The North American Free Trade Agreement: Good for No Worker

A Reference Paper for the Fred Francis 2028 Campaign

Fred H. Francis

July 2026

Table of Contents

This document assembles the evidentiary record of the North American Free Trade Agreement (NAFTA), drawing on primary government sources, peer-reviewed economic research, and legal case records. Every factual claim is traced to a specific, verifiable source. Where claims could not be independently verified, they are flagged as such.

1. The Publicized Justifications

Proponents of the North American Free Trade Agreement, spanning both the George H.W. Bush and Bill Clinton administrations, justified the agreement on three core macroeconomic premises: job creation through export growth, regional economic efficiency through tariff elimination, and Mexican economic development sufficient to reduce unauthorized immigration.

1.1 The Job-Creation Claim

The central public argument for NAFTA was that it would produce a net increase in American employment. This claim rested on a specific economic model: because Mexican tariffs on American goods averaged approximately 10%, while American tariffs on Mexican goods were already substantially lower, the elimination of tariffs would disproportionately open the Mexican market to American exports. The resulting trade surplus with Mexico would then translate, by standard trade-employment multipliers, into net domestic job creation. The most influential articulation of this model came from Gary Clyde Hufbauer and Jeffrey J. Schott of the Peterson Institute for International Economics (then the Institute for International Economics), who projected in 1993 that NAFTA would "create about 170,000 net new U.S. jobs in the foreseeable future," based on projections of "a U.S. merchandise trade surplus with Mexico of $7 billion to $9 billion annually [1] throughout the 1990s and perhaps $9 billion to $12 billion annually in the following decade" . This projection was built on base-year trade data from 1990, when the United States had a $2 billion trade deficit [2] with Mexico . President Clinton amplified these projections in his public advocacy. On November 3, 1993, when transmitting the implementing legislation to Congress, Clinton stated: "As the walls come down, we [3] estimate that another 200,000 American jobs will be created by 1995" . At the September 14, 1993 signing ceremony for the supplemental agreements, Clinton projected 200,000 export-related jobs within the first [4] two years of implementation .

1.2 The Regional Efficiency Claim

The second macroeconomic premise was that NAFTA would optimize corporate efficiency by creating regional economies of scale across three countries. By reducing average Mexican import tariffs from approximately 10% to 0%, proponents argued, NAFTA would enable the emergence of integrated North American supply chains capable of competing with the European and Asian trade blocs then consolidating [5] . The Congressional Budget Office's July 1993 analysis, A Budgetary and Economic Analysis of the North American Free Trade

Agreement, assessed these models and concluded that the effects on U.S. GDP would [6] be positive but modest . NAFTA: Good for No Worker — Fred Francis 2028

1.3 The Immigration-Reduction Claim

The third premise was that economic integration would stimulate sufficient Mexican GDP growth, projected at 6% to 12%, to narrow the approximately 7-to-1 manufacturing wage gap between the United States and [1] [6] Mexico, thereby reducing the economic incentive for unauthorized migration northward , . President Clinton stated publicly that NAFTA would curb illegal immigration "because more Mexicans would be able [7] to support their families by staying at home" . Hufbauer and Schott themselves were notably more cautious on this point, arguing in their 1993 assessment that in the short run, illegal immigration would "likely increase" due to the large wage differential and the general movement of the Mexican population [7] toward northern border cities .

1.4 The Proponent’s Own Subsequent Concession

By 1995, the core job-creation thesis had collapsed. The projected U.S. trade surplus with Mexico had not materialized; instead, a trade deficit of $15.8 billion emerged in 1995, driven in part by the December 1994 [8] Mexican peso crisis . Hufbauer himself conceded in a Wall Street Journal interview: "The best figure for the jobs effect of NAFTA is approximately zero... The lesson for me is to stay away from job forecasting" [8] . This concession by the most prominent academic proponent of the agreement's job-creation thesis is significant because it was made within two years of implementation; not after decades of ambiguous data, but almost immediately, when the model's predictions could be directly compared against observed outcomes.

2. The Contemporary Counter-Arguments

Opponents of NAFTA, spanning organized labor, environmental advocacy groups, consumer-rights organizations, and one prominent independent political figure, presented a contrasting thesis grounded in the structural economics of wage differentials, capital mobility, and agricultural subsidy asymmetry. Their arguments varied in rigor and precision, and intellectual honesty requires evaluating them by the same evidentiary standard applied to the proponents in Section 1.

2.1 The Perot-Choate Thesis

The most publicly visible opposition came from H. Ross Perot, the Texas industrialist and 1992 independent presidential candidate, in collaboration with economist Pat Choate. Their 1993 book Save Your Job, Save Our Country: Why NAFTA Must Be Stopped — Now! argued that NAFTA would initiate a massive relocation of American manufacturing capacity to

Mexico, driven by the approximately 7-to-1 wage [9] differential between the two countries . Perot’s most famous formulation, "that giant sucking sound" of American jobs moving south, was first deployed during the 1992 presidential debate and repeated in his November 9, 1993 debate with Vice [10] President Al Gore on CNN’s Larry King Live . The phrase was rhetorically memorable and directionally NAFTA: Good for No Worker — Fred Francis 2028 correct, but the specific numerical claim attached to it requires scrutiny. Perot and Choate asserted that "as many as 5.9 million" U.S. jobs were at risk of displacement under [9] NAFTA . This figure represented not a prediction of actual job losses but an upper-bound estimate of all U.S. manufacturing jobs in industries where production could theoretically be relocated to Mexico given the wage differential. The methodology (identifying every manufacturing job in a NAFTA-vulnerable sector and counting it as "at risk") overstated the realistic exposure by conflating theoretical vulnerability with probable displacement. It did not account for the non-wage factors (infrastructure quality, supply-chain proximity, workforce skill levels, transportation costs) that constrain relocation decisions even in the presence of large wage differentials. This distinction matters. Perot was correct that the wage differential created a structural incentive for relocation and that significant job displacement would follow. He was wrong about the magnitude: actual NAFTA-attributable displacement, measured by subsequent empirical research, fell well below 5.9 million. The Economic Policy Institute estimated net displacement at approximately 879,000 jobs through 2002 and approximately 682,900 through 2010, using a trade-deficit-based methodology that counted jobs supported [11] [12] by exports against jobs displaced by imports , . The Department of Labor’s Trade Adjustment Assistance program had certified over 845,000 workers as NAFTA-displaced by 2002, and over one million by 2010, though TAA certification captures only workers who successfully navigate the application process [13] and therefore understates total displacement . Perot was also correct on the qualitative mechanism. During the Gore-Perot debate, he articulated the core logic with characteristic bluntness: "If you’re paying $12, $13, $14 an hour for factory workers and you move your factory south of the border, pay a dollar an hour for labor, have no health care, that’s the single most expensive single element in making a car, have no environmental controls, no pollution controls and no retirement, and you don’t care about anything but making money, there will be a giant sucking sound going [10] south" . The subsequent empirical literature, particularly the Choi, Kuziemko, Washington, and Wright study discussed in Section 3, confirmed that counties with industries vulnerable to exactly this dynamic [14] suffered large and persistent employment losses beginning in the mid-1990s . In summary: Perot’s directional thesis was vindicated. His specific numbers were inflated. His rhetorical style invited dismissal by the policy establishment, but the underlying economic logic (that a 7-to-1 wage differential with an open border and no enforceable labor standards would drive capital relocation and domestic job displacement) proved substantially correct.

