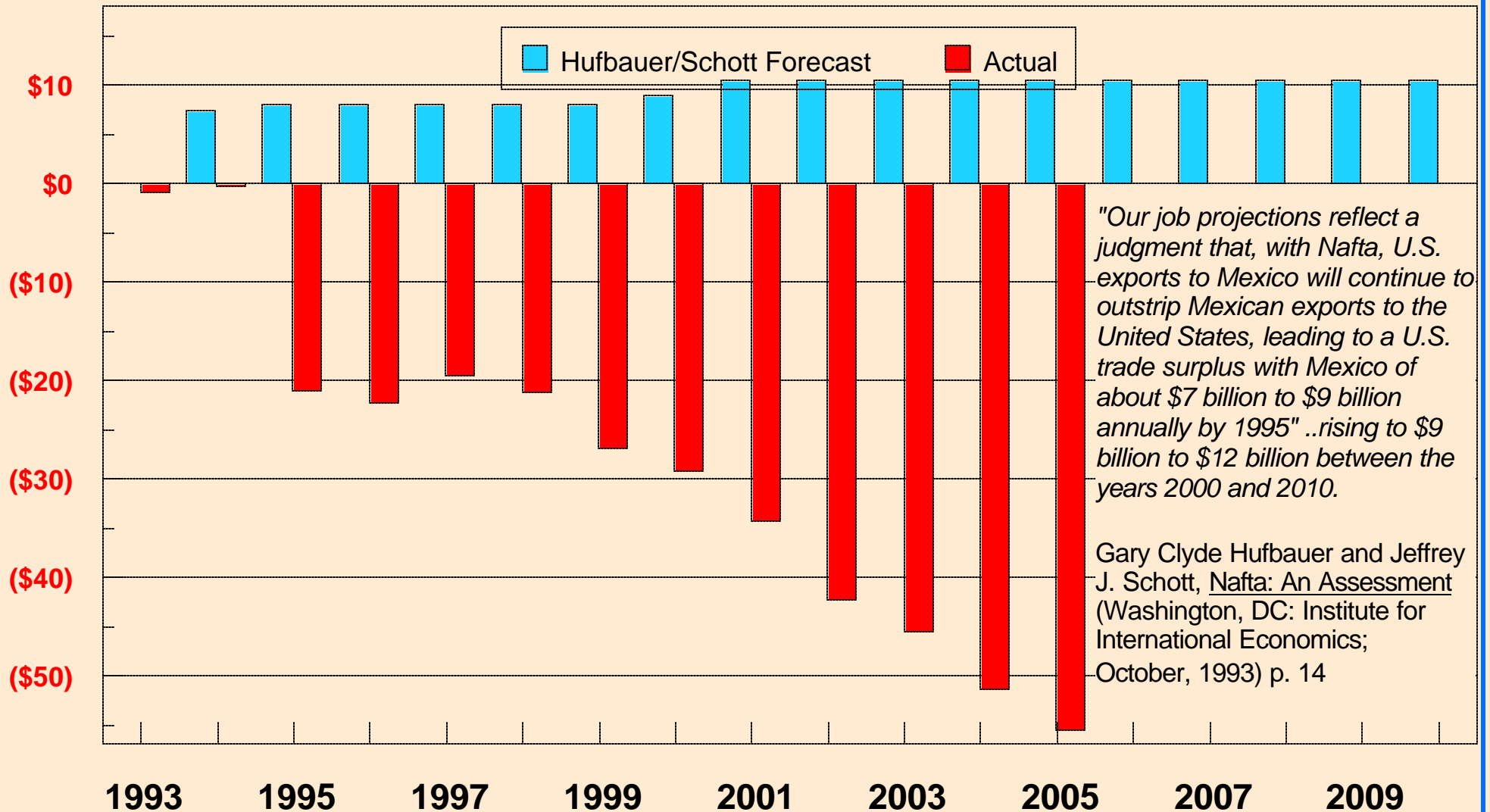


Pro-Nafta Forecasts Have Failed Spectacularly

Promised Production and Job Creation Were Based on Obsolete Assumptions

Billions of Dollars: U.S. Annual Current Accounts Balance With Mexico



