The image features three flags waving in the background. On the left is the United States flag, in the center is the Mexican flag, and on the right is the Canadian flag. Overlaid on these flags is the title of the document in a large, bold, black serif font.

The Effect of Agriculture Subsidies on the North American Worker

By Michael McDonald Cary

INTRODUCTION

In present day, the United States Department of Agriculture hands out between \$10 billion and \$30 billion in cash subsidies to farmers and owners of farmland every year.¹

Agricultural subsidies are manifested primarily in the agricultural commodities sectors of wheat, corn, soybeans, rice and cotton, thereby, accounting for more than 90 percent of agriculture subsidies.² More than 800,000 farmers and landowners receive subsidies but, the payments are heavily tilted toward the largest producers. An agricultural subsidy is a governmental subsidy paid to farmers and agribusinesses to supplement their income, manage the supply of agricultural commodities, and influence the cost and supply of such commodities.³

In addition to government provided insurance given to farmers to protect against adverse weather, pests, and low market prices, there are eight basic types of farm subsidies but, two are most important: direct payments and marketing loans. First, the direct payment of farm subsidies was established in 1996 and direct payments are the largest source of subsidies to farmers at more than \$5 billion every year.⁴ The second types of subsidies provided are marketing loans that provides large subsidies by paying guaranteed minimum prices for the crops that are produced.

This program encourages the overproduction of wheat, corn, sorghum, barley, oats, cotton, rice, soybeans, minor oilseeds, and peanuts by establishing a floor on crop prices that

¹ Budget of the United States Government: FY2010, Historical Tables, Table 3.2.

² Chris Edwards and Tad DeHaven, "Farm Subsidies at Record Levels As Congress Considers New Farm Bill," Cato Institute Briefing Paper, October 18, 2001 at 70.

³ Agricultural Subsidies, The Columbia Electronic Encyclopedia, Copyright © 2007, Columbia University Press.

⁴ Gilbert M. Gaul, Farm Program Pays \$1.3 Billion to People Who Don't Farm, Washington Post, July 2, 2006, at A1.

would otherwise face producers in open markets.⁵ Recent research has shown that government funded payments under this program have ranged from \$1 billion to \$7 billion every year.⁶ In addition, under the marketing loan program, most farmers take “nonrecourse” loans from the USDA and use their crops as a bargaining chips. This allows farmers to default on their loans without any penalty because there are no interest rates on these loans.⁷

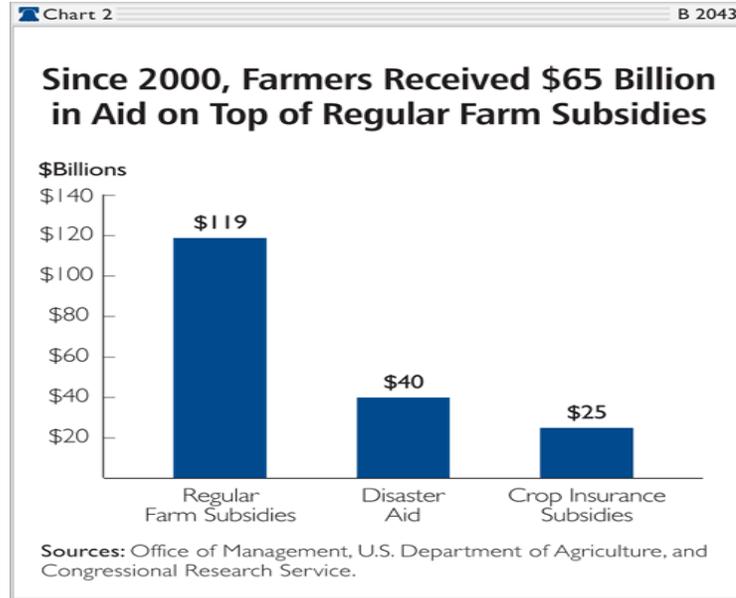
Under the program, farmers who take “nonrecourse” loans from the USDA use their crops as collateral, which allows farmers to default on the loans without penalty. In the past, if market prices fell below target levels, farmers kept their loans and forfeited their low-value crop to the government.⁸ Taxpayers were stuck paying the loan costs and the costs of storing crop stockpiles. Today, most marketing loan subsidies are in the form of “loan deficiency payments,” which allow farmers to bypass the loan process and simply receive a subsidy payment. Alternatively, farmers can receive “marketing loan gains,” under which, farmers can repay their USDA loans at preferential rates.

