Trade Regulations in the United States and Mexico: 
The Economic and Social Repercussions of Globalization and Regulation

Together, the United States and Mexico are two of the world’s agricultural and industrial superpowers; even though these two nations have a relatively small combined population of under 400 million persons, their total gross domestic product (GDP) is in the area of $10.8 trillion dollars\(^1\). To understand how this figure compares to the rest of the world, one must consider that China, a nation with a booming population of about 1.281 billion persons, has an annual GDP of just 1.2 trillion dollars\(^2\), a number substantially smaller than that of the combined US and Mexico GDP.

With these two nations on the forefront of world trade, and because of the high volume of goods they exchange, many policies and regulations must be adopted in order to regulate the integrity of trade negotiations and the quality of goods exchanged between the US and Mexico. Though often positive, these policies and regulations have occasionally been a catalyst for many economic debates and social hardships: their implications reach far beyond complicated financial computations and GDP measurements and have the power to affect the quality of life for millions of individuals.

Because of the significant consequences that trade regulations impose upon a nation’s economy and citizens, and because trade is an element necessary for any nation to achieve its highest possible quality of life, professional and private citizens alike ought to

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remain informed of the general types of policies used to regulate trade and their intended economic implications, as well as understand major current economic policies and their potential social ramifications. Furthermore, because of the complex and vast trade relations between the United States and Mexico, the citizens of these two nations ought to remain knowledgeable of how the major bilateral trade policies that exist between them affect immigration patterns and other social, environmental, political, and cultural trends.

Part I: General Trade Policies

When combined, the United States and Mexico present very impressive trade numbers. For a rather low population, they have a high combined GDP and show signs of a relatively healthy bilateral economy: both are leading exporters and importers in the world commodity markets and are also active trading partners. Despite their joint strength, the individual economies of the US and Mexico are strikingly distinct. To further understand their economies, one must first consider the difference in populations of each nation: Mexico has only about 1/3 the population of the US. In 2001, the United States population was 281.4 million, while the Mexican population was 97.5 million. The 2001 GDP of the US was a staggering $10,208.1 billion whereas the Mexican GDP was a mere $620.6 million; respectively, their per-capita GDP’s were $36,272.20 and $6,376.00. Through just this calculation of GDP, it is obvious that the US is by far the economically stronger of the two nations. In order to clearly understand why the nations are so different, let us examine several general trade policies and see how they are imposed by each nation.

Import Policies

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Trade policies tend to center around import barriers, export subsidies, export taxes, and price discrimination. Let us first focus on import regulations. Import policies are generally intended to decrease imports. The most common types of import barriers are import tariffs, import quotas, and tariff-rate quotas.

*Import Tariffs*

Import tariffs are taxes on imports which cause a wedge between the exporter’s price and the importer’s price, even when transportation costs are zero. They are categorized into two types; specific tariffs and ad valorem tariffs. Specific tariffs are a fixed amount per unit and ad valorem tariffs are a fixed percentage of the imported good’s price. These tariffs cause gains for domestic producers by allowing them to receive a higher price for their output and giving them the incentive to produce more. Government also benefits from the collection of revenue that can be used to stimulate the economy and fund government services. The only loser in the situation is the consumer because they must pay higher prices for the goods they demand, and thus have an incentive to consume less.

In October of 2002 the United States imposed several specific import tariffs upon Canadian lumber. US producers accused Canadians of “dumping” lumber; a process that involves exporting lumber (or any other good or service) at prices below the cost of production. The low price of Canadian lumber drove downward the price of domestic lumber, thus angering US producers. Imposing the tariff increased the price of exported

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5 Reed, p53.
6 Reed, p 38.
lumber, decreased the negative incentive for US producers to sell at lower prices, and once again allowed domestic prices to dominate the US market\textsuperscript{7}.

**Import Quotas**

The effects of import quotas are similar to those of import tariffs. Import quotas are policies that restrict the quantity of a product that can enter the country. They work by producing scarcity in the market, thus encouraging the price of the imported good to rise\textsuperscript{8}. As with the import tariff, the rise in price caused by a quota makes the producer surplus increase and the consumer surplus decrease; so, the producer has the incentive to produce more and earn more profit while the consumer has the incentive to consume less because of higher prices. Import quotas are great protectors for producers, and when used correctly, are not major burdens to consumers. Government also gains from quotas through the collection of the revenues earned from selling import licenses which grant the right to import to various traders.