2.2 Organized Labor’s Opposition

The AFL-CIO, under President Lane Kirkland, mounted sustained institutional opposition to NAFTA. The federation’s argument was more structurally precise than Perot’s and focused on two mechanisms: direct job displacement through factory relocation, and indirect wage suppression through the threat of relocation. The latter mechanism, sometimes called the "threat effect," held that even employers who did not actually move production to Mexico could use the credible possibility of doing so as leverage to suppress domestic wages, [15] resist unionization, and extract concessions from existing unions . NAFTA: Good for No Worker — Fred Francis 2028 This prediction proved particularly prescient. Kate Bronfenbrenner of Cornell University's School of Industrial and Labor Relations documented in a 1997 study, commissioned by the NAFTA Labor Commission itself, that in the years following NAFTA's implementation, more than half of all employers facing union organizing drives made threats to close or relocate their plants, and that the rate of such threats was significantly higher in mobile industries directly affected by NAFTA. The study found that actual plant closings following successful union certification tripled in the post-NAFTA period compared to the [16] pre-NAFTA baseline .

2.3 The Agricultural Displacement Prediction

A distinct category of opposition focused on NAFTA's agricultural provisions. Critics, including the Economic Policy Institute and Mexican agrarian economists, warned that the elimination of import tariffs would allow U.S. corn, produced by capital-intensive agribusiness and subsidized at rates exceeding $1 billion annually under the U.S. Farm Bill, to flood the Mexican market at prices below the cost of production [11] for small-scale Mexican farmers cultivating fewer than five hectares . This prediction was confirmed with unusual precision. Approximately two million small-scale Mexican farmers were displaced from subsistence agriculture in the decade following NAFTA's implementation, as [17] subsidized U.S. corn imports undercut domestic prices . While northern Mexican manufacturing hubs (maquiladoras) absorbed some of this displaced labor, they could not absorb the full volume, and the resulting economic pressure became a significant accelerant of unauthorized migration to the United States: [17] the precise opposite of the outcome NAFTA's proponents had promised .

2.4 Summary Assessment of the Critics

Applying the same standard to the opponents as to the proponents: the critics overstated the magnitude of specific numerical predictions (Perot's 5.9 million figure) but were substantially correct on the direction, the mechanisms, and the qualitative character of NAFTA's effects. The proponents, by contrast, were wrong on direction (predicting a trade surplus that became a deficit), wrong on jobs (predicting net creation that became net displacement), and wrong on immigration (predicting reduction that became acceleration). The asymmetry of error between the two sides is itself a significant finding.

3. The Empirical Record

The three decades following NAFTA's January 1, 1994 implementation produced a substantial body of empirical research, much of it published through the National Bureau of Economic Research (NBER) and subsequently in top-tier peer-reviewed journals, that allows a rigorous, non-partisan assessment of the agreement's actual effects. This section synthesizes that literature, organized by the scale at which effects were measured: aggregate national outcomes, localized labor-market impacts, political consequences, and mortality. NAFTA: Good for No Worker — Fred Francis 2028

3.1 Aggregate National Effects: The Vanishing Surplus

The most basic empirical test of the proponents' thesis is whether the predicted U.S. trade surplus with Mexico materialized. It did not. In 1993, the year before NAFTA took effect, the United States had a trade surplus with Mexico of approximately $1.7 billion. By 1995, this had reversed into a deficit of $15.8 billion. [18] By 2016, the combined U.S. trade deficit with Canada and Mexico exceeded $100 billion annually . In 2003, the Congressional Budget Office published its retrospective assessment, concluding that NAFTA had "probably increased U.S. gross domestic product, but by a very small amount, probably no more than a [19] few billion dollars, or a few hundredths of a percent" . The CBO estimated that NAFTA added $10.3 billion to U.S. exports and $9.4 billion to U.S. imports in 2001, a net trade effect of less than $1 billion in a [19] $10 trillion economy . The most rigorous quantitative assessment of NAFTA's aggregate welfare effects came from Lorenzo Caliendo and Fernando Parro, whose 2012 NBER Working Paper (subsequently published in the Review of Economic Studies in 2015) built a Ricardian general-equilibrium model incorporating sectoral linkages, intermediate-goods trade, and input-output structures. Their findings: NAFTA increased Mexico's welfare [20] by 1.31%, increased U.S. welfare by 0.08%, and decreased Canada's welfare by 0.06% . The U.S. figure, eight one-hundredths of one percent, deserves emphasis. It represents the total aggregate welfare gain to the United States from the most consequential trade agreement of the late twentieth century, as measured by the most methodologically sophisticated model available. This gain was real but, in practical terms, indistinguishable from zero for the median American household. The significance of this finding lies not in what it says about NAFTA's failures, but in what it says about the distribution of whatever gains existed: if the total pie barely grew but specific populations suffered large losses, then other populations captured offsetting gains; and the structure of the agreement implies those were capital owners, not workers. Caliendo and Parro's model does not itself identify distributional winners, so this inference is the author's, stated as structural logic rather than as their finding. In 2015, the Congressional Research Service published its comprehensive summary assessment: "In reality, NAFTA did not cause the huge job losses feared by the critics or the large economic gains predicted by supporters. The net overall effect of NAFTA on the U.S. economy appears to have been relatively modest, primarily because trade with Canada and Mexico accounts for a small percentage of U.S. GDP. However, there were worker and firm adjustment costs as the three countries adjusted to more open trade and [18] investment among their economies" . The phrase "worker and firm adjustment costs" in the CRS summary is the most consequential understatement in the entire NAFTA literature. The following subsections document what those "adjustment costs" actually entailed. NAFTA: Good for No Worker — Fred Francis 2028

3.2 Localized Labor-Market Effects: Who Paid

The foundational study on NAFTA’s distributional impact within the United States is the Hakobyan and McLaren analysis (NBER Working Paper 16535, 2010; published in the Review of Economics and Statistics, 2016). Using decennial Census data from 1990 and 2000, the authors constructed measures of local vulnerability to NAFTA based on pre-existing industry composition, allowing them to compare wage [21] outcomes for workers in heavily exposed versus lightly exposed locations and industries . Their central finding: blue-collar workers in the industries and localities most vulnerable to NAFTA experienced a 17-percentage-point reduction in wage growth relative to workers in less-exposed areas over the 1990–2000 period. This effect was not confined to workers who lost their jobs; it depressed wage growth for workers who remained employed in affected industries and locations, including, notably, service-sector [21] workers in affected communities who had no direct connection to traded goods . This finding is [16] consistent with the "threat effect" documented by Bronfenbrenner : the mere availability of a credible relocation option suppressed wages across entire local economies, not merely in the specific firms or industries directly affected.

