Trade Deals Ignore Agricultural Impacts on Immigration

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This week, Senate leaders have scheduled a vote on a Peru trade deal that would expand the failed NAFTA trade deregulation model further into Latin America. Ignoring the advice of freshmen Democrats, like Senator Sherrod Brown from Ohio, who ran successful election campaigns calling for an alternative trade policy, Congressional leaders Harry Reid and Nancy Pelosi have made it a top priority to help Republicans pass pending trade agreements negotiated by President Bush.

Perhaps paying closer attention to NAFTA's track record would help Democrats and Republicans alike understand why we will never be able to find viable solutions to the seemingly intractable challenge of immigration reform without first addressing our failed agriculture and trade policy.

In 1994, NAFTA advocates—including then President Bill Clinton—promised that its passage would reduce immigration by creating more good paying jobs in Mexico. In 1996, the Republican Congress passed, and President Clinton signed, the Freedom-to-Farm Bill, promising a new approach that would allow farmers to export their way to prosperity. While NAFTA deregulated the border with Mexico, the 1996 Farm Bill deregulated domestic agricultural markets. The combination was lethal.

Agricultural trade deregulation allowed the unfettered overproduction of essential crops like corn, which caused farm prices to plunge. Multinational agribusinesses then proceeded to dump these crops into Mexico at below the cost of production, displacing Mexican farmers from their own market. By 2006, Mexico had lost over two million agricultural jobs, including as many as 1.7 million small farmers who were forced from their land and into urban areas within Mexico or north to the U.S.

The U.S. response has been to further militarize the border, with an estimated 2000-3000 migrants having died trying to cross the border since 1995. As many predicted, the militarization of the border failed. Mexican migration to the U.S. increased by 1.5 million from 2000-2005, peaking at an estimated 500,000 undocumented Mexicans entering the country annually by 2005 and 2006.

On the U.S. side of the border, the promise of expanded exports now rings hollow as our country is poised to become a net importer of food for the first time in half a century. And the low commodity prices resulting from the 1996 Farm Bill have caused 200,000 U.S. farmers to join the ranks of their Mexican counterparts in being forced off their farms to seek work elsewhere.

Some say the definition of insanity is doing the same thing over and over again and expecting a different result. Passing the Peru and other pending trade deregulation agreements fits that definition. Peru's agricultural provisions are virtually identical to NAFTA's. Like Mexico, a large segment of the Peruvian population lives in rural areas and is heavily dependent for survival on the production of key staple crops by small-scale farmers. Like Mexico, these farmers will be forced off their land, because the Peru trade deal requires the removal of the remaining tariffs that provide the only protection for these staple crops against predatory dumping by U.S. agribusinesses into Peru's local markets. And, like Mexico, these small farmers will be forced to migrate to urban areas and to the north—including to the United States.

Unfortunately, the only remaining promise of the failed NAFTA model is that its further expansion into Latin America will inevitably increase the migration of small farmers from the countryside to urban areas and to the United States. This will make it even more difficult to resolve the volatile immigration debate.

What is remarkable is that both Democratic leaders and Republicans continue to ignore the consensus among voters that the NAFTA model has failed. A recent *Wall Street Journal* poll found that 60 percent of American voters nationwide believe that our current trade policy has hurt, not helped, the U.S. economy. House Speaker Pelosi needed almost unanimous Republican support to pass the Peru deal over the opposition of a majority of her own party. In the Senate, Majority Leader Reid reportedly will limit debate on the complicated Peru agreement to only 10 hours, which is even more restrictive than Fast Track rules that allow a mere 20 hours.

Instead of expanding this failed model, we should be having a real debate on what a viable alternative agricultural trade policy would look like. A viable alternative would support more diversified and sustainable farming in a manner that would keep family farmers—both at home and abroad—on their land and in their rural communities. In the U.S., we should start by ensuring farmers receive a fair price from the marketplace by restoring a sane commodity policy and bolstering antitrust enforcement in the pending Farm Bill. Internationally, we should make it a top priority to negotiate a ban on the predatory dumping of agricultural commodities at below the cost of production onto world markets that devastates farmers everywhere. And, we should reject unfair trade deals like the ill-advised Peru, Columbia, Panama and Korea agreements.

R. Dennis Olson is a Senior Policy Analyst at the Institute for Agriculture & Trade Policy. For more information on the relationship between agricultural trade policy and immigration, see: ***A Fair Farm Bill and Immigration*** at: *http://www.agobservatory.org/library.cfm?refid=99390*.