

# ISSUE BRIEF

## Trade Policy

**Workers in the U.S. and abroad have learned firsthand that the existing rules of international trade and investment serve the interests of multi-national corporations and ignore the interests of working people and their families**, that income inequality is worsening in developed and developing countries alike, and that U.S. policies have failed to address these serious problems. The IAM will continue to be at the forefront in efforts to force Congress and the administration to make changes in the rules of international trade and prevent more NAFTA like agreements.

**The Bush administration is eagerly pursuing a variety of trade agreements**, including the Free Trade Area of the Americas (FTAA), Chile and Singapore agreements, Central American Free Trade Agreement (CAFTA), trade in agriculture, services and other issues in the WTO. The IAM continues to oppose the passage of new trade agreements because the model of economic integration that has been incorporated into these agreements, as embodied in NAFTA and the WTO, has devastated workers' in this country and abroad. Unless new legislation incorporates fundamental changes in the approach to trade negotiations and trade policy, we will continue to use all our resources in oppose these job destroying agreements.

### **The ugly reality of today's global economy.**

- "Free trade" agreements like NAFTA have cost hundreds of thousands of American jobs since 1993 and have eroded the bargaining power of workers.
- The assets of the world's three richest people exceed the total incomes of the 600 million people living in the world's poorest 48 countries.
- The U.S. trade deficit in goods an astonishing \$485 billion in 2002 threatens the economic future of every American family. Flawed trade policies cost American jobs, put downward pressure on U.S. wages and working conditions, erode the ability of governments to protect public health and the environment and have contributed to political and economic instability and growing inequality in the rest of the world.

### **After NAFTA, FTAA Could Bring More Disaster**

The Free Trade Area of the Americas (FTAA) treaty is a near-clone of NAFTA and would spread NAFTA-like affects to 34 countries in the Northern and Southern hemispheres. But NAFTA's negatives appear to be of little concern to the leaders of those nations now shaping the proposed trade deal. In fact, they say NAFTA is their model. It is a seriously flawed model. NAFTA's main outcome has been to strengthen the clout and bargaining power of multinational corporations, to limit the scope of governments to regulate in the public interest and to force workers into more direct competition with each other-reinforcing the downward pressure on their living standards, while assuring them fewer rights and protections. New reports on NAFTA's impact on jobs and its contribution to the erosion of workers' rights are frightening previews of what is in store if the trade deal is expanded more than tenfold by the adoption of the FTAA.

### **Trade Adjustment Assistance**

Workers adversely affected by the U.S. trade policy and the impact of international trade deserve the support of a effective trade adjustment assistance program. The existing U.S. program provides inadequate income support and training opportunities and uses restrictive procedures to deny benefits to many eligible workers. The Trade Adjustment Assistance program must be fully funded to ensure that all eligible workers qualify for benefits and that the income support levels are high enough to prevent experiencing economic hardship. The program must ensure that the training opportunities

available to workers will give them skills that are in demand in the local labor market and that compensation for these jobs is equivalent to the jobs lost due to trade.

### **U.S Trade Policy Going in Wrong Direction**

U.S. trade policy needs to be dramatically reoriented . It is crucial that we have an open national debate over the content and form of trade policy before:

1. Proceeding further with negotiations toward the FTAA, which essentially would extend the flawed NAFTA model to the rest of the Western Hemisphere;
2. Negotiating additional bilateral free trade agreements; or
3. Moving forward with the new World Trade Organization negotiations.

**The IAM will fight to change the direction of U.S. international trade**, which has resulted in the unnecessary loss of hundreds of thousands of good jobs in the U.S. To achieve that goal, we will vigorously oppose NAFTA type trade agreements, and defend the interests of our members against injurious imports in the industries in which our members work. U.S. production and employment in the aerospace and other industries provide the lifeblood of many communities across the country. We will take advantage of the U.S. trade laws and international agreements that strengthen the security of our members' jobs and press for the revision of those laws and agreements to ensure that the interests of workers are effectively incorporated.