Import quotas are major factors of trade in the United States sugar industry\textsuperscript{9}. The industry faces a problem such that a domestic price guarantee by the federal government has led U.S. sugar prices to be well above the world prices. Fortunately, domestic supply does not exceed domestic demand, and United States consumers are willing to pay the higher price ensured by the quota. This sugar quota, along with many major agricultural quotas used by the European Union, are illustrations of the way that government protection of a small group of producers can be spread across a large group of consumers. United States sugar producers benefit greatly from the increased prices insured by import

\textsuperscript{7} Parkin, p 432.
\textsuperscript{8} Reed, p 39.
\textsuperscript{9} Krugman, p 201.
quota, and at the same time, because the burden is spread across such a large population, the US consumers feel very little burden.

**Tariff-Rate Quota**

Another type of import barrier is the tariff-rate quota. This policy is essentially a combination of the import tariff and import quota and has recently increased in popularity as countries attempt to lower their barriers of trade. It allows for a fixed quantity of imports to be received at a lower or preferential rate, but holds that all imports over the imposed quota are subject to a higher duty\(^\text{10}\). Though the tariff-rate quota allows small access for imports, it still allows domestic prices to remain high because of the increased tariff for imports above the quota.

Tariff-rate quotas were very important between the United States and Mexico during the early years of the North American Free Trade Agreement (NAFTA). The countries noted the average of the three previous years’ imports prior to the creation of NAFTA, and then placed a tariff of zero at that level. All imports beyond that quota level were taxed at a very high rate. Though regulations were placed, the quotas were set at a relatively high level, thus a great amount of goods could be exchanged duty-free\(^\text{11}\). This use of tariff-rate quotas created a progressive increase in the duty-free import policies of the time and helped foster greater free trade between the two nations.

**Export Policies**

Though importing countries often use policies to differentiate between domestic and international prices, exporting countries frequently use trade policies to do the same. Export policies are generally geared toward increasing exports, rather than keeping them

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\(^{10}\) Reed, p 55.

\(^{11}\) Reed, p 50.
in the producing country. The major export policies are export subsidies, export taxes, and price discrimination.

**Export Subsidies**

Export subsidies are payments given to domestic producers who sell a good abroad, and as with tariffs, they can be either specific or valorem. They allow the domestic price in the exporting country to exceed the world price by the amount of the subsidy and are very common for agricultural products. Export subsidies can be thought of as contra-tariffs because their effects are exactly the opposite of those of tariffs. The price of the good in the exporting nation rises, but because the price in the importing nation falls, the final price increase ends up at a value less than the actual subsidy. Producers in the exporting country gain from export subsidies, but consumers are hurt by higher prices, and the government suffers a loss because of the funds it must spend to support the subsidy.

The 1994 Uruguay Round Agreement on Agriculture caused significant changes in the levels of subsidies employed by specific nations\(^{12}\). Those who used export subsidies for agricultural commodities agreed to lower the volume and value of their subsidies over the next 6 years, from 1995 to 2000. There were several reasons why the Agreement on Agriculture lowered the level of subsidies, but a primary one is that subsidies conflicted with international laws governing manufactured goods that ban the use of export subsidies. Before the Agreement on Agriculture was reached, the United States and the European Union were the two largest users of export subsidies and to this day, the EU still relies on subsidies to make agricultural exports competitive.

**Export Taxes**

Export taxes are policies often used to regulate trade by smaller nations. They are more prevalent in smaller nations because it is easier for the government to obtain revenue from the agricultural industry, as it is often the most feasible industry in the economy. Export taxes force the price of goods in the exporting country below the world level by the amount of the tax\(^\text{13}\). Unlike others, this policy puts producers in the losing situation because they receive a lower price and thus they are forced to cut back on production. Consumers are able to take advantage of this new price, and end up reaping the benefits of lower costs. The government is also able to take advantage of the tax by collecting the revenue it creates. Smaller countries are generally hurt more by export taxes than larger ones, because large countries have greater ability to affect the prices on the world market.

