Table of Contents

*Mexican Manufacturing Sector

A2: Maquiladoras Bad

Link Defense Rhetoric

1. **Non-unique**; Gerardo '96 of Simon Fraser University reports that the maquiladora program was created in 1965, and saw massive growth from 1980 to 1992, increasing its personnel by 418,000 workers. *The demand existed before NAFTA.*
2. **Non-unique**; Gruben '1 of the Center for Latin American Economics indicates that competitive pressures meant that if the maquiladora plants were not in Mexico, they would have been located elsewhere in places like Asia which was already the trend.

Impact Turn Rhetoric

1. **Turn**- Waldkirch '10 of the World Economy writes that maquiladora FDI may reduce income inequality by raising the demand for unskilled labor, driving up wages.
   a. This is why White '16 confirms that export-oriented jobs in Mexico pay 40% more than the rest of the manufacturing industry, and the WTO furthers that maquiladora plants pay 3.5x more than the mexican minimum wage.

Link Turn Rhetoric

1. Turn- Orme of the University of Texas writes that prior to NAFTA, Mexico needed foreign direct investment so they pursued a cheap labor-oriented Maquiladora program. However, he furthers that with NAFTA, the risks of creating high-tech industry is greatly minimized, concluding that NAFTA helped Mexico pivot away from maquiladoras.
2. Gruben '01 of the Center for Latin American Economies outlines two reasons why NAFTA uniquely made the maquiladora program less attractive:
   a. Pre-NAFTA, maquiladora programs were attractive because they were duty free. Under NAFTA, essentially everything became duty free, making maquiladoras not only irrelevant, but also worse because there's more paperwork involved.
   b. NAFTA's environmental regulations are stricter for maquiladora facilities than for other Mexican manufacturing factories.

   Overall, Gruben writes that NAFTA actually had a negative on maquiladora growth.

Cards:

Otero Gerardo, Simon Fraser University, Neoliberalism Revisited, 1996. //JN

https://s3.amazonaws.com/academia.edu.documents/5923936/NeoLiberalism_Revisited.pdf?AWSAccessKeyId=AKIAIWOWYYGZ2Y53UL3A&Expires=1528336482&Signature=tMiUHzXIcwQkVMGs%2FjBYExAqXQ4%3D&response-content-disposition=inline%3B%20filename%3DNeoliberalism_revisited_Economic_restruc.pdf#page=93

Maquiladoras are assembly plants that import parts and supplies duty-free into Mexico and export their production, largely to the United States. The U.S. government supported the setting up of export assembly operations through tariff items *806.30* and *807.00,* which assess import duties only on the value added of work done abroad when U.S.-origin components are sent overseas for assembly and then returned to the United States. The Mexican government also cooperated by permitting duty-free entry of all materials and equipment used in the maquiladoras, and it authorized 100 percent foreign ownership of the enterprise, provided that the entire output was exported. **The number of maquiladora plants in Mexico grew from *620* in *1980* to over *2,000* by *1992*.** **The personnel employed** in Mexican maquiladoras during this period **expanded from 100,000 to *518,000*** (BID, *1993),* and according to forecasts, that figure will grow to *600,000* by the end of the century. Total maquiladora exports soared from almost *$2.5* billion in *1980* to $10.1 billion in *1988.* Imported inputs in the latter year were *$7.8* billion, resulting in a net value-added figure for Mexico of *$2.3* billion, which corresponds almost entirely to Mexican labor costs. This was equivalent to about one-third of the value added for all of Mexico's manufactured exports. To the direct employment of *450,000* in *1990,* Weintraub *(1990:1146)* estimated that one must add a similar amount of indirect employment in related industries. Assuming an average family size of five, maquiladora jobs thus contributed to the income of more than *5* million Mexicans by *1995.*

W. C Gruben, July 2001, Center for Latin American Economics "Did NAFTA Really Cause Mexico's High Maquilladora Growth?" //JN

https://www.dallasfed.org/~/media/documents/research/claepapers/2001/lawp0103.pdf

Despite the program's history as a compensatory effort to offset job losses for Mexican agricultural workers who had been working in the United States, the maquiladora plants in Mexico became controversial in the United States as quickly as they appeared. Some commentators complained that while most of the braceros had been men, most of the newly hired maquiladora workers were women. However, the crux of the controversy was not so much jobs for women in Mexico, but jobs for anyone in Mexico. Long before Balla (1998), Carrada-Bravo(1998), Perot and Choate (1993), and the Economic Policy Institute and the United States Business and Industrial Council Educational Foundation (1997), this controversy involved comparisons of Mexican wages with those in the United States and in developing countries. Maquiladora opponents argued that the maquiladora program facilitates efforts by U.S. and other firms to take advantage of low Mexican wages. As firms that had formerly employed low- skilled workers in the United States set up manufacturing and other operations in Mexico, maquiladora opponents argued that maquiladoras were "taking American jobs." Supporters of the maquiladoras argued that, regardless of where these plants actually located, the issue of where else they could have located was also relevant. According to this narrative, **competitive pressures meant that if these assembly plants had not been able to locate in Mexico they would have been placed in other low-wage countries – in many cases in Asia. Indeed, it was pointed out, lower wage Asian countries had been serving as export platforms for U.S. manufacturing operations before the establishment of the maquiladoras in any case**. 5 6 More to the point, the maquiladoras of Mexico reflected a broader phenomenon, the globalization of manufacturing. Although the maquiladoras were creatures of Mexican law, similar operations appeared across the globe. They were responses to reductions that have been occurring for decades in communications and transportation costs. These cost reductions facilitated the management of a far-flung network of assembly plants early on in Taiwan - later in Guatemala, Mauritius, Vietnam – whose products were to be marketed in the industrialized world in general and in the United States in particular (Grunwald and Flamm, 1985:Romer, 1992). **This globalization process was not a creature of NAFTA. If anything, NAFTA was a creature of this globalization process**. If the reductions in transportation and communications costs that motivated globalization had not taken place, the political pressures that permitted NAFTA would not have been so strong.

Gruben, William C. "Did NAFTA Really Cause Mexico's High Maquiladora Growth?" Center for Latin American Economics. Federal Reserve Bank of Dallas, July 2001. Web. Accessed 6 June 2018. <https://www.dallasfed.org/~/media/documents/research/claepapers/2001/lawp0103.pdf>

Among Mexico's most striking industrial phenomena in the wake of the North American Free Trade Agreement has been the rapid growth of in-bond plants that operate under the country's maquiladora program.1 Under its simplest organizational form, a maquiladora plant imports inputs in-bond from the United States, processes them in some way, and then ships them back to the United States – perhaps for more processing. The maquiladora program itself permits the inputs and the machinery used to process them to enter Mexico without payment of import tariffs. On the return to the United States, the shipper pays only such U.S. import duties as are applicable to the value added by manufacture in Mexico.2

Although maquiladoras have been in operation in Mexico since the 1960s, their output and employment growth began to accelerate rapidly with the advent of NAFTA. Over the first five years after the onset of NAFTA, maquiladora employment grew 86 percent, compared with 47 percent growth over the five years previous. Seeing this sudden acceleration (Chart I), opponents, supporters and academic researchers of the North American Free Trade Agreement have argued that NAFTA was the cause. Balla (1998, 55), for example claims that "without doubt, NAFTA has resulted in a dramatic increase in activity in the maquiladora industry." San Martin (2000, 32A) maintains that "NAFTA continues to drive the growth of the maquiladora industry." Carrada-Bravo (1998, 8) argues that "the acceleration of foreign direct investment under NAFTA also contributed to the creation of more than a half-million new employment opportunities in the U.S.-Mexico border region.... These new jobs, tied to the expansion of the maquiladora industry, (pay more) than those not related to international trade." A post- NAFTA report produced jointly by the Economic Policy Institute and the United States Business and Industrial Council Educational Foundation (1997) claims that "as new and expanded plants are completed in the maquiladora zone..., the bilateral trade deficit should soar ever higher." Even prior to NAFTA, Perot and Choate (1993) were positing that "the flow of U.S. companies voluntarily moving factories to Mexico under the Maquiladora Program threatens to become a flood under NAFTA."3

Andreas Waldkirch, 5-13-2010, "The Effects of Foreign Direct Investment in Mexico since NAFTA," The World Economy Volume 33, Issue 5, https://onlinelibrary.wiley.com/doi/abs/10.1111/j.1467-9701.2009.01244.x //IC

The results are mixed from a welfare perspective. On the one hand, productivity, particularly total factor productivity, appears to be positively affected by FDI, specifically US FDI into non-maquiladora industries. On the other hand, the effect on average compensation per worker is negative or zero at best, depending on the specification, even after controlling for many other determinants of compensation such as capital intensity, scale economies, the composition of the workforce and unobserved heterogeneity at the industry level. Together, these findings suggest that the owners of capital benefit from productivity improvements rather than labour, which is unexpected for a labour-abundant country. **However, there is also some evidence that maquiladora FDI may indeed help dampen income inequality by raising the relative demand for and thus the wages of unskilled workers**

Mike White 2016, Team NAFTA

http://teamnafta.com/manufacturing-resources-pages/2016/4/18/nafta-and-the-maquiladora-program

In Mexico, the export sector is the leading generator of jobs: more than half of the new jobs created between 1994 and 2000 related to export activity. Employment in the maquila sector has been steadily growing and maquiladoras are now responsible for over 15% of Mexico's manufacturing jobs. As of today, the maquiladora industry currently employs 1,137,862 people.

Export-oriented manufacturing jobs pay wages nearly 40% higher than the rest of the manufacturing industry. Mexico's Border States account for most of maquiladora employment, though employment in the interior of Mexico has steadily increased during the last decade. Refer to the following graph from the Federal Reserve Bank of Dallas:

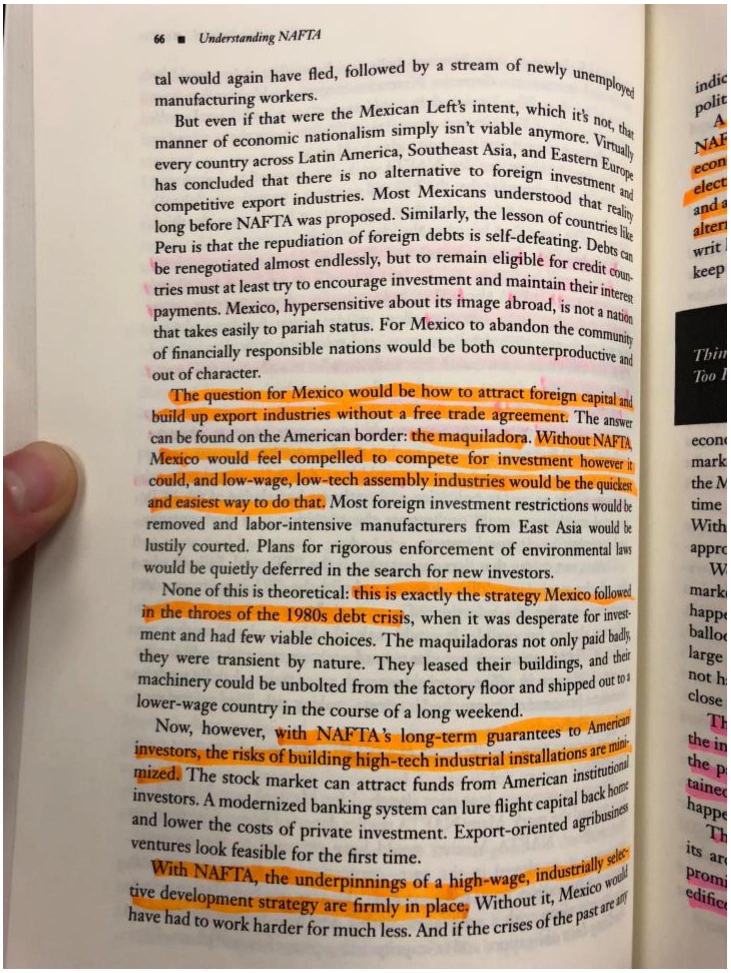
World Trade Organization.

http://carib-export.com/obic/documents/10b_e.pdf

Often, job prospects are better in companies involved in trade. In the United States, 12 million people owe their jobs to exports; 1.3 million of those jobs were created between 1994 and 1998. And those jobs tend to be better-paid with better security. In Mexico, the best jobs are those related to export activities: sectors which export 60 per cent or more of their production, pay wages 39% higher than the rest of the economy and **maquiladora (in-bond assembly) plants pay 3.5 times the Mexican minimum wage**. The facts also show how protectionism hurts employment. The example of the US car industry has already been mentioned: trade barriers designed to protect US jobs by restricting imports from Japan ended up making cars more expensive in the US, so fewer cars were sold and jobs were lost.

Orme, William A. Understanding NAFTA: Mexico, free trade, and the new North America. University of Texas Press, 1996.

<https://books.google.com/books?hl=en&lr=&id=O2wOjChZGs0C&oi=fnd&pg=PR7&dq=mexico+needed+nafta&ots=XWk_bcTquW&sig=fruK6I2-_jsTS0DEFDWuiEMuB64#v=onepage&q&f=false>



66 ■ *Understanding NAFTA*

tal would again have fled, followed by a stream of newly unemployed manufacturing workers.

But even if that were the Mexican Left's intent, which it's not, that manner of economic nationalism simply isn't viable anymore. Virtually every country across Latin America, Southeast Asia, and Eastern Europe has concluded that there is no alternative to foreign investment and competitive export industries. Most Mexicans understood that reality long before NAFTA was proposed. Similarly, the lesson of countries like Peru is that the repudiation of foreign debts is self-defeating. Debts can be renegotiated almost endlessly, but to remain eligible for credit countries must at least try to encourage investment and maintain their interest payments. Mexico, hypersensitive about its image abroad, is not a nation that takes easily to pariah status. For Mexico to abandon the community of financially responsible nations would be both counterproductive and out of character.

The question for Mexico would be how to attract foreign capital and build up export industries without a free trade agreement. The answer can be found on the American border: the maquiladora. Without NAFTA, Mexico would feel compelled to compete for investment however it could, and low-wage, low-tech assembly industries would be the quickest and easiest way to do that. Most foreign investment restrictions would be removed and labor-intensive manufacturers from East Asia would be lustily courted. Plans for rigorous enforcement of environmental laws would be quietly deferred in the search for new investors.

None of this is theoretical: this is exactly the strategy Mexico followed in the throes of the 1980s debt crisis, when it was desperate for investment and had few viable choices. The maquiladoras not only paid badly, they were transient by nature. They leased their buildings, and their machinery could be unbolted from the factory floor and shipped out to a lower-wage country in the course of a long weekend.

