Bus Tour To Ag Progress

EPHRATA (Lancaster Co.) — Brubaker Agronomic Consulting Service Inc. of Ephrata, an independent professional crop and soil consulting firm, will sponsor an exhibit at the 25th annual Ag Progress Days to be held August 17, 18, and 19.

The Brubaker Agronomic Consulting Service Inc. exhibit will focus on agricultural consulting services such as nutrient management planning, soil fertility programs, IPM field scouting, beneficial-use permitting, and community relations workshops.

The exhibit will be part of more than $20 million worth of agricultural machinery, equipment, supplies and services that will be displayed and demonstrated by nearly 300 commercial and non-commercial exhibitors during the three-day event.

Penn State Ag Progress Days is one of the largest and longest running agricultural expositions in the East.

Exhibit hours are 9 a.m. to 5 p.m. Tuesday and Thursday. On Wednesday, the hours are extended until 8 p.m. Admission and parking are free.

On Wednesday, August 18, Brubaker Agronomic Consulting Service Inc., will be chartering a coach bus for persons interested in attending Ag Progress Days. Tickets are $15 in advance and can be reserved by calling (717) 859-3276 prior to July 21, 1993.

The bus will have several pickup points for your convenience and will be leaving Lancaster County at 7:30 a.m. and returning by 6:00 p.m. Limited seating is available.

Farm Forum

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cation of the NAFTA agreement. This agreement offers economic opportunities for Pennsylvania farmers and the U.S. economy as a whole. The fastest growing sector of the American economy is our export sector. Mexico is the fastest growing market for U.S. exports in the world. U.S. merchant exports to Mexico have increased 22 percent per year for each of the last five years. U.S. agricultural exports rose 173 percent, to over three billion dollars, from 1986 to 1991. The good news for Pennsylvania farmers is that NAFTA, over the next ten years, will cause U.S. exports to increase at a more rapid rate.

We believe there is a lot of misinformation about NAFTA and we want to set the record straight. NAFTA will create U.S. jobs, not lose them; it will expand U.S. exports; it will offer opportunities to improve Mexico's environmental and labor conditions as its economy grows and develops; and it will help to widen our trade surplus in farm commodities. The Institute for National Economics has estimated that over several years NAFTA will create a net increase of over 130,000 U.S. jobs. Recent estimates indicate that the gain to the U.S. gross domestic product by the year 2002 will 35 billion dollars. Part of that increase will be in increased sales of beef, dairy products and coarse grains which will directly or indirectly benefit Pennsylvania farmers.

Your editorial article refers to the myth that the Pennsylvania and the U.S. will suffer massive job losses as companies fly south to take advantage of cheap labor in Mexico. Two things are usually not discussed in this argument. First, labor costs are only part of the equation when companies decide where to locate. Many other variables enter the equation, including productivity, availability of raw materials and energy, transportation costs and marketing infrastructure. Otherwise, all those jobs would already be gone. Nothing is stopping them from leaving now.

Mexico's situation is similar to that of other developing countries - short of infrastructure, skilled workers, experienced managers and entrepreneurs but long on cheap labor in a world where cheap labor is becoming less important. In 1991, for instance, less than one third of the major investments abroad by U.S. companies went to countries with low labor rates.

Another element is that the cheap labor argument assumes that a job created in Mexico takes one away from the U.S. In fact, the result of a successful NAFTA will be to create income and employment in both countries. U.S. trade with Mexico has changed from a $5.6 billion deficit in 1987 to a $5 billion surplus in 1992. The result has been more U.S. jobs. Associated Press, citing a U.S. Commerce Department study, stated that exports from Pennsylvania to Mexico quadrupled between 1987 and 1992, placing the state among the top 10 in the nation in sales south of the border. This strong growth comes against the backdrop of closer economic ties between two nations as they move toward the establishment of NAFTA.

Your paper's editorial also indicated that many U.S. companies are most likely to move to Mexico because environmental laws are lax. Mexico's General Law of Ecological Equilibrium and Environmental Protection enacted in 1988 is roughly the same as U.S. laws and regulations. In 1992, the Mexican Congress created the Secretariat of Social Development, the government ministry charged with environmental policy formulation and enforcement - essentially the Mexican EPA. The environmental hurdles that companies wanting to locate in Mexico will have to jump will likely be no lower than those in the United States.

Since Mexican President Salinas took office, Mexico's environmental budget has increased 700 percent. The number of environmental inspectors has increased to more than 300. There have been suspensions of operating licenses and closures of 1,926 facilities for non-compliance with environmental regulations. More than 100 facilities have been closed permanently in an attempt to curb pollution in Mexico City. These are not the actions of a country unconcerned with enforcements of environmental rules and regulations.

It is unfortunate that you rely on the Manufacturing Policy Project Study when postulating that NAFTA will cost the U.S. 5.9 million manufacturing production jobs. This study has been widely criticized as using questionable methodology as being totally misleading. Its starting assumption is that industries whose labor content is 20 percent or more of the total value of shipments are vulnerable. As the 20 percent criterion is only slightly more than payroll as a percent of shipments of all U.S. manufacturing industries, the inevitable result was to find that approximately half of all jobs in U.S. manufacturing industries are implicated. Using the same procedure, but choosing industries with a 30 percent or more labor content criterion would have led to an estimate of 940,600, not 5.9 million, jobs at risk.

Regardless of the figure used, the analysis is incomplete since it ignores other factors, such as technological superiority, that contribute to U.S. competitiveness. Furthermore, the report characterizes these jobs as being "at risk" yet press reports and statements made in your paper's editorial imply that these jobs will actually be lost.

Mexico currently has higher trade barriers than the U.S. Mexico is currently at a 10 percent average, while the U.S. currently averages four percent. Mexico has significantly more non-tariff barriers than the U.S. Over ten years all of those restrictions will gradually be eliminated except for the most sensitive commodities, such as corn on the part of Mexico and citrus on the part of the U.S., which will be given fifteen years.

In summary, we believe strongly in our country and in doing what is right to promote jobs, prosperity and every American citizen's standard of living. We firmly believe NAFTA will promote growth and employment in our country. We also believe that NAFTA is important in maintaining a leadership role in the world. It is only by expanding our markets abroad, coupled with sound domestic economic policies, that we will stimulate our economy, provide jobs and prosperity for our fellow Americans and continue our role as a dominant and competitive force in the world.

Keith Eckel,
President, Pennsylvania Farm Bureau