⁵ *Id.*

⁶ Brian M. Riedl, *How Farm Subsidies Harm Taxpayers, Consumers, and Farmers, Too*, (2007), <http://www.heritage.org/research/reports/2007/06/how-farm-subsidies-harm-taxpayers-consumers-and-farmers-too>.

⁷ *Id.*

⁸ United States Department of Agriculture, *Nonrecourse Marketing Assistance Loan and Loan Deficiency Payment Program*, (2007), http://future.aae.wisc.edu/publications/farm_bill/nonrecmktg.pdf



Special Interests and NAFTA

Special Interest groups have lobbied lawmakers in the government into paying for their agriculture production.⁹ But this production typically is more than the US market can handle so instead of wasting or donating the surplus produce, said groups have lobbied to make a profit on their intentional overproduction via NAFTA.¹⁰ This free trade agreement allows for agribusinesses to dump their over production at a cost so cheap that forces local Mexican farmers out of the agricultural business. The balance is completely disrupted because Mexican farmers cannot produce the crops for the price that agribusiness can retail them.

There exists a giant and unfair advantage caused by economies of scale that agribusinesses enjoy through better and more equipment, more arable land, more seed and pest

⁹ Charles Lewis and Margaret Ephraim, Can Mexico and Big Business USA Buy NAFTA, *The Nation*, June 14, 1993 at A1.

¹⁰ Peter Cooper, NAFTA's broken promises: Job Creation under NAFTA, *Global Trade Watch*, Sept. 1993, at A1.

control and much better irrigation methods.¹¹ The omission of subsidies and economies of scale calculations created a tremendous misrepresentation in the original presentation of NAFTA to the public at large and will be a cost that is only pay by the American tax payers.

The North American Free Trade Agreement was a result of a general trend toward profit maximization between the North American nations.¹² This agreement between the United States, Canada, and Mexico was first implemented by Ronald Reagan, enacted by President H.W. Bush, and modified by President Bill Clinton.¹³ The overarching rationale of NAFTA was to eliminate barriers to trade, and facilitate the cross-border movement of goods and services; promote conditions of fair competition in the free trade area, and increase investment opportunities in the territories of the parties.¹⁴ The ultimate NAFTA treaty was structured as three separate bilateral agreements in a singular document to be fully implemented by January 1, 1994 with the core issue being free trade importation and exportation of agricultural products amongst other countries.¹⁵

NAFTA has endured a number of changes since it was first officially signed in 1992.¹⁶ Despite these changes, which largely appeared inevitable, there was a wide breadth of opposition, primarily in the United States and Mexico. American workers felt violated and lied to by the promises that NAFTA promoters made when their manufacturing jobs left the country. In

¹¹ NAFTA Vote 'Buying' to Cost Taxpayer's Billions, PC's Global Trade Watch, November 12, 1993.

¹² The United States Department of Agriculture, Foreign Agriculture Service, (2007), <http://www.fas.usda.gov/contactus.asp>.

¹³ *Id.*

¹⁴ *Id.*

¹⁵ Steven Zahniser, NAFTA Implementation Nears Completion, March 2007, at 13.

¹⁶ *Id.*

turn, the United States public has felt threatened by the spike in immigration influx and certain politicians have promoted their agendas by blaming the immigrant population. As for Mexico, the United States' subsidies of agricultural products have made it impossible for Mexican farmers and small business owners to compete, thereby, forcing them to migrate.

Nonetheless, NAFTA was signed due to the fact that the benefits ostensibly outweighed the risks; although some sectors may have suffered, overall economic growth was all but a certainty, and the establishment of a unified North American economy was imperative in the wake of manifesting globalization. The irony is that NAFTA has taken away centuries' old systems of living, while shutting the door on potential solutions. Many conclude that free trade, while preparing for the future of globalization, does not equal fair trade.

The Effects of U.S. Farm subsidies on Manufacturing Jobs in the United States.