Now, however, with NAFTA's long-term guarantees to American investors, the risks of building high-tech industrial installations are minimized. The stock market can attract funds from American institutional investors. A modernized banking system can lure flight capital back home and lower the costs of private investment. Export-oriented agribusiness ventures look feasible for the first time.

With NAFTA, the underpinnings of a high-wage, industrially selective development strategy are firmly in place. Without it, Mexico would have had to work harder for much less. And if the crises of the past are any

Gruben, William C. "Did NAFTA Really Cause Mexico's High Maquiladora Growth?" Center for Latin American Economics. Federal Reserve Bank of Dallas, July 2001. Web. Accessed 6 June 2018. <https://www.dallasfed.org/~/media/documents/research/claepapers/2001/lawp0103.pdf>

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There are reasons why NAFTA might have motivated companies starting or expanding operations in Mexico, but it is also possible that NAFTA might have discouraged maquiladora expansion or even discouraged maquiladora operations in general. On its own, NAFTA has begun to allow U.S.-Mexico production-sharing operations in the maquiladora mode, but without the maquiladora program. By 1999 the majority of imports that used to be processed under the maquiladora program and then entered the United States could enter duty free without the reference to maquiladoras. For this majority, the Automotive Products Trade Act, and duty-free treatment of certain products from all most favored nation (MFN) suppliers, as well as regular or accelerated phase-ins of tariff eliminations under NAFTA could allow as easy entry as what took place via the maquiladora program (see Watkins, 1994a). To the extent that additional paperwork is involved for participation in the maquiladora program, membership in the maquiladora program in the age of NAFTA might seem unnecessarily costly.

Another disincentive to operate under the maquiladora program involves environmental restrictions. In some cases, waste handling and treatment regulations may be interpreted as stricter for maquiladoras than for other Mexican plants making the same products – even though under NAFTA some of these plants would have little difficulty exporting to the United States under levels of protectionism no higher than what the maquiladoras enjoy.7

William C. Gruben 2001, Center for Latin American Economics

https://www.dallasfed.org/~/media/documents/research/claepapers/2001/lawp0103.pdf

In response to widespread arguments in the popular press, and by business and academic writers, that Mexican maquiladoras’ rapid growth since NAFTA is a result of NAFTA ***I have performed extensive econometric tests of the effect of NAFTA on changes in maquiladora employment. The results of these tests are resoundingly negative. NAFTA did not make maquiladoras grow faster. Such effect as NAFTA has on maquiladora growth is negative,*** not positive, but the effect is not significantly different from zero. Accordingly, ***we cannot say that NAFTA has any effect on maquiladoras at all. Instead, the acceleration of maquiladora employment growth from the inception of NAFTA through 1999 can be explained by changes in demand factors*** (as expressed by changes in the U.S. industrial production index) ***and in supply-side/cost factors (as expressed by changes in the ratios of Mexican manufacturing wages to U.S. manufacturing wages and to manufacturing wages in four Asian countries).*** Growth in the U.S. industrial production index over the six years following

NAFTA was roughly three times as rapid than during the six years previous. Likewise, ***<u>Mexico's devaluation of 1994-1995 meant that the ratio of Mexican manufacturing wages to their counterparts in the United States, Hong Kong, Korea, Singapore and Taiwan also was during the first five years of NAFTA far below these ratios during the five years previous to NAFTA.</u>***

A2: Human Rights Conditions

Link Turn Rhetoric

1. Bolle ‘01 of the CRS writes that NAFTA included agreements to ensure enforcement of minimum wage laws among a host of worker protections, *comparatively ensuring Mexicans get fair wages.* As a result, the WTO furthers that maquiladora plants pay 3.5x more than the mexican minimum wage.

Bolle, Mary Jane. "NAFTA labor side agreement: Lessons for the worker rights and fast-track debate." (2001).
<https://digitalcommons.ilr.cornell.edu/cgi/viewcontent.cgi?article=1042&context=key_workplace>
//RJ

The North American Free Trade Agreement (**NAFTA**), between the United States, Mexico, and Canada **was the first trade agreement** ever **linked to worker rights provisions** in a major way. **Its** companion "**side agreement**," the North American Agreement on Labor Cooperation (NAALC, which rhymes with "talc") **went into effect with NAFTA** on January 1, 1994. The NAALC agreement is "broad" in that NAFTA signatories agree to enforce their own labor laws and standards while promoting 11 worker rights principles over the long run. However, under NAALC, **sanctions as an enforcement tool are applicable to** only three of the 11 labor principles (pertaining to **minimum wages**, child labor, and occupational safety and health), and are not applicable to three basic rights: the right to organize, bargain collectively, and strike. NAALC and NAFTA were negotiated by the Administration and approved by Congress under presidential "fast-track" authority — without amendment and with limited debate. This authority which expired in 1994 was included in the Omnibus Trade and Competitiveness Act (OCTA) of 1988. It encouraged the birth of a document such as NAALC when it listed as a principal negotiating objective in trade agreements "to promote respect for worker rights." The 104th Congress considered but failed to pass renewed fast-track authority. In the 105th Congress, H.R. 2621 and S. 1269, both reported out of committee, would have renewed presidential fast-track authority but limited the potential to include worker rights provisions in trade agreements negotiated under fast-track procedures. They would have permitted only worker rights provisions aimed at preventing foreign governments from lowering or "derogating from" their existing domestic labor standards(e.g., child labor standards), in order to attract investment or inhibit international trade.

World Trade Organization.
http://carib-export.com/obic/documents/10b_e.pdf
Often, job prospects are better in companies involved in trade. In the United States, 12 million people owe their jobs to exports; 1.3 million of those jobs were created between 1994 and 1998. And those jobs tend to be better-paid with better security. In Mexico, the best jobs are those related to export activities: sectors which export 60 per cent or more of their production, pay wages 39% higher than the rest of the economy and **maquiladora (in-bond assembly) plants pay 3.5 times the Mexican minimum wage**. The facts also show how protectionism hurts employment. The example of the US car industry has already been mentioned: trade barriers designed to protect US jobs by restricting imports from Japan ended up making cars more expensive in the US, so fewer cars were sold and jobs were lost.

A2: Gender Discrimination

Link Turn Rhetoric

1. Turn it. NAFTA has increased employment opportunities for women overall. Aguayo '10 of the CEPR finds that the industries that have grown the fastest since the implementation of NAFTA have been dominated by women, such as the textile and clothing industries.
2. Turn it. Dell '05 of Oxford University finds that NAFTA led the female labor participation rate to increase in central Mexico, as the demand for low skill female labor rapidly increased. She further notes that increased product market competition from NAFTA empirically reduced employer discrimination against women.

Cards:

Aguayo, Ernesto. "Did trade liberalisation benefit women? The case of Mexico in the 1990s", 24 Aug 2010, CEPR, https://voxeu.org/article/does-tradeliberalisation-empower-women-evidence-1990s-mexico

Manufacturing employment was overall unchanged, but within manufacturing female-intensive industries, such as textiles, clothing, and computers and electronics, increased in size. One method of summarising these changes is to calculate "between-industry" and "within-industry" changes in female share (see paper for details). For example, tariff reductions associated with NAFTA may have increased the relative size of the manufacturing export sector that has a higher concentration of female workers. We report these between and within-industry shifts in Table 2. Table 2 shows that the wage bill share of women increased 5.3 percentage points overall between 1990 and 2000. Women's employment share increased approximately the same amount, indicating that most of the relative gain for women came through employment and not wages. Between-industry shifts account for about 40% of the total change in wage bill share, and 32% of the change in employment share. In other words, the between-industry component – which is consistent with trade-based explanations – can potentially explain a large amount of the total change. Further analysis comparing across industries shows that tariff cuts and exports were positively related to industry growth. **Women benefited since some of the fastest growing industries were female-intensive industries such as textiles and clothing.** While tariff cuts alone cannot explain the rapid decline, women also benefited, in a relative sense, from the rapidly shrinking agricultural sector. ***jackiehenley***

Dell, Melissa. "Widening the Border: The Impact of NAFTA on Female Labor Force Participation in Mexico", Oxford University, December 2005, http://citeseerx.ist.psu.edu/viewdoc/download;jsessionid=EBEB12B599BBF93A6 AE2AB6AADC364CF?doi=10.1.1.190.2623&rep=rep1&type=pdf

NAFTA led the female labor participation rate to increase in central Mexico, where industries shifted from operating in a protected, import-competing environment to one that was export-oriented. The Heckscher-Ohlin (HO) theorem offers an explanation of why this occurred, which this paper's empirical analysis supports. As predicted by HO, **industries intensive in low skill female (LSF) labor, Mexico's abundant factor, expanded more rapidly after NAFTA than non-LSF intensive industries, increasing demand for female labor in central Mexico. In addition, this study finds evidence that increased product market competition resulting from NAFTA reduced employer discrimination against women,** increasing the percentage of employees who were female in concentrated relative to competitive industries. This phenomenon is termed the Becker effect. There is little evidence that increased FDI affected female employment.***jackiehenley***

<u>*Mexican Agricultural Industry</u>

<u>A2: Agriculture (General)</u>

Link Defense Rhetoric

1. <u>Fiess '04 of the World Bank</u> writes that prices were already falling prior to NAFTA because of international prices, indicating that NAFTA cannot be blamed for the failure of the agricultural industry.
2. Nonunique: <u>Carlsen '3 of the Americas Policy Report</u> outlines two reasons why American agribusinesses will outcompete Mexican farmers with or without NAFTA.
    a. American agribusinesses enjoy subsidies allowing them to price crops lower than Mexican farmers can match. This occurs independent of NAFTA, because Mexican government programs to help farmers have disappeared because they have followed IMF prescriptions.
    b. American agribusinesses enjoy larger economies of scale that improve efficiency in production, preventing Mexican farmers from competing.
3. Non-unique; the problem derives from Mexican policy in two ways.
    a. <u>Uchitelle '07 of the New York Times</u> outlines that Mexico lowered tariffs more than NAFTA requires, indicating that the impact derived from bad Mexican governmental policy, not NAFTA.
    b. <u>Lederman '05 of Stanford University</u> writes that NAFTA enables Mexico to use anti-dumping tariffs to prevent dumping, *but Mexico just chooses not to use them.*
4. Delink; <u>Lederman</u> furthers that aggregate demand increased for agricultural goods in both the US and Mexico, allowing for simultaneous increases in both Mexican production and imports. Specifically, <u>Nadal '04 of Tufts University</u> writes that the percentage increase in corn imports reflected not a decrease of domestic production but an increase in demand for yellow corn to feed livestock.
5. Delink: <u>The Peterson Institute of International Economics</u> explains US corn exported to Mexico (the yellow variety) is predominantly consumed by animals, whereas most corn grown in Mexico (the white variety) is largely consumed by people (like tortillas). Huge US exports of yellow corn have enabled Mexicans to sharply increase the share of chicken and beef in their daily diet. It has not replaced white corn.

Contract Farming Advantage Rhetoric

1. <u>Huacuja '09 of the National Autonomous University of Mexico</u> writes that the introduction of agribusinesses into Mexico has resulted in contract farming becoming the majority form of agriculture for a multitude of crops. Critically, <u>Key of the World Development Bank</u> writes that these contracts significantly raise the income of farmers by teaching them how and giving them

technology to transition to cash crops. Henderson ‘10 of the Agricultural and Applied Economics Association explains that while Southern Mexico had already been growing cash crops, NAFTA has decreased noncompetitive staple crop production by 7.7%, while allowing for a pivot to exportable cash crops. That’s why Henderson concludes that since NAFTA, Mexico’s agricultural exports increased by 299%

Cards:

Fiess, Norbert, and Daniel Lederman. "Mexican corn: The effects of NAFTA." Washington, DC, The World Bank–International Trade Department, Informe Comercial 18 (2004). <http://siteresources.worldbank.org/INTRANETTRADE/Resources/Pubs/TradeNote18.pdf>

We now have three studies that examine the price trends for Mexican corn in comparisons with US prices (Yúnez-Naude 2002; Yúnez-Naude and Becerrias 2003; and Puyana and Romero 2004). **They all point to the same conclusion** if from different angles: **The decline of Mexican corn prices was a long term trend that preceded NAFTA**, and the US-Mexico maize-producer price differential did not change significantly after 1994. Government producer-price subsidies actually kept such prices above what would have been the case under NAFTA without domestic price subsidies. Consequently, **NAFTA can not be held responsible for the poverty that characterizes subsistence agriculture, and further protectionism might not help fight rural poverty in Mexico.**

Carlsen, Laura. "The Mexican farmers' movement: Exposing the myths of free trade." Americas program policy report 26 (2003). <https://www.iatp.org/documents/mexican-farmers-movement-exposing-the-myths-of-free-trade-the> //RJ

There's a name for this-**dumping**-and it **is supposedly prohibited under** both **NAFTA** and World Trade Organization (WTO) rules. According to the above calculations, the over five million tons of U.S. corn sold in Mexico in 2001 carried a dumping margin of 25%. Analyses from past years show dumping margins of over 30%. **Dumped U.S. surpluses erode producer prices**; **the value of Mexican corn dropped 64%** between 1985 (**when Mexico signed the General Agreement on Tariffs and Trade**—GATT) and 1999. They also leave Mexican producers without a market. The United Nations Development Program estimates that worldwide **U.S farm subsidies cost poor countries about $50 billion a year in lost agricultural exports. Mexican farmers cannot** and should not be forced to **compete with grains sold at less than U.S. production costs. They lack credit, economy of scale,** fertilizers, chemical weed and pest controls, farm **equipment and**, most importantly, significant **government supports. As U.S. farm support increases, Mexican government programs have followed IMF prescriptions and all but disappeared.** During the period from 1990 to 1994, Mexican farmers received 33.2% of their yearly income from the government. For 1995 to 2001, that figure had dropped to 13.2%.

Lederman, Daniel, et al. *Lessons from NAFTA for Latin America and the Caribbean*. Stanford University Press, 2005. <https://publications.iadb.org/bitstream/handle/11319/345/9780821358139.pdf?sequence=1>

Furthermore, the limited available evidence at a microeconomic level suggests that **subsistence farmers were substantially less affected by NAFTA than was expected**. For example, **NAFTA calls for a gradual** (15-year) **phase-out of price supports for corn staples**. Taylor (2001) undertook some simulations of the impact this phase-out would have and then compared it with detailed surveys at the village level in Michoacan. When perfect integration of the small farmer economy with the national and international market is analyzed in a village-level computable general equilibrium model, the 18 percent real drop in the support price for white corn between 1994 and 1997 was predicted to lead to a 26 percent fall in output and a 4 percent increase in migration to the United States. In fact, **corn output declined only slightly, from 18.13 to 18.02 million metric tons, and neither rural incomes nor migration to the United States were greatly affected** (see chapter 4). Taylor argued that **the reason for these results is that rural campesino communities are much more diversified than was thought and they face very high transaction costs getting their crops to market, which prompts local rather**

than international price determination (Taylor 2001).67 Simulating in the model **this relative isolation from the market by allowing prices to be determined locally, production actually increased because of the effects on consumption of the transfer from PROCAMPO**.