3.3 Employment, Political Realignment, and the Fracture of the Democratic

Coalition The Choi, Kuziemko, Washington, and Wright study (NBER Working Paper 29525, 2021; published in the American Economic Review, 2024) represents the most comprehensive analysis of NAFTA’s combined [14] economic and political effects at the county level . Using event-study methodology, the authors demonstrated three interconnected findings. 3.3.1 Employment Losses Counties whose 1990 employment was concentrated in industries vulnerable to NAFTA suffered large and persistent employment losses relative to other counties. These losses began in the mid-1990s and were "only modestly offset by transfer programs"; that is, the federal adjustment mechanisms designed to cushion the [14] impact (principally Trade Adjustment Assistance) were inadequate to the scale of the dislocation . 3.3.2 Political Realignment The affected counties, which had historically voted Democratic, began shifting toward Republican candidates in House elections in the mid-1990s, contemporaneous with the employment losses. By 2000, NAFTA-exposed counties that had previously voted majority-Democratic were voting majority-Republican. This shift was not a gradual drift; it was a sharp, measurable realignment that coincided precisely with the [14] onset of NAFTA-related job losses . NAFTA: Good for No Worker — Fred Francis 2028 3.3.3 Demographic Concentration The political shift was demographically concentrated. It was largest among white voters, especially men without college degrees, and among voters who held both protectionist economic views and conservative social positions.

The authors describe this as an "interactive effect whereby racial identity and social-issue [14] positions mediate reactions to economic policies" . In plain language: NAFTA did not merely cost the Democratic Party votes in affected counties; it specifically accelerated the departure of white working-class voters who felt economically betrayed by the party of the president who had championed the agreement. The political significance of this finding cannot be overstated. The county-level realignment documented by Choi et al. is the empirical substrate of the broader political transformation that reshaped American politics over the following two decades; the same transformation that produced the 37-point margin by which white voters without college degrees favored Donald Trump over Hillary Clinton in 2016. NAFTA did not cause that entire realignment, but the Choi et al. data demonstrate that it was a measurable, identifiable accelerant, operating at the county level, beginning in the very years the agreement took effect. A note on analytical transparency: the Choi et al. study covers data through approximately 2000–2010 and does not itself draw the line to 2016. The extension to the Trump-era realignment is the author’s synthesis, grounded in the demographic continuity between the populations Choi et al. identify (white, non-college, protectionist voters shifting Republican) and the populations that produced the 2016 outcome.

3.4 Mortality: The Ultimate “Adjustment Cost”

The most recent and most devastating empirical finding in the NAFTA literature is the Finkelstein, Notowidigdo, and Shi study (NBER Working Paper 34855, February 2026), which estimates the mortality [22] effects of local labor-market exposure to NAFTA . Using restricted-use mortality microdata from the Centers for Disease Control and Prevention combined with population data from the National Cancer Institute’s SEER program, the authors constructed annual mortality rates for 543 commuting zones across the United States from 1986 to 2016. They found that areas more exposed to NAFTA experienced a 0.68% annual increase in age-adjusted mortality over the subsequent 15 years. These increases were sustained, not transient; they persisted across the full study period. They occurred across all broad demographic groups but were "especially pronounced among [22] working-age men" . The study’s most analytically important finding extends beyond NAFTA specifically: examining other local labor-market contractions, the authors show that the health consequences of economic contraction depend critically on which sectors bear the losses. Declines in manufacturing employment increase local-area [22] mortality. Declines in non-manufacturing employment decrease it . This asymmetry means that the specific sectoral composition of NAFTA’s effects, heavily concentrated in manufacturing, produced mortality consequences that a similarly-sized contraction in, say, retail or services would not have produced. Gary Clyde Hufbauer of the Peterson Institute, responding in a May 2026 commentary, argued that "statistical association is not the same as policy causation" and that "the failure of US policy was not the creation of NAFTA. The failure was, and remains, the absence of a meaningful safety net for displaced [23] workers" . NAFTA: Good for No Worker — Fred Francis 2028 This rebuttal deserves engagement on its merits. Hufbauer is correct that the proximate cause of the mortality increase was the loss of manufacturing employment and its downstream effects on health, income, and community stability, not a provision in the NAFTA text that directly harmed anyone's health. But this distinction, far from exonerating NAFTA, sharpens the indictment of the process by which NAFTA was enacted; a pivot that the author makes deliberately and states openly. Hufbauer's argument is that the safety net failed, not NAFTA itself. The author's response is: then why was no adequate safety net built into the agreement? If the predictable consequence of eliminating trade barriers in manufacturing was large-scale displacement of manufacturing workers, and if the predictable consequence of that displacement (absent an adequate safety net) was increased mortality, then the legislative process that produced the agreement bears responsibility for failing to include the protections that even NAFTA's most prominent defender now concedes were necessary. The answer, as Section 5 demonstrates, lies in the procedural mechanism, fast-track authority, that structurally foreclosed the kind of extended deliberation, amendment, and compromise through which such protections could have been designed, debated, and incorporated.

3.5 Mexican Agricultural Displacement and Immigration

On the Mexican side, NAFTA's agricultural provisions produced the precise outcome that critics had predicted. The elimination of tariffs on U.S. corn, produced by capital-intensive American agribusiness and subsidized under the U.S. Farm Bill, undercut the production costs of approximately two million small-scale [17] Mexican farmers cultivating fewer than five hectares . While manufacturing employment grew in northern maquiladora zones, national manufacturing wages in Mexico failed to achieve the convergence with U.S. rates that proponents had promised; the manufacturing wage ratio remained at approximately [17] 1-to-7 . The immigration consequences were equally contrary to the proponents' predictions. Unauthorized border apprehensions rose from approximately 1,000,000 in 1994 to a peak of approximately 1,600,000 in 2000, driven in significant part by the displacement of rural agricultural labor that the northern manufacturing [17] sector could not absorb at sufficient speed or scale . The Clinton administration had promised that NAFTA would reduce unauthorized immigration. It accelerated it.

4. The Structural Asymmetry

NAFTA's text created a two-tier legal architecture. For corporate investors, it established Chapter 11, a binding, tribunal-backed dispute resolution system that gave private companies direct standing to sue sovereign governments for monetary damages. For workers and for the environment, it offered side agreements, the North American Agreement on Labor Cooperation (NAALC) and the North American Agreement on Environmental Cooperation (NAAEC), which lacked equivalent enforcement power. This asymmetry was not an oversight, or a drafting artifact. It was the structural expression of those whose interests had effective representation in the negotiation process, and those whose interests did not. NAFTA: Good for No Worker — Fred Francis 2028