Export taxes have recently been making headlines due to a debate between the United States and the European Union. The EU asserts that the US gave millions of dollars in illegal export tax breaks to US businesses and exporters; in response the breaks, the EU has levied billions of dollars worth of sanctions against US exports\(^\text{14}\). According to the EU and the WTO, these sanctions are justified due the gravity of the United States tax evasion. But, according to the US, the amount of time the EU allotted for the policy to be changed between when the illegal tax policies were first brought up and when sanctions were expected to be in place, was not enough time to get senate to pass the bill required to change the policies. As of Monday, March 1\(^\text{st}\), 2004, Europe had placed over $4 billion dollars in sanctions in order to constitute “appropriate countermeasures”

\(^{13}\) Reed, p 56.

against the US policy. According to some, this action is like a “nuclear bomb” dropped upon Europe and US trade relations.

**Price Discrimination**

One final trade export policy is that of price discrimination. Price discrimination is generally described as the practice of charging different prices to different customers. Countries take advantage of price discrimination when they realize that other countries are willing to pay more for goods and services than some because of their unique demand and supply conditions. With optimal export tax levels, the exporting nation has a surplus for the rest of the world because it can keep its export levels low and increase the world price. This causes the rest of the world to become a net importer, and thus, a net loser when the world price increases. When placed in the situation of a loser, the importing nation becomes a price taker, and accepts any reasonable price of a good.

Mexico’s state owned oil company, Pemex, enjoys a relatively monopolistic hold on the Mexico oil market. With this monopoly comes the ability to price discriminate. Prices charged by Pemex are set by means of formulas approved by a Committee involving representatives of the Mexican Ministry of Finance and Public Credit and the Ministry of Trade and Industrial Promotion. These formulas vary with each kind of petroleum user, and thereby create significant price differences. Thus, the prices paid by producers of one type of petrol, called ethoxilate, were 56% higher than those paid by producers of another very similar type, called ethylene glycol. Because of the relative similarity in products, price differences were not based on different levels of quality, but
rather were entirely price discrimination\textsuperscript{15}. Though price discrimination can be abused, it can be a good policy when used to protect the welfare of poorer citizens.

**General Effects of Trade Policies**

It is important for the common person to understand trade policies because of their grave effect on consumer surplus. As we have seen with many of the import policies, they tend to drive consumer surplus downward and producer surplus upward. They also often generate much revenue for government. It is necessary for the consumer to be proactive in preventing the implication of policies that entirely favor producers, because when this occurs, consumers are forced to pay higher prices for the imported goods and services they buy. These higher prices drive up the cost of living, cause a reduction in savings, and force consumers to purchase domestic products, even if they are not the highest quality products available.

In some cases, export policies are more beneficial for the consumer than import policies because of their tendency to encourage domestic prices to be smaller. As with the case of export taxes, consumers pay less and producers pay the price of the tax. But, consumers ought to worry about price discrimination. Though it can be a positive tool for governments and producers to help the welfare of the poor, price discrimination can be used as a weapon to charge higher prices to consumers who are unable to pay them.

Trade policies are very unique policies and their effect on consumer, producer, and government relations are tremendous. Now that we understand the basic types of trade regulations and know of several situations in how they are applied, let us examine specific trade regulations between the United States and Mexico and how they dictate social, economic, and cultural relations between the two nations.

Part II: The Human Element of Trade Policies

Trade policies are more than legal devices without human consequences; rather, they are guiding principles that affect the core elements of many people’s lives. Trade between the United States and Mexico is extremely complex and as we have seen, there are many types of policies used to regulate this trade, each with a multitude of different effects. Though it is impossible for anyone—economist or laymen—to be a true expert on the trade between the United States and Mexico, citizens and professionals alike do have an obligation to remain somewhat informed on major trade issues between these nations because of the effects they have upon each individual citizen’s quality of life. Accordingly, United States and Mexican citizens ought to remain knowledgeable of how the major bilateral trade policies that exist between their nations affect immigration patterns and other social, environmental, political, and cultural trends.

Contrasts Between the US and Mexico

When examining the effects of trade upon nations, it is first important to understand the state of the nation in terms of political and economic stability. One must consider if trade is truly a leading cause of social change, or if it’s simply a catalyst in a larger brew of affairs. The current state of affairs in the United States and Mexico are very different; the US is a nation with an established and strong political and economic climate, whereas Mexico is a nation in transition. It is also important to note that when compared to the rest of the world, the US ranks very high on many important measurers of quality of life, including GDP, gross national income, and average household income. In order to properly understand if and how trade affects each nation, one must first briefly
understand these key circumstances and other main differences between the two countries.