Uchitelle, Louis. "Nafta Should Have Stopped Illegal Immigration, Right?" New York Times. New York Times, 18 February 2007. Web. Accessed 3 June 2018. <https://www.nytimes.com/2007/02/18/weekinreview/18uchitelle.html>

"The main thing that would have stemmed the flow of people across the border was a rapid increase in wages in Mexico," said Dani Rodrik, an economist and trade specialist at Harvard's John F. Kennedy School of Government. "And that certainly has not happened." Something similar occurred in agriculture. The assumption was that tens of thousands of farmers who cultivated corn would act "rationally" and continue farming, even as less expensive corn imported from the United States flooded the market. The farmers, it was assumed, would switch to growing strawberries and vegetables — with some help from foreign investment — and then export these crops to the United States. Instead, the farmers exported themselves, partly because the Mexican government decided to reduce tariffs on corn even faster than Nafta required, according to Philip Martin, an agricultural economist at the University of California, Davis. "We understood that the transition from corn to strawberries would not be smooth," Professor Martin said. "But we did not think there would be almost no transition."

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Moreover, **all member countries have continued to use AD/CVDs according to their own national trade laws**. In addition, **NAFTA allows the use of temporary safeguard duties when sudden import surges disrupt domestic production. For example**, since January 2003 **Mexico has imposed temporary taxes on poultry imports** from the United States. Besides trade-related measures, **NAFTA includes a variety of provisions affecting investment flows, financial and other services, government procurement, and the protection of intellectual property rights.** A full review of all these provisions is beyond the scope of this book. However, it is worth highlighting that the agreement did not establish a fully liberalized financial system, for example. In fact, even in banking the text provided for very limited foreign penetration of the domestic market via foreign direct investment up to a maximum of 25 percent of the banking system's aggregate capital, whereas it did establish an open capital account for cross-border financial services.2 But even regarding the latter, **Mexico had already unilaterally opened its capital account prior to the implementation of NAFTA in 1994** and thus it is not obvious that the agreement had any additional impact via the liberalization of the capital account.

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Contrary to some predictions, **NAFTA has not had a devastating effect on Mexico's agriculture**. In fact, **both domestic production and trade in agricultural goods rose during the NAFTA years** (see chapter 3) (figure 1.5). The more challenging question is why NAFTA did not have the expected negative consequences. We offer three arguments. First, **aggregate demand in Mexico and the United States grew** in the latter half of the 1990s, thus **allowing for simultaneous increases in Mexican production and imports**. Second, some segments of **Mexican agriculture experienced increases in land productivity**. **This was the case for irrigated lands**, but not for rain-fed lands. Third, whereas the total amount of subsidies and income support for traditional agriculture did not rise during the NAFTA period, **Mexico's unilateral reforms did entail an improvement in the efficiency of such subsidies**. In particular, Programa para el Campo

(**PROCAMPO**), which **delinked the amount of public support from current and future production decisions**, **became the main source of income support provided by the government for farmers who had historically produced traditional crops** such as maize and other grains.

Nadal, Alejandro. "The Environmental Costs of Agricultural Trade Liberalization: Mexico-U.S. Maize Trade Under NAFTA". Tufts University. 2004.
<https://ase.tufts.edu/gdae/Pubs/rp/DP04NadalWiseJuly04.pdf>
This shift in production – from Mexico to the US – was more significant for Mexico than for the US. For Mexico, imports rose from 8.9% of total corn consumption in the preNAFTA period to 21.3%. In fact, **the change was less a shift of production than a capturing of rising Mexican demand by US producers**. As Figure 1 shows, **Mexican maize production in this period did not decrease but stagnated at 18-19 million tons**. **The rise in imports fed increasing demand primarily for yellow corn for feed for a growing livestock industry, corn sweetener for an expanding beverage industry, and flour for the increasing production of processed foods** (Nadal 2002). The growth in all these industries was related to growing trade relations with the US, stimulated in part by NAFTA.

Peterson Institute for International Economics. "NAFTA 20 YEARS LATER." (2014).
https://piie.com/publications/briefings/piieb14-3.pdf

First, **US corn exported to Mexico** (the yellow variety) **is predominantly consumed by animals, whereas most corn grown in Mexico** (the white variety) **is largely consumed by people** (tortillas and the like). **Huge US exports of yellow corn have enabled Mexicans to sharply increase the share of chicken and beef in their daily diet. It has not replaced white corn**. Second, as in other emerging countries, **the Mexican population is moving from the countryside to cities**. Rural life in most of Mexico is harsh, and incomes are barely 50 percent of the urban average according to 2012 statistics from Mexico's National Institute of Statistics and Geography.31 However, **in the NAFTA era, the rate of rural-to-urban migration has actually decelerated**. In the 20 years between 1970 and 1990, the rural share of the Mexican population dropped 15 percentage points, from 42 to 27 percent. In the 20 years between 1990 and 2010 (the NAFTA era), the decline was only 5 percentage points, from 27 to 22 percent. Third, **to maintain rural incomes, the Mexican government has consistently supported the price of white corn with subsidies for farmers**. In recent years, the average wholesale price of white corn in major producing states ranged from $5.30 per bushel in 2000 to $9.68 per bushel in 2013.32 One consequence is that **the area under corn cultivation in Mexico has declined only modestly in the NAFTA era, despite predictions that these areas would be wiped out**. In 1994, Canada, the United States, and Mexico cultivated 1.0, 29.3, and 8.0 million hectares of corn, respectively. By 2013, these fi gures reached 1.5 million hectares for Canada, 35.5 million for the United States, and 6.8 million for Mexico.33 Mexican cultivation decreased modestly, but the big expansion of US corn cultivation refl ects the ethanol mandate—which in turn raised the global price of corn—not exports to Mexico.

Huacuja, Flavia Echánove. "Agribusiness and Contract Farming: the Case of Small-Scale Cucumber Producers in Mexico." Ibero-americana 39.1/2 (2009): 75.
<http://www.lai.su.se/polopoly_fs/1.254236.1446468247!/menu/standard/file/09-Flavia.pdf> //RJ

Despite the great variety of agreements or contracts existing between producers and buyers, it is common for the former to provide land and labor, while the latter supply seeds, chemical supplies, and/or technical advice on credit (Raynolds 2002:784; Echánove and Steffen 2005). Product prices are not always established up front in the contracts, however, what is inherent in contract farming is that buyers directly or indirectly control agricultural production processes (Watts 1994:26-28; Raynolds 2000:441), which differentiates it from other types of contractual relationships, such as sharecropping and purchase-sale agreements. **Contract farming has expanded in recent decades**, as has been described by several authors (Masakure and Henson 2005; Saenz and Ruben 2004; Little and Watts 1994; Raynolds 2000, 2002; Dolan and Humphrey 2000). **In Mexico, that regimen prevails in the production of tobacco, grain seed, barley, yellow corn, sorghum, wheat, and fruit and vegetable crops for export.** It also preponderates with respect to chicken and pig fattening. Unfortunately, there are few studies on the subject that refer to the cases of grains and tobacco, so taking into account what happens in the field of vegetables is extremely important. In particular, the case study presented here concerning pickling cucumbers is representative of the exports of nontraditional products that have increased greatly in recent years. It is also particularly interesting because the product is cultivated on family farms or similar small producers and since it is a labor-intensive crop with significance regarding employment.

Key, Nigel, and David Runsten. "Contract farming, smallholders, and rural development in Latin America: the organization of agroprocessing firms and the scale of outgrower production." World development 27.2 (1999): 381-401. <https://www.sciencedirect.com/science/article/pii/S0305750X98001442> //RJ

Contract farming has been discussed as having **the potential to incorporate low-income growers into the modern sector.** It has been argued that **agroindustrial firms can provide via contracts the credit, inputs, information, and services smallholders need to cultivate and market lucrative** nontraditional **crops** (Morrissy, 1974; Glover, 1984; Goldsmith, 1985; Williams and Karen, 1985). **In addition to raising the incomes of growers, contract farming may also create positive multiplier effects for employment, infrastructure, and market development in the local economy.** The potential benefits of contract farming are being given renewed attention in the wake of economic reforms that have reduced public expenditures for credit programs, staple crop price supports, input subsidies, and government research and extension programs (Dirven, 1996; Schejtman, 1996).

A2: Dumping

Link Defense Rhetoric

1. Non-unique; the problem derives from Mexican policy in two ways.
    a. Uchitelle '07 of the New York Times outlines that Mexico lowered tariffs more than NAFTA requires, indicating that the impact derived from bad Mexican governmental policy, not NAFTA.
    b. Lederman '05 of Stanford University writes that NAFTA enables Mexico to use anti-dumping tariffs to prevent dumping, *but Mexico just chooses not to use them.*
2. Delink; Fiess '04 of the World Bank writes that prices were already falling prior to NAFTA because of international prices, indicating that NAFTA cannot be blamed for the failure of the agricultural industry.
3. Delink; Lederman furthers that aggregate demand increased for agricultural goods in both the US and Mexico, allowing for simultaneous increases in both Mexican production and imports. Specifically, Nadal '04 of Tufts University writes that the percentage increase in corn imports reflected not a decrease of domestic production but an increase in demand for yellow corn to feed livestock.
4. Delink: The Peterson Institute of International Economics explains US corn exported to Mexico (the yellow variety) is predominantly consumed by animals, whereas most corn grown in Mexico (the white variety) is largely consumed by people (like tortillas). Huge US exports of yellow corn have enabled Mexicans to sharply increase the share of chicken and beef in their daily diet. It has not replaced white corn.

Cards:

Uchitelle, Louis. “Nafta Should Have Stopped Illegal Immigration, Right?” New York Times. New York Times, 18 February 2007. Web. Accessed 3 June 2018. <https://www.nytimes.com/2007/02/18/weekinreview/18uchitelle.html>

“The main thing that would have stemmed the flow of people across the border was a rapid increase in wages in Mexico,” said Dani Rodrik, an economist and trade specialist at Harvard’s John F. Kennedy School of Government. “And that certainly has not happened.” Something similar occurred in agriculture. The assumption was that tens of thousands of farmers who cultivated corn would act “rationally” and continue farming, even as less expensive corn imported from the United States flooded the market. The farmers, it was assumed, would switch to growing strawberries and vegetables — with some help from foreign investment — and then export these crops to the United States. Instead, the farmers exported themselves, partly because the Mexican government decided to reduce tariffs on corn even faster than Nafta required, according to Philip Martin, an agricultural economist at the University of California, Davis. “We understood that the transition from corn to strawberries would not be smooth,” Professor Martin said. “But we did not think there would be almost no transition.”

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https://publications.iadb.org/bitstream/handle/11319/345/9780821358139.pdf?sequence=1
Moreover, **all member countries have continued to use AD/CVDs according to their own national trade laws**. In addition, **NAFTA allows the use of temporary safeguard duties when sudden import surges disrupt domestic production. For example**, since January 2003 **Mexico has imposed temporary taxes on poultry imports** from the United States. Besides trade-related measures, **NAFTA includes a variety of provisions affecting investment flows, financial and other services, government procurement, and the protection of intellectual property rights.** A full review of all these provisions is beyond the scope of this book. However, it is worth highlighting that the agreement did not establish a fully liberalized financial system, for example. In fact, even in banking the text provided for very limited foreign penetration of the domestic market via foreign direct investment up to a maximum of 25 percent of the banking system’s aggregate capital, whereas it did establish an open capital account for cross-border financial services.2 But even regarding the latter, **Mexico had already unilaterally opened its capital account prior to the implementation of NAFTA in 1994** and thus it is not obvious that the agreement had any additional impact via the liberalization of the capital account.

Fiess, Norbert, and Daniel Lederman. "Mexican corn: The effects of NAFTA." Washington, DC, The World Bank–International Trade Department, Informe Comercial 18 (2004). <http://siteresources.worldbank.org/INTRANETTRADE/Resources/Pubs/TradeNote18.pdf>

We now have three studies that examine the price trends for Mexican corn in comparisons with US prices (Yúnez-Naude 2002; Yúnez-Naude and Becerrias 2003; and Puyana and Romero 2004). **They all point to the same conclusion** if from different angles: **The decline of Mexican corn prices was a long term trend that preceded NAFTA**, and the US-Mexico maize-producer price differential did not change significantly after 1994. Government producer-price subsidies actually kept such prices above what would have been the case under NAFTA without domestic price subsidies. Consequently, **NAFTA can not be held responsible for the poverty that characterizes subsistence agriculture, and further protectionism might not help fight rural poverty in Mexico.**

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A2: Agricultural Monopolies

Contract Farming Advantage Rhetoric

1. Huacuja ‘09 of the National Autonomous University of Mexico writes that the introduction of agribusinesses into Mexico has resulted in contract farming becoming the majority form of agriculture for a multitude of crops. Critically, Key of the World Development Bank writes that these contracts significantly raise the income of farmers by teaching them how and giving them technology to transition to cash crops. Henderson ‘10 of the Agricultural and Applied Economics Association explains that while Southern Mexico had already been growing cash crops, NAFTA has decreased noncompetitive staple crop production by 7.7%, while allowing for a pivot to exportable cash crops. That’s why Henderson concludes that since NAFTA, Mexico’s agricultural exports increased by 299%

Huacuja, Flavia Echánove. "Agribusiness and Contract Farming: the Case of Small-Scale Cucumber Producers in Mexico." Ibero-americana 39.1/2 (2009): 75. <http://www.lai.su.se/polopoly_fs/1.254236.1446468247!/menu/standard/file/09-Flavia.pdf> //RJ

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Henderson, Joanna, Kathy Baylis, and Jason Barton. "Conversion from Staple to Cash Crop Production in Mexico After NAFTA: Effects of PROCAMPO and Credit Constraints." Agricultural & Applied Economics Association. AgEcon, 25 July 2010. Web. Accessed 3 June 2018. <https://ageconsearch.umn.edu/record/61525/files/AAEA_11727.pdf> //RJ

In our RE model the overall effect after NAFTA is significant. **After NAFTA,** at the average of our interaction variables, **staple crop production decreases by 7.7%.** Similar to the results of our FE model, population does not appear to have that much greater of an effect after NAFTA. Additionally wages, appear to have less of an effect after NAFTA. Taken together **this** once again **supports the idea that producers are switching to cash crops** not based on local market demand, but **based on the new markets in the US and Canada.** The effect of distance is actually negative before NAFTA, we believe this may be in part due to the fact that there are areas in **the southern-most part of Mexico** that **have traditionally produced items that would be consider cash crops,** such as coffee and citrus. They already produced these **prior to NAFTA due to having the right climate and land quality. Other than this region, most of Mexico was producing staple crops.** This explanation may help account for why areas further from the border were producing less staple crops prior to NAFTA. After NAFTA the distance coefficient does become positive and for a 1% increase in distance from the US border there is a 4.6% increase in staple crop production. This effect is similar to that reported by the FE model.

