American Manufacturing Trade Action Coalition

PRESS STATEMENT

CAFTA - A Job Killer Just Like NAFTA

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For Immediate Release

WASHINGTON, DC - The American Manufacturing Trade Action Coalition (AMTAC) reiterated its opposition to the Central American Free Trade Agreement (CAFTA). "CAFTA must be defeated. Like NAFTA, CAFTA is just another outsourcing agreement that will devastate U.S. manufacturing," said AMTAC Co-Chair George Shuster, CEO of Cranston Print Works of Cranston, RI.

Noting that the average U.S. manufacturing job pays $16.52 per hour, AMTAC Co-Chair Bob Fogarty, CEO of Kindel Furniture of Grand Rapids, MI, commented, "It is not surprising that CAFTA is so unpopular. Nearly three million U.S. manufacturing jobs have been lost in the past five years. People rightly are worried that if their own job is outsourced, a replacement job won't pay as well. Instead of CAFTA, America needs a new trade policy that will stop the hemorrhaging of high-paying U.S. manufacturing jobs."

Textile Deal No Deal at All

"The so-called textile deal announced yesterday does not change AMTAC's opposition to CAFTA. The CAFTA legislation pending before Congress continues to include numerous loopholes that will displace current U.S. exports to the CAFTA region. In order for any deal to be consummated, there must be a formal agreement between all the parties and the agreement must be adopted by Congress. That has not happened to date and there is no assurance that it will happen," said (AMTAC) Executive Director Auggie Tantillo.

CAFTA Follows the Failed NAFTA Model

CAFTA is a continuation of the failed NAFTA policy that drives our rising trade deficits and mounting job losses. This model grants free access to the $12 trillion U.S. market for offshore producers that take advantage of pennies-an-hour wages and low labor and environmental standards to undercut manufacturers in the United States. In return, U.S. manufacturers gain access to markets worth only a fraction of the U.S. market. The combined gross domestic product of the CAFTA countries is less than 2 percent of the U.S. economy. Per capita GDP for the region is only $4,632. Moreover, as reported by

CAFTA governments, 49 percent of Dominicans and Central Americans live in poverty. Clearly, consumers in CAFTA countries have little power to buy finished U.S. goods.

Facts and Figures

U.S. imports of textile and apparel products under the Multi-Fiber Agreement have risen from $40 billion in 1994 to $83 billion in 2004. In contrast, our exports only rose from $11.5 billion to $16 billion during the same time period.

The U.S. trade deficit in textiles, apparel, and cotton has skyrocketed from $28 billion in 1994 to a projected deficit of $77 billion in 2005. Its impact is reflected in the decline in U.S. textile and apparel output by 23 and 56 percent respectively since 1994. Moreover, the value of U.S. textile and apparel shipments plunged from $155 billion to $114 billion - a drop of $41 billion - during the same time period.

Finally, since 1994, U.S. textile and apparel industry employment has fallen from 1,548,000 to 657,400 - a loss of 890,600 jobs.

The U.S. current account deficit was $195 billion in the first quarter of 2005 and will approach $800 billion by year's end. The United States now must obtain $2.17 billion per day ($1.5 million per minute) by borrowing from abroad or from selling assets to finance the deficit.

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