

Canadian, Mexican diplomats highlight benefits of NAFTA

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Government representatives from Canada and Mexico testified to the positive benefits of the NAFTA agreement at a recent WisPolitics.com luncheon held in Madison.

This came in the midst of ongoing ongoing negotiations to revamp NAFTA, a trade deal which has been in place for over a quarter-century. The third round of negotiations took place this past week, with representatives from all three countries meeting in Ottawa.

Consul Julian Adem, who leads the consulate of Mexico in Milwaukee, pointed to stats showing that trade between the United States and its two close neighbors has only risen since NAFTA started in 1994.

"In general, trilateral trade has tripled," Adem said. "As you can see, U.S. Canada trade increased tremendously, but Mexico trade went from \$289 billion to almost one trillion in 2016."

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He joined Consul General John Cruickshank, head of the Canadian consulate in Chicago, in arguing that NAFTA is not responsible for the loss of manufacturing jobs in the United States.

"With respect, I think people are negative about NAFTA not because of what it did — because on the whole, that's pretty positive for everybody — but frankly for what it didn't do," Cruickshank said. "And that is, it didn't cushion all the negative effects of globalization on America."

Cruickshank said Canada believes the agreement achieved much of what it was intended to, but is happy to “modernize and improve” and agrees “there is more to be done.”

“Trade, whether within a country or on a global scale, does a great job of keeping prices down, driving innovation, creating wealth, but it doesn’t deliver those benefits equally,” Cruickshanks added. “Every trading nation deals with its winners and its losers as it sees fit.”

Adem said that in Mexico, agricultural workers in corn and soybeans lost their jobs because the market was flooded, but now they’re looking for new options.

“They’re trying to specialize in niche products,” he said. “There’s going to be some losers — we recognize it — but there’s other opportunities.”

Kurt Bauer, president and CEO of Wisconsin Manufacturers & Commerce, spoke on the importance of trade between Mexico, Canada and Wisconsin. He said 46 percent of Wisconsin exports go to either Canada or Mexico, and noted that the balance of trade is in Wisconsin’s favor.

“If you look at it globally, it’s very clear that Wisconsin needs to be engaged,” Bauer said. “I always tell our members, they’ve got to export or they’re going to perish, because frankly, there just isn’t enough market share within the United States for us to close our borders and hope to thrive.”

Both Cruickshank and Adem also spoke to the benefits of NAFTA for Wisconsin. Canada is the biggest export market for Wisconsin, and is bigger than the next four largest combined, Cruickshank said.

“We buy \$6.6 billion in goods from Wisconsin every year,” Cruickshank said. “That’s trade that supports, directly and indirectly, almost 160,000 jobs in Wisconsin.”

And Wisconsin’s exports to Mexico have increased by over 900 percent under NAFTA, Adem said, adding that Mexico is Wisconsin’s second biggest export market, up from the seventh biggest in 1993.

“If that’s not a benefit for this state, then I don’t know what is,” Adem said.

Both representatives pushed back on some of the rhetoric surrounding NAFTA, with Cruickshanks calling the trade deal “an unvarnished, if unloved, success.”

“We understand the president’s focus on job losses and manufacturing, but we mustn’t lose sight of the fact that under NAFTA, real manufacturing output in the U.S. has risen by 75 percent,” he said.