4.1 Chapter 11: The Enforcement Architecture for Capital

Chapter 11, Section B of NAFTA established an investor-state dispute settlement (ISDS) mechanism with [24] three features that, taken together, constituted the hardest law in the agreement . First, it gave private corporations direct legal standing to bring claims against sovereign governments, bypassing domestic courts entirely and proceeding directly to international arbitration tribunals administered by the International Centre for Settlement of Investment Disputes (ICSID) or under United Nations Commission on International Trade Law (UNCITRAL) rules. Second, it authorized monetary damages awards enforceable under international law: not recommendations, not consultations, not “cooperative frameworks,” but binding financial judgments. Third, it defined the grounds for claims broadly, encompassing not only direct expropriation (physical seizure of assets) but also “indirect expropriation,” a concept interpreted by tribunals to include regulatory actions that diminished the expected profitability of an investment, even when those actions served legitimate public purposes such as environmental protection or public health. 4.1.1 Metalclad Corp. v. Mexico (2000) Metalclad Corporation, a U.S. waste-management company incorporated in Delaware, constructed a hazardous waste landfill facility in the municipality of Guadalcázar, in the Mexican state of San Luis Potosí. When the municipal government denied a construction permit on environmental and public health grounds (and the state subsequently declared the site part of an ecological reserve), Metalclad filed a Chapter 11 [25] claim alleging that these regulatory actions constituted expropriation of its investment . The NAFTA tribunal ruled unanimously in Metalclad’s favor on August 30, 2000, finding that Mexico’s actions constituted “indirect expropriation” in violation of NAFTA Article 1110. The tribunal’s definition of expropriation was expansive: it encompassed “not only open, deliberate and acknowledged takings of property” but also “covert or incidental interference with the use of property which has the effect of depriving the owner, in whole or in significant part, of the use or reasonably-to-be-expected economic [25] benefit of property” . Mexico was ordered to pay $16.685 million in damages. Mexico challenged the award in the British Columbia Supreme Court, which substantially upheld the tribunal’s finding in May [25] [26] 2001; Mexico paid the full amount in October 2001 , . 4.1.2 Ethyl Corp. v. Canada (1997–1998) Ethyl Corporation of Richmond, Virginia, the sole manufacturer of the gasoline additive MMT (methylcyclopentadienyl manganese tricarbonyl), filed a Chapter 11 claim after the Canadian Parliament passed the Manganese-based Fuel Additives Act in April 1997, banning the import and interprovincial trade of MMT on the grounds that it interfered with automobile diagnostic systems and posed environmental and [27] health risks . Ethyl’s original claim sought $250 million in damages, alleging that the ban constituted [27] both expropriation and a violation of NAFTA’s minimum standard of treatment . In June 1998, the tribunal rejected Canada’s jurisdictional objections, clearing the way for a ruling on the merits. Less than one month later, on July 20, 1998, Canada settled. The terms required Canada to pay Ethyl $13 million in damages and legal fees, to issue a public statement acknowledging that MMT posed no health [27] or environmental risk, and to reverse the ban . NAFTA: Good for No Worker — Fred Francis 2028 This case is the more revealing of the two for what it demonstrates about the mechanism’s coercive power. The claim was never adjudicated on the merits. The tribunal never ruled on whether Canada’s environmental regulation was scientifically justified. Canada capitulated before it reached that stage; not because the ban lacked a regulatory basis, but because Canada’s own legal advisors concluded that Canada would likely lose [27] under Chapter 11’s expropriation framework . The mere filing of the ISDS claim, combined with the favorable jurisdictional ruling, was sufficient to force a sovereign government to reverse a public health regulation and pay compensation to the corporation whose product was the subject of that regulation. A further detail sharpens the case. The United States Environmental Protection Agency had itself prohibited MMT in reformulated gasoline, a category that comprised approximately 30% of the U.S. gasoline supply, [28] while restricting its concentration in conventional gasoline . Canada’s ban was thus more comprehensive than, but directionally consistent with, U.S. regulatory practice. Yet it was Canada, not the United States, that was forced to reverse course, because Chapter 11 gave a U.S. corporation the standing to challenge Canadian regulation before a tribunal structurally sympathetic to investor claims. 4.1.3 The Scope of Claims: Eli Lilly and Lone Pine Resources Two later cases illustrate how far corporate claimants stretched the Chapter 11 mechanism, even where their claims ultimately failed. In September 2013, Eli Lilly and Company filed a claim against Canada after Canadian courts invalidated two of Eli Lilly’s drug patents, for Zyprexa (olanzapine) and Strattera (atomoxetine), under Canada’s patent [29] utility doctrine . Eli Lilly claimed CDN$500 million, arguing that the Canadian judiciary’s application of [29] its own patent law constituted expropriation of Eli Lilly’s investment under NAFTA Chapter 11 . The tribunal dismissed the claim on March 16, 2017, finding that Canadian patent law had not undergone a “dramatic change” and that the courts’ decisions were neither arbitrary nor discriminatory. The tribunal stated explicitly that “a NAFTA Chapter Eleven tribunal is not an appellate tier in respect of the decisions of [29] the national judiciary” . Eli Lilly was ordered to bear the full cost of the arbitration and 75% of Canada’s legal fees. Also in September 2013, Lone Pine Resources Inc., a company incorporated in Delaware but headquartered in Calgary, with all operations in Canada, filed a claim after the government of Quebec revoked oil and gas [30] exploration permits beneath the St. Lawrence River as part of a moratorium on hydraulic fracturing . The company had structured its corporate registration through a Delaware subsidiary specifically to qualify as a "U.S. investor" with Chapter 11 standing, enabling it to challenge the regulatory decision of a Canadian [30] province not in Canadian courts but before a private international tribunal . Lone Pine claimed $118.9 million in sunk costs and lost future profits. The tribunal dismissed the claim on November 21, 2022, finding [30] that the permit revocation did not constitute expropriation . Both claims failed on the merits. Both are nonetheless significant for what they reveal about the mechanism’s structural reach. In the Eli Lilly case, a foreign corporation asserted that the decisions of a sovereign nation’s domestic courts, applying that nation’s own patent law, constituted an actionable violation of an international trade agreement; a claim that, had it succeeded, would have established Chapter 11 tribunals as appellate courts over national judicial systems. In the Lone Pine case, a Canadian company with exclusively Canadian operations used a Delaware incorporation as a vehicle to claim foreign-investor NAFTA: Good for No Worker — Fred

Francis 2028 status and challenge a Canadian province's environmental moratorium before a private tribunal rather than Canadian courts. The claims failed, but the governments were required to defend them over periods of four and nine years, respectively, at substantial public expense. The Ethyl Corp. precedent, where the mere pendency of a claim forced a sovereign government to reverse its regulation, demonstrates that the threat of a Chapter 11 claim could achieve the investor's objectives regardless of its ultimate legal merit. 4.1.4 Aggregate Record By the time NAFTA was replaced by the USMCA on July 1, 2020, ninety-nine ISDS arbitrations had been [31] filed under Chapter 11 . Canada, the most frequently targeted respondent, faced forty-four claims, all filed by U.S. investors, and paid $263 million in damages and $113 million in legal costs across ten adverse outcomes. Mexico faced thirty-three claims, predominantly from U.S. investors, and paid $205 million in damages and settlements across five adverse outcomes. The United States faced twenty-two claims and was [31] never found liable in any of them . The distributional pattern is itself a finding. The party whose corporations filed the overwhelming majority of claims, the United States, was never once required to pay damages under the mechanism it had championed. The parties against which U.S. corporations most frequently brought claims, Canada and Mexico, bore the entirety of the financial cost. Chapter 11 created a forum in which the enforcement power that the agreement's text provided flowed, in practice, in a single direction.