U.S. farm subsidies only benefit those able to pay the cost of production. USDA figures indicate that the average income of farm households has been rising consistently higher than the average of all U.S. households.¹⁷ Recent research shows that in 2007, the average income of farm households was \$86,223, or 28 percent higher than the \$67,609 average of all U.S. households.¹⁸ However, the percentages are distorted by average numbers skewed by few farmers who benefit disproportionately from subsidies.

Most of all subsidies payments by the government have gone to the largest farms.¹⁹ For example, the largest 10 percent of recipients have received 72 percent of all subsidy payments in

¹⁷ The United States Department of Agriculture, *The Economics of Food, Farming, Natural Resources, and Rural America*. 2010, www.ers.usda.gov/briefing/wellbeing/farmhouseincome.htm.

¹⁸ *Id.*

¹⁹ Risk Management Agency, *About the Risk Management Agency*, (2003), <http://www.rma.usda.gov/aboutrma>.

recent years.²⁰ What policy makers do not inform the public on, is that it is the landowners, not the farm workers who benefit from subsidies.²¹ The manufacturing companies saw NAFTA as a means to increase profit because the rules for each member country, in particular the United States, provided new incentives to relocate production. Investors saw great opportunity in reducing their labor costs by relocating to Mexico. These investors received both special investor protections and preferential admission for finished goods shipped back to the United States. At the same time, many U.S. workers who lost their high-wage, benefit paying, manufacturing jobs have only found new work in service sector positions which pay 23-77percent less than their previous wages and offer few or no benefits.²² To obtain the support of the US public, many NAFTA supporters projected that high quality jobs would drastically increase for US workers. U.S. trade surplus increments with Mexico were predicted that would create new U.S. jobs. However, the harsh reality of NAFTA, as it relates to the United States, is that it only turned a modest U.S. trade surplus with Mexico while creating an almost insurmountable trade deficit with Canada.²³

Since the U.S. entered into NAFTA with Mexico and Canada, the trade deficit with these countries has grown rapidly (see chart below). U.S. firms moved plants to Mexico and Canada to take advantage of lower wages and new rules providing unheard of levels of protection for foreign investors.²⁴

²⁰ Environmental Working Group, Farm Subsidy Database, (2003), www.ewg.org/farm.

²¹ Gilbert M. Gaul, "Farm Program Pays \$1.3 Billion to People Who Don't Farm," Washington Post, July 2, 2006, at A1.

²² U.S. Department of Labor, Bureau of Labor Statistics. "Occupational Employment Projections to 2010, November 2001.

²³ *Id.*

²⁴ Scott, Robert E. 2001. "NAFTA's Hidden Costs", in the Economic Policy Institute report, NAFTA at 7.



One pro NAFTA economist infamously calculated that 170,000 new jobs would be generated within the first two years of implementing NAFTA²⁵. But, instead, the United States lost three million manufacturing jobs during NAFTA. Moreover, 525,000 U.S. workers have been specifically certified as NAFTA job-loss victims.²⁶ For example, the Economic Policy Institute concluded that by the year 2000, NAFTA already had cost the United States 766,000 jobs and job opportunities.²⁷ Recent research on data applications to one government program reveal some of the specific U.S. jobs lost to NAFTA.

²⁵ Hufbauer, Gary, and Jeffrey J. Scott. NAFTA: An assessment. Institute for International Economics

²⁶ *Id.*

²⁷ Scott, Robert E. 2001. "NAFTA's Hidden Costs", in the Economic Policy Institute report, NAFTA at 7.

The NAFTA-TAA (Trade Adjustment Assistance) program provided income assistance and job search and training allowances to workers who lost their jobs as a direct result of cheaper Canadian or Mexican imports, or when their manufacturing plants were relocated.²⁸ Starting in 1994 and ending in 2002, 525,094 specific U.S. workers were certified for assistance under this program. NAFTA-TAA has since been merged into a general TAA program thereby making it harder to track the specific NAFTA job casualties.²⁹

Thus, the proposed job opportunities for U.S. Workers made by NAFTA supporters were unfulfilled and in its place, workers were forced to face with substantial job loss and a trade deficit with Canada.³⁰ Typically, in most industries, market prices balance supply and demand which is one of the fundamental theories behind the free market.³¹ However, these forces are not present when the government basically controls agriculture production. Farm programs receiving subsidies purposefully over produce, not in hopes of donating the extra produce, but by gaining multiple ways to profit. This over production leads to dumping which unlevels the playing field for low level farmers and small business owners in Mexico.