According to the United States Census Bureau the US is a nation with high gross domestic product, high disposable income, and relatively low poverty rate\(^\text{16}\). It is an independent nation with a quite stable political climate and very little political turmoil. Despite its very young government, the United States is a global superpower and leads the world in many economic aspects, including gross GDP, a high standard of living, and high average income. Even after suffering the economic blow of the terrorist attacks of September 11, 2001, the US still remains a stable, safe, and thriving nation.

Mexico differs greatly from the United States; it is not the established superpower that the US is considered to be, and is often referred to as a nation in transition\(^\text{17}\). It is in the process of becoming a more independent and strong nation, and according to economist Michael Mazarr, can accomplish these goals through five crucial things including fostering the emergence of a competitive democratic system; recognizing the importance of achieving a fitting form of capitalism; avoiding extremist forecasts about it’s future; creating broader-based social investment; and determining the role of the United States in Mexico policy and economics. Though Mexico is the next door neighbor to the United States, until it learns to manage and begins to accomplish these five pursuits, its wealth and prosperity in relation to that of the US will be very marginal\(^\text{18}\). Whereas the US has the ability to overcome major social and economic blows such as the September 11\(^\text{th}\) terrorist attacks in less than five years, Mexico is still recovering from the trauma of a major 1985 earthquake that devastated Central Mexico.

\(^{17}\) Mazarr, p. xvi.
\(^{18}\) Doran and Drischler, p. 14.
Social Implications of Trade and Trade Agreements

As aforementioned, the effects of trade and trade agreements have many broad social and environmental, political, economic, and cultural implications. In Mexico these social implications have been quite prominent. Over the past several decades, a major shift towards a more urban society has taken place. As jobs in the agricultural sector decrease, and jobs in the manufacturing sector increase due to the transfer of manufacturing to Mexico through the North American Free Trade Agreement (NAFTA), more Mexicans are moving to cities and urbanized areas. In 1940 just twenty two percent of the Mexican population lived in an urban setting; in 1990 a staggering seventy percent of the population had gone urban. This rapid urbanization has many negative ramifications, including problems of waste, inadequate water supply, air pollution, and alienation. Despite these drawbacks, this urbanization also has positive consequences. For the first time in over a century, Mexican workers will outnumber children, opening opportunities to create a sizable middle class out of the expanding workforce. If Mexico can provide sufficient jobs for these new workers, and these people are persuaded to save significantly, Mexico could lay the groundwork for a more stable and prosperous future.

As the country begins to make progress on jobs and savings, its dependency ratio will decline and its domestic civic consciousness and social welfare programs will improve. In the years since this trend in urbanization began occurring, especially in recent years, there has been a large boom in charitable organizations. Most of these organizations have emerged recently and more than two thirds of them were created.

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19 Handelman, p. 119.
20 Mazarr p. 11.
within the past thirty years\textsuperscript{21}. These groups are focusing on fighting poverty, improving education, protecting the environment, redistributing wealth, and providing police functions to fight crime. They end up taking pressure off of the government, and thus allow for a more stable social climate. This increased stability and social consciousness can be indicated by the improvement in the literacy rate from fifty-two percent in 1940 to ninety-six percent in 1990\textsuperscript{22}.

Though it is impossible to say how much of these particular trends can be attributed to trade alone, it is a fact that NAFTA has aided greatly in the urbanization of Mexico, which has led to many of these reforms. Though trade of agricultural commodities is a large part of the agreement, Mexico now serves as a principal agricultural importer, rather than exporter. With fewer jobs in the agricultural sector and more jobs in the manufacturing sector, this urban shift occurs, thus producing these social and other cultural changes.

The social implications of United States-Mexico trade tend to be more controversial in the US. Though trade through NAFTA has created many jobs for Mexicans, it arguably has taken jobs away from US laborers and decreased investment in US markets. In pursuit of lower costs of labor, many large United States companies such as Goodyear and General Motors have shifted manufacturing south of the border. Ross Perot popularized the notion of the “giant sucking sound from the south” of investment leaving the United States for Mexico and has helped create an anti-NAFTA sentiment among many US citizens. These negative sentiments caused by the transfer of labor translate into anti-Mexican sentiments, some joblessness, and the many social

\textsuperscript{21} Mazarr p. 110.  
\textsuperscript{22} Handelman, p. 119.
implications that accompany joblessness, including more reliance upon government social and economic welfare programs for everyday well being\textsuperscript{23}. Accordingly, the effects of NAFTA and other elements of US-Mexico trade has transcended just social aspects of US life and have began to translate into many political movements.

