600 Caterpillar workers lost out. Many other companies betrayed their workforces and communities the same way.

Since NAFTA’s implementation, the income of America’s richest 10% rose 24%. For its top 1%, it was 58%. “NAFTA-style trade helps explain the soaring inequality,” says Public Citizen.

“NAFTA has placed downward pressure on wages for the middle and lower economic classes by forcing decently-paid US manufacturing workers to compete with imports made by poorly-paid workers abroad.”

“The resulting displacement of those decently-paid US workers has further depressed middle class wages by adding to the surplus of workers seeking lower-paying service sector jobs.”

NAFTA contributes hugely to growing inequality. It gives companies enormous leverage. They can pay domestic workers less. They can offshore for greater savings.

Since NAFTA’s implementation, over 60,000 US manufacturing facilities closed. WTO and other factors share responsibility. “After two decades of NAFTA, the evidence is clear,” says Public Citizen.

“(T)he vaunted deal failed at its promises of job creation and better living standards while contributing to mass job losses, soaring income inequality, agricultural instability, corporate attacks on domestic health and environmental safeguards, and mass displacement and volatility in Mexico.”

Obama wants more of the same. Whether he’ll get it remains to be seen. TPP opposition is significant. Ordinary Americans and policymakers comprise it.

Congress may block passage. In November, a bipartisan group of 178 House members expressed fast-tracking opposition. Other congressional members expressed concerns about TPP overall.

NAFTA’s failure prevented Free Trade Areas of the Americas (FTAA) and Asia-Pacific Economic Cooperation (APEC) adoption.

It’s “two-decade legacy of tumult and hardship for millions could” kill TPP and other destructive trade deals, says Public Citizen.

Doing so would be a step in the right direction. Much more needs to begun.

Reversing longstanding race to the bottom policy requires wholesale change. Evidence of it happening is nowhere in sight.

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