



Written by [Bob Adelman](#) on September 8, 2014

Mexico Is the New Detroit; Forbes Credits NAFTA

In a burst of unwarranted enthusiasm, *Forbes* magazine's international automotive analyst, Joann Muller, [announced gleefully](#) that the rise of the auto-making business in Mexico represented not only more bad news for Detroit, but was the result of "wise trade policies south of the border." In the promotion for her article, Muller asked rhetorically: "Washington, are you listening?" She concluded that, if those trade policies, better known as the North American Free Trade Agreement (NAFTA), work so well for Mexico, Washington should do more of it for the United States.



Not a single word in her lengthy article was devoted to the real purpose behind NAFTA: a stepping stone to the North American Union (NAU), which would then be a step closer to the de facto creation of the New World Order that NAFTA's proponents have for years been working behind the scenes to achieve.

Muller noted that in the last five years, new car and truck production in Mexico has nearly doubled, from 1.7 million vehicles per year in 2009 to an estimated 3.2 million vehicles in 2014. Companies such as Volkswagen, Infiniti, Mercedes-Benz, BMW, and Hyundai have been pouring billions into new plants in Mexico, and it's all because of those free trade agreements Mexico has with some 44 countries, according to Muller. The United States, on the other hand, has agreements with just 20 countries which, according to Muller, explains the exponential growth in Mexico in the auto business over the last five years compared to the United States:

The result is what you'd expect. 80% of the cars built in Mexico are exported to other countries, about two-thirds of them to the United States....

In recent weeks Infiniti, Mercedes-Benz and BMW have all detailed plans to build cars in Mexico. Hyundai-Kia is expected to announce a plant any day. Audi, meanwhile, is midway through construction of a \$1.3 billion factory that will build luxury SUVs in Mexico starting in 2016.

Currently the world's eighth largest auto producer, Mexico is on pace to surpass Brazil this year. By 2020 Mexico should be number six behind China, the US, Japan, India and Germany, with an annual production of 4.7 million vehicles.

She raved about Nissan's massive new 21 million-square-foot factory which produces the company's popular Sentra vehicle. It now operates 23 hours a day, six days a week, having ramped up to its full annual capacity of 175,000 vehicles last November. This is the third manufacturing plant that Nissan



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now operates in Mexico, and the company expects to be making one million cars a year there within five years.

Volkswagen's brand new 750-acre plant in Puebla is so large that it has its own fire department, security service, fleet of ambulances, health clinics, and banks along with nine cafeterias which serve 12,500 meals every day. Muller bragged that Mexico now has four out of every 10 auto sector jobs in North America, up from just a quarter of them in 2000.

As the debate over NAFTA raged in the early 1990s, before being adopted on January 1, 1994, proponents noted that the goal of the agreement was to eliminate barriers to trade and investment between the United States, Canada, and Mexico. When the agreement was implemented it eliminated tariffs on some of Mexico's exports to the United States and on some of U.S. exports to Mexico. Libertarian economist Murray Rothbard saw through the façade immediately, noting:

On the surface, NAFTA dealt with a few puny tariffs covering a small fraction of American trade. So why the fuss and feathers? Why did the Clinton administration pull out all the stops, throwing caution to the winds by openly and shamelessly buying congressional votes?

And why the coming together of the entire establishment: Democrats, Republicans, Big Business, Big Finance, Big Media, ex-Presidents and Secretaries of State, including the ubiquitous Henry Kissinger, and the last but surely not least, Big Economists and Nobel Laureates? What is going on here?

Rothbard saw clearly that NAFTA had very little to do with trade and very much to do with politics, especially international politics:

It was indeed not about trade, certainly not about "free" trade.... The fight was about foreign policy, about the globalist policy that the United States has been pursuing since Woodrow Wilson, and certainly since World War II. It was about the Establishment-Keynesian dream of a New World Order. NAFTA was a vital step down the road to that order.

NAFTA, according to Rothbard, was a fraud from the very beginning:

In the first place, genuine free trade doesn't require a treaty or trade agreement. NAFTA is called a trade agreement so it can avoid the constitutional requirement of approval by two thirds of the Senate. If the establishment truly wants free trade, all it has to do is to repeal all our numerous tariffs, import quotas, anti-dumping laws, and other American-imposed restrictions on trade. No foreign policy or foreign maneuvering is needed.

What Rothbard saw, instead, was a trade agreement all dressed up to look like free enterprise so it would capture the support of the ignorant and the rubes at home:

Wouldn't it be wonderful to have North America be one vast mighty free trade unit like Europe? The reality is very different: socialistic intervention and planning by a supranational NAFTA commission or Brussels bureaucrats accountable to no one.

A year ago, *The New American* magazine published an extensive exposé of NAFTA entitled, "How the Free Trade Agenda is Knocking Down America." Author Larry Greenley noted in that exposé:

Our nation has already experienced incremental losses of independence through its participation in the North American Free Trade Agreement. Not only has the economic integration stemming from the NAFTA agreement included NAFTA tribunals that are superior to the US Supreme Court in cases involving North American trade, but furthermore, NAFTA has provided a platform for initial



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steps in the political integration of the United States with Mexico and Canada, which is commonly referred to as building the North American Union (NAU).

As *The New American* Senior Editor William F. Jasper pointed out, “The planet is quietly being divided up into regional blocs ruled by an unelected and unaccountable cabal, and with the destruction of national sovereignty in Europe almost complete, the only serious force left that can stop the scheme appears to be the American people.” With the assistance of writers such as Muller, the American people may not be awakened in time to the true threat to their liberties posed by NAFTA.

Certainly Muller could have done her homework and discovered that Robert Pastor, professor of international relations at American University and longtime supporter of NAFTA, knew exactly what he was doing in promoting this so-called “trade agreement.” For example, Pastor wrote in *Foreign Affairs*, the Journal of the Council on Foreign Relations, “NAFTA was merely the first draft of an economic Constitution for North America.” Had she dug a little deeper, Muller would have learned that, six years later, Pastor was disappointed that that so-called first draft didn’t go far enough:

In the absence of a compelling vision to define a modern regional entity, and lacking institutions to translate that vision into politic[al reality], the old patterns of behavior among the three governments [the United States, Canada, and Mexico] remained.

In other words, if Muller had spent just a little time on the political ramifications of NAFTA, rather than all her time singing its praises, she would have learned its real purpose: to create an economic entity that would lead ultimately and inevitably to political union, overriding national sovereignty of the three countries involved.

In simplest terms, then, Muller has, as Alfred Lord Tennyson so adroitly expressed it, presented “a lie which is half a truth.” That half a truth, added Tennyson, then “is ever the blackest of lies.” NAFTA has little to do with improving trade relations and everything to do with erasing national sovereignty in favor of an international political order run by unelected elites.

Photo of workers at a Honda plant in Mexico: AP Images

A graduate of Cornell University and a former investment advisor, Bob is a regular contributor to The New American magazine and blogs frequently at www.LightFromTheRight.com, primarily on economics and politics.

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