

# REASONS TO DEFEAT NAFTA

The following identifies some of the major points of NAFTA which are either of great concern or misrepresented to the American people. These reasons are not intended to summarize the entire agreement, but to bring attention to a few of the many areas where NAFTA and the arguments for NAFTA are contrary to what is best for America.

**NAFTA** refers to the *North American Free Trade Agreement Vol. I and Vol. II.*

**Perot Book** refers to the book *Save Your Job, Save Our Country: Why NAFTA Must be Stopped — Now.* written by Ross Perot with Pat Choate.

REASON	REFERENCE	
■ NAFTA is an investment guarantee that says if the Mexican government nationalizes a business the Mexican government must compensate the owners of the company or the U.S. can raise tariffs to compensate the former owners. The political stability NAFTA provides to foreign investors is the reason more companies will move jobs to Mexico with NAFTA than without NAFTA. The Maquiladora program in Mexico provides some of the guarantees of NAFTA in a limited geographical area in Mexico.	NAFTA	Vol. I, pp. 1-1 and 11-1 through 11-29.
	Perot Book	pp. 54, 55, 67, and 68.
■ NAFTA jeopardizes U.S. highway safety.	NAFTA	Vol. II, pp. 1-U-18 through 20 and 1-M-63.
	Perot Book	pp. 3 through 7.
■ NAFTA opens up government procurement (the purchase, rent, lease, or contract for goods or services) to all three countries. Mexican and Canadian suppliers have the same preference as local companies. Today, U.S. government procurement is more than five times greater than the combined procurement of Mexico and Canada.	NAFTA	Vol. I, pp. 10-1 through 10-79.
	Perot Book	pp. 84 and 85.
■ Nurses, accountants, lab technicians, pharmacists, and many other professional employees paid by a Mexican or Canadian employer can live and work in the U.S. indefinitely.	NAFTA	Vol. I pp. 16-1 through 16-21.
	Perot Book	pp. 90 through 92.
■ DDT and other U.S. EPA- and FDA- prohibited chemicals are allowed on fruits and vegetables imported into the U.S. from Mexico.	NAFTA	Vol. I pp. 7-31, Article 713.
	Perot Book	pp. 81-83.



REASON	REFERENCE
■ Mexico can prohibit used U.S. construction equipment from entering Mexico for ten years: used Mexican construction equipment can enter the U.S.	NAFTA <i>Vol. 1 pp. 3-18 through 3-24, p. 8.</i> <i>Perot Book</i>
■ Owners of labor intensive U.S. manufacturing companies will save a minimum of \$10,000 per year for each manufacturing job they move to Mexico.	<i>Perot Book</i> <i>pp. 12, 25 through 57, 68, and 69.</i>
■ Seventy-five U.S. manufacturing industries which employ more than 5.9 million workers are at risk for relocation to Mexico.	<i>Perot Book</i> <i>pp. 52 and 53.</i>
■ The skills of Mexican workers already match the skills of 70 percent of the labor force in the U.S.	<i>Perot Book</i> <i>p. 42.</i>
■ In terms of absolute purchasing power, Mexican workers are now making less than half of what they made a decade ago despite the fact that are producing superior products in some of the most advanced factories of the world's largest companies.	<i>Perot Book</i> <i>pp. 41 through 45.</i>
■ Company dictated union contracts which include low wage rates have been forced on Mexican workers by the government and the ruling political party (PRI). These contracts have been enforced by gunmen randomly shooting striking workers, and by the state police and government sanctioned mass firings.	<i>Perot Book</i> <i>pp. 45 and 46.</i>
■ Out of the \$40.6 billion of U.S. exports to Mexico in 1992, less than \$8 billion actually entered the Mexican consumer market. The majority of U.S. exports to Mexico were parts, supplies and materials for use mainly in American owned companies to manufacture finished products for export from Mexico to the U.S.	<i>Perot Book</i> <i>pp. 48 through 50, 69, and 70.</i>
■ NAFTA does not create a huge market for U.S. goods. The U.S. already makes up to 85 percent of the total market. The U.S. and Canada, under the Canada Free Trade agreement, make up 96 percent of the total NAFTA market. Mexico only accounts for four percent of the market.	<i>Perot Book</i> <i>pp. 69 through 72.</i>

*If you have any questions concerning any of these "Reasons to Defeat NAFTA", please contact Pat Choate, contributing author of **Save Your Job, Save Our Country: Why NAFTA Must Be Stopped - Now**, at 202-543-1212.*

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REASON	REFERENCE
<p>■ European and Japanese automobile manufacturers located in Mexico have duty free access to the U.S. consumer market. A Honda made in Japan has to pay a tariff to enter the U.S., but a Honda made in Mexico can enter the U.S. tariff free.</p>	<p><i>NAFTA</i> Vol. I pp. 3-A-15 and 3-A-16. <i>Perot Book</i> p. 10.</p>
<p>■ Mexico and Canada retain the right to require that an automobile sold in their country must be primarily manufactured in their country and they may specify the percentage of parts that must be manufactured in their country.</p>	<p><i>NAFTA</i> Vol. I, pp. 3-A-2 and 3-A-4 through 3-A-21. <i>Perot Book</i> pp.31 and 32.</p>
<p>■ Meat imported from Mexico does not have to meet the same USDA standards as U.S. raised and processed meat.</p>	<p><i>NAFTA</i> Vol. I pages 7-31, Article 713. <i>Perot Book</i> pp. 81 through 83.</p>
<p>■ Under NAFTA <i>Buy America</i> laws of the U.S., the individual states and political subdivisions could be challenged as illegal trade barriers.</p>	<p><i>NAFTA</i> Vol. I pp. 10-3, Article 1003. <i>Perot Book</i> pp.84 and 85.</p>
<p>■ Disputes affecting U.S. citizens, local, state, and national government and U.S. businesses are settled outside the U.S. judicial system by an administratively appointed binational or trinational board.</p>	<p><i>NAFTA</i> Vol. I pp. 18-1 through 20-17. <i>Perot Book</i> pp. 93 through 97.</p>
<p>■ Former U.S. Trade officials are working as highly paid foreign agents on behalf of Mexico to obtain ratification of NAFTA by the U.S. Congress.</p>	<p><i>Perot Book</i> pp. 59 through 63 and Appendix A pp. 119 through 124.</p>
<p>■ Only Mexican nationals or Mexican enterprises may own a controlling interest in land in Mexico used for agriculture, livestock or forestry purposes. Today, and under NAFTA, foreign investors, including Mexican nationals, can own similar land in the U.S.</p>	<p><i>NAFTA</i> Vol. II p. I-M-9. <i>Perot Book</i> p. 7.</p>
<p>■ Only under extraordinary conditions may U.S. investors directly, or indirectly, own more than 49 percent of a construction company in Mexico during the first five years. Today, and under NAFTA, foreign investors, including Mexican nationals, can fully own a construction company in the U.S.</p>	<p><i>NAFTA</i> Vol. II, p. I-M-22.</p>