

FIXING NAFTA: GOOD TRADE, NOT FREE TRADE
Rep. Marcy Kaptur

NAFTA--the godfather of all recent trade deals--has gotten top billing from the Obama and McCain campaigns. The candidates are being enlightened by affected publics to address our hemorrhaging trade laws as key elements in our nation's economic plight.

NAFTA, since its narrow passage in 1993, has amassed a staggering trillion dollar net negative for our nation's accounts, despite the US having a pre-agreement surplus with Mexico. This deficit lops off more than two percent of our gross domestic product, crippling economic growth by a third.

Importantly, growing annual trade deficits translate into lost jobs, a shrinking middle class, lower real wages, and diminished national income. Shuttered firms from Acer to Zenith have been outsourced to Mexico. At least one million US jobs have headed south of the border, where Mexican workers are paid next to nothing—and are paid less and less each year to compete with countries like China in an accelerating race to the bottom.

Ohio communities have lost United Technologies in Zanesville, Marconi Communications in Lorain, L.G. Philips Display in Ottawa, Amana in Delaware, Siemens in Bellefontaine. Hundreds of other companies have abandoned our workers and our communities to exploit labor in Mexico.

Meanwhile, on the Mexican side, millions of peasant farmers have been uprooted from their traditional lands, creating an endless stream of desperate laborers headed north, fueling illegal immigration to the US. On the Canadian side, real wages have stagnated, with no increase in more than 30 years. Moreover, the US trade deficit with Canada has doubled, too, mostly due to oil imports.

Instead of perpetuating more job losses, the US should amend the NAFTA trade model to balance deficits with trade partners and address the serious consequences of the upheaval of the Mexican countryside.

The bleeding from this failed experiment must be stopped. Furthermore, any more harm from NAFTA-clones like the Colombia and Korean agreements must be prevented. Despite claims to the contrary, these agreements are just new versions of the same “sucking sound”—NAFTA.

In the House, three bills present a road forward to good trade rather than flawed free trade:

- The **Ethics in Trade Resolution** establishes moral and ethical principles to which all trade agreements should adhere in order to use trade as a development tool as opposed to an exploitative system. (H. Res. 336)
- The **Balancing Trade Act** requires the President to balance one-sided trade relationships that continue to result in staggering deficits for more than three years. (H.R. 169)
- The Trade Reform, Accountability, Development, and Employment Act (**TRADE Act**) requires a review of existing trade agreements and renegotiation where necessary and sets terms for future trade agreements that do not disadvantage American or foreign workers, rule of law, environmental standards, American investment, communities reliant on manufacturing and similar industry, or minorities and indigenous peoples. (H.R. 6180)