

Dan Stein, Executive Director of the Federation For American Immigration Reform (FAIR), argues that immigration should definitely be "on the table" in the US-Mexico Free Trade talks, and presents his specific proposals.

US-MEXICO FREE TRADE: THE MISSING BORDER AGENDA

By Dan Stein

August's mid-term congressional elections in Mexico signal that a major political gulf remains between the United States and Mexico.

As usual, the ruling PRI (Institutional Revolutionary Party) prevailed in most key races. And, as is tradition, howls of protest erupted from opposition parties over massive fraud, intimidation, phony credentialing, and unexplained reporting delays. Even objective observers charged that reporting delays from official (PRI-controlled) polls were unjustifiably long, suspicious, and unexplained. These events demonstrate that Mexico remains a party dictatorship.

The new evidence of continuing fraud raises serious questions about the PRI's commitment to democratic political reform. The US needs to be especially wary about its developing relationship with Mexico, given President Bush's fast-track negotiating authority for a free trade agreement.

Mexico's current president, Carlos Salinas de Gortari, has won international acclaim as a reformer of Mexico's outmoded economic philosophy, a philosophy enshrined in the Mexican constitution dating back to 1917. He has applied a free market philosophy to open up his country to foreign investment, relax import barriers, reduce inflation, and make progress toward an open economy.

Encouraged by his record, Congress went ahead and authorized negotiations for a US-Mexico free trade agreement. But Salinas, like his predecessors, is the product of a political system where presidential elections — at least since 1928 — resemble hereditary succession and coronation rather than free democratic process, leaving broader questions lingering.

Fraud is fraud. That the allegations from opposition parties recur election after election does not change their seriousness. The PRI will soon have been in power longer than the Communist Party in Moscow, making it one of the longest-running party

dictatorships in the world.

One of the institutional reforms adopted by the PRI over the years seems to be a reliance on the United States to absorb its excess labor. If this is so, then the ruling elite in Mexico have indeed adopted the corrupt practice of designating people as a primary national export. In evidence, US immigration authorities report that Mexican nationals pour illegally across the border to the US — nearly 5,000 a night.

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Given this background, for Mexico to emerge as any kind of credible treaty partner, the next presidential election must demonstrate the same reform-minded spirit in politics as we've seen in the economic sphere. There is no long-term economic freedom without political freedom.

Several issues must be resolved for a US-Mexico trade agreement to succeed, including whether Mexican oil deposits can be titled to foreign interests; whether US-type labor standards will be enforced; and whether illegal immigration will be condoned in the future. These matters will be haggled over for years. But what can and should the United States demand from Mexico as a minimum condition of any free trade agreement?

A recent Congressional commission, led by former US ambassador to Columbia Diego Ascencio, concluded that any free trade agreement with Mexico would — for at least 15 years — have the effect of increasing illegal immigration pressures. The primary cause: increased wealth in Mexico will lead to rising

expectations and facilitate movement to the US.

The commission also noted that recent economic development in Mexico has occurred along the US-Mexico border. Twin-plants, using Mexican labor, allow US, European and Japanese manufacturers to inexpensively assemble final products for the US market. These plants serve as magnets, drawing people to the border region. Many of these eventually enter the United States.

It is understandable that US industries would want to take advantage of the cheap labor and less stringent environmental regulations found in Mexico. We do not, however, want to resettle all of Mexico's surplus of unskilled labor in this country. To encourage development and stability in both countries, the United States must stipulate the following conditions:

- **Balanced development throughout Mexico.**

No matter how convenient twin-plant owners may find the proximity to the US border, the future of Mexico's economic development must be more uniformly distributed throughout Mexico. There is mounting evidence that the benefits of lining plants just south of the border has failed to "trickle down" to the rest of the Mexican economy. This geographical concentration inhibits the development of a balanced infrastructure, and places undue strain on the environment along the border.

- **Moratorium on twin-plants and related development within twenty miles of the border.**

The illegal immigration into the United States takes place most commonly under particular conditions, principally found in two places: Juarez/El Paso (Texas) and Tijuana/San Diego (California). The factors are: a major US-Mexico port of entry, heavy residential and industrial development right at the border on either side, and nearby a major US highway headed toward the interior. Without those factors large volumes of crossing are impossible. Any agreement should insure that future development takes place far from either side of the border so that the border itself remains physically manageable.