Effects of NAFTA on the Agriculture worker in Mexico

In 2008, the last remaining tariffs and trade barriers permitted under the North American Free Trade Agreement were removed.³² The tariffs' elimination presumably gives full rein to an open-market trade and investment regime between the United States and Mexico. The basic

²⁸ A regularly-updated, searchable database of NAFTA-TAA and TAA certifications is maintained by Public Citizen's Global Trade Watch at <http://www.citizen.org/trade/>

²⁹ *Id.*

³⁰ *Id.*

³¹ *Id.*

³² Laura Carlsen, NAFTA Free Trade Myths Has Led to Massive Farm Failures in Mexico. Americas Program, Center for International Policy (CIP), December 5, 2007.

purpose is that all products now enter into a competitive market that will self-regulate to enhance production, effectiveness, investment, and, indirectly, the lives of Mexican producers and consumers.³³ This intended approach did not come to fruition; instead, what has happened in the Mexican countryside over the past 17 years of NAFTA shows that free trade theory has been a disaster for small farmers in Mexico.³⁴ Corn farmers in Mexico are forced out of business by subsidized imports from agribusiness in the United States, thus, forcing Mexicans to find work in order to provide for their families. Thus, Mexican farmers move from the agricultural fields to the manufacturing plants.

Day-to-day jobs at the manufacturing plants or, as they are known in Mexico, “maquiladoras” are slipping away at a rapid pace due to globalization.³⁵ In 2008 alone, the Mexican Council of Maquiladora Manufacturing Industries (Consejo Nacional de la Industria Maquiladora y Manufacturera de Exportación) estimates that 50,000 jobs in the maquiladora industry were lost. With an evenly depressing supposition for the near future, people in the maquiladora industry are justifiably concerned.³⁶

For example, Miguel Avechuco Lopez is an engineering manager with Amphenol Optimize Manufacturing Co. in Nogales, Mexico. He has been sent to Shenzhen, China three times to train laborers in assembly work. Shenzhen has taken over part of manufacturing operations for Amphenol, relocating nearly 100 jobs away from Lopez’s hometown. He feels

³³ Alberto Arroyo Picard, NAFTA in Mexico: Promises, Myths and Realities, in *Lessons from NAFTA: The HIGH Cost of Free Trade*

³⁴ Understanding the Mexican Economy After NAFTA: http://www.associatedcontent.com/article/219437/understanding_the_mexican_economy_after.html?cat=3

³⁵ As China Rises and global economy falters, maquiladoras face uphill battle. <http://www.examiner.com/headlines-in-phoenix/as-china-rises-and-global-economy-falters-maquiladoras-face-uphill-battle>

³⁶ *Id.*

like he is “witnessing an end of an era.”³⁷ Miguel later stated that, “It was bad enough that our jobs were being brought over there, but I felt worse for being the teacher,” Avechuco Lopez said. “I don’t want my job to go to China. I don’t want my country’s jobs to go.”

Maquiladoras’ businesses range widely from airplane and automobile parts to all types of electrical devices. At one point in time, foreign companies import equipment and materials into Mexico. Those materials are assembled and then re-exported back to the country they originally came from where they are packaged and sent for retail.³⁸ With market trends leaning towards profit maximization, it is no longer about the individual employee; instead the free market forces of globalization are reigning supreme. Therefore, the agricultural workers in Mexico who are now in the maquiladora plants find themselves unemployed because production costs in China are cheaper.³⁹

The Plight of the Mexican Worker

Immigration, including undocumented immigration, is principally about labor migration.⁴⁰ The U.S. immigration laws and their enforcement, unfortunately, fall short to allow for adequate levels of lawful migration of labor to the United States.⁴¹ In particular, they leave

³⁷ *Id.*

³⁸ *Id.*

³⁹ Roger Blainpain, *The Global Workplace International and Comparative Employment Law* Ch. 6 (2003).

