

*Following up on the theme in Vol. II. No. 1 of The Social Contract, the proposed free trade agreement with Mexico, we present a summary of a paper on the topic issued by the Center for Immigration Studies. David Simcox is the Executive Director of CIS. Copies of the complete report are available at nominal cost from 1815 "H" St., NW, Suite 1010, Washington, DC 20006-3604; (202) 466-8185.*

## TRADE PACT COULD INTENSIFY EXODUS

Free trade is likely to increase immigration from Mexico to the United States before ultimately slowing it.

Rapid population growth, unemployment or underemployment of half the labor force, and vast ethnic and kinship links to the United States have given Mexican migration a stubborn momentum. Increased prosperity from free trade will give many would-be migrants the means to resettle in the U.S. Competition from U.S. and Canadian producers will displace Mexican workers in small farms, state-owned enterprises, and other less competitive industries, forcing some to migrate.

The non-economic incentives and expectations driving migration will also remain strong. Mexicans may see free trade as making the border a mere formality or as conferring an entitlement to live in the United States. North of the border, free trade may well further the U.S. government's traditional complacency about border controls. Industrial job growth in Mexico will tend to absorb the best workers and lower the average skill levels of those left unemployed who will enter the migrant pool.

Over the long term, however, a successful free trade agreement could reduce immigration by improving Mexicans' political freedom and quality of life, diminishing the prospects of mass asylum movements from Mexico, creating a better climate for effective family planning, and luring marginal, immigration-magnet industries from the U.S. to Mexico.

In the United States, less-skilled American workers and settled aliens in some industries and regions will be particularly vulnerable to job displacement and other disruptions from free trade. Particularly at risk will be workers in perishable crop agriculture, border retail trade, construction, apparel, and light manufacturing such as furniture, auto parts and glass. Continued heavy immigration of Mexican and other foreign workers into those industries and communities will further impede the adjustment of resident workers by competing for jobs and consuming public resources needed for retraining and job search.

To ease the adjustment of displaced workers, the US must make Mexico's cooperation in restraining immigration a condition for free trade. Mexico's cooperation should include:

- enforcement of its own laws against clandestine border crossing;
- action against alien smugglers, document forgers and transiting illegal aliens from Central America;
- curbs on the re-entry of aliens deported from the United States.

US initiatives that would cushion vulnerable American workers against the added disruption of immigration would be:

- more generous adjustment assistance and better basic education and skills training for U.S. workers;
- improved enforcement of safety, labor standards and residency requirements in immigrant-impacted firms and greater availability of legal workers for such firms;
- protection of public assistance resources through better screening and identification of applicants;
- curbs on imports of low-wage temporary foreign workers for U.S. firms that will have access to Mexican labor in Mexico.

Finally, the United States must consistently press Mexico for higher safety, environmental and labor standards at the workplace to improve the job satisfaction and quality of life of working Mexicans who might otherwise migrate, as well as to narrow Mexico's unjustifiably wide labor cost advantages over the United States. ■