- **Better border infrastructure and related enforcement.**

Increased economic activity will increase crossings and place more strain on border communities. As mentioned, the agreement will place more pressure on the border itself. Needed are more inspection lanes and officers to man them, additional border enforcement resources (including detention

space, personnel, sensors, low-light TV cameras, and reinforced fencing), and basic reciprocal environmental, health and safety guidelines for development within the border region.

- **A \$2 crossing fee to finance needed border reforms, and a machine-readable border crossing ID and debit card for commuters, routine crossers and commercial users.**

Those who wish to profit by the agreement should be willing to shoulder some of its costs. In America, tolls are increasingly commonplace as communities struggle to maintain infrastructures without raising income and property taxes. A \$2 border fee could raise perhaps \$600 million the first year to finance the aforementioned reforms.

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- **Help from Mexico in controlling illegal activity at the border, including a willingness to repatriate Mexican nationals to interior home communities.**

While US-Mexico relations have improved of late, Mexican cooperation on general immigration issues has not. Until the early 1970s, Mexico would assist the US in returning Mexican nationals back to their home communities. Today the Mexican government requires that the US simply return Mexican nationals to the border, where those apprehended will just try again. Lately, Mexico has moved aggressively through diplomatic channels to oppose US efforts to regain control of its own border. For example, Mexico's consular official in San Diego, Miguel Escobar, has recently protested the new plans to increase fencing and deterrent structures as a "factor of friction" and "certainly not evidence of friendship between the two nations" (San Francisco *Examiner*, August 25, 1991, B-7). This revolving door game can only stop with help from the Mexican government, and any agreement must require that the Mexican government not only discourage illegal crossing, but help to support enforcement structures that will insure that the border can be effectively maintained.

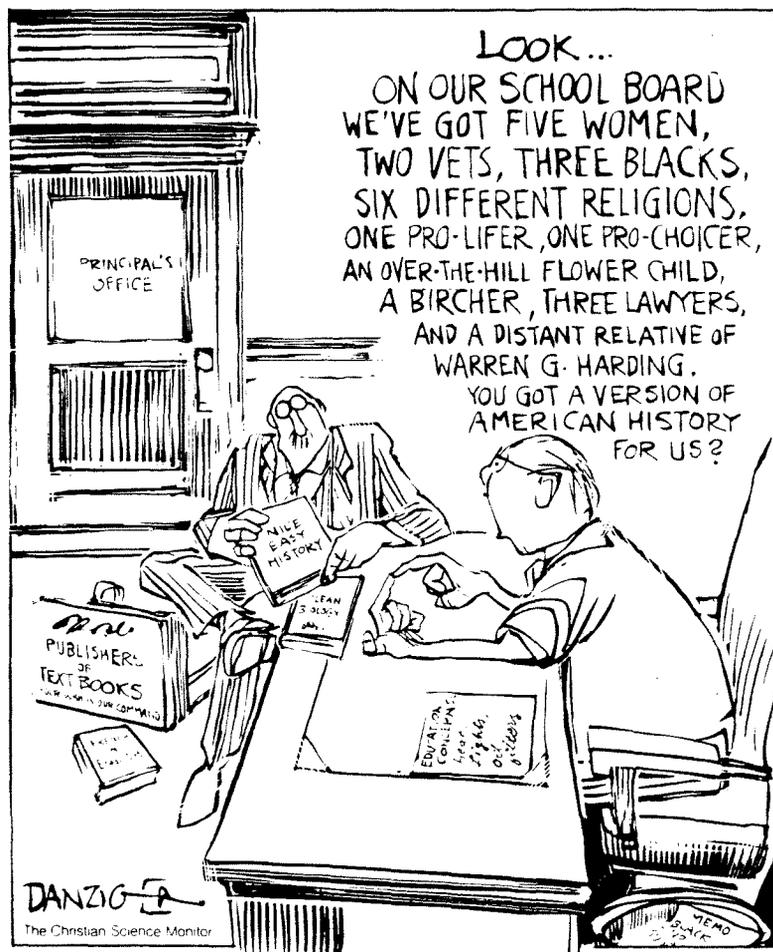
Sovereignty entails responsibility. Free trade relies on mutual trust, respect, and a shared sense of values and goals. Our future relationship with Mexico will only be assured if each nation recognizes its unique responsibilities to its own people and to its neighbors. Respect, in this context, means the willingness to respect each other's differing legal, political, cultural and moral systems, including that most basic ingredient of sovereignty: respect for the very national borders that allow those systems to remain discrete and identifiable.