Though the effects of trade are large upon the social sectors of each nation, they are arguably more positive for Mexico and more negative for the US. Because Mexico is a nation in transition, trade is helping build its social welfare and charitable foundation. For the already established and strong United States, the strain of job loss and increased immigration is taxing many existing social welfare organizations while inspiring the creation of new charitable organizations. The social implications are not entirely negative, but have been the cause of some strife since the onset of NAFTA in 1994\textsuperscript{24}.

Environmental Implications of Trade and Trade Policy

Another major element of both the United States and Mexico that is affected by trade is the environment. Trade policies have increasingly well-recognized environmental consequences that are caused by the altering of the place and levels of production, consumption, and trade of many goods\textsuperscript{25}. The elimination of trade barriers that is required by NAFTA has forced shifts in production, consumption, and resource patterns within the US and Mexico, as well as Canada, that could have significant environmental implications including misuse of land, over-industrialization, and depletion and contamination of aquifers.

Current environmental problems related to Mexican agriculture include inefficient irrigation; depletion of aquifers which has led to the presence of arsenic in the water and

\textsuperscript{23} Doran and Drischler, p. 21.h
the intrusion of salt water; water containing effluents or industrial residuals; misuse of pesticides; and degradation and erosion of the available pasture land. These problems are products of a historically large domestic demand to produce various agricultural crops and livestock for domestic consumption. With NAFTA, this demand has began to shift towards the United States and Canada, thus lessening the stress upon Mexican lands and having several positive implications upon the environment including a net reduction in environmentally damaging agricultural production practices in Mexico from increased imports form the US and greater incentives to adopt environmentally acceptable production practices for goods exported to the US\textsuperscript{26}. The effect on current US resource use and environmental practices in agriculture is minimal.

According to Nobel Peace Laureate Dr. Normal Borlaugh, technology could be the answer to many of the environmental issues these nations face due to agricultural over-planting and land degradation. In a keynote address at the Ministerial Conference and Expo on Agricultural Science and Technology Borlaugh remarked that, “The world has the technology, either available or well-advanced in the research pipeline, to feed 10 billion people. Extending the Green Revolution to the Gene Revolution will provide a better diet at lower prices to many more food-insecure people.” Developing plant species that produce higher yields over the same area would greatly reduce environmental strain upon agricultural land. Freer trade between the United States and Mexico is allowing for these plant species to be traded easily and their benefits to be reaped more quickly and effectively\textsuperscript{27}. Overall all, NAFTA and US-Mexico trade could have negative


environmental implications, but because of international social responsibility and awareness, trade has actually been improving the environment.

**Political Implications of Trade and Trade Agreements**

Any trade agreement has multiple political viewpoints, and there is no deviation from this trend when it comes to trade policies between the United States and Mexico. During the 1980’s Mexico adopted a policy of trade liberalization and opened up its once protected economy to foreign trade and investment. Despite what the term liberalization suggests to most Americans, economic “liberalization” is used outside of the United States to mean a reduction in the state’s economic role and the removal of many regulatory restraints on the private sector\(^\text{28}\). This political decision to join NAFTA and the General Agreement on Tariffs and Trade (GATT) caused Mexico to embrace free trade and tie its economy more closely to the world market, especially to the United States. It was Presidents Miguel de la Madrid (1982-88) and Carlos Salinas (1988-94) who caused the nation to adopt these new policies. In the 1970’s economic growth in Mexico was occurring at a rapid rate due to the discovery of vast petroleum reserves and extensive foreign borrowing. When this spectacular growth came to a halt in 1982, the nation was left with few choices other than to develop new policy to fuel its economy. This policy of liberalization has generally strengthened the Mexican economy and caused a more prosperous social and political climate to exist.

Despite the improving political economy, Mexico still faces problems with distribution of income. The poorest forty percent of the population earns just 11.9 percent of the total national income; the middle forty percent of the population earns only 33.2 percent of the total national income; and the richest twenty percent of the population

\(^{28}\text{Handelman, p. 116.}\)
earns over 55.9 percent of the total national income\textsuperscript{29}. The Mexican middle class is a minority, represented by less than one third of the total population, compared to a two thirds majority middle class in the United States.

