



Written by [Kelly Holt](#) on February 14, 2011

Perot Vindicated as NAFTA Causes Mass Outsourcing of Jobs

During his 1992 presidential campaign, Texan Ross Perot was maligned for his warning that the North American Free Trade Agreement (NAFTA) would cause many American jobs to be outsourced. But it turns out he was right about that “giant sucking sound.” NAFTA went into effect January 1, 1994, and the resultant suction of American jobs to points south — and ultimately west — has seemed almost audible.



According to the [analysis](#) of Global Economic Intersection (GEI), the goods balance of trade for the U.S. with Mexico has been negative and growing since the adoption of NAFTA. GEI, an economics-based website, focuses on the effects of economics on finance, investing, social interactions, politics, and public policy, and also features analysis of economic indicators.

GEI reported that in 2010, the [negative balance of trade](#) for the U.S. was \$61.6 billion, 9.5 percent of the total goods trade deficit last year. The group’s analysis also noted that almost 29 million American jobs had been lost between 1992 and the end of 2010.

The “expanded free trade” that Perot’s 1992 opponents George Bush and Bill Clinton argued would create U.S. jobs has backfired. Cheap labor markets in Mexico, and ultimately China, have resulted in many American manufacturers opting to outsource jobs and factories. Just as Perot opined, the [“free trade” would not be a two-way street.](#)

GEI noted that the U.S. job loss has accelerated since 2000, but attributed some loss to improved efficiency and productivity, as well as other factors. It added that if just half of the exported jobs had been retained in the United States, there would be about 13 million more employed Americans, resulting in a 4.4 percent unemployment rate and subsequent labor shortages. GEI continued:

If only some, even less than half, of the manufacturing that has been outsourced had been retained in the U.S., it is likely that there would still be an emerging market boom, but there would not be the severe structural unemployment problem that exists today in the U.S. It seems, looking at these numbers, that where we are is not the result of doing a fundamentally bad thing. It could be argued that it is actually the result of taking a good thing too far. It seems we missed the sweet spot and simply botched a beautiful shot.

Free Trade is a very good thing, but free trade taken too far is destructive.



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Taken too far, free trade is destructive? GEI missed the mark on that one, especially by not reporting on the political agenda of NAFTA. From the beginning, the goal had nothing to do with free trade. NAFTA's real purpose was to facilitate a North American economic community, similar to the European Union, as outlined by the extensive investigative reporting of *The New American*.

The intended merger of Canada, Mexico, and the United States into a regional government requires an economic mechanism (NAFTA) to facilitate regional control over the markets. In his article [Another Step Toward a North American Union?](#) Dave Bohon wrote:

The process began with the implementation in 1993 of the North American Free Trade Agreement (NAFTA), a mechanism that veteran internationalist Henry Kissinger referred to as part of the "architecture of a new international system."

So the "giant sucking sound" of lost jobs is translated into solid data and Perot is vindicated. But without policy change at all levels, the maelstrom created by the trade agreements has not yet finished its destruction.



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