⁴⁰ Marcela Cerrutti & Douglas S. Massey, *On the Auspices of Female Migration from Mexico to the United States*, 38 *Demography* 187 (2001). (analyzing determinants regarding the migration of males and females); Douglas S. Massey et al., *An Evaluation of International Migration Theory: The North American Case*, 20 *Population & Dev. Rev.* 699 (1994) (considering theories of migration in North America)

⁴¹ See, e.g., *Illegal Immigration Reform and Immigrant Responsibility Act of 1996*, Pub. L. No. 104-208, 110 Stat. 3009 (1996), *Antiterrorism and Effective Death Penalty Act of 1996*, Pub. L. No. 104-132, 110 Stat. 1214 (1996).

few opportunities for many low and medium skilled workers to migrate lawfully, and thus effectively support undocumented migration by these workers.⁴²

With few enforceable legal protections, undocumented immigrants are paid inferior wages and work under difficult and unsympathetic circumstances. Through its restrictiveness, the current system of immigration contributes to the exploitation of undocumented immigration in the workplace. The free market model removed jobs from the United States because manufactures could be more productive in less restrictive countries such as Mexico. As we have seen the free market encourages profit maximization and eventually the Mexican worker in particular the Maquiladora's (textile workers) were unemployed due to the "China Rush." As a result, Mexican workers are found jobless and, in search of employment, they migrate to the United States.⁴³ In addition to migration, research has shown that Mexican workers resort to alternative means in order to provide for their families. When there is no other remedy, workers turn back to their innate survival instincts, thereby, disregarding law and order.

NAFTA and Labor Transnationalism

During the years before NAFTA was put into practice unions and many politicians predicted that NAFTA would increase hostility between already established unions in the United States, Canada, and Mexico.⁴⁴ This argument was based on the assumption that these combined countries that joined into the free trade agreement would be competing for the same jobs, thus labor camaraderie would be impracticable. According to Labor Scholar Tamara Kay, North

⁴² *Id.*

⁴³ Michael Hoefler et al, United States Department of Homeland Security, Estimates of the Unauthorized immigrant population residing in the United States, (2009).

⁴⁴ Vernon Briggs, Immigration and American Unionism. (2005) Cornell University Press

America has seen an unprecedented cooperation amongst pre-existing unions.⁴⁵ As a replacement for competition, these transnational unions have a more focused approach on the objectives and identity of their adversary. In this case, their adversary are the ever increasing corporations who through a “race to the bottom” try to utilize NAFTA to lower wages and remove tariffs that would impede free market forces.⁴⁶ While trying to forge an agreement, labor unions seek to foster sustainability as their primary focus by realizing that they have more in common with each other. Unions across the borders see that the only way to survive the pitfalls of free trade are to accomplish their goals collectively.

Contrary to popular belief NAFTA had the unanticipated consequences of stimulating labor transnationalism due to the relationships that developed during NAFTA’s negotiation among some North American unions are remarkably different than contacts between unions before the trend toward NAFTA and globalization took place.⁴⁷ NAFTA gave labor transnationalism force because labor unions had the opportunity to see their communal interest to work together in order to survive. Thus the labor unions in the United States, Mexico, and Canada established, for this first time, new networks of protest during the initial negotiations of NAFTA.

To combat these trends, unions have sometimes merged with other cross cultural unions to strengthen their membership base and remain financially viable. This innovative effort to shore up the declining power of labor unions by establishing opportunities to collaborate which provide practical training and ideological education for nonunionized immigrant workers allows

⁴⁵ Dinan Stephen, Pro Immigration groups ready to fight, Washington Times, January 11, 2010, at A1.

⁴⁶ Tamara Kay, The Rise of Labor Transnationalism: NAFTA and the Politics of Cross-National Collaboration among North American Unions, <http://www.socrates.berkeley.edu/tamarak>.

⁴⁷ *Id.*

is step towards cross cultural union unification.⁴⁸ For example, the United Electrical, Radio, and Machine Workers of America (UE), and the Authentic Labor Front (Frente Autentico del Trabajo, or FAT) joined forces to combat the pitfalls of trade.⁴⁹ The aforementioned unions did not have any prior contact at all before 1991 Their first substantive contact occurred in Zacatecas, Mexico in 1991 at a forum dubbed “Public Opinion and the NAFTA Negotiations: Citizen Alternatives.” At this meeting, the FAT and UE came up with the idea for a “Strategic Organizing Alliance.” Ever since that day, these two unions have collaborated on many issues relating to labor organizing and political campaigns to further their cross cultural agendas.