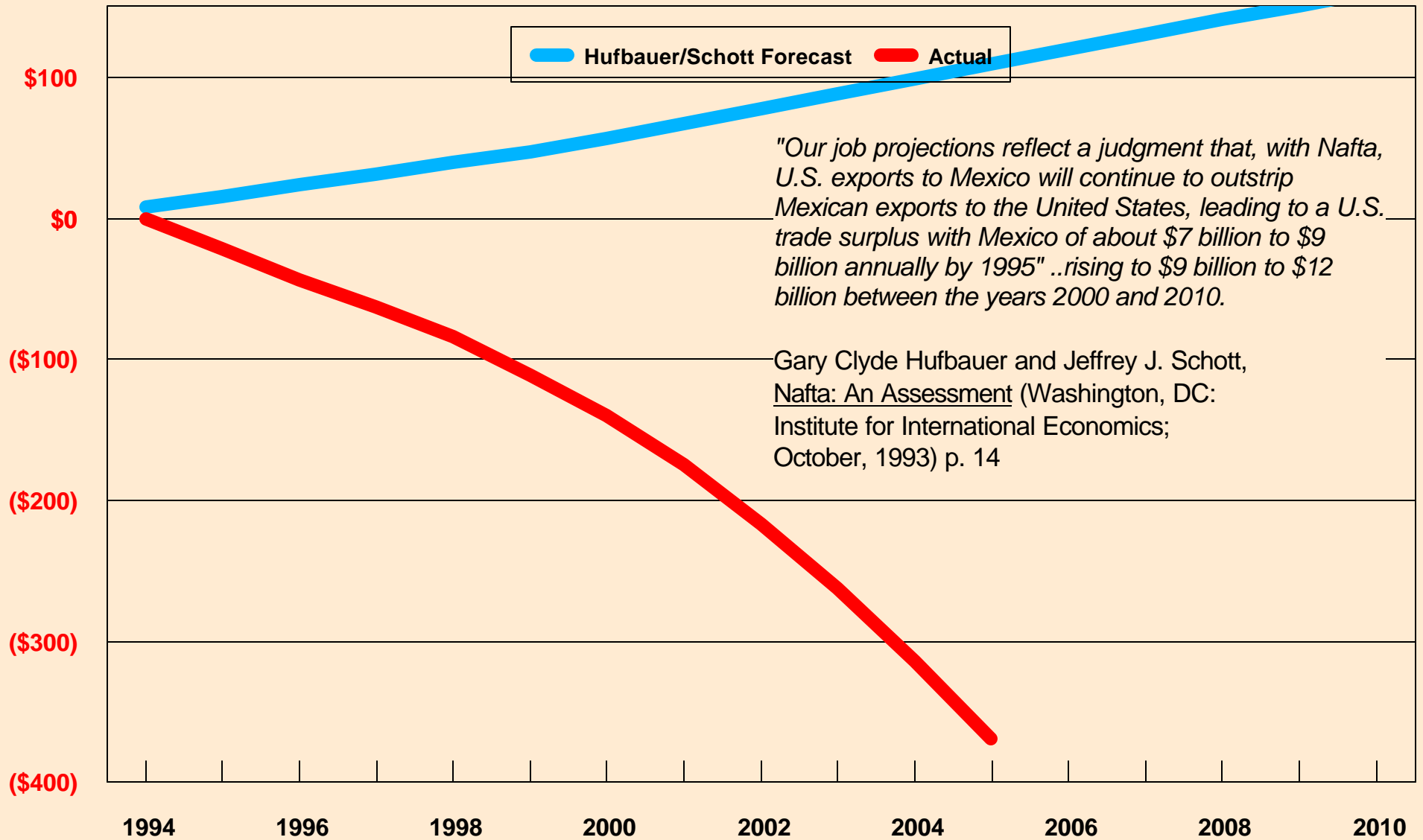
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Gary Clyde Hufbauer and Jeffrey J. Schott, Nafta: An Assessment (Washington, DC: Institute for International Economics; October, 1993) p. 14