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To benefit from trade, producers need access to credit to make changes in crop choice in response to changes in relative prices. The expectation was that **if agricultural producers could produce higher value crops for the export market, their incomes would increase. We have seen evidence of this effect as Mexico's**

trade in agricultural products with the United States and Canada has steadily grown in the past fifteen years. According to the U.S. Department of Agriculture (USDA), **Mexico's average total exports** to the United States in the period between 1991 and 1993 were $2.5 billion U.S. dollars. By 2006-08 the average amount of exports to the United States was $10.2 billion U.S. dollars, which **is a 299% increase from the period before NAFTA was implemented** (Zahniser 2009, 47). The full effect of these changes on individual agricultural producers, specifically the rural poor, is more difficult to determine.

A2: American Agriculture

Link Turn Rhetoric

1. Turn it. Skunes ‘18 of the Hill writes that because of the free markets provided by free trade, agricultural exports to Canada and Mexico from the United States have increased by 450 percent.

CARDS:

Skunes, Kevin. "NAFTA Has Helped Grow American Agriculture for Two Decades." TheHill, The Hill, 23 Jan. 2018, thehill.com/opinion/energy-environment/370363- nafta-has-helped-grow-american-agriculture-for-two-decades.

America's agriculture industry has benefited from significant improvements in recent years, touching virtually every aspect of a modern farming operation. These upgrades have ranged from the use of global positioning satellites (GPS) that allow for more precise operations to new seeds that better resist droughts. **But it is hard to imagine that anything has been as important to America's agricultural community over the last two decades than the sustained success provided by the North American Free Trade Agreement (NAFTA).** Among NAFTA's many accomplishments, **it has opened markets in Canada and Mexico to American farmers that would otherwise be closed completely** or complicated by needless barriers. In 2016 alone, **this resulted in $43 billion worth of food and agricultural goods being exported to Mexico and Canada, making those countries the largest export markets for American agriculture**. The growth driven by NAFTA has been nothing short of amazing. **Agricultural exports from the United States to these two countries have grown by 450 percent since 1994 and Mexico is now the top export destination for a long list of U.S.-grown products**, including beef, rice, soybean meal, corn sweeteners and apples. With record yields being produced across the United States, we've needed access to export markets more than ever and NAFTA has met the challenge. The benefits of NAFTA are seen across various sectors within the American economy, however. For example, post-NAFTA, the U.S. food and agriculture industries have flourished and now support more than 43 million jobs and economists say NAFTA has boosted the U.S. economy by $127 billion annually. The benefits are wide-ranging, extending down to American consumers who pay less at the store for everything from avocados to televisions thanks to this trade agreement. But as with anything that is over 20 years old, improvements can be made to NAFTA to modernize and optimize it for a changing economy. To that end, President Trump campaigned on improving America's trade deals and his administration has already entered into negotiations with our neighbors to make improvements to NAFTA.

jackiehenley

A2: Overproduction

Link Defense Rhetoric

1. Delink; Lederman '05 of Stanford University writes that international prices were in free fall before 1994, concluding that any harms to farmers because of falling prices can't be blamed on NAFTA.

Cheaper Food Advantage Rhetoric

1. Lederman indicates that falling prices of food was better for farmers because they were able to afford more food for the same amount of money.

Cards:

Lederman, Daniel, et al. *Lessons from NAFTA for Latin America and the Caribbean*. Stanford University Press, 2005. //RJ
https://publications.iadb.org/bitstream/handle/11319/345/9780821358139.pdf?sequence=1

A word of caution is required for making conclusions about the income effects of NAFTA based on the aforementioned evidence concerning volumes of production. This is so because the relative prices for producers of import-sensitive commodities fell in Mexico during the 1990s. These declines in relative prices imply that agricultural incomes fell for some farmers during this period. However, **the relative prices of agricultural commodities in Mexico were falling well before NAFTA— as early as the 1980s**. For example, **between 1987 and 1994, the relative price of maize for Mexican producers fell by almost 50 percent** according to data provided by Yúnez-Naude and Barceinas (2003). In turn, in the equivalent seven-year period after NAFTA implementation, between 1994 and 2001, this relative price fell by about 43 percent. Thus, incomes derived from maize production fell during NAFTA, primarily because of the relative price decline. But **this decline began well before 1994**, and Yúnez-Naude and Barceinas (2003) reported econometric results indicating that **the behavior of Mexican agricultural prices did not change significantly after 1994**. Moreover, Yúnez-Naude (2002, table 5) also reported that **the portion of the variation in the relative price of maize resulting from policy interventions was actually positive, whereas the decline after 1993 resulted from the movement in international prices.** Thus **it is difficult to blame NAFTA for any income losses arising from the behavior of the relative price of maize**.16 In chapter 5 we discuss the evolution of agricultural employment, which also experienced a secular decline dating back at least to 1980. Finally, it is worth noting that **the Mexican government implemented a series of agricultural support policies** during this time period, some of **which insulated producers from the price fluctuations**. The following section examines this and other potential explanations for the surprising resiliency of Mexican agriculture.

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In the third section of this chapter we deal with the impact of NAFTA on Mexico's agricultural sector and examine the extent to which this sector has been liberalized since the early 1990s. The main findings are that NAFTA-related liberalization of agricultural trade has been notable despite the barriers that have not yet been phased out. However, substantial subsidies are offered to farmers in all three NAFTA countries. In terms of economic performance of the sector, **Mexican crop agriculture has not been devastated by this liberalization**, as was expected prior to NAFTA implementation. **This positive** sectoral **result** probably **arose from a combination of factors, including the growth of the U.S. and Mexican economies** during 1996–2000, **the productivity improvements in Mexican agriculture** based on irrigated land, **and** possibly **because of the existing income support subsidies under PROCAMPO** (Programa Nacional de Modernizacion del Campo) and the Alianza para el Campo (Alliance for the Countryside) programs. Moreover, **the poorest farmers have not been negatively affected by NAFTA** primarily **because these small farmers produce maize and other crops for subsistence and** thus **do not sell their products in the market**. In fact, **they** might **have benefited from falling prices of food** staples because **these poor farmers are net consumers of food**.

A2: Obesity

Link Defense Rhetoric (General)

1. Delink- Neidenbach '17 of Medium writes that when controlling for confounding variables, it's found that rapid income growth and a more sedentary urban lifestyle among consumers is what catalyzed the precipitous drop in health. This is why Taiwan, a country not participating in American trade deals, is in an identical situation to Mexico in regards to obesity: because it was caused by large scale modernization of the economy.

Link Defense Rhetoric (Soda)

1. Delink- Dr. Salvador Villalpando, a childhood obesity expert at Mexico City's children's hospital explains in 2017 that
    a. the trend towards sodas is a cultural one, not due to a lack of clean water access.
    b. sodas only account for 5% of Mexico's calorie consumption and can thus not be blamed for the health crisis

Cards

Neidenbach, Stephen. “No, NAFTA is not the cause of obesity and diabetes in Mexico.” Medium Magazine. May 1st, 2017.
Certainly calorie dense foods imported into Mexico from the United States has not slowed down the rise in obesity there. In The United States of Excess: Gluttony and the Dark Side of American Excess, Wellesley College political science professor Robert Paarlberg explains why there is much more to this. …**the primary driver is rapid income growth and a more sedentary urban lifestyle among the local consumers within these countries.** These consumers are becoming more like us, but not because of us. **Mexico and Thailand both urbanized rapidly in the 1990s, quickly producing a large, young, and more prosperous customer base for unhealthy food.** This urbanization was discussed in another article from DallasNews.com. Although the emptying of the countryside began decades ago, historian Jean Meyer said urbanization continues to intensify because of job creation resulting from economic globalization and Mexico’s entry into the free trade agreement with the United States and Canada. **So when Galvez and Freudenberg argue that NAFTA should be altered to benefit “small-scale farmers”, they are really arguing against modernization in Mexico.** Subsistence farmers tend to have more children with less access to education, creating a poverty cycle. Such desperate people are more likely to become refugees during rough times and be in more need of foreign aid. Instead the growing economy helped lower the birth rate by 38 percent between 1990 and 2010.

Katy Watson and Sarah Treanor, 2-2-2016, "The Mexicans dying for a fizzy drink," BBC News, Dr Salvador Villalpando, a childhood obesity specialist at the Federico Gomez children's hospital in Mexico City.
https://www.bbc.com/news/magazine-35461270
The problem is aggravated by the fact that children are often short, their development sometimes hindered both physically and mentally by a diet high in junk food and low in nutrients. **Although the country's appetite for sugary drinks has sometimes been put down to the lack of clean water in some parts of the country, Villalpando disagrees.**
"It's cultural," he says. "Mexican mums like having chubby kids in their homes as it shows they're feeding them properly. And they are so used to feeding them sodas, they don't stop even when there is clean water."The children coming to his clinic often show early signs of diabetes - patches of dark skin on their necks and regular spikes in their blood sugar levels. Children with pre-diabetes cannot process sugar in the same way as healthy children and after consuming sugary food or drink their blood sugar rises dramatically. The drinks industry disputes these figures, however. "We did an analysis with the National Institute of Statistics and Geography and what we have, until June 2015, is that consumption and sales have been affected by 1% or 2%," says Jorge Terrazas of Mexico's bottled drinks industry body, Anprac. **He adds that fizzy drinks only account for 5.6% of Mexico's average calorie consumption so can only be a small part of the solution to obesity and diabetes.** No data has yet been published that would indicate whether the tax is having an effect on Mexicans' health. But Dr Miguel Messmacher, under-secretary of revenues at Mexico's Ministry of Finance, says he is in no doubt that it is working.

*Environment

A2: Environment General

Link Defense Rhetoric

1. SQUO Solves- DW reports that leaders of Mexico, Canada and the US have set movements for renewables through NAFTA, and to increase renewable energy to 50%. *The best way for Mexico to achieve better climate standards is through cooperation and specific strategies that have been set as a group.*

Link Turn Rhetoric

1. Orme of the University of Texas writes NAFTA opened up Mexican environmental conditions to environmentalist activists in other North American countries. As a result, he furthers that Mexico has already forced Mexico to develop a clean-up plan for industrial contamination, shutting down polluting factories and signing onto international conservation accords.
2. Fitzgerald '18 of the Heritage Foundation writes that since NAFTA, Mexico has adopted environmental policies that resemble those in America and Canada, concluding that NAFTA changed the way Mexico approached environmentalism.

Green Tech Advantage Rhetoric

1. Alam '10 of the University of Karachi reports that globalization can provide developing countries with the incentive and access to technologies which offer cleaner means to produce a good. That's why a study of 50 countries found that open economies are 17% less pollution-intensive than closed economies in the steel sector.

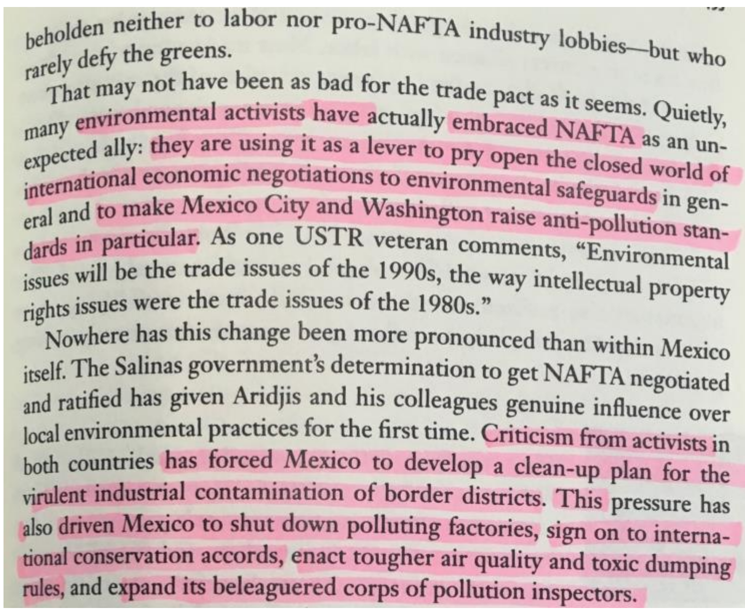
Cards:

DW. "NAFTA Leaders Target 50% Renewable Energy Sources By 2025 | DW | 29.06.2016." DW.COM, 2016, http://www.dw.com/en/nafta-leaders-target-50-renewable-energy-sources-by-2025/a-19365661.

US President Barack Obama, Canadian PM Justin Trudeau and Mexican President Enrique Pena Nieto have said **they will aim to make renewable sources of energy amount to 50 percent of North America's electricity by 2025.** Meeting in Ottawa, the Canadian capital, **the three NAFTA (North American Free Trade Agreement) leaders agreed to up the renewable energy sourcing target from the 37 percent agreed in 2015.** Obama adviser Brian Deese said **this was an unprecedented effort to develop a continent wide strategy on climate change** and that the US has the tools it needs, including tax credits for renewables, to reach the target. **A joint statement** also pledged **the three countries to accelerate cross-border transmission projects, strengthen energy efficiency standards and emphasize more efficient products and cleaner vehicles in government purchases.** "North America has the capacity, resources and the moral imperative to build on that agreement," the statement read.

Orme, William A. Understanding NAFTA: Mexico, free trade, and the new North America. University of Texas Press, 1996. Pg. 153

<https://books.google.com/books?hl=en&lr=&id=O2wOjChZGs0C&oi=fnd&pg=PR7&dq=mexico+needed+nafta&ots=XWk_bcTquW&sig=fruK6I2-_jsTS0DEFDWuiEMuB64#v=onepage&q&f=false>



beholden neither to labor nor pro-NAFTA industry lobbies—but who rarely defy the greens.

That may not have been as bad for the trade pact as it seems. Quietly, many environmental activists have actually embraced NAFTA as an unexpected ally: they are using it as a lever to pry open the closed world of international economic negotiations to environmental safeguards in general and to make Mexico City and Washington raise anti-pollution standards in particular. As one USTR veteran comments, "Environmental issues will be the trade issues of the 1990s, the way intellectual property rights issues were the trade issues of the 1980s."