Similarly, labor transnationalism was also seen with the Canadian Steelworkers because they also developed a relationship with the FAT as a way to deal with the effects of NAFTA. Their relationship developed so much that it established a strike fund for the FAT. Similar to the Game theory this unification resulted in the best outcome when each transnational union works for the best interest of their particular union and the union across the border. But not only that, NAFTA also increased labor transnationalism by creating an institution through which labor activists could brainstorm. The North American Agreement on Labor Cooperation (“NAALC”) established new procedures, and venues to adjudicate complaints of labor rights violations through National Administrative Offices (NAOs) in each of the three NAFTA countries.⁵⁰ The NAALC’s procedural rules require that submissions be filed through an NAO in a country other

⁴⁸ Organizing to Win, New Research on Union strategies. ILR Press an imprint of Cornell University Press

⁴⁹ *Id.*

⁵⁰ Secretariat of the Commission for Labor Cooperation, An International Organization created under the North American Agreement on Labor Cooperation. <http://new.naalc.org/naalc/thenaalc.htm>. The North American Agreement on Labor Cooperation (NAALC) was signed on September 14, 1993, by the Presidents of Mexico and the United States, and the Prime Minister of Canada, as one of the supplementary accords to the North America Free Trade Agreement (NAFTA). It entered into force on January 1, 1994.

than the one in which a labor violation occurred, which makes it extremely difficult for a union to file with a “foreign” NAO without the assistance of a “foreign” union.⁵¹

The emergence of trilateral relationships in North America suggests that free trade agreements such as NAFTA can stimulate labor transnationalism by providing new opportunities for the cross cultural unification of labor unions. If North American Labor unions refuse to engage global governance institutions such as the NAALC, the FTAA, and the WTO, their ability not only to protect workers’ rights, but also to serve as a mechanism to build labor transnationalism, will be compromised.

Promissory Estoppel Claim for Mexican Workers

Special Interest groups have lobbied lawmakers in the government into paying for their agriculture production. But this production typically is more than the US market can handle so instead of wasting or donating the surplus produce, said groups have lobbied to make a profit on their intentional overproduction via NAFTA. Therefore, a legal claim in Torts Contracts would be improbable because these special interest groups have lobbied lawmakers to legitimize their profit making scheme.

As an analogy towards an improbable cause of action for the Mexican workers, promissory estoppel would be the possible avenue and thereby serving as a “consideration substitute” in contract law that renders certain promises otherwise lacking in consideration binding and enforceable.⁵² In such cases, the promisee’s reliance is treated as an independent and

⁵¹ *Id.*

⁵² Restatement (Second) of Contracts §90 – Promise Reasonably Inducing Action or Forbearance

sufficient basis for enforcing the promise.⁵³ In order to prove a promissory estoppel claim one must prove that 1) a promise reasonably expected by the promisor to induce action or forbearance, 2) action or forbearance by the promisee in justifiable reliance on the promise (i.e. “detrimental reliance”), and 3) injustice can be avoided only through enforcement of the promise.⁵⁴ The first element can be established as a promise to induce forbearance because the government of the United States made a promise that “NAFTA would fuel economic growth and dynamic trade, stimulates investment while creating productive partnerships, work for small and medium-sized business and provides fairness and certainty. NAFTA partners promote environmental protection, and provide greater job opportunities in North America.”⁵⁵ This statement establishes a promise that would reasonably induce the promisor or Government of Mexico, on behalf of the Mexican people, to sign the free trade agreement because it would grow their national economy, create good jobs, and generate the revenues necessary to provide basic public goods for the citizens of Mexico. The second element is met because the Government of Mexico signed the North America Free Trade agreement which came into effect in 1994 and economically connected the Governments of the United States, Canada, and Mexico. This Government of Mexico signed this agreement in justifiable reliance on the promise that NAFTA would fuel the Mexican economy and provide better positioning in the world economy considering the trend toward globalization. Finally, injustice can only be avoided through the enforcement of the promise because once the free trade agreement was signed member countries had a duty to remain bound by the contract.