4.2 The Side Agreements: The Non-Enforcement Architecture for Labor and

Environment Against this enforcement architecture for corporate investment, NAFTA offered workers and the environment a categorically different legal instrument. 4.2.1 The North American Agreement on Labor Cooperation (NAALC) The NAALC, signed on September 14, 1993, was the Clinton administration's principal concession to [32] organized labor's opposition to the agreement . It enumerated eleven "labor principles" that the three parties were encouraged to uphold, including the freedom of association, the right to organize, the right to [32] bargain collectively, and the right to strike . But the enforcement mechanism attached to these principles bore no structural resemblance to the ISDS system that Chapter 11 provided for investors. The NAALC created no independent tribunal. It established no mechanism by which workers or unions could bring claims directly against governments, the fundamental feature that gave Chapter 11 its teeth. Instead, enforcement relied on a cascading series of intergovernmental consultations: complaints were filed with National Administrative Offices (NAOs) in each country, which could review the submission and recommend ministerial consultations between the relevant governments; that is, one government asking [32] [33] another government to investigate its own labor practices , . The most fundamental labor rights enumerated in the agreement (the freedom of association, the right to organize, and the right to bargain collectively) were subject only to ministerial consultations, with no path to [33] [34] arbitration, no path to sanctions, and no path to monetary penalties under any circumstances , . Only NAFTA: Good for No Worker — Fred Francis 2028 three narrow categories of labor violation (child labor, minimum wage, and occupational health and safety) could theoretically advance beyond ministerial consultations to an arbitral panel empowered to impose limited monetary assessments, and only upon a showing that the violation constituted a "persistent pattern of failure" to enforce the relevant domestic law in a manner "trade-related and covered by mutually recognized [34] labor laws" . In practice, the theoretical distinction between enforceable and unenforceable categories was academic. No [33] NAALC complaint ever advanced beyond the first stage of ministerial consultations . No sanctions were ever imposed. No monetary assessments were ever levied. The AFL-CIO summarized the record in 2019 congressional testimony: "The side agreement mechanism was too weak and never resulted in any [34] meaningful sanctions" . 4.2.2 The North American Agreement on Environmental Cooperation (NAAEC) The environmental side agreement followed a parallel structure of aspiration without enforcement. The NAAEC created the Commission for Environmental Cooperation (CEC) and established a citizen submission process by which individuals or organizations could file petitions alleging that a party was [35] failing to effectively enforce its environmental laws . The CEC Secretariat could investigate submissions, prepare factual records, and publish reports. It could not issue binding rulings. It could not award damages. It could not compel any government to alter its conduct. By 2017, eighty-nine citizen submissions on enforcement matters had been filed with the CEC Secretariat [35] . None produced enforceable consequences. 4.2.3 The Asymmetry The contrast requires only juxtaposition to make its point. When Metalclad Corporation was denied a permit to operate a hazardous waste facility, it filed a Chapter 11 claim and received $16.685 million in binding, enforceable damages from a private tribunal. When workers in Mexican maquiladoras were denied the right to organize independent unions, the very dynamic that NAFTA’s critics had warned would follow from the wage-differential incentive structure documented in Section 2, they could file a NAALC complaint that might, after intergovernmental consultations, produce a recommendation that the governments talk further. When Canada banned a suspected neurotoxin from its gasoline supply, a Chapter 11 claim forced the ban’s reversal and extracted $13 million in compensation. When environmental advocates documented the degradation of air and water quality along the U.S.-Mexico border, the environmental cost of the maquiladora expansion that NAFTA incentivized, a citizen submission to the CEC could produce a factual record that no government was obligated to read, let alone act upon. The asymmetry was not a matter of degree, of strong enforcement for investors and somewhat weaker enforcement for labor and environment. It was a categorical difference in kind. Chapter 11 created law. The side agreements created conversation. NAFTA: Good for No Worker — Fred Francis 2028

4.3 Rules of Origin: The Structural Mathematics of Outsourcing

NAFTA’s Rules of Origin, set forth in Chapter 4 and the accompanying product-specific Annex 401, determined how much of a product’s value had to originate within the NAFTA bloc for that product to [36] qualify for tariff-free treatment . For the automotive sector, the single largest category of North American manufactured trade, the key threshold was a Regional Value Content (RVC) of 62.5% for passenger vehicles and light trucks under the net cost calculation method, phased in over eight years from an initial threshold of [36] 50% . The mathematics of the threshold merit examination. A 62.5% RVC requirement meant that 37.5% of a qualifying vehicle's value could originate outside the NAFTA bloc: in Chinese component factories, in Southeast Asian parts suppliers, in any low-wage manufacturing zone on earth, and the finished vehicle would still qualify for zero-tariff treatment when crossing a NAFTA border. For non-automotive goods, the [36] general thresholds were lower still: 50% under the net cost method . The USMCA's treatment of these thresholds constitutes an implicit concession. When NAFTA was replaced on July 1, 2020, the USMCA raised the automotive RVC to 75%, a 12.5-percentage-point increase, and added requirements with no NAFTA precedent: that 70% of a vehicle producer's steel and aluminum purchases originate in North America, and that 40% to 45% of a vehicle's production value be performed by [37] workers earning at least $16 per hour . The fact that all three governments agreed to substantially tighten these thresholds is an acknowledgment, embedded in the text of the successor agreement itself, that NAFTA's original Rules of Origin had been set too low to achieve the stated objective of incentivizing production within the bloc that the agreement purported to serve.

4.4 Summary Assessment

NAFTA's legal architecture protected what it was designed to protect. Corporate investors received a binding tribunal system with direct standing, enforceable monetary damages, and a definition of "expropriation" expansive enough to encompass the routine exercise of domestic environmental and public health regulatory authority. Workers received a side agreement that could not compel any government to do anything. The environment received a commission that could document failures but not remedy them. And the Rules of Origin set thresholds permissive enough that the agreement's tariff benefits could flow to products substantially manufactured outside the bloc. This was not a trade agreement that happened to have weak labor and environmental provisions. It was an agreement whose architecture systematically channeled enforcement power toward the interests of capital and away from the interests of the people whose labor, health, and communities bore the costs documented in Section 3. Hard law for capital. Soft law for labor and environment. That was the structure. The outcomes followed from it. NAFTA: Good for No Worker — Fred Francis 2028

5. The Process Failure

The human costs documented in Section 3 (the wage suppression, the employment losses, the political fracture, the increased mortality) followed from the structural architecture documented in Section 4. But the architecture itself followed from a prior choice: the decision to enact NAFTA through a procedural mechanism that structurally prevented the legislative branch from performing the deliberative function for which it was designed.