Nowhere has this change been more pronounced than within Mexico itself. The Salinas government's determination to get NAFTA negotiated and ratified has given Aridjis and his colleagues genuine influence over local environmental practices for the first time. Criticism from activists in both countries has forced Mexico to develop a clean-up plan for the virulent industrial contamination of border districts. This pressure has also driven Mexico to shut down polluting factories, sign on to international conservation accords, enact tougher air quality and toxic dumping rules, and expand its beleaguered corps of pollution inspectors.

Fitzgerald, Sara. "The Effects Of NAFTA On Exports, Jobs, And The Environment: Myth Vs. Reality." The Heritage Foundation, 2018,https://www.heritage.org/trade/report/the-effects-nafta-exports-jobs-and-the-environment-myth-vs-reality.

According to Tiahoga Ruge of the North American Centre for Environmental Information and Communication, **"NAFTA has brought the environment into the mainstream in Mexico, as something to be taken seriously."**13 **NAFTA's side agreements have focused attention on significant environmental concerns**: **Since NAFTA was implemented, Mexico has taken the initiative to pass environmental laws similar to those of the United States and Canada**. The North American Agreement on Environmental Cooperation **(NAAEC)**, **NAFTA's**

supplemental agreement on the environment, **promotes development through mutually supportive environmental and economic policies**. **It also created the Commission for Environmental Cooperation (CEC) to protect, conserve, and improve the environment. The NAFTA agreements also created the Border Environment Cooperation Commission (BECC) and the North American Development Bank (NADB).** The BECC assists border communities in addressing environmental concerns and certifies environmental projects. **The NADB** uses private and public funding to finance BECC projects. According to the U.S. Department of Commerce, since the NADB's establishment in 1995, it **"has approved a total of $105 million in loans, guarantees, [and] grants to help finance 14 environmental projects benefiting over four million residents on both sides of the [U.S.-Mexico] border."**14 As a result of one BECC-NADB project in the Lower Valley of El Paso, Texas, 2,600 households will be connected to a wastewater treatment system this year, according to the Office of the U.S. Trade Representative.15 Thanks to another wastewater treatment project in Mexico, 93 percent of the residents in the city of Ciudad Juarez will have sewage services. **Without NAFTA, this probably would not have occurred.**

Shaista Alam, University of Karachi. "Globalization, Poverty, and Environmental Degradation: Sustainable Development in Pakistan". Journal of Sustainable Development. 2010. http://dlc.dlib.indiana.edu/dlc/bitstream/handle/10535/6502/globalization.pdf?sequence=1&isAllowed=y

"Moreover, **globalization can provide developing countries with both the incentive to adopt, and the access to, advance technologies, which may provide a cleaner or greener way of producing the good concerned.** A World Bank study of steel production in 50 countries found that **open economies led closed economies in the adoption of cleaner technologies by wide margins, resulting in the open economies being 17 percent less pollution-intensive** in this sector than closed economies (Wheeler, Huq and Martin 1993)."

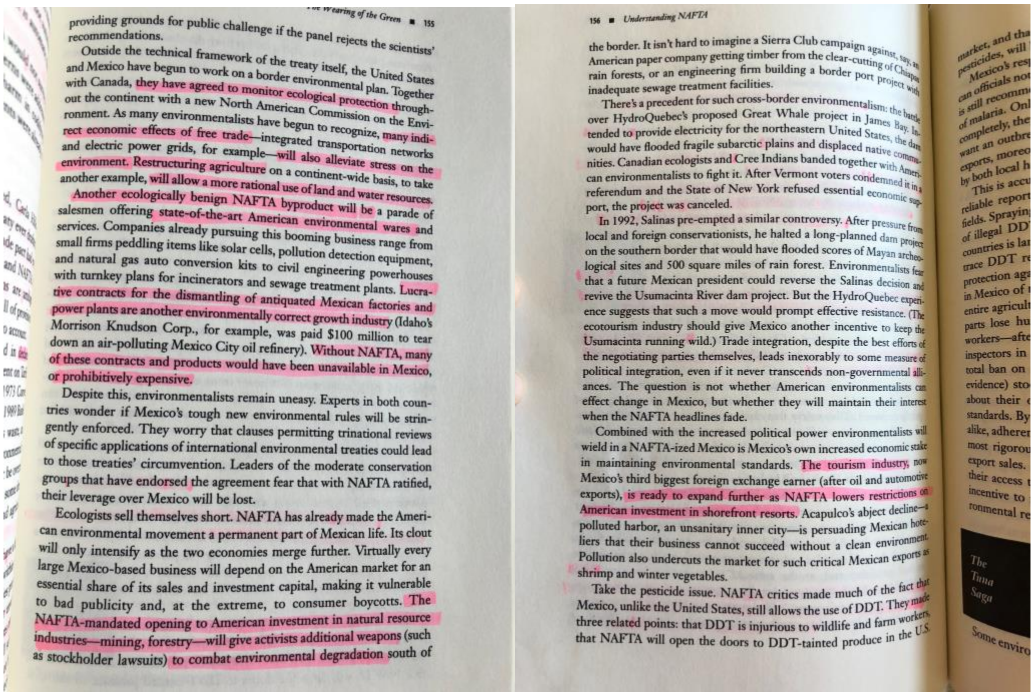
A2: Deforestation

Link Turn Rhetoric

1. Orme of the University of Texas writes that NAFTA has allowed for American investment to flow into industries like forestry, opening up the ability to stop environmental degradation.

Orme, William A. Understanding NAFTA: Mexico, free trade, and the new North America. University of Texas Press, 1996.

<https://books.google.com/books?hl=en&lr=&id=O2wOjChZGs0C&oi=fnd&pg=PR7&dq=mexico+needed+nafta&ots=XWk_bcTquW&sig=fruK6I2-_jsTS0DEFDWuiEMuB64#v=onepage&q&f=false>



The Wearing of the Green ■ 155

providing grounds for public challenge if the panel rejects the scientists' recommendations.

Outside the technical framework of the treaty itself, the United States and Mexico have begun to work on a border environmental plan. Together with Canada, they have agreed to monitor ecological protection throughout the continent with a new North American Commission on the Environment. As many environmentalists have begun to recognize, many indirect economic effects of free trade—integrated transportation networks and electric power grids, for example—will also alleviate stress on the environment. Restructuring agriculture on a continent-wide basis, to take another example, will allow a more rational use of land and water resources.

Another ecologically benign NAFTA byproduct will be a parade of salesmen offering state-of-the-art American environmental wares and services. Companies already pursuing this booming business range from small firms peddling items like solar cells, pollution detection equipment, and natural gas auto conversion kits to civil engineering powerhouses with turnkey plans for incinerators and sewage treatment plants. Lucrative contracts for the dismantling of antiquated Mexican factories and power plants are another environmentally correct growth industry (Idaho's Morrison Knudson Corp., for example, was paid $100 million to tear down an air-polluting Mexico City oil refinery). Without NAFTA, many of these contracts and products would have been unavailable in Mexico, or prohibitively expensive.

Despite this, environmentalists remain uneasy. Experts in both countries wonder if Mexico's tough new environmental rules will be stringently enforced. They worry that clauses permitting trinational reviews of specific applications of international environmental treaties could lead to those treaties' circumvention. Leaders of the moderate conservation groups that have endorsed the agreement fear that with NAFTA ratified, their leverage over Mexico will be lost.

Ecologists sell themselves short. NAFTA has already made the American environmental movement a permanent part of Mexican life. Its clout will only intensify as the two economies merge further. Virtually every large Mexico-based business will depend on the American market for an essential share of its sales and investment capital, making it vulnerable to bad publicity and, at the extreme, to consumer boycotts. The NAFTA-mandated opening to American investment in natural resource industries—mining, forestry—will give activists additional weapons (such as stockholder lawsuits) to combat environmental degradation south of

156 ■ *Understanding NAFTA*

the border. It isn't hard to imagine a Sierra Club campaign against, say, an American paper company getting timber from the clear-cutting of Chiapas rain forests, or an engineering firm building a border port project with inadequate sewage treatment facilities.

There's a precedent for such cross-border environmentalism: the battle over HydroQuebec's proposed Great Whale project in James Bay. Intended to provide electricity for the northeastern United States, the dam would have flooded fragile subarctic plains and displaced native communities. Canadian ecologists and Cree Indians banded together with American environmentalists to fight it. After Vermont voters condemned it in a referendum and the State of New York refused essential economic support, the project was canceled.

In 1992, Salinas pre-empted a similar controversy. After pressure from local and foreign conservationists, he halted a long-planned dam project on the southern border that would have flooded scores of Mayan archeological sites and 500 square miles of rain forest. Environmentalists fear that a future Mexican president could reverse the Salinas decision and revive the Usumacinta River dam project. But the HydroQuebec experience suggests that such a move would prompt effective resistance. (The ecotourism industry should give Mexico another incentive to keep the Usumacinta running wild.) Trade integration, despite the best efforts of the negotiating parties themselves, leads inexorably to some measure of political integration, even if it never transcends non-governmental alliances. The question is not whether American environmentalists can effect change in Mexico, but whether they will maintain their interest when the NAFTA headlines fade.

Combined with the increased political power environmentalists will wield in a NAFTA-ized Mexico is Mexico's own increased economic stake in maintaining environmental standards. The tourism industry, now Mexico's third biggest foreign exchange earner (after oil and automotive exports), is ready to expand further as NAFTA lowers restrictions on American investment in shorefront resorts. Acapulco's abject decline—a polluted harbor, an unsanitary inner city—is persuading Mexican hoteliers that their business cannot succeed without a clean environment. Pollution also undercuts the market for such critical Mexican exports as shrimp and winter vegetables.

Take the pesticide issue. NAFTA critics made much of the fact that Mexico, unlike the United States, still allows the use of DDT. They made three related points: that DDT is injurious to wildlife and farm workers, that NAFTA will open the doors to DDT-tainted produce in the U.S.

A2: Pollution

Link Defense Rhetoric

1. Mitigate- Cole '5 of the International Trade Journal finds that US FDI moving into Mexico goes to lower polluting industries due to Mexico's environmental regulations.

Link Turn Rhetoric

1. Orme of the University of Texas writes NAFTA opened up Mexican environmental conditions to environmentalist activists in other North American countries. As a result, he furthers that Mexico has already forced Mexico to develop a clean-up plan for industrial contamination, shutting down polluting factories and signing onto international conservation accords.
2. Fitzgerald '18 of the Heritage Foundation writes that since NAFTA, Mexico has adopted environmental policies that resemble those in America and Canada, concluding that NAFTA changed the way Mexico approached environmentalism.
3. Orme continues that the combination of American air emission standards and competition from energy efficient foreign manufacturers will force Mexico to cut emissions.

Cole, Elizabeth T., and Prescott C. Ensign. "An examination of US FDI into Mexico and its relation to NAFTA: Understanding the effects of environmental regulation and the factor endowments that affect the location decision." *UITJ* 19.1 (2005): 1-30. //JN

https://ruor.uottawa.ca/bitstream/10393/19747/1/Ensign_Prescott_2005_An_examination_of_US_FDI_into_Mexico.pdf

The results of this study show that **US FDI into Mexico is moving toward industries characterized as lower polluting. In fact, restrictive Mexican investment policies of the 1980s may have limited earlier investment in Mexico to those industries where environmental damage is typically higher.** That is, based on indicators of Mexican comparative advantage, US MNEs might have previously selected more environmentally benign industries given their druthers. The present study is not able to determine whether movement to Mexico is for either high or low technology workers. This result tentatively supports the proposition that all workers in Mexico, skilled or unskilled, have roughly equal comparative advantage over US workers in wage and productivity tradeoffs. NAFTA advocates argue that FDI enters Mexico to utilize unskilled labor because productivity per worker hour is not as important for unskilled labor as it is for skilled labor. They contend that the tradeoff between wages and productivity will not make

Orme, William A. Understanding NAFTA: Mexico, free trade, and the new North America. University of Texas Press, 1996. Pg. 153

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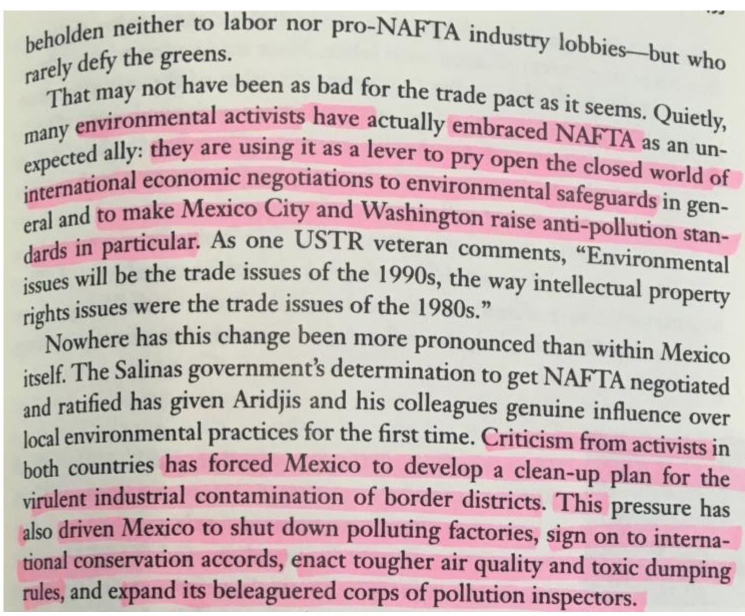

beholden neither to labor nor pro-NAFTA industry lobbies—but who rarely defy the greens.

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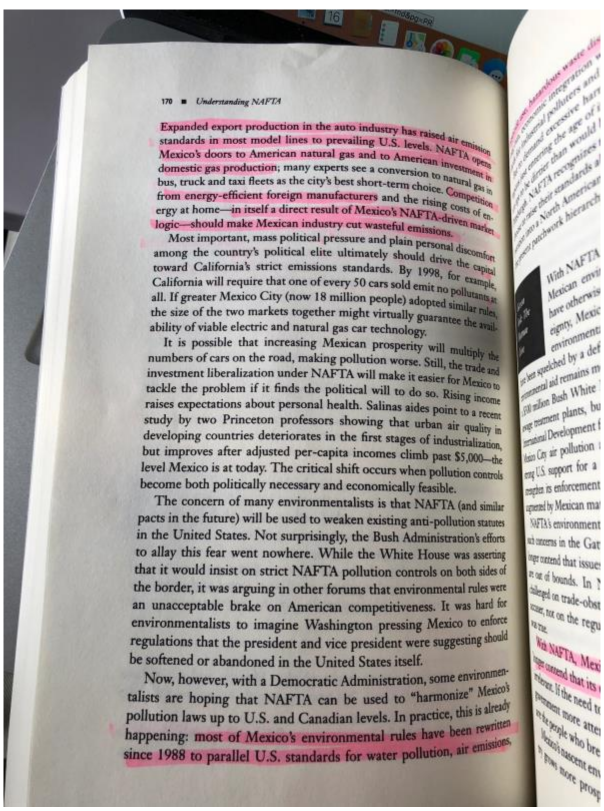


170 ■ *Understanding NAFTA*

Expanded export production in the auto industry has raised air emission standards in most model lines to prevailing U.S. levels. NAFTA opens Mexico's doors to American natural gas and to American investment in domestic gas production; many experts see a conversion to natural gas in bus, truck and taxi fleets as the city's best short-term choice. Competition from energy-efficient foreign manufacturers and the rising costs of energy at home—in itself a direct result of Mexico's NAFTA-driven market logic—should make Mexican industry cut wasteful emissions.