Pro-Nafta Forecasts Have Failed Spectacularly

Obsolete Assumptions Wrong In Both Direction and Magnitude

\$ Billions: Cumulative U.S. Current Account Balance With Mexico Since Nafta

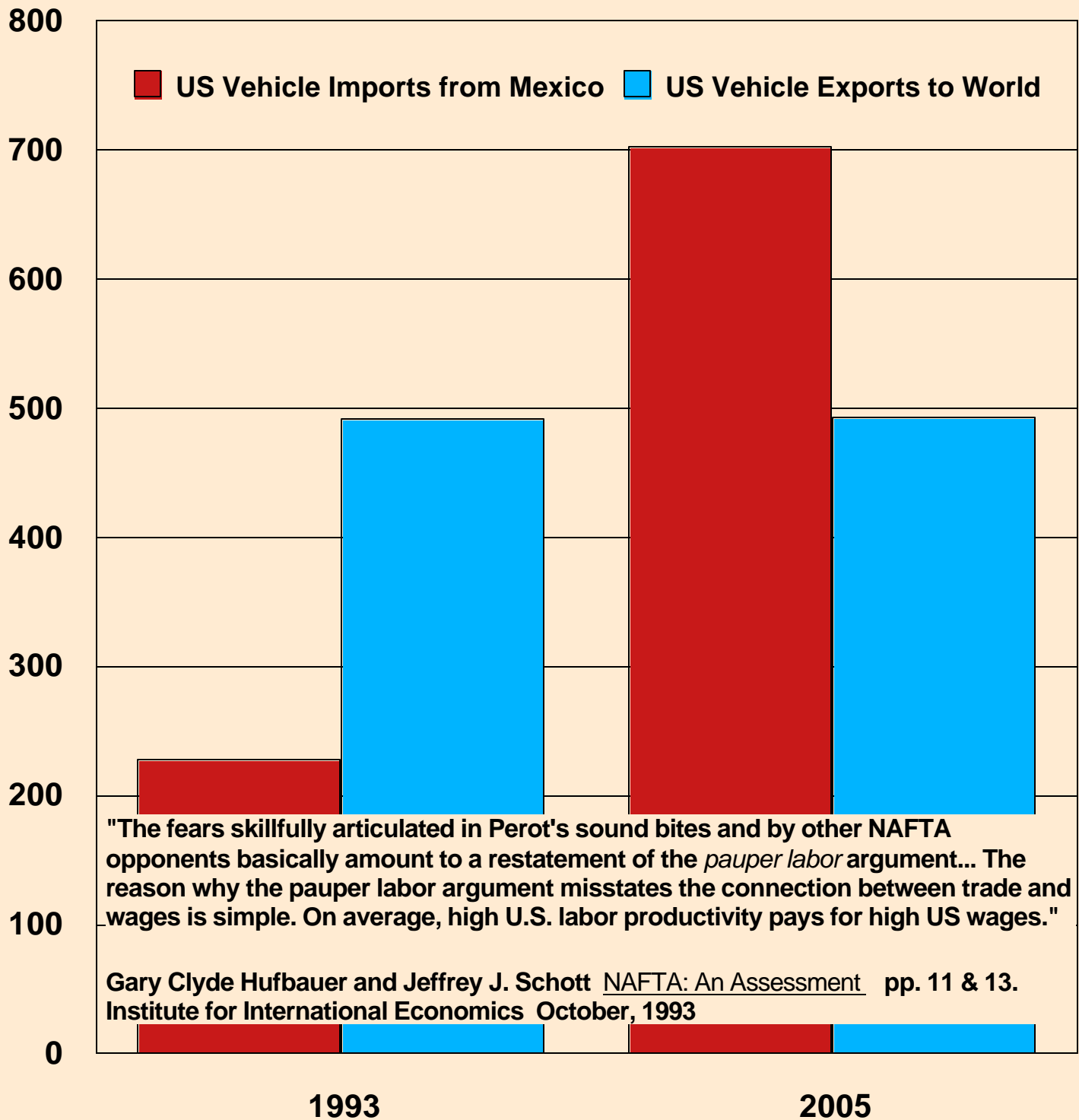


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Mexico Now Exports More Vehicles to the US Than the US Exports To the World