5.1 The Constitutional Framework

Article II, Section 2, Clause 2 of the United States Constitution provides that the President "shall have Power, by and with the Advice and Consent of the Senate, to make Treaties, provided two thirds of the [38] Senators present concur" . This clause establishes two structural requirements for binding international agreements. First, a supermajority threshold: sixty-seven votes in the Senate, not a simple majority. Second, the operative phrase "Advice and Consent," which, in the treaty context, has historically encompassed the Senate's power to debate without artificial time constraints, to attach reservations, and to condition ratification on amendments [38] to the agreement's terms . The Founders imposed these requirements precisely because binding international agreements constrain domestic sovereignty: they commit the nation to obligations that override ordinary domestic legislation and that cannot be unilaterally altered by subsequent Congresses. NAFTA was not submitted as a treaty under Article II. It was enacted as a "congressional-executive agreement," a category that requires only simple majorities in both chambers of Congress (218 votes in the [39] House, 51 in the Senate) and that involves the full Congress rather than the Senate alone . The congressional-executive agreement mechanism has a long history in U.S. trade policy and has been upheld by courts as constitutionally permissible; the question this section addresses is not its legality but its consequences.

5.2 Fast-Track Authority

The procedural vehicle that made this foreclosure possible was "fast-track" trade negotiating authority, first established by Section 151 of the Trade Act of 1974 and subsequently renewed and modified under the [40] [41] Omnibus Trade and Competitiveness Act of 1988, the statute under which NAFTA was negotiated , . Fast-track authority imposed four constraints on Congress that, taken together, transformed the legislative branch from a deliberative body into a ratification mechanism: NAFTA: Good for No Worker — Fred Francis 2028 5.2.1 The Amendment Prohibition Congress could not amend the implementing legislation. The agreement's text, as negotiated by the executive branch, was presented to Congress for an up-or-down vote. Members who wished to support the trade agreement but also wished to add enforceable labor protections, stronger environmental safeguards, more robust worker-adjustment provisions, or any other modification could not do so. The choice was [40] [41] binary: approve the agreement as written, or reject it entirely , . 5.2.2 The Debate Limitation Floor debate was limited to twenty hours in each chamber: a ceiling imposed by statute, not by the judgment [40] of the members themselves . For a trade agreement that would restructure the economic relationship among three nations, alter the livelihoods of millions of workers in all three countries, and bind the United States to obligations enforceable by private international tribunals, Congress was allocated less time for debate than a typical Sunday of NFL football. 5.2.3 The Filibuster Elimination The motion to proceed to consideration of the implementing bill was privileged and non-debatable in the [40] Senate, eliminating the possibility of a filibuster . This removed the supermajority threshold that the Senate's own rules ordinarily impose on consequential legislation; a threshold that functions, in practice, as a requirement for broader consensus before proceeding. 5.2.4 The Committee

Time Limits Committee consideration was subject to mandatory time limits, with automatic discharge if the relevant [40] committees did not report the bill within forty-five legislative days of its introduction . This prevented committees from conducting the kind of extended hearings, expert testimony, and iterative markup that ordinarily characterize the legislative treatment of complex economic policy.

5.3 The Vote

The NAFTA Implementation Act (H.R. 3450) passed the House of Representatives on November 17, 1993, by a vote of 234 to 200. The party breakdown was as follows: 132 Republicans voted in favor, 43 against; 102 Democrats voted in favor, 156 against; the one Independent member, Bernard Sanders of Vermont, [42] voted against . The Senate passed the bill on November 20, 1993, by a vote of 61 to 38. The party breakdown: 34 [42] Republicans voted in favor, 10 against; 27 Democrats voted in favor, 28 against . 5.3.1 The Cross-Party Majority NAFTA received more Republican votes than Democratic votes in both chambers. A Democratic president's signature trade-policy achievement was enacted principally by the opposing party's congressional caucus. NAFTA: Good for No Worker — Fred Francis 2028 5.3.2 The Democratic Opposition A majority of House Democrats voted against the agreement. The 156–102 margin was not close. The party whose base included the unionized manufacturing workers most directly vulnerable to the agreement's effects registered its opposition through its elected representatives; and was overridden. 5.3.3 The Supermajority Shortfall The Senate margin of 61–38 is significant in the context of the Article II alternative. Had NAFTA been submitted as a treaty, it would have required sixty-seven votes in the Senate, six more than it received. The agreement, as negotiated, could not have been ratified under the constitutional process that the Founders designed for binding international commitments. It passed only because the congressional-executive agreement framework, combined with fast-track authority, substituted a simple-majority threshold for the supermajority that the Constitution's treaty clause requires.

5.4 The Counterfactual

What would the treaty process have required; and what might it have produced? The most consequential difference is not the vote threshold itself but the structural consequence of the amendment power. Under Article II, the Senate may attach reservations and conditions to a treaty as part of its "advice and consent." Senators who supported the principle of North American trade integration but recognized the structural vulnerabilities that the agreement's architecture created (the enforceable ISDS rights for corporations paired with the toothless side agreements for labor and environment, the permissive Rules of Origin thresholds, the absence of meaningful adjustment assistance) could have conditioned their [38] [39] ratification votes on the inclusion of provisions that addressed those vulnerabilities , . The amendment power would not have guaranteed better outcomes. Senators might have attached parochial protections for favored industries rather than broad worker safeguards; the legislative process is not reliably wise. But the structural point stands: the fast-track mechanism removed the institutional capacity by which such improvements could have been attempted. The choice Congress faced was not “this agreement or a better one”; it was “this agreement or no agreement.” And the political dynamics of a high-profile presidential initiative made “no agreement” an option that most members were unwilling to choose, even when they recognized the agreement’s deficiencies.

5.5 The Structural Lesson

The NAFTA process failure is not an argument against trade agreements. It is an argument against a specific procedural methodology, the combination of congressional-executive agreement classification and fast-track authority, that systematically disables the legislative safeguards by which binding international agreements could be made to serve the interests of all the people they affect, rather than only those whose interests were effectively represented in the executive-branch negotiation. The Treaty Clause was designed for precisely this purpose: to subject binding international commitments to the kind of extended deliberation, amendment, and supermajority consensus that their gravity requires. NAFTA: Good for No Worker — Fred Francis 2028 When NAFTA’s proponents chose to circumvent that process (as Britannica’s legal encyclopedia notes, [39] because the agreement was "unlikely to gain the required supermajority in the Senate") they did not merely speed up the legislative calendar. They structurally prevented the incorporation of the labor protections, environmental safeguards, and adjustment mechanisms whose absence produced the outcomes documented in Sections 3 and 4. The workers of Guadalcázar, who lost their environmental protections when a NAFTA tribunal overrode their government’s regulatory authority, had no seat at the negotiating table and no representative empowered to amend the agreement on their behalf. The manufacturing workers of the American Midwest, whose wages, jobs, and in measurable terms their lives were the “adjustment costs” that the CRS euphemism concealed, had no seat at the negotiating table and no representative empowered to amend the agreement on their behalf. The Mexican corn farmers, whose livelihoods were destroyed by the collision between subsidized American agribusiness and unprotected subsistence agriculture, had no seat at the negotiating table and no representative empowered to amend the agreement on their behalf. They were governed by a process that was designed, from the outset, to produce an agreement that could not be improved; only accepted or rejected. They got exactly what that process was built to deliver.

6. Conclusion

This paper set out to assemble the evidentiary record of the North American Free Trade Agreement: not as polemic but as forensic documentation, applying the same standard of rigor to all sides of the argument. The record, as assembled, supports five findings.