Most important, mass political pressure and plain personal discomfort among the country's political elite ultimately should drive the capital toward California's strict emissions standards. By 1998, for example, California will require that one of every 50 cars sold emit no pollutants at all. If greater Mexico City (now 18 million people) adopted similar rules, the size of the two markets together might virtually guarantee the availability of viable electric and natural gas car technology.

It is possible that increasing Mexican prosperity will multiply the numbers of cars on the road, making pollution worse. Still, the trade and investment liberalization under NAFTA will make it easier for Mexico to tackle the problem if it finds the political will to do so. Rising income raises expectations about personal health. Salinas aides point to a recent study by two Princeton professors showing that urban air quality in developing countries deteriorates in the first stages of industrialization, but improves after adjusted per-capita incomes climb past $5,000—the level Mexico is at today. The critical shift occurs when pollution controls become both politically necessary and economically feasible.

The concern of many environmentalists is that NAFTA (and similar pacts in the future) will be used to weaken existing anti-pollution statutes in the United States. Not surprisingly, the Bush Administration's efforts to allay this fear went nowhere. While the White House was asserting that it would insist on strict NAFTA pollution controls on both sides of the border, it was arguing in other forums that environmental rules were an unacceptable brake on American competitiveness. It was hard for environmentalists to imagine Washington pressing Mexico to enforce regulations that the president and vice president were suggesting should be softened or abandoned in the United States itself.

Now, however, with a Democratic Administration, some environmentalists are hoping that NAFTA can be used to "harmonize" Mexico's pollution laws up to U.S. and Canadian levels. In practice, this is already happening: most of Mexico's environmental rules have been rewritten since 1988 to parallel U.S. standards for water pollution, air emissions,

A2: Proportionality Clause (Oil Sands)

Link Defense Rhetoric

1. Non-unique; Healing '17 of The Canadian Press reports that the proportionality clause was created in 1988 in the CUSFTA US-Canada, bilateral agreement.
2. Dillon '08 of the Parkland Institute writes that if NAFTA ended, the proportionality clause would still exist under Canadian Bill C-115.

Cards:

Dan Healing · The Canadian Press · Posted: Aug 15, 2017 "NAFTA energy clause unites Canadian critics on right and left" //JN

http://www.cbc.ca/news/canada/calgary/nafta-energy-clause-criticism-1.4248843

As NAFTA 2.0 negotiations begin, an old trade issue with a strange name has emerged to create unlikely allies across the political spectrum and staunch defenders in the oilpatch. **The "proportionality clause" originally appeared in the Canada-U.S. Free Trade Agreement of 1988** and became a major issue in that year's federal election that returned Prime Minister Brian Mulroney to office. It was replicated six years later in the North American Free Trade Agreement (although Mexico won an exemption).

Dillon, John. "Over a Barrel: Exiting from NAFTA's Proportionality Clause." Parkland Institute. 2008. https://www.parklandinstitute.ca/over_a_barrel

Ending NAFTA would not automatically mean release from proportionality. The Canadian implementing legislation for NAFTA, known as Bill C-115, contains specific clauses designed to ensure that proportionality survives NAFTA's demise. This would need to be addressed as well.

Both conventional oil and gas have already peaked in Canada. Canada imports about 49% of its oil needs, with almost half its imports coming from very insecure sources ' OPEC countries. Unlike all other IEA member countries, Canada has no Strategic Petroleum Reserves.

A2: Chapter 11 Tribunals

FDI Advantage Rhetoric

1. McKinley '10 of Palgrave Macmillan indicates that these tribunals dramatically increased foreign direct investment by assuring the security of foreign investors. Ultimately, he concludes that this increase in foreign direct investment is so much greater than the money paid by governments because of Chapter 11 that the negative monetary impact is negligible in comparison.

Link Defense Rhetoric (Environmental)

1. Nonunique; McBride '18 of the CFR writes that these disputes exists as part of the WTO.

Cards:

McKinley I. (2010) Integration through NAFTA's Chapter 11: Eroding Federalism and Regionalism?. In: Hussain I. (eds) The Impacts of NAFTA on North America. Palgrave Macmillan, New York //RJ

I argue, nevertheless, that such criticisms, if not unwarranted, are at least seriously flawed insofar that **the reasons used for justifying the condemnation of Chapter 11 have never juxtaposed with the benefits the Chapter has provided**. **While critics denounce the unprecedented new rights of foreign investors that assure them the security of their investments abroad and point out the costs stemming from the above rights, their criticizing does not balance the costs and benefits available, becoming questionable in the process.** Noting this flaw in the popular criticism, in turn, becomes quite important for the ongoing debate about Chapter 11 because ultimately it reframes the debate to a question about whether or not the increased flows of investment among NAFTA parties has proven to be beneficial for North America. **In monetary terms, the amount of increased Foreign Direct Investment (FDI) has been so much greater than the costs that Chapter 11 has forced governments to admit that the latter can be deemed as nearly negligible.** Furthermore, Chapter 11 has not caused an "erosion of federalism," but a situation in which the implementation of certain policies may become negligibly costly, in comparison to the benefits awarded by the chapter. The Chapter 11 debate becomes paradigmatic—about the neoliberal ideology under which NAFTA functions and the impact of increased FDI within a given region such as North America. **NAFTA's reliance on multilateral rules simultaneously imposes further costs on regionalism**, **especially against the expansive nature of foreign investment.**

James McBride, 13 March 2018, How Are Trade Disputes Resolved
https://www.cfr.org/backgrounder/how-are-trade-disputes-resolved
As global trade has flourished in recent decades, so have trade disputes. Trading nations have created various forums to adjudicate conflicts, but they are increasingly the subject of controversy. U.S. President Donald J. **Trump has long criticized trade dispute resolution panels as unfair and ineffective, particularly those the United States is party to via the North American Free Trade Agreement (NAFTA) and the World Trade Organization (WTO)**. While some critics say dispute panels undermine national sovereignty, proponents argue they offer much-needed protections that boost confidence in global investment and prevent trade wars. As cross-border trade and investment increased rapidly **through the 1990s, individual states as well as public and private investors sought ways to adjudicate conflicts or alleged violations of trade agreements.** Over time, the international trading system has developed a number of mechanisms to do this, depending on the type of dispute and the parties involved.

Wingrove, Bloomberg, 2018, https://www.bloomberg.com/news/articles/2018-01-25/canada-mexico-may-keep-nafta-dispute-resolution-without-u-s
Under the tentative plan, **Chapter 11 of the North American Free Trade Agreement would survive without the U.S**., according to the people, who asked not to be identified talking publicly about private conversations. The U.S. has signaled it wants to opt out of the panels, which arbitrate disputes when a company says a nation has violated their rights and protections.

A2: Resource Extraction

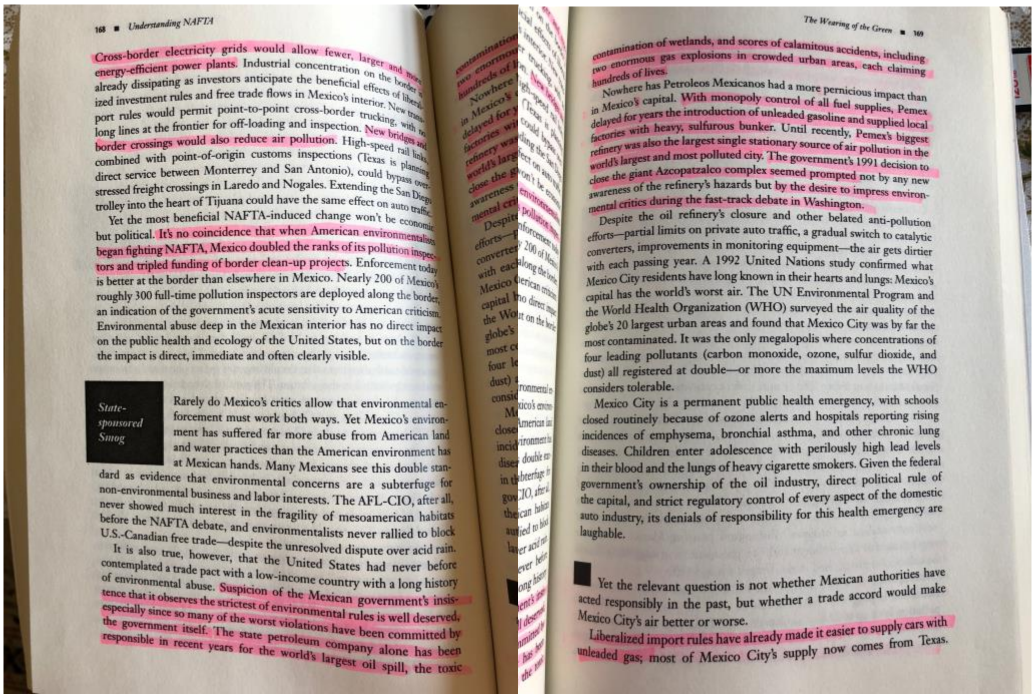
Link Turn Rhetoric

1. Orme of the University of Texas writes that before NAFTA, the state-run oil monopoly in Mexico managed all of the resource extraction, resulting in environmental disasters like the world's largest oil spill and delaying the introduction of unleaded gasoline to fight pollution. However, he furthers that because of NAFTA, the resource extraction industry has increased oversight specific to industries like mining by opening up Mexico to the scrutiny of the rest of North America.

Cards

Orme, William A. Understanding NAFTA: Mexico, free trade, and the new North America. University of Texas Press, 1996.

<https://books.google.com/books?hl=en&lr=&id=O2wOjChZGs0C&oi=fnd&pg=PR7&dq=mexico+needed+nafta&ots=XWk_bcTquW&sig=fruK6I2-_jsTS0DEFDWuiEMuB64#v=onepage&q&f=false>



Cross-border electricity grids would allow fewer, larger and more energy-efficient power plants. Industrial concentration on the border is already dissipating as investors anticipate the beneficial effects of liberalized investment rules and free trade flows in Mexico's interior. New transport rules would permit point-to-point cross-border trucking, with no long lines at the frontier for off-loading and inspection. New bridges and border crossings would also reduce air pollution. High-speed rail links, combined with point-of-origin customs inspections (Texas is planning direct service between Monterrey and San Antonio), could bypass overstressed freight crossings in Laredo and Nogales. Extending the San Diego trolley into the heart of Tijuana could have the same effect on auto traffic.

Yet the most beneficial NAFTA-induced change won't be economic but political. It's no coincidence that when American environmentalists began fighting NAFTA, Mexico doubled the ranks of its pollution inspectors and tripled funding of border clean-up projects. Enforcement today is better at the border than elsewhere in Mexico. Nearly 200 of Mexico's roughly 300 full-time pollution inspectors are deployed along the border, an indication of the government's acute sensitivity to American criticism. Environmental abuse deep in the Mexican interior has no direct impact on the public health and ecology of the United States, but on the border the impact is direct, immediate and often clearly visible.

State-sponsored Smog

Rarely do Mexico's critics allow that environmental enforcement must work both ways. Yet Mexico's environment has suffered far more abuse from American land and water practices than the American environment has at Mexican hands. Many Mexicans see this double standard as evidence that environmental concerns are a subterfuge for non-environmental business and labor interests. The AFL-CIO, after all, never showed much interest in the fragility of mesoamerican habitats before the NAFTA debate, and environmentalists never rallied to block U.S.-Canadian free trade—despite the unresolved dispute over acid rain.

It is also true, however, that the United States had never before contemplated a trade pact with a low-income country with a long history of environmental abuse. Suspicion of the Mexican government's insistence that it observes the strictest of environmental rules is well deserved, especially since so many of the worst violations have been committed by the government itself. The state petroleum company alone has been responsible in recent years for the world's largest oil spill, the toxic

contamination of wetlands, and scores of calamitous accidents, including two enormous gas explosions in crowded urban areas, each claiming hundreds of lives.

Nowhere has Petroleos Mexicanos had a more pernicious impact than in Mexico's capital. With monopoly control of all fuel supplies, Pemex delayed for years the introduction of unleaded gasoline and supplied local factories with heavy, sulfurous bunker. Until recently, Pemex's biggest refinery was also the largest single stationary source of air pollution in the world's largest and most polluted city. The government's 1991 decision to close the giant Azcopatzalco complex seemed prompted not by any new awareness of the refinery's hazards but by the desire to impress environmental critics during the fast-track debate in Washington.

Despite the oil refinery's closure and other belated anti-pollution efforts—partial limits on private auto traffic, a gradual switch to catalytic converters, improvements in monitoring equipment—the air gets dirtier with each passing year. A 1992 United Nations study confirmed what Mexico City residents have long known in their hearts and lungs: Mexico's capital has the world's worst air. The UN Environmental Program and the World Health Organization (WHO) surveyed the air quality of the globe's 20 largest urban areas and found that Mexico City was by far the most contaminated. It was the only megalopolis where concentrations of four leading pollutants (carbon monoxide, ozone, sulfur dioxide, and dust) all registered at double—or more the maximum levels the WHO considers tolerable.

Mexico City is a permanent public health emergency, with schools closed routinely because of ozone alerts and hospitals reporting rising incidences of emphysema, bronchial asthma, and other chronic lung diseases. Children enter adolescence with perilously high lead levels in their blood and the lungs of heavy cigarette smokers. Given the federal government's ownership of the oil industry, direct political rule of the capital, and strict regulatory control of every aspect of the domestic auto industry, its denials of responsibility for this health emergency are laughable.

Yet the relevant question is not whether Mexican authorities have acted responsibly in the past, but whether a trade accord would make Mexico City's air better or worse.

Liberalized import rules have already made it easier to supply cars with unleaded gas; most of Mexico City's supply now comes from Texas.

A2: Mexican Health

Link Turn Rhetoric

1. The <u>Council on Hemispheric Affairs ‘16</u> writes that NAFTA allowed for pharmaceutical tariffs to be cut, driving the cost of medicine down, allowing Mexico to have the largest penetration of generic drugs of any country in the world.

