



ACTING FOR SOCIAL JUSTICE / AGIR POUR LA JUSTICE SOCIALE

July 25th, 2018

*Andrés Manuel López Obrador*  
President Elect of the United States of Mexico  
Chihuahua 216  
Roma Nte., 06700  
Ciudad de México, CDMX,  
México

Dear President-elect Andrés Manuel López Obrador,

First of all, let us congratulate you on a spectacular election win, raising hopes that Mexico will break with the past and build an equal society where Mexicans can live with dignity and eradicate poverty. We share the dreams of your voters, and we wish you the courage and perseverance to pursue the necessary reforms so that people are not left behind.

We understand that you are meeting this week with Canadian Foreign Affairs Minister Chrystia Freeland to discuss the renegotiation of NAFTA. As an organization formed in opposition to the Canada-U.S. Free Trade Agreement and NAFTA, we would like to share some observations based on more than 30 years' scrutiny of these agreements.

In your [letter](#) to U.S. President Trump, you express the desire to get the deal renegotiated speedily. You also outlined your government's agenda of reducing emigration by attacking its root cause, poverty.

In our experience, the goal of reducing inequality is undermined by the present NAFTA.

NAFTA has [exacerbated inequality](#) in all three countries. Statistics Canada data show that, since 1994, workers' inflation-adjusted average wages have stagnated while the incomes of chief executives have soared. In Canada, the manufacturing sector was particularly hard hit. According to Statistics Canada, 540,000 manufacturing jobs have been lost since 2000. In Mexico the poverty rate has remained at a staggering 52 per cent. Side agreements meant to protect workers in NAFTA have been absolutely useless in protecting labour rights: not one case has gone to arbitration in the labour rights agreement. Since NAFTA came into force, Canada has lost 40 per cent of its farms, while Mexico has lost 2.3 million farm livelihoods.

NAFTA has not empowered ordinary people, but it has empowered corporations, giving them unprecedented powers to sue governments over environmental and social policies. Under NAFTA'S chapter 11, companies that assert their investments may have been threatened by public policy changes, can make claims for billions of dollars in damages. Canada has taken the brunt of [Chapter 11](#) corporate lawsuits. This has prevented a Canadian province from implementing public auto insurance. We as [taxpayers](#) will have to pay for refusing a quarry along the Nova Scotia coast after an environmental assessment; we have had to pay for refusing MMT and DDT pesticides from U.S. companies.

Mexico has had to pay [Metaclad \\$16 million](#) for refusing to allow a toxic waste dump in San Luis Potosi. With foreign companies becoming more heavily involved in the gas and water sectors in Mexico, any attempts to protect communities affected by these developments risk being attacked under Chapter 11. Your party's ambitious policy agenda could ruffle some investors, and this provision gives them a weapon that could scuttle parts of the agenda.

We worry that Mexico could suffer Canada's fate in these renegotiations by having to accept energy proportionality. Big Oil, in all three countries, has been eager to create a single continental energy market, and it is eager to make Mexico follow Canada in accepting mandatory export quotas, which [oblige Canada](#) to meet quotas for energy exports to the U.S. At the moment, Mexico is exempted from this provision. This provision may interfere with our ability to cope with potential energy shortage. It will also hamper our ability to meet our climate change targets, as [noted](#) by University of Alberta Professor Gordon Laxer.

We also note that Mexico has fought many battles to keep water within the public realm, ensuring access for all. Many public movements in Baja California are resisting attempts to [privatize it](#) and reserve water for [U.S. beer companies](#).

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Bad news: In NAFTA, [water is a commodity](#) like any other. It is something to be bought and sold. Once water is in the private realm, it cannot be brought back to the public realm without a fight.

It may be tempting to hope for a swift deal and have NAFTA swept under the rug by the outgoing administration. This, the [thinking goes](#), would allow you to focus on your domestic agenda. However, a progressive agenda and the current NAFTA are incompatible. We urge you to negotiate in a spirit that upholds your progressive agenda, as opposed to a NAFTA serving a tiny minority.

Sincerely,



Maude Barlow  
Honorary Chair of the Council of Canadians



Leo Broderick  
Chair of the Council of Canadians