6.1 The Proponents’ Error

The agreement’s proponents were wrong on their own terms. The projected trade surplus became a deficit. The projected job creation became job displacement. The projected reduction in unauthorized immigration became an acceleration of it. The most prominent academic architect of the job-creation thesis conceded its [8] failure within two years of implementation .

6.2 The Critics’ Vindication

The agreement’s critics were substantially correct on direction and mechanism, though they overstated specific magnitudes. The wage differential drove capital relocation. The threat of relocation suppressed wages even for workers whose jobs did not move. Subsidized American agriculture displaced millions of Mexican subsistence farmers. The asymmetry of error between the two sides (proponents wrong on direction, critics wrong only on magnitude) is itself a significant finding, as documented in Section 2.4. NAFTA: Good for No Worker — Fred Francis 2028

6.3 The Human Costs

The human costs were large, persistent, and concentrated on populations that had no effective voice in the process that produced them. Blue-collar workers in NAFTA-exposed industries suffered a [21] 17-percentage-point reduction in wage growth . NAFTA-exposed counties experienced large and sustained employment losses, accompanied by a measurable political realignment that fractured the Democratic coalition along the demographic lines that would define American politics for the next two [14] decades . And in the most recent and most devastating empirical finding, communities exposed to NAFTA experienced sustained increases in age-adjusted mortality: concentrated among working-age men, [22] concentrated in manufacturing, and persisting across a fifteen-year study window .

6.4 The Structural Architecture

These outcomes were not accidents of implementation but products of the agreement’s legal architecture. NAFTA created hard, enforceable, tribunal-backed law for corporate investors: a mechanism under which ninety-nine claims were filed, hundreds of millions of dollars in damages were extracted from sovereign governments, and public health and environmental regulations were reversed under the threat of arbitration [31] . For workers and the environment, it created side agreements that produced not a single enforceable [33] [34] sanction in the quarter-century of their existence , . Hard law for capital. Soft law for labor and environment. The outcomes followed from the structure.

6.5 The Process Failure

The structure itself followed from a process failure. NAFTA was enacted through a procedural mechanism, the congressional-executive agreement combined with fast-track authority, that prohibited the legislative branch from amending the agreement's terms, limited floor debate to twenty hours per chamber, and substituted a simple-majority threshold for the supermajority that the Constitution's Treaty Clause requires [40] [41] of binding international commitments , . The agreement passed the Senate with sixty-one votes; it [42] would have failed the sixty-seven-vote threshold of an Article II treaty . The amendment power, the mechanism by which enforceable labor standards, adequate adjustment assistance, and environmental protections with real teeth could have been incorporated, was foreclosed by statute before the debate began.

6.6 The Successor's Concession

The USMCA, which replaced NAFTA on July 1, 2020, does not merely update the prior agreement. In its structural departures from NAFTA, it constitutes an institutional concession, embedded in the text of the successor agreement itself, that the architecture this paper documents was indefensible. Labor and environmental obligations were moved from side agreements into the core text of the agreement [43] [44] (Chapters 23 and 24), subject to the same dispute settlement procedures as commercial obligations , . The Facility-Specific Rapid Response Labor Mechanism created an enforcement tool with no NAALC precedent: the capacity to investigate and sanction individual facilities for denial of workers' collective bargaining rights, with penalties including the suspension of tariff benefits for goods produced at offending NAFTA: Good for No Worker — Fred Francis 2028 [45] plants . Investor-state dispute settlement between the United States and Canada was eliminated entirely; [43] between the United States and Mexico, it was substantially narrowed . The automotive Regional Value Content threshold was raised from 62.5% to 75%, and a Labor Value Content requirement (mandating that 40% to 45% of qualifying vehicles' production value be performed by workers earning at least $16 per hour) [37] was added alongside a 70% North American steel and aluminum sourcing requirement . Every one of these changes addresses a specific structural deficiency that this paper has documented. The governments that negotiated NAFTA eventually conceded, in the text of its successor, that the architecture of the original agreement was inadequate to protect the interests of the workers, communities, and environments it affected. It took twenty-six years and the empirical record assembled in these pages to produce that concession.

6.7 The Question This Paper Leaves Open

This paper is a diagnostic document, not a prescriptive one. It establishes what happened, how the agreement's architecture produced those outcomes, and how the process by which the agreement was enacted foreclosed the possibility of a different architecture. It does not propose a specific alternative trade-agreement framework; that work belongs to the policy documents that will follow. But the diagnostic points toward a prescription. If the structural failure was an architecture that provided enforceable rights for capital and unenforceable aspirations for labor and the environment, then the corrective is an architecture that treats both with equal legal force, as the USMCA has begun, imperfectly, to do. If the process failure was a procedural mechanism that prevented the legislative branch from exercising its amendment power, then the corrective is a process that restores that power: one that subjects binding international economic agreements to the deliberation, transparency, and supermajority consensus that the Founders required of treaties, and for good reason. Trade agreements are not inherently harmful. They are instruments, and like all instruments, they serve the purposes of those who design them. NAFTA was designed by a process that gave effective representation to the interests of capital mobility, corporate investment protection, and regional supply-chain efficiency. It was not designed by a process that gave effective representation to the interests of the workers, farmers, and communities whose livelihoods depended on the outcome. The question is not whether to make trade agreements. The question is who sits at the table when they are written, whether the legislature retains the power to amend what is written, and whether the people whose lives will be reshaped by the result have recourse to law that is as hard, as binding, and as enforceable as the law that protects the investments of those who profit from their displacement. Hard law for capital. Soft law for labor and environment. That was the structure. The outcomes followed from it. Next time, build the structure differently. NAFTA: Good for No Worker — Fred Francis 2028

Glossary

Chapter 11 (ISDS). The chapter of NAFTA establishing Investor-State Dispute Settlement, a binding arbitration mechanism allowing corporate investors to sue national governments for cash damages before international tribunals.

Fast-Track Authority (Trade Promotion Authority). A legislative procedure under which Congress agrees in advance to vote on a trade agreement within a fixed timeframe, with no amendments permitted, reducing the required Senate threshold from two-thirds to a simple majority.

Maquiladora. A manufacturing facility in Mexico, typically near the U.S. border, that imports materials duty-free for assembly or processing and re-exports the finished product, operating under special tariff provisions.

NAALC (North American Agreement on Labor Cooperation). The labor side agreement to NAFTA, which established a consultation process for labor disputes but contained no binding enforcement mechanism and never produced a single enforceable penalty.

NAAEC (North American Agreement on Environmental Cooperation). The environmental side agreement to NAFTA, establishing the Commission for Environmental Cooperation but, like the NAALC, lacking binding enforcement authority.

Rules of Origin. Provisions specifying the minimum percentage of a product's value that must originate within NAFTA member countries to qualify for tariff-free treatment, designed to prevent transshipment of goods from non-member countries.

Tariff. A tax imposed on imported goods, used to protect domestic industries or generate government revenue.

Trade Adjustment Assistance (TAA). A federal program providing extended unemployment benefits, retraining, and job search support to workers displaced by foreign trade, including NAFTA-related job losses.

Trade Deficit. The amount by which a country's imports exceed its exports in a given period; the inverse of a trade surplus.

