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## **Machinists Union: Current Text of NAFTA 2.0 Will Not Stop Outsourcing**

**WASHINGTON, November, 30, 2018** -- Machinists Union International President [Robert Martinez Jr.](#) issued the following statement about the signing of the new NAFTA, or USMCA:

“Machinists Union members make, maintain, transport and service the products that create the global economy. We know how important the global economy is to our jobs and our communities. We also know first-hand that trade agreements like NAFTA, which are not fair and leave workers in the U.S., Canada and Mexico out in the cold, have caused immense pain and disruption in the lives of everyday working people in all three countries.

“In order to take advantage of manufacturing wages that are held below \$3 an hour, U.S. and Canadian companies have moved jobs to Mexico on an unprecedented scale since NAFTA was implemented. In the case of just one industry, Mexico now employs between 30,000 and 40,000 aerospace workers and has become a major exporter to the U.S. Other industries have also outsourced work to Mexico to take advantage of its low labor costs derived from suppressing basic workers’ rights.

“The U.S. International Trade Commission has reported that Mexico’s low labor costs in aerospace have contributed to the outsourcing of U.S. work. Recently, yet another aerospace company, United Technologies in Chula Vista, Calif., announced it will be closing its doors and leaving 300 workers out of a job. Work that was performed by U.S. workers is already in Mexico. The company has even ‘showcased’ its operations in Mexico. Other U.S. aerospace companies like General Electric, Honeywell, Cessna, and many other U.S. companies in aerospace and other manufacturing industries, as well as, Canadian and European companies, have also flocked to Mexico.

“The importance of aerospace to our nation’s economy and security cannot be overstated. Aerospace and its related industries are responsible for a significant portion of our exports and hundreds of thousands of high-skilled, high-paid jobs. The aerospace industry has also led in the development of new and innovative technologies that have in turn led to new industries. Given the critical nature of aerospace to our nation’s future, the continued outsourcing of U.S. production and technology to Mexico must be effectively addressed once and for all.

“We had hoped that current efforts to renegotiate NAFTA would change this dynamic by addressing outsourcing and incorporating much-needed changes for lifting fundamental human rights and the standard of living for workers in all three signatory countries. Unfortunately, after careful review, we conclude that as currently written, and without further changes along the lines we continue to propose, NAFTA 2.0 will do little if anything to stop the outsourcing from the U.S. and Canada and the related wage suppression of workers in Mexico.

“Despite some improvements, NAFTA 2.0 continues to maintain the basic flawed template of past trade agreements. The labor chapter as currently proposed does not come close to meeting the dramatic changes we believe are needed to end wage suppression in Mexico. Nor is there adequate language in the text to ensure that whatever standards agreed upon will be effectively enforced. This is especially true for much-needed prohibitions of Mexico’s protection unions.

“When it comes to directly curtailing outsourcing, little or nothing has been proposed with respect to manufacturing. While there remains doubt about its effectiveness, innovative language has been proposed with respect to autos. Inexplicably, however, outsourcing in other manufacturing industries such as aerospace, appliances, electronics, machinery, food processing, textile and apparels and service industries, have apparently been ignored.

“Our future, the future of manufacturing and the future of workers’ lives depends on getting trade policy right. NAFTA 2.0, as currently written, does not represent the fair trade principles we continue to demand. Consequently, while we will continue to offer our suggestions to the administration and Congress with respect to improving the text, unless major changes are made so that outsourcing by corporations seeking Mexico’s suppressed labor costs are adequately addressed, the IAM cannot support NAFTA 2.0.”

*The International Association of Machinists and Aerospace Workers (IAM) represents 600,000 active and retired members in the North American aerospace, defense, airline, manufacturing, transportation, woodworking, the federal sector and other industries. Machinists Union members work at Boeing, Lockheed-Martin, General Electric, United Airlines, Harley-Davidson and more. Visit [goIAM.org](http://goIAM.org) for more information.*

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