1,000s of Vehicles Each Year



US-Mexico Trade Balances By Industry: 3 Yrs Before Nafta vs Most Recent 3 Yrs

US Pre-Nafta Surpluses Became Large Deficits As Heavy Industry Suffers Most

HS Definitions of All Goods Producing Industries	Three-Year Balance Totals		Pre-Nafta vs Last 3 Yrs	
	1991-'93	2003-'05	\$Millions	% Change
Merchandise Totals.....	\$9,201	(\$135,864)	(\$145,064)	-1577%
87 Vehicles, Other Than Railway Or Tramway Rolling St	(2,529)	(46,657)	(44,128)	-1745%
27 Mineral Fuels, Mineral Oils And Products Of Their....	(11,098)	(49,482)	(38,384)	-346%
85 Electrical Machinery And Equipment And Parts There	(6,321)	(42,662)	(36,341)	-575%
94 Furniture; Bedding, Cushions Etc.; Lamps And Light..	(471)	(12,521)	(12,050)	-2557%
84 Mechanical/Computers.....	7,592	(3,764)	(11,356)	-150%
50-63 Textiles and Apparel less 5201 Raw Cotton.....	(177)	(10,521)	(10,343)	-5840%
62 Articles Of Apparel And Clothing Accessories, Not....	(1,193)	(10,448)	(9,255)	-776%
90 Optical, Photographic, Cinematographic, Measuring,..	1,517	(7,146)	(8,663)	-571%
61 Articles Of Apparel And Clothing Accessories, Knit....	(96)	(5,779)	(5,683)	-5926%
22 Beverages, Spirits And Vinegar.....	(482)	(5,165)	(4,683)	-973%
07 Edible Vegetables And Certain Roots And Tubers.....	(2,297)	(6,687)	(4,390)	-191%
O SPECL IMPR PROVISIONS	(980)	(5,279)	(4,299)	-438%
98 Special Classification Provisions, Nesoi.....	1,377	(2,158)	(3,535)	-257%
72 Iron And Steel.....	1,533	(989)	(2,522)	-165%
83 Miscellaneous Articles Of Base Metal.....	840	(905)	(1,745)	-208%
63 Made-Up Textile Articles Nesoi; Needlecraft Sets;....	(287)	(1,842)	(1,555)	-543%
71 Natural Or Cultured Pearls, Precious Or Semiprecio..	(74)	(1,614)	(1,540)	-2092%
08 Edible Fruit And Nuts; Peel Of Citrus Fruit Or Mel....	(1,028)	(2,565)	(1,537)	-150%
70 Glass And Glassware.....	(225)	(1,357)	(1,132)	-504%
69 Ceramic Products.....	(274)	(1,293)	(1,019)	-372%
17 Sugars And Sugar Confectionary.....	147	(628)	(775)	-527%
95 Toys, Games And Sports Equipment; Parts & Access	(174)	(919)	(745)	-428%
01 Live Animals.....	(643)	(1,330)	(687)	-107%
73 Articles Of Iron Or Steel.....	742	76	(666)	-90%
96 Miscellaneous Manufactured Articles.....	3	(614)	(617)	-22797%
68 Articles Of Stone, Plaster, Cement, Asbestos, Mica..	(86)	(632)	(546)	-635%
03 Fish And Crustaceans, Molluscs And Other Aquatic I	(595)	(1,054)	(458)	-77%
20 Preparations Of Vegetables, Fruit, Nuts, Or Other.....	(299)	(629)	(330)	-111%
79 Zinc And Articles Thereof.....	(186)	(503)	(318)	-171%
64 Footwear, Gaiters And The Like; Parts Of Such Arti...	(324)	(555)	(231)	-71%
91 Clocks And Watches And Parts Thereof.....	69	(161)	(230)	-335%
19 Preparations Of Cereals, Flour, Starch Or Milk; Ba...	35	(142)	(177)	-506%
18 Cocoa And Cocoa Preparations.....	101	49	(53)	-52%
13 Lac; Gums; Resins And Other Vegetable Saps.....	29	(20)	(48)	-168%
65 Headgear And Parts Thereof.....	(80)	(122)	(42)	-52%
93 Arms And Ammunition; Parts & Accessories Thereof.	10	(28)	(38)	-379%
34 Soap Etc.; Lubricating Products; Waxes, Polishing....	98	74	(24)	-24%
06 Live Trees And Other Plants; Bulbs, Roots And The...	(16)	(38)	(22)	-144%
51 Wool And Fine Or Coarse Animal Hair, Including Yar.	(5)	(21)	(16)	-320%
43 Furskins And Artificial Fur; Manufactures Thereof.....	14	5	(9)	-66%
66 Umbrellas, Sun Umbrellas, Walking-Sticks, Seat-Sti..	6	2	(4)	-73%
67 Prepared Feathers And Down And Articles Thereof....	14	12	(2)	-16%
25 Salt; Sulfur; Earths And Stone; Plastering Materia....	(305)	(305)	0	0%