Big Pharma had temporary effect on Mexico; NAFTA K2 Mexico's cheap meds
COHA, 4-11-2016, "TPP Pharmaceuticals," No Publication, http://www.coha.org/tpp-pharmaceuticals/ //DZ

In 1994, the North American Free Trade Agreement (NAFTA) was ratified, and pharmaceutical trade underwent a similar tightening of regulations in member states that will take place under the TPP. Most observers agreed that U.S. pharmaceuticals won amajor victory under NAFTA since Canada had to eliminate special rules for compulsory licensing of prescription pharmaceuticals, which gave the U.S. industry much more access to markets there.[9] Moreover, **under NAFTA, pharmaceutical tariffs that had stood at an average of 15 percent were eliminated in Mexico, and Mexico was forced to open its pharmaceutical procurement contracts to competition from U.S. and Canadian firms.**[10] As of 2002, U.S. pharmaceutical exports to Mexico were up 144 percent, while Mexican exports to the U.S. were up 78 percent, a fairly equilateral gain for both states. Of course, U.S. exports to Mexico in 2002 ($748 million USD worth) were far larger than what Mexico sent to the U.S. [11] However, **benefits undoubtedly accrued to both states as a result of slashing pharmaceutical tariffs. Mexico experienced significant job growth in the industry and now produces over 80% of the pharmaceuticals its people consume domestically, with the largest penetration of generic drugs of any country in the world** (84%).[12]After a period of paying monopoly prices after NAFTA, **Mexico was able to create a solid generic industry that provides its people low-cost pharmaceuticals**- American tourists famously buy cheaper Mexican drugs in bulk while traveling there. There is thus reason to believe other nascent pharmaceutical industries in Latin American states could experience a similar take-off under the terms of the TPP that Mexican pharmaceuticals experienced under NAFTA, and there is certainly reason to believe that the powerful U.S. pharmaceutical industry will be the main beneficiary again via the opening of new markets and a long period of receiving monopoly prices.

*Pivots Good

A2: EU Pivot Good

Link Defense Rhetoric

1. Nonunique - Brussels ‘18 of the Independent explains that Mexico and the EU have already signed a trade deal despite NAFTA.

Link Turn Rhetoric

1. Patten ‘17 of the Western Michigan University writes that prior to NAFTA, Mexico sought out investment deals with Europe but was rejected. *However, after NAFTA was signed, Mexico became a much more attractive investment location, spurring future investment from multiple continents.*

Cards:

Brussels, Jon Stone. "EU Signs New Trade Deal With Mexico As Brexit Looms." The Independent. N. p., 2018
https://www.independent.co.uk/news/world/europe/eu-mexico-trade-deal-brexit-trump-uk-us-liam-fox-a8318536.html
Mexico and the European Union have agreed a new trade deal that virtually eliminates tariffs between the two blocs, as Europe forges ahead with setting up new trade links around the world ahead of Brexit.

The deal, inked at the weekend, took two years to negotiate and eliminates tariffs practically across the board, including the agriculture

Mexico didn't really want the trade deal with the US but was rejected by Europe and in debt
8-2017, "Dangerous Deals: A Case Study of NAFTA as a Criminogenic Policy" by Daniel J. Patten of Western Michigan University
https://scholarworks.wmich.edu/cgi/viewcontent.cgi?referer=https://scholar.google.com/scholar?start=20&q=+%22nafta%22+%22empirical%22&hl=en&as_sdt=0,5&as_ylo=2017&httpsredir=1&article=4173&context=dissertations //IC

The trip to Davos was not planned to involve free trade with the United States. In fact, Salinas, as Mexican presidents before him, **seemed adverse to such an idea.** As stated, Salinas intended on diversifying Mexico's foreign investments. Davos was his last visit in an attempt to promote and secure foreign investment**. However, in Davos, Salinas learned that European nations were** consolidating into their own economic bloc, and thus were mostly **not interested in providing aid to the struggling Mexican economy** (Cameron and Tomlin 2000; MacArthur 2000). Instead, the major European powers were interested in transforming Eastern European economies. **With limited investment funds, Salinas and his team were unable to convince the Europeans to invest in the Mexican economy. Mexico was faced with a constrained choice of risking economic isolation or collaborating with the United States in order to compete within the global economy. Only as a last-ditch effort, once Salinas's attempts at diversification failed, did he seek out a trade deal with the United States** (Dominquez 1995). Thus, foreign direct investment was the primary impetus for Mexico's support for NAFTA. Since Salinas sought out a free trade deal with the United States, **Mexico is often considered the initiator of NAFTA. However, faced with the economic difficulties, Mexico resorted to loans from major Western powers, primarily through the IMF (Cockburn 1986; Krooth 1995). Many of the "unilateral" actions taken by the Mexican government were made to appease the moneylenders.** Privatization of public enterprises, trade liberalization for market imports, reduction of government expenditures, and underwriting of foreign direct investment were all required or encouraged by the IMF. Furthermore, once NAFTA was on the table, Mexico faced pressure to continue its economic restructuring.

A2: China Pivot Good

Link Defense Rhetoric

1. Torres '18 of Bloomberg writes that a China-Mexican relationship wouldn't be as beneficial because China and Mexico both produce similar goods, decreasing the necessity to trade.

Cards:

Torres Carlos. “China Is Boosting Ties in Latin America. Trump Should Be Worried.”Bloomberg. 18 January 2018. https://www.bloomberg.com/news/articles/2018-01-03/china-is-boosting-ties-in-latin-america-trump-should-be-worried

To be sure, that doesn’t mean that China would completely benefit from a souring of U.S.-Mexico relations. **China largely seeks commodity imports from Latin America, whereas Mexico’s biggest exports to its northern neighbor are cars and car parts as well as electronics – items that China already produces in abundance.**

*Regionalism

A2: WTO Tradeoff

Link Turn Rhetoric

1. The Miller Center '04 writes that NAFTA forced other countries to the negotiating table for the final round to create the World Trade Organization.

Miller Center, "Carla Hills Oral History, United States Trade Representative." University of Virginia. 2004. https://millercenter.org/the-presidency/presidential-oral-histories/carla-hills-oral-history-united-states-trade

One of these articles that you sent me suggests that USTR was less inclined to negotiate with Mexico because it was consumed with the Uruguay Round. But that's not true at all. What is true is my Deputy, Jules Katz was disinclined at the outset. I used to call him my wet serape. Because he was such a multilateralist, he had to be convinced that this regional agreement made sense. But when he became convinced, he was sold—100 percent. He was a wonderful lead negotiator on that agreement—fabulous. He deserves a lot of credit for the NAFTA negotiation.

But at the beginning, when I came back from Davos, I said, Well, what do you think? It is one way to shake up those with whom we are negotiating. Actually, this turned out to be correct. I thought **for the U.S., to negotiate a big agreement covering North America**—that is s 400 million people— **would bring Europe to the bargaining table because it will be concerned that we would gain a competitive edge. They will move in Uruguay Round negotiation because they will not want us to get off the reservation**.

When we announced we were going to negotiate the Mexican Trade Agreement, which started out as a bilateral, not a trilateral negotiation, it caused great consternation in Europe. It caused great consternation in the APEC [Asia Pacific Economic Cooperation] countries. I cannot tell you how many Asian Ambassadors called me to say that this is a grave mistake, that Mexicans would take trade away from the ASEANs [Association of SE Asian Nations]. **But what it did**—and we're probably getting a little ahead of the story —because it wasn't announced until later, **was galvanize the rest of the world to move forward and conclude the Uruguay Round.**

The Uruguay Round became bogged down—more after the Brussels collapse in December '90. The announcement by President Bush in June 1990 of the Initiative for the Americas (of which NAFTA was to be the first step) and the negotiation beginning in June 1991 and concluding in August 1992 of the NAFTA [North American Free Trade Agreement], did galvanized the rest of the world to worry that multilateralism was being shunted aside by the U.S. It is not unlike the worry occurring today with the Administration's strategy of competitive liberalization. But the NAFTA was of a size to be competitive, unlike Chile or Singapore. **Therefore, it helped galvanize the completion of the Round.** We came within a gnat's eyebrow of completing the Round before the Bush team left. It was so close. If we had a decisive partner on the other side, it could have been done. The rest of the world was ready—it was France that could not be brought along—again, agriculture was the problem.

A2: Trade Diversion

Link Defense Rhetoric

1. Delink; Lederman ‘05 of Stanford University writes that NAFTA did not lead to trade diverting effects as indicated by the fact that Mexico’s share in non-NAFTA markets rose as much as in NAFTA markets.

Cards:

Lederman, Daniel, et al. *Lessons from NAFTA for Latin America and the Caribbean*. Stanford University Press, 2005. //RJ

https://publications.iadb.org/bitstream/handle/11319/345/9780821358139.pdf?sequence=1

When NAFTA was being negotiated in the early 1990s, many third countries voiced concern that their exports to the United States (and, to a lesser extent, to Canada and Mexico) would be displaced by NAFTA exports, even though in many products and industries those countries could be more competitive than NAFTA producers. From the viewpoint of Mexico, this trade diversion is also important because it would entail a loss of fiscal revenues from replacing imports from third countries subject to tariffs with duty-free imports from Canada or the United States. From a thorough analysis of trends in aggregate trade flows, controlling for their basic determinants, **we find little evidence of trade diversion at the aggregate level, a conclusion that agrees with previous studies of NAFTA** (see chapter 7). Indeed, **such a result is also suggested by the fact that Mexico's export share in non-NAFTA markets rose as much as**, or even more than, **its share in NAFTA markets**.

We also examine the trends in apparel trade to assess if NAFTA's neighboring countries were hurt by trade diversion in this sector, as some studies have suggested. On the whole, **there is no solid evidence that neighboring countries lost apparel market share because of NAFTA preferences**. Although **all countries in Central America and the Caribbean** faced the same change in U.S. preferences relative to those enjoyed by Mexico, **their post-NAFTA performances showed considerable diversity**. Most Central American countries managed to raise their export share in NAFTA markets; Caribbean economies fared less well. This suggests that factors other than NAFTA preferences are responsible for much of this diverse post-NAFTA performance.

*US Auto Industry

A2: Hurts Auto Manufacturing

Link Turn Rhetoric

1. Turn - Campbell ‘16 of the Atlantic finds that US involvement in NAFTA directly creates, on net, 4.9 million American jobs. This benefit to jobs holistically vastly outweighs any short-term harm to the auto manufacturing industry.
2. Turn; Floyd ‘18 of Investopedia writes that NAFTA allowed the auto industry to become more competitive, saving jobs that would otherwise be lost to Asia. By allowing the US to integrate basic manufacturing tasks in Mexico with high skilled engineers in the United States, Porter quantifies that “NAFTA might have saved hundreds of thousands of jobs.”

Mexican Manufacturing Advantage

1. Even if NAFTA caused some losses, the jobs gained in Mexico’s auto industry outnumber the jobs loss in America. McBridge of the CFR writes in 2017 that while the US sector has lost 350,000 jobs since 1994, Mexico gained 430,000 jobs in total.

Cards:

Campbell, Alexia. "Nearly 5 Million U.S. Jobs Depend On Trade With Mexico." The Atlantic. N. p., 2016. https://www.theatlantic.com/business/archive/2016/12/mexico-nafta-trade/510008/

American companies, critics argue, have used NAFTA to send manufacturing jobs to Mexico—where labor is cheaper—leaving domestic workers unemployed. It's true that companies have been enticed to send jobs abroad—but often this argument misses the fact that as some American firms moved work across the border, there's also been reciprocity. Now, millions of American jobs are dependent on trade with Mexico, and Mexican corporations have created thousands of jobs in the U.S. New research from the Mexico Institute at the Wilson Center, a nonpartisan think tank based in Washington, D.C., found that **trade with Mexico creates approximately 4.9 million jobs in the United States. In other words, one out of 29 American jobs depends on preserving an economic relationship with the U.S.'s southern neighbor. Researchers came up with this 4.9 million figure by calculating three economic shifts that would likely occur if trade with Mexico ended: the number of American jobs that are involved in producing exports to Mexico, which would be lost; the number of jobs that would return to the United States to produce the previously imported goods; and the number of jobs that would disappear if the money American consumers and companies saved from buying lower-cost imports were gone.** The impact of those first two shifts will mostly offset each other—with many of the jobs lost in Mexican production returning to the U.S. or moving elsewhere—meaning that most of the 4.9 million jobs lost by gutting NAFTA are those that are tangentially related to trade with Mexico, says Christopher Wilson, deputy director of the Mexico Institute, and author of the report. The model they used— called the Global Trade Analysis Project—analyzed national data on employment, production, imports, and exports in 56 industries. It found that the vast majority of jobs that tangentially depend on trade with Mexico are in the service sector, such as retail, finance, and healthcare. For example, when an American consumer buys a washing machine made in Mexico, he or she can save about $100 since it's cheaper for American companies to manufacture appliances in Mexico than in the United States. The consumer can then spend that $100 elsewhere, maybe at a restaurant or a clothing store. That money—which is spread across the economy instead of spent on a single purchase—helps keeps people employed in other sectors, according to the report. Though it's hard for economists to know exactly where consumers spend the extra money that they save by buying cheaper goods, Wilson and researchers at Purdue University calculated the impact at an aggregate level. The fact that so many jobs would disappear if the United States stopped trading with Mexico shows how much the economies of both countries have become dependent on one another, says Wilson. "There is no longer such a thing as an American-made car, a Mexican-made car, or a Canadian-made car—the car is made across borders," he says. ***jackiehenley***

Floyd, David. "NAFTA's Winners and Losers." Investopedia. Investopedia, 30 January 2018. Web. Accessed 3 June 2018. <https://www.investopedia.com/articles/economics/08/north-american-free-trade-agreement.asp>

Anecdotal evidence supports the idea that these jobs went to Mexico. Wages in Mexico are a fraction of what they are in the U.S. All major American car makers now have factories south of the border, and prior to Trump's twitter campaignagainst offshoring, a few were openly planning to ship more jobs abroad. Yet while the job losses are tough to deny, they may be less severe than in a hypothetical NAFTA-less world.

The CRS notes that "many economists and other observers have credited NAFTA with helping U.S. manufacturing industries, especially the U.S. auto industry, become more globally competitive through the development of supply chains." Carmakers did not move their entire operations to Mexico; they now straddle the border. A 2011 working paper by the Hong Kong Institute for Monetary Research estimates that a U.S. import from Mexico contains 40% U.S. content. For Canada the corresponding figure is 25%. Meanwhile it is 4% for China and 2% for Japan.