USMCA (United States-Mexico-Canada Agreement). The 2020 successor agreement to NAFTA, which retained NAFTA's core trade liberalization framework while modifying labor, automotive, and intellectual property provisions.

References

[1] G. C. Hufbauer and J. J. Schott, NAFTA: An Assessment. Washington, DC: Institute for International Economics, 1993, pp. 14–15.

[2] R. E. Scott, "Heading South: U.S.-Mexico Trade and Job Displacement After NAFTA," Economic Policy Institute, Washington, DC, Briefing Paper No. 308, 2011.

[3] W. J. Clinton, "Remarks at NAFTA Bill Transmission with Congressional Leadership," The Oval Office, Washington, DC, November 3, 1993.

[4] W. J. Clinton, "Remarks at the Signing Ceremony for the Supplemental Agreements to the North American Free Trade Agreement," The White House, Washington, DC, September 14, 1993.

[5] Congressional Research Service, "NAFTA: Economic Effects on the United States After 3 Years," Report 97-612 E, Washington, DC, June 1997.

[6] Congressional Budget Office, A Budgetary and Economic Analysis of the North American Free Trade Agreement. Washington, DC, July 1993.

[7] Peterson Institute for International Economics, "NAFTA 20 Years Later," PIIE Briefing 14-3, Washington, DC, 2014, pp. 5–6.

[8] Public Citizen, "NAFTA’s Broken Promises 1994–2013," Washington, DC, 2014, citing G. C. Hufbauer, interview, The Wall Street Journal, 1995.

[9] R. Perot and P. Choate, Save Your Job, Save Our Country: Why NAFTA Must Be Stopped — Now!. New York: Hyperion, 1993.

[10] "NAFTA Debate: Gore vs. Perot," Larry King Live, CNN, November 9, 1993; see also R. Perot, remarks, 1992 Presidential Debate, October 15, 1992.

[11] R. E. Scott, "The High Price of ‘Free’ Trade: NAFTA’s Failure Has Cost the United States Jobs Across the Nation," Economic Policy Institute, Washington, DC, Briefing Paper No. 147, November 2003.

[12] R. E. Scott, "Heading South: U.S.-Mexico Trade and Job Displacement After NAFTA," Economic Policy Institute, Washington, DC, Briefing Paper No. 308, May 2011.

[13] Public Citizen, "NAFTA’s Broken Promises 1994–2013," Washington, DC, 2014, p. 5, citing U.S. Department of Labor, Trade Adjustment Assistance certification data.

[14] J. Choi, I. Kuziemko, E. L. Washington, and G. Wright, "Local Economic and Political Effects of Trade Deals: Evidence from NAFTA," American Economic Review, vol. 114, no. 6, pp. 1540–1575, June 2024.

[15] AFL-CIO, testimony before the Senate Finance Committee on the North American Free Trade Agreement, 1993.

[16] K. Bronfenbrenner, "We’ll Close! Plant Closings, Plant-Closing Threats, Union Organizing and NAFTA," Multinational Monitor, vol. 18, no. 3, March 1997.

[17] Council on Foreign Relations, "NAFTA and the USMCA: Weighing the Impact of North American Trade," CFR Backgrounder, New York, updated 2020.

[18] M. A. Villarreal and I. F. Fergusson, "The North American Free Trade Agreement (NAFTA)," Congressional Research Service, Washington, DC, Report R42965, updated May 2017.

[19] Congressional Budget Office, "The Effects of NAFTA on U.S.-Mexican Trade and GDP," CBO Paper, Washington, DC, May 2003, p. xiv.

[20] L. Caliendo and F. Parro, "Estimates of the Trade and Welfare Effects of NAFTA," Review of Economic Studies, vol. 82, no. 1, pp. 1–44, January 2015.

[21] S. Hakobyan and J. McLaren, "Looking for Local Labor Market Effects of NAFTA," Review of Economics and Statistics, vol. 98, no. 4, pp. 728–741, October 2016. NAFTA: Good for No Worker — Fred Francis 2028

[22] A. Finkelstein, M. J. Notowidigdo, and S. X. Shi, "Trading Goods for Lives: NAFTA's Mortality Impacts and Implications," NBER Working Paper No. 34855, February 2026.

[23] G. C. Hufbauer, "Did NAFTA Really Kill Workers?," Peterson Institute for International Economics, Washington, DC, May 2026.

[24] NAFTA, Chapter 11, Section B, "Settlement of Disputes Between a Party and an Investor of Another Party," Articles 1115–1138, December 17, 1992.

[25] Metalclad Corporation v. United Mexican States, ICSID Case No. ARB(AF)/97/1, Award, August 30, 2000.

[26] "Mexico Pays $16 Million to Metalclad, Ending First NAFTA Chapter 11 Dispute," Bureau of National Affairs, October 26, 2001.

[27] Ethyl Corporation v. Government of Canada, Award on Jurisdiction, June 24, 1998; settlement announced July 20, 1998.

[28] U.S. Environmental Protection Agency, "EPA Comments on the Gasoline Additive MMT," Office of Transportation and Air Quality.

[29] Eli Lilly and Company v. Government of Canada, ICSID Case No. UNCT/14/2, Final Award, March 16, 2017.

[30] Lone Pine Resources Inc. v. Government of Canada, UNCITRAL Case No. UNCT/15/2, Award, November 21, 2022.

[31] M. Kinnear, "The Legacy of NAFTA Chapter 11," 40th Freshfields Arbitration Lecture, Lincoln's Inn, London, November 12, 2025.

[32] North American Agreement on Labor Cooperation (NAALC), September 14, 1993.

[33] "Labor Rights Enforcement under the NAFTA Labor Clause," Wilson Center, Mexico Institute, May 2017.

[34] AFL-CIO, "Mexico's Labor Reform: Opportunities and Challenges for an Improved NAFTA," testimony, June 2019.

[35] North American Agreement on Environmental Cooperation (NAAEC), September 14, 1993; Commission for Environmental Cooperation, citizen submission records.

[36] NAFTA, Chapter 4, "Rules of Origin," and Annex 401, December 17, 1992.

[37] Congressional Research Service, "USMCA: Motor Vehicle Rules of Origin," IF12082, updated June 2026.

[38] U.S. Constitution, Article II, Section 2, Clause 2.

[39] "Congressional-Executive Agreement," Encyclopædia Britannica, updated 2014.

[40] Trade Act of 1974, P.L. 93-618, Section 151, "Bills Implementing Trade Agreements on Nontariff Barriers" (19 U.S.C. § 2191).

[41] I. M. Destler, "Fast Track Trade Promotion Authority," Brookings Institution, Washington, DC, updated 2016.

[42] U.S. House of Representatives, Roll Call Vote No. 575, 103rd Congress, 1st Session, November 17, 1993, H.R. 3450.

[43] Congressional Research Service, "USMCA: Legal Enforcement of the Labor and Environment Provisions," Report R46793, May 2021.

[44] National Law Review, "New Labor Obligations Contained in USMCA Present Risks for Covered Employers," April 29, 2021.

[45] U.S. Trade Representative, "Chapter 31 Annex A: Facility-Specific Rapid-Response Labor Mechanism."