US-Mexico Trade Balances By Industry: 3 Yrs Before Nafta vs Most Recent 3 Yrs

US Pre-Nafta Surpluses Became Large Deficits As Heavy Industry Suffers Most

HS Definitions of All Goods Producing Industries	Three-Year Balance Totals		Pre-Nafta vs Last 3 Yrs	
	1991-'93	2003-'05	\$Millions	% Change
92 Musical Instruments; Parts And Accessories Thereof.	(\$42)	(\$42)	\$0	1%
53 Vegetable Textile Fibers Nesoï; Yarns & Woven Fa...	1	2	0	28%
50 Silk, Including Yarns And Woven Fabrics Thereof.....	5	6	1	18%
45 Cork And Articles Of Cork.....	4	8	4	117%
46 Manufactures Of Straw, Esparto Or Other Plaiting M..	(8)	3	10	138%
49 Printed Books, Newspapers, Pictures And Other Prin	370	382	12	3%
44 Wood And Articles Of Wood; Wood Charcoal.....	517	537	20	4%
24 Tobacco And Manufactured Tobacco Substitutes.....	(30)	(7)	22	76%
14 Vegetable Plaiting Materials And Vegetable Product..	(90)	(54)	36	40%
80 Tin And Articles Thereof.....	21	71	50	242%
97 Works Of Art, Collectors' Pieces And Antiques.....	10	62	52	533%
89 Ships, Boats And Floating Structures.....	67	119	52	79%
26 Ores, Slag And Ash.....	(143)	(76)	68	47%
16 Edible Preparations Of Meat, Fish, Crustaceans, Mo.	73	162	89	122%
81 Base Metals Nesoï; Cermets; Articles Thereof.....	(2)	102	104	5731%
57 Carpets And Other Textile Floor Coverings.....	152	258	106	70%
78 Lead And Articles Thereof.....	(46)	76	121	266%
82 Tools, Implements, Cutlery, Spoons And Forks.....	219	354	134	61%
75 Nickel And Articles Thereof.....	29	214	184	627%
56 Wadding, Felt And Nonwovens; Special Yarns; Twine	417	602	185	44%
42 Articles Of Leather; Saddlery And Harness; Travel....	(164)	79	242	148%
28 Inorganic Chemicals; Organic Or Inorganic Compoun	288	534	245	85%
86 Railway Or Tramway Locomotives, Rolling Stock, Tra	96	368	272	284%
30 Pharmaceutical Products.....	210	559	349	166%
04 Dairy Produce; Birds' Eggs; Natural Honey; Edible....	471	821	350	74%
36 Explosives; Pyrotechnic Products; Matches; Pyropho	28	389	361	1300%
09 Coffee, Tea, Mate And Spices.....	(857)	(455)	401	47%
88 Aircraft, Spacecraft, And Parts Thereof.....	1,918	2,364	446	23%
33 Essential Oils And Resinoids; Perfumery, Cosmetic...	323	771	448	139%
54 Manmade Filaments, Including Yarns & Woven Fabri.	329	779	450	137%
35 Albuminoidal Substances; Modified Starches; Glues;	173	657	484	280%
31 Fertilizers.....	205	814	608	296%
58 Special Woven Fabrics; Tufted Textile Fabrics; Lac...	175	824	649	371%
55 Manmade Staple Fibers, Including Yarns & Wovens...	125	780	655	526%
05 Products Of Animal Origin, Nesoï.....	80	737	657	816%
15 Animal Or Vegetable Fats And Oils And Their Cleava.	493	1,162	668	135%
23 Residues And Waste From The Food Industries; Prep	638	1,314	676	106%
40 Rubber And Articles Thereof.....	932	1,625	693	74%
47 Pulp Of Wood Or Other Fibrous Cellulosic Material;...	863	1,656	793	92%
21 Miscellaneous Edible Preparations.....	192	1,019	827	431%
37 Photographic Or Cinematographic Goods.....	109	960	851	784%
11 Milling Industry Products; Malt; Starches; Inulin;.....	169	1,076	907	538%
41 Raw Hides And Skins (Other Than Furskins).....	432	1,367	934	216%
32 Tanning Or Dyeing Extracts; Tannins And Derivative..	347	1,357	1,009	291%

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	1991-'93	2003-'05	\$Millions	% Change
74 Copper And Articles Thereof.....	\$41	\$1,061	\$1,020	2495%
60 Knitted Or Crocheted Fabrics.....	39	1,298	1,259	3213%
59 Impregnated, Coated, Covered Or Laminated Textile...	139	1,428	1,289	924%
38 Miscellaneous Chemical Products.....	658	2,193	1,535	233%
76 Aluminum And Articles Thereof.....	996	2,660	1,664	167%
12 Oil Seeds And Oleaginous Fruits; Miscellaneous Gra	1,446	3,502	2,056	142%
48 Paper And Paperboard; Articles Of Paper Pulp, Pape	2,560	4,744	2,185	85%
02 Meat And Edible Meat Offal.....	1,451	3,951	2,500	172%
52 Cotton, Including Yarns And Woven Fabrics Thereof..	368	2,901	2,533	689%
10 Cereals.....	2,159	4,971	2,812	130%
29 Organic Chemicals.....	1,712	8,275	6,563	383%
39 Plastics And Articles Thereof.....	4,471	18,614	14,143	316%

US Dept. of Commerce, Global Trade Information Services and MBG Information Services