While thousands of U.S. auto workers undoubtedly lost their jobs as a result of NAFTA, they might have fared worse without it. By integrating supply chains across North America, keeping a significant share of production in the U.S. became an option for car makers. Otherwise they may have been unable to compete with Asian rivals, causing even more jobs to depart. "Without the ability to move lower-wage jobs to Mexico we would have lost the whole industry," UC San Diego economist Gordon Hanson told the New York Times in March 2016. On the other hand, it may be impossible to know what would have happened in a hypothetical scenario.

Porter, Eduardo. "NAFTA May Have Saved Many Autoworkers' Jobs." NY TImes. New York Times, 29 March 2016. Web. Accessed 5 June 2018. <https://www.nytimes.com/2016/03/30/business/economy/nafta-may-have-saved-many-autoworkers-jobs.html?_r=0>

"Nafta is also blamed for lots of things that are actually because of competition with China," he told me.

The truth is that autoworkers in Detroit were not just competing with cheap workers in Mexico. They were also competing with American workers in the union-averse South, where many car companies set up shop. They were competing with robots and more efficient Japanese and Korean automakers.

Detroit responded by cutting as many costly factory jobs as it could. But value added by the car and car-parts makers in the United States is only slightly lower than it was in 1993.

The integration of production across countries with complementary labor forces — cheaper workers in Mexico to perform many basic tasks, with more highly paid and productive engineers and workers in the United States — turned out to play a central role in reviving the auto industry in North America.

In the final analysis, Nafta might have saved hundreds of thousands of jobs. By offering a low-wage platform, Mexican plants increased the scale of production in North America, allowing domestic and foreign automakers to amortize their large fixed costs. Carmakers and parts suppliers tend to cluster relatively close together. So assembly plants in Mexico help sustain a robust auto-parts industry across North America.

The Honda CR-V assembled in El Salto, Jalisco, for example, uses an American-made motor and transmission. Roughly 70 percent of its content is either American or Canadian, according to government statistics.

This regional integration gave the United States-based auto industry a competitive edge that was critical to its survival. "There was a concern 20 years ago that an auto industry production chain would develop across Asia, including China and Taiwan and Southeast Asia," Professor Hanson said. "Maybe Nafta saved us from that."

Nafta is now at a critical juncture. The Chinese manufacturing behemoth that squeezed Mexico out of so many markets over the past 15 years seems to be losing some of its power.

McBride, James and Mohammed Aly Sergie. "NAFTA's Economic Impact." CFR. Council on Foreign Relations, 4 October 2017. Web. Accessed 5 June 2018. https://www.cfr.org/backgrounder/naftas-economic-impact

Critics of the deal, however, argue that it is to blame for job losses and wage stagnation in the United States, driven by low-wage competition, companies moving production to Mexico to lower costs, and a widening trade deficit. The U.S.-Mexico trade balance swung from a $1.7 billion U.S. surplus in 1993 to a $54 billion deficit by 2014. Economists like the Center for Economic and Policy Research's (CEPR) Dean Baker and the Economic Policy Institute argue that this surge of imports caused the loss of up to 600,000 U.S. jobs over two decades, though they admit that some of this import growth would likely have happened even without NAFTA.

Many workers and labor leaders point to these numbers to blame trade, including NAFTA, for the decline in U.S. manufacturing jobs. The U.S. auto sector lost some 350,000 jobs since 1994—a third of the industry—while Mexican auto sector employment spiked from 120,000 to 550,000 workers. CEPR's Baker argues that econometric research shows that increased trade also puts downward pressure on wages for non-college educated workers, who are more likely to face direct competition from low-wage workers in Mexico.

But other economists like Gary Clyde Hufbauer and Cathleen Cimino-Isaacs of the Peterson Institute for International Economics (PIIE) emphasize that increased trade produces gains for the overall U.S. economy. Some jobs are lost due to imports, but others are created, and consumers benefit significantly from the falling prices and often improved quality of goods created by import competition. A 2014 PIIE study of NAFTA's effects found that **about 15,000 jobs on net are lost each year due to the pact—but that for each of those jobs lost, the economy gains roughly $450,000 in the form of higher productivity and lower consumer prices.**

*Mexican Dumping

A2: Sugar Dumping

Impact Defense Rhetoric

1. <u>Villareal of the Congressional Research Service explains in 2018</u> the impact is solved through two ways:
    a. 1) After the Department of Commerce officially recognized that Mexican sugar was being unfairly subsidized, they imposed duties to protect American sugar.
    b. 2) The increased price of sugar led to increased sugar production, resulting in a surplus that then lowered the price of sugar back down.

Villarreal, Angeles M. [Specialist in International Trade and Finance] "U.S.-Mexico Economic Relations: Trends, Issues and Implications." Congressional Research Service. Congressional Research Service, 27 March 2018. Web. Accessed 14 June 2018. https://fas.org/sgp/crs/row/RL32934.pdf

The dispute began on March 28, 2014, when the American Sugar Coalition and its members filed a petition requesting that the U.S. ITC and the DOC conduct an investigation, alleging that Mexico was dumping and subsidizing its sugar exports to the United States. The petitioners claimed that dumped and subsidized sugar exports from Mexico were harming U.S. sugar producers and workers. They claimed that Mexico's actions would cost the industry $1 billion in 2014. On April 18, 2014, the DOC announced the initiation of AD and CVD investigations of sugar imports from Mexico.67 On May 9, 2014, the ITC issued a preliminary report stating that there was a reasonable indication a U.S. industry was materially injured by imports of sugar from Mexico that were allegedly sold in the United States at less than fair value and allegedly subsidized by the Government of Mexico.68

In August 2014, the DOC announced in its preliminary ruling that Mexican sugar exported to the United States was being unfairly subsidized. Following the preliminary subsidy determination, the DOC stated that it would direct the U.S. Customs and Border Protection to collect cash deposits on imports of Mexican sugar. Based on the preliminary findings, the DOC imposed cumulative duties on U.S. imports of Mexican sugar, ranging from 2.99% to 17.01% under the CVD order. Additional duties of between 39.54% and 47.26% were imposed provisionally following the preliminary AD findings.69 The final determination in the two investigations was expected in 2015 and had not been issued when the suspension agreements were signed.

The Sweetener Users Association (SUA), which represents beverage makers, confectioners, and other food companies, argues that the case is "a diversionary tactic to distract from the real cause of distortion in the U.S. sugar market—the U.S. government's sugar program."70 It contends that between 2009 and 2012, U.S. sugar prices soared well above the world price because of the U.S. program, providing an incentive for sugar growers to increase production. According to the sugar users association, this resulted in a surplus of sugar and a return to lower sugar prices.71 The SUA has been a long-standing critic of the U.S. sugar program.72

In 2006, the United States and Mexico resolved a trade dispute involving sugar and high fructose corn syrup. The dispute involved a sugar side letter negotiated under NAFTA. Mexico argued that the side letter entitled it to ship net sugar surplus to the United States duty-free under NAFTA, while the United States argued that the sugar side letter limited Mexican shipments of sugar. In addition, Mexico complained that imports of high fructose corn syrup (HFCS) sweeteners from the United States constituted dumping. It imposed anti-dumping duties for some time, until NAFTA and WTO dispute resolution panels upheld U.S. claims that the Mexican government colluded with the Mexican sugar and sweetener industries to restrict HFCS imports from the United States.

A2: Tomato Dumping

Impact Defense Rhetoric

1. Villarreal ‘18 of the CRS writes that Mexican tomato growers have already reached a deal to set a price to prevent dumping in America.

Link Turn Rhetoric

1. Villarreal ‘18 furthers that tariffs on tomatoes could spark retaliatory measures and drive up prices of tomatoes for consumers.

Villarreal, Angeles M. [Specialist in International Trade and Finance] "U.S.-Mexico Economic Relations: Trends, Issues and Implications." Congressional Research Service. Congressional Research Service, 27 March 2018. Web. Accessed 14 June 2018. https://fas.org/sgp/crs/row/RL32934.pdf

In February 2013, the United States and Mexico reached an agreement on cross-border trade in tomatoes, averting a potential trade war between the two countries.96 On March 4, 2013, the Department of Commerce (DOC) and the government of Mexico officially signed the agreement suspending the antidumping investigation on fresh tomatoes from Mexico.97 The dispute began on June 22, 2012, when a group of Florida tomato growers, who were backed by growers in other states, asked the DOC and the U.S. International Trade Commission to terminate an antidumping duty suspension pact on tomatoes from Mexico. The termination of the pact, which set a minimum reference price for Mexican tomatoes in the United States, would have effectively led to an antidumping investigation on Mexican tomatoes. Mexico's Ambassador to the United States at the time, Arturo Sarukhan, warned that such an action would damage the U.S.-Mexico trade agenda and bilateral trade relationship as a whole. He also stated that Mexico would use all resources at its disposal, including the possibility of retaliatory tariffs, to defend the interests of the Mexican tomato industry.98

The suspension pact dates back to 1996, when the DOC, under pressure from Florida tomato growers, filed an anti-dumping petition against Mexican tomato growers and began an investigation into whether they were dumping Mexican tomatoes on the U.S. market at below- market prices. NAFTA had eliminated U.S. tariffs on Mexican tomatoes, causing an inflow of fresh tomatoes from Mexico. Florida tomato growers complained that Mexican tomato growers were selling tomatoes at below-market prices. After the 1996 filing of the petition, the DOC and Mexican producers and exporters of tomatoes reached an agreement under which Mexican tomato growers agreed to revise their prices by setting a minimum reference price in order to eliminate the injurious effects of fresh tomato exports to the United States.99 The so-called "suspension agreement" remained in place for years and was renewed in 2002 and 2008.100

The 2013 suspension agreement covers all fresh and chilled tomatoes, excluding those intended for use in processing. It increases the number of tomato categories with established reference prices from one to four. It also raises reference prices at which tomatoes can be sold in the U.S. market to better reflect the changes in the marketplace since the last agreement was signed. It continues to account for winter and summer seasons.101

When they filed the 2012 petition asking for the termination of the suspension agreement, U.S. tomato producers argued that the pacts had not worked. The petitioners stated that it was necessary to end the agreement with Mexico in order to "restore fair competition to the market and eliminate the predatory actions of producers in Mexico."102 However, business groups urged the DOC to proceed cautiously in the tomato dispute since termination could result in higher tomato prices in the United States and lead Mexico to implement retaliatory measures. Some businesses urged a continuation of the agreement, arguing that it helped stabilize the market and provide U.S. consumers with consistent and predictable pricing. According to a New York Times article, Mexican tomato producers enlisted roughly 370 U.S. businesses, including Wal-Mart Stores and meat and vegetable producers, to argue their cause.103

U.S. policymakers may follow trade issues regarding the renegotiation of NAFTA, a possible NAFTA withdrawal, binational economic and regulatory cooperation with Mexico, and the upcoming Mexican presidential elections in July 2018.

*Liberalization Inevitable

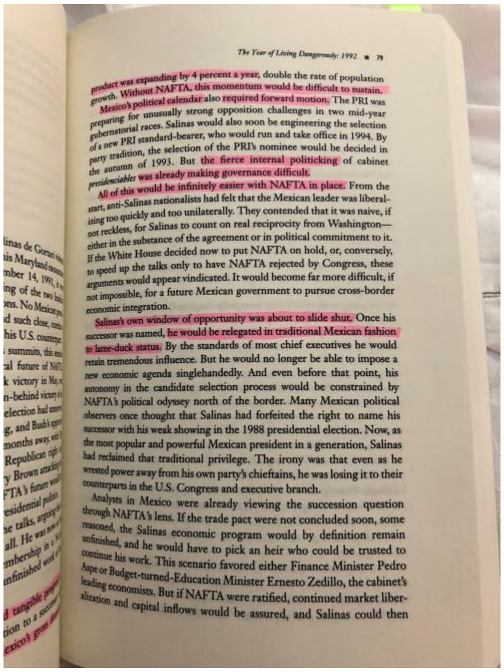
A2: Gradualism

Link Turn Rhetoric

1. Orme of the University of Texas writes that Salinas' needed forward momentum to sustain liberalization, as opposition parties were significantly stronger than usual. Specifically, he finds that it would become far more difficult for a future Mexican government to pursue economic integration if NAFTA was rejected.

Orme, William A. Understanding NAFTA: Mexico, free trade, and the new North America. University of Texas Press, 1996.

<https://books.google.com/books?hl=en&lr=&id=O2wOjChZGs0C&oi=fnd&pg=PR7&dq=mexico+needed+nafta&ots=XWk_bcTquW&sig=fruK6I2-_jsTS0DEFDWuiEMuB64#v=onepage&q&f=false>



product was expanding by 4 percent a year, double the rate of population growth. Without NAFTA, this momentum would be difficult to sustain.

Mexico's political calendar also required forward motion. The PRI was preparing for unusually strong opposition challenges in two mid-year gubernatorial races. Salinas would also soon be engineering the selection of a new PRI standard-bearer, who would run and take office in 1994. By party tradition, the selection of the PRI's nominee would be decided in the autumn of 1993. But the fierce internal politicking of cabinet *presidenciables* was already making governance difficult.

All of this would be infinitely easier with NAFTA in place. From the start, anti-Salinas nationalists had felt that the Mexican leader was liberalizing too quickly and too unilaterally. They contended that it was naive, if not reckless, for Salinas to count on real reciprocity from Washington—either in the substance of the agreement or in political commitment to it. If the White House decided now to put NAFTA on hold, or, conversely, to speed up the talks only to have NAFTA rejected by Congress, these arguments would appear vindicated. It would become far more difficult, if not impossible, for a future Mexican government to pursue cross-border economic integration.

Salinas's own window of opportunity was about to slide shut. Once his successor was named, he would be relegated in traditional Mexican fashion to lame-duck status. By the standards of most chief executives he would retain tremendous influence. But he would no longer be able to impose a new economic agenda singlehandedly. And even before that point, his autonomy in the candidate selection process would be constrained by NAFTA's political odyssey north of the border. Many Mexican political observers once thought that Salinas had forfeited the right to name his successor with his weak showing in the 1988 presidential election. Now, as the most popular and powerful Mexican president in a generation, Salinas had reclaimed that traditional privilege. The irony was that even as he wrested power away from his own party's chieftains, he was losing it to their counterparts in the U.S. Congress and executive branch.

Analysts in Mexico were already viewing the succession question through NAFTA's lens. If the trade pact were not concluded soon, some reasoned, the Salinas economic program would by definition remain unfinished, and he would have to pick an heir who could be trusted to continue his work. This scenario favored either Finance Minister Pedro Aspe or Budget-turned-Education Minister Ernesto Zedillo, the cabinet's leading economists. But if NAFTA were ratified, continued market liberalization and capital inflows would be assured, and Salinas could then