⁵³ *Id.*

⁵⁴ *Id.*

⁵⁵ *Id.*

With the abundance of jobs promised by its supporters of NAFTA it has nonetheless fallen short of the promises made during the signing of the free trade agreement. As it relates to the Mexican rural households the picture is apparent. NAFTA has accelerated Mexico's conversion to a liberalized economy devoid of creating the essential circumstances for the public and private sectors to respond to the economic and social alarms of trading with the United States and Canada.⁵⁶ Mexico's most disenfranchised citizens have faced a devastating change from agriculture to manufacturing and eventually forced migration.

CONCLUSION

The reality of NAFTA is that free trade does not equal fair trade. NAFTA has not helped the Mexican economy keep pace with the growing demand for jobs. Unprecedented growths in trade, increasing productivity, and a surge in both portfolio and foreign direct investments have led to an increase of 500,000 jobs in manufacturing from 1994 to 2002. The agricultural sector, where almost a fifth of Mexicans still work, has lost 1.3 million jobs since 1994. These massive losses in jobs for Mexicans begin with agricultural subsidies given to agribusiness that then turn and sell their overproduction to Mexico for a price much lower than the fair market value.

With the future looking very bleak for many workers in Mexico and America in the manufacturing industry, the unemployed seem to handle the situation differently. On one hand, American workers blame their job losses on the Mexican workers and further argue that the

⁵⁶ Evidence showing a robust, linear relationship between trade liberalization and economic growth is weak and uneven, with that relationship generally inferred by measuring the relative openness of an economy. A strong empirical case exists showing that open economies grow quicker than do closed ones. Measures of economic openness vary, but include indicators of trade liberalization such as tariff and subsidy levels. See, for instance, Robert J. Barro, *Determinants of Economic Growth: A Cross Country Empirical Study* (Cambridge, Mass. MIT Press, 1999); and Michael Ferrantino, *The Dynamic Effects of Trade Liberalization: An Empirical Analysis* (Washington, D.C. U.S. International Trade Commission, 1997).

influx in immigration accounts for the jobs that should have been for American workers instead of Mexican. But the fact is that the Mexican workers are performing jobs on the farm lands that most Americans refuse to do. The long hours with little pay that most immigrants are performing in the United States does undercut the American worker. The American worker should be concerned with agricultural subsidies that account for billions of dollars each year from U.S. tax payers which allow agribusiness to profit from the American distributors and the agricultural industries of Mexico.

On the other hand, most Mexican families have resorted to different means of handling their current unemployment situation. Many rural Mexican workers have non-agricultural activities as their primary occupations, while relying on sporadic agricultural work to supplement their incomes. As of now, rural Mexican families rely on monies sent from the men and women workers of said family to make ends meet.

The solution is to stop artificial subsidies and to provide for comprehensive immigration reform. This would allow the labor force to find alternative sources of income and permit for the flow of human resources to reflect the normal cycles in each country. I would propose that the U.S. immigration laws be reduced in part to allow for seasonal workers to legally cross the border during harvest or during a labor intensive period to stimulate the U.S. economy and also by providing for their families in Mexico. Moreover, with the comprehensive immigration reform scheme would work towards legalizing undocumented immigrants to have some rights while in the United States.

Immigration reform that broadly legalizes undocumented immigrants would (1) improve the economic well-being of legalized immigrants and their families back in Mexico, who are

disproportionately low-income. Thereby making them less dependent of NAFTA and the United States and Canada to remedy the problem with job loss; (2) have a positive economic impact on other low-income individuals and (3) create political space for broader antipoverty legislation via special interest. On two different occasions Congress has tried to revamp the Immigration policies of our country. The senate passed a bill in 2006, but it was buried in appropriations and the House would not consider the issue. In 2007, moreover, an immigration reform bill failed again because the majority of senators voted to filibuster the issue that must be addressed one day. Initially, labor unions wanted little to do with guest-worker programs and wanted immigrants to have the same path of citizenship that illegal immigrants were given. But with as combined emphasis on union survival between Canada, Mexico, and the United States unionization has seen the many benefits that pro NAFTA, immigration, and globalization can bring which will allow for other segments of society to learn about the complexities of globalization. During his State of the Union Address, President Barack Obama once again reiterated his commitment to revamping this nation's broken immigration system. Perhaps, comprehensive immigration reform with more of a focus on workers' rights will be embraced by President Obama.