While the Mexican income distribution is alarming at first sight, after further examination one sees that the problem is much deeper: as of 1995, it was a fact that twenty five Mexican families controlled 54.2 percent of the nation’s wealth, and half of Mexico’s assets were held by six conglomerates\textsuperscript{30}. These families and conglomerates have a large political stronghold and have traditionally used their force to keep foreign investment out of the country. This isolationist policy greatly weakened the Mexican economy, and rather than creating a more independent and nationalistic economy, actually created a greater dependence on foreign markets to supplement internal weaknesses. If the strong upper class always remains in power, and there is no reduction in poverty or expansion of the middle class, Mexico will not be able to develop a strong domestic market, and its economic future will be always be reliant upon foreign nations.

The politics surrounding trade in US-Mexico trade are great not only in Mexico, but in the United States as well. For many years, Mexico took very low priority on the agenda in Washington DC, but in recent years that trend has changed for two main reasons. The first is the relative decline of the US economic dealings with Europe due to the strengthening of the European Union. This strengthening, similar to NAFTA, encouraged US policy-makers to seek the development of a North American free trade region and improve trade relations with Mexico. The second reason for Mexico’s recent attention in Washington DC is the influx of powerful Texan politicians on Capital Hill

\textsuperscript{29} Handelman, p. 120
\textsuperscript{30} Mazarr, p 64.
including George Bush, Sr.; George W. Bush, James Baker, and Robert Moshbaker. Their ties to Mexico through their home state of Texas caused them to search for a closer, more positive relationship with our neighbor to the south\textsuperscript{31}. Though there are many small issues surrounding trade with Mexico, the largest political issue the US shares with Mexico is the issue of immigration.

**Cultural Implications of Trade and Trade Agreements**

The issue of immigration between the Mexico and the United States is one that encompasses most aspects of life: it is political, economic, social, and cultural. Even deeper, it can be considered a moral or ethical issue. The bottom line is that it illustrates that trade can include things much more complex and personal than just commodities and manufactured goods; it involves jobs and livelihoods.

People of Mexican origin make up twenty one million members of the United States population; between eight and 8.5 percent of these people were born in Mexico and between 3 and 4 million reside illegally in the US\textsuperscript{32}. In March of 2000, Mexico was the country of origin of the largest amount of immigrants into the United States, comprising 20.5 percent of the total immigration flow. Also in March of 2000, within the US Hispanics were more likely to be unemployed compared to non-Hispanic Whites and for those with jobs the most common occupations included service workers; precision production, craft, and repair; and transportation\textsuperscript{33}. These tended to require less training and education and have higher turnover and lower retention rates. Furthermore, Hispanics were more likely to be living in poverty than non-Hispanic Whites with one quarter of Hispanic children under age eighteen living in poverty.

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\textsuperscript{31} Doran and Drischler, p. 114.
The US-Mexican border is the busiest border worldwide with over one million crossings each day. People cross to go to jobs, do business, visit family and friends, travel, and more. Eventually, many of these crossers decide for various reasons, mostly because of the financial and personal freedoms that the US has to offer over Mexico, that they wish to be residents of the United States. This decision is one of much controversy. United States citizens often feel that these new immigrants cause many social problems, including additional crime to communities and over taxing of the social welfare systems. Because these workers tend to work for lower wage rates and send what they do earn back to Mexico, they are also accused of economic misdeeds such as lowering the average wage rate and driving downward the standard of living. On a cultural note, Mexican immigrants are also accused of not assimilating into communities and not supporting the societal welfare.

From the Mexican perspective, immigration to the United States is often a tough decision and last resort. It means individuals leaving their families, friends, and communities behind in hopes of finding a place where they can make more money to send home to support these people. As with the community of Santa Ana del Valle, Oaxaca, a small town in southern Mexico, almost all of the able-bodied men have left for the United States.  

There is no right or wrong stance on immigration; but, it is something that will occur forever. One must recognize that it is not an easy thing for immigrants or citizens alike, especially when immigrants earn significantly less than citizens. No matter what, as long as current trade policies and NAFTA are in place, both US and Mexican citizens will be forced to deal with the issues of immigration.

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34 The Lincoln Journal Star. “Mexican Migrant Towns Emptying.”
Conclusion

It is without a doubt that trade and trade policies affect every citizen of every nation, especially those in the United States and Mexico. They can be very complex and difficult to understand, but at the same time, because of their broad social, environmental, political, and cultural implications each citizen has an obligation to understand at least a marginal amount about them. Trade is the lifeblood of economies and if it is neglected and misunderstood, our nations will be weak.
Part II


