

Trade pact getting the cold shoulder

Delegates in Congress don't want state to lose jobs

By Mary M. Shaffrey and David Rice

Winston-Salem Journal (NC)

July 14, 2005

WASHINGTON - Despite intense lobbying by the White House and business groups, all but one of North Carolina's congressional members appear ready to turn their backs on the Central American-Dominican Republic Free Trade Agreement, or CAFTA, when it comes to the floor of the U.S. House of Representatives for debate.

The shadow of NAFTA, the North American Free Trade Agreement, looms large in their thinking. "Most of my constituents back home are expressing disapproval," said Rep. Howard Coble, R-6th, who is "leaning against" CAFTA but has not made up his mind.

Coble voted for NAFTA in 1993 but against other trade agreements, such as the Permanent Normal Trade Agreement with China in 2000. The White House asked him whether a presidential visit to Greensboro would help change his mind. Coble said no.

"If my constituents do a 180 on CAFTA, that might sway me," he said.

So instead of going to Greensboro, President Bush will visit a textile plant in Belmont on Friday. It is in the district of Rep. Sue Myrick, R-9th, the only North Carolina representative who openly supports the agreement.

"The textile companies (in my district) are doing a lot of business with Central America," said Myrick, who added that if CAFTA does not pass, that business "will go to China."

The agreement would eliminate trade barriers between the United States, five Central American nations - Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua - and the Caribbean nation of Dominican Republic. It passed the Senate last month with the support of both of North Carolina's senators but is expected to have a much harder time in the House, where it is likely to be voted on before the August recess.

In addition to Coble, the members of the delegation who say they may vote against CAFTA include Rep. G.K. Butterfield, D-1st; Rep. Melvin Watt, D-12th; and Rep. Brad Miller, D-13th.

Repeated calls to the office of Rep. Bob Etheridge, D-2nd, were not returned, but observers say they believe that he is also leaning toward a "no" vote. The rest of the delegation is opposed to the bill.

Opponents to CAFTA find Bush's visit to the state ironic.

"I think it's a little curious," said Ernest Baynard, the executive director of Americans for Fair Trade, who along with the AFL-CIO held a rally in Raleigh yesterday to oppose the agreement.

"Because if you look at the trade-related job losses ... it's a difficult sell in places like North Carolina," Baynard said.

North Carolina has been hurt by previous trade agreements that have eliminated thousands of jobs, and sent countless others overseas. Jonathan Collegio, a spokesman for Rep. Patrick McHenry, R-10th, said that in Caldwell County alone, 1,200 people are receiving trade-assistance benefits as a result of losing jobs. For that reason, McHenry is opposed, the spokesman said.

James Andrews, the president of the North Carolina AFL-CIO, who spoke at the Raleigh rally, pointed to more than 3,000 workers at Pillowtex in Kannapolis who lost their jobs in 2003.

"The replacement jobs we get are not the kind of jobs that you raise a family on - unless you've got two of them," Andrews said.

Rep. Virginia Foxx, R-5th, was not a member of