



Moving Air Conditioning Jobs To Mexico Becomes Hot Campaign Issue

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March 14, 2016

Over the past month, millions of YouTube viewers have watched what happens when a U.S. manufacturer announces a move to Mexico.

Click on the unsteady [cellphone video](#), shot at a factory that makes air conditioning, heating and related equipment in Indianapolis, and you will see workers listening to a man in a suit.

He's telling them that their paychecks are headed to Mexico.

"I want to be clear, this is strictly a business decision," the man says.

An agonized, collective cry goes up. People swear, shout and look away.

Turns out, moving manufacturing jobs to Monterrey, Mexico, is more than strictly business. It's also very personal, painful — and political.

The Feb. 9 announcement was made by Carrier Corp., which says it will close both the Indianapolis plant, with 1,400 workers, and another nearby facility with 700 workers.

It's a decision that has been made again and again in recent decades as manufacturers have shifted production to offshore facilities.

But this Carrier move is playing out in the middle of a combative presidential primary season — and the amateur video is having an impact on candidates and voters.

GOP front-runner Donald Trump is using it as a key talking point.

"I'm going to tell the head of Carrier: 'I hope you enjoy your stay in Mexico folks. But every single unit that you make and send across our border, which now will be real, you're going to pay a 35 percent tax,'" Trump said at a campaign stop in Dayton, Ohio, on Saturday.

On his Facebook page, Democratic candidate Sen. Bernie Sanders has said the Carrier move "is another example of how NAFTA and other trade policies have been a disaster for American workers."

Both Trump and Sanders have been attracting voters by saying American workers are suffering because manufacturers have been chasing cheaper labor.

And Carrier's parent company, Connecticut-based United Technologies Corp., agrees that lowering costs is indeed the motivation. But the point is not to hurt workers; rather, it is to keep a strong, U.S.-based corporation succeeding in a global marketplace.

Last week, United Technologies CEO Greg Hayes talked to investors and explained the company's thinking.

"The fact is, what will drive world class margins, why margins at our climate control and security business are so good, is because we have been relentless in taking out costs," he said.

Hayes says trade barriers, such as Trump's 35 percent tax, ultimately would hurt his company's workers. That's because United Technologies brings in fewer products than it exports, such as jet engines and elevators.

Mark Perry, an economist for the conservative American Enterprise Institute, says the idea of taxing companies for offshoring work goes back to an economic theory known as mercantilism. The theory dominated economic thinking in Europe from the 16th to 18th centuries, when governments tried to boost their wealth by imposing tariffs on foreign goods.

The United States tried this approach with the Smoot-Hawley Tariff Act of 1930, which pushed tariffs to record levels. Most economists say it backfired.

"Our trading partners ended up imposing tariffs and taxes on American goods and so it really reduced, significantly, global trade to a point that then some people even say that that's what made the Great Depression great," Perry said.

Scott Lincicome, a trade expert with the Libertarian Cato Institute, says that when weighing the impact of the Carrier move to Mexico, one needs to remember the interests of consumers.

Heat is one of the biggest causes of weather-related deaths, so cheap air conditioning is vital, the argument goes. If costs can't be held down, then consumers will "either pay more or be totally priced out of the market and thus forced to simply suffer through another brutal August," Lincicome argues.

These disputes over the interests of workers versus consumers will continue to play out this year on the campaign trail as well as in Congress. This year, lawmakers will be asked by the White House to approve the Trans-Pacific Partnership, a proposed Pacific Rim trade deal involving the United States.

It is supported by President Obama and Republican House Speaker Paul Ryan. On NPR's *Morning Edition* in June, Ryan said he supports trade deals that level the playing field.

"They treat us like we treat them, they open our markets reciprocally to ours, to our exports. And they raise their standards to our standards," Ryan said.

But the TPP is unlikely to pass in Congress before the election as popular sentiment turns against it.

And as the presidential candidates scramble for voters, Trump, Sanders and Democratic candidate Hillary Clinton are all pumping up that sentiment.

Last week, Sanders tweeted: "If elected, I won't send the TPP to Congress and will continue to fight efforts to pass it. I urge @HillaryClinton to join me."

On Sunday, at the Ohio Democratic Party's Legacy Dinner, Clinton said that as president, she would "stop, dead in its tracks, any trade deal that hurts America and American workers. ... So that's why I've said we have to oppose the TPP."

On Monday, Trump tweeted about his opponent Ohio Gov. John Kasich and the North American Free Trade Agreement: "Gov Kasich voted for NAFTA, which devastated Ohio and is now pushing TPP hard- bad for American workers!"

Kasich, as well as GOP candidates Ted Cruz and Marco Rubio, generally have been supportive of trade deals.