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**THOUSANDS OF U.S. BUSINESSES URGE BUSH TO SCRAP  
CAFTA**

Landmark USBIC letter also seeks new trade strategies to spur domestic  
production

**WASHINGTON, D.C., June 21, 2005.** The U.S. Business and Industry Council today released a letter signed by 24 business organizations across the country urging President Bush to scrap the Central America Free Trade Agreement (CAFTA). The business groups, which speak for some 8,500 companies in dozens of industries, also called for a new national trade strategy that encourages production and employment in the United States.

According to USBIC President Kevin L. Kearns, the letter shows that opposition to CAFTA extends far beyond textile and sugar interests and organized labor.

"The anti-CAFTA and anti-outsourcing stances expressed by this letter represent the broadest business opposition to a trade initiative in decades," Kearns noted. "The emergence of a large business constituency against current U.S. trade policies is a watershed in the politics of globalization."

Just as important, Kearns added, "This business opposition to CAFTA makes clear that outsourcing-dominated groups like the National Association of Manufacturers and the U.S. Chamber of Commerce have lost their claims to be exclusive spokesmen for American business on trade and globalization policy."

The USBIC letter notes that because the CAFTA countries' markets are so tiny, and because their cheap labor makes their export potential so impressive, "CAFTA's passage will surely increase net U.S. imports, boost the already dangerously high trade deficit, further weaken the dollar, force the continued fire sale of American assets, and reduce domestic manufacturing output, employment, and technological innovation."

New trade agreements like CAFTA could strengthen domestic manufacturing, the letter states, "but only as part of a thoroughgoing overhaul of U.S. trade policy aimed at promoting domestic production and living standards."

The signatories note, "[W]e are life-long entrepreneurs. Far from fearing competition and imports, we have survived outsourcing trade policies so far by out-thinking and out-managing our global competition."

But "the cumulative effects of the various CAFTA-like outsourcing deals and the ongoing failure to combat Chinese and other foreign predation" will force many to close down "unless dramatic policy changes are made."

**The U.S. Business and Industry Council, founded in 1933, is a national business organization comprised of about 1,000 mainly small and medium-sized manufacturing companies. Further information on the Council, and on its work, can be found at [www.usbusiness.org](http://www.usbusiness.org) and [www.americaneconomicalert.org](http://www.americaneconomicalert.org), respectively.**