Free trade is not such a derogation of sovereignty that the United States must relinquish its

national borders to help promote stability in Mexico. In fact, free trade implies that the prerogatives of sovereignty should be even more forcefully applied, as each nation more aggressively pursues its comparative advantage.

Properly negotiated, the free trade agreement should go a long way toward enhancing the integrity and stability of the border and surrounding region. That, after all, is the only way to insure that the region will become an attractive investment target. Any other choice would be short-sighted, diminishing the long-run prosperity and success of both nations.

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Danziger in *The Christian Science Monitor*. © 1987 TCSPS.

For a blue-collar view of the proposed US-Mexico free trade agreement, we reprint a position paper of the American Federation of Labor/Congress of Industrial Organizations (AFL-CIO). It was issued in February 1991, before Congress granted the fast track negotiating authority.

EXPLOITING BOTH SIDES: US-Mexico Free Trade

A Position Paper of the AFL-CIO

INTRODUCTION

The enactment of a free trade agreement with Mexico, as proposed by President Bush, would be an economic and social disaster for US workers and their communities.

Under current trade arrangements, tens of thousands of US workers have lost their jobs, and tens of thousands more have seen employment opportunities vanish, as US companies transferred production to Mexico, taking advantage of the poverty of Mexican workers and the absence of any effective regulations on corporate behavior.

A free trade agreement will only encourage greater capital outflows from the United States, bring about an increase in imports from Mexico, reduce domestic employment as the United States moves deeper into a recession, and accelerate the process of deindustrialization that has confronted this country during the 1980s.

The international economy has had a profound and negative effect on US workers during the past 10 years. The unprecedented shift in trade patterns has cost the economy hundreds of thousands of jobs, contributed to declining real income and made the United States the largest debtor nation in the world. There is no end in sight to these crippling deficits, and in 1990, the United States recorded its seventh consecutive year of merchandise trade deficits of more than \$100 billion.

Central to this problem is the imbalance in trade of manufactured goods, which in 1990 accounted for \$90 billion of the overall \$101 billion US trade deficit. At the beginning of the decade, the United States enjoyed a trade surplus in this vital sector.

The impact of US trade deficit on employment has been severe. While total employment has grown during the 1980s, employment in manufacturing has declined by more than 2 million and the growth in non-manufacturing jobs has taken place largely in the

lower-paying service sector. That sacrifice of well-paying and high-quality job opportunities in the middle tier of the nation's income structure is reflected in a decline of 13 percent in average weekly earnings since 1978.

These factors also have had a negative effect on the distribution of income in the United States. Low- and middle-income families have received an increasingly smaller share of the nation's income, while those at the top have substantially increased their share. Between 1979 and 1989, the 20 percent of families with the highest incomes saw their share of all family income increase from 41.5 percent to 44 percent. All other family income groupings declined.

"The supporters of a US-Mexico free trade agreement say it is a 'ladder of prosperity' for Mexican workers; but all of the bottom rungs are missing. The reason that US corporations have established facilities in Mexico is not to promote economic development, or raise the standard of living and level of consumption there; it is to increase corporate profits."

— AFL-CIO Executive Council

Ignoring these serious problems, the US government has pursued a strategy of trade liberalization internationally, and deregulation domestically. Indeed, the withdrawal of effective government regulation in the domestic market over the past 10 years can be seen as the driving force behind this nation's current approach in the international arena.

The proposed free trade agreement with Mexico is merely the most recent, albeit extreme, mani-