
How the Free Trade Agreement Affects You

Contributed by Webmaster
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Do you know what a trade deal is and how it affects you? You should because a free trade agreement is something that involves you and all skilled trades found in the world. It plays a part on daily purchases, from cars to groceries. You would be amazed at how directly free trade impacts your life. It is more than just stock market news regarding the latest rise and fall in stocks due to free trade. It can affect your job and job security.

The North American Free Trade Agreement is an agreement between Mexico, the United States and Canada. The deal stipulates that tariffs and taxes from goods coming into the country and leaving the country, between the three countries, will be lifted. It has caused a lot of controversy, especially with regard to the Mexican, versus American and Canadian borders. Why is this happening and what is the debate? Well, it concerns the level of the economy and quality of life that each country has.

A trade deal was worked out between Mexico, Canada and the United States. The United States and Canada agreed not to charge or change the pricing of goods produced in Mexico and then sold in either the U.S. or Canada. The problem is that goods are cheaper to produce in Mexico because labor wages are so incredibly low. Many U.S. and Canadian companies are relocating their factories to Mexico because the labor laws are so lax. What does this do to U.S. and Canadian jobs? Well, it causes massive lay offs and wages to fall, which in turn, negatively affects the economy.

Until more companies and industries agree to stay in the United States and Canada and stop leaving for foreign countries, such as Mexico, where the labor laws and wages are so low, there will always be ill feelings towards any Free Trade Agreement on the legislative table. The real problem can be solved by simply buying products that are made in your home country. It may cost you more but at least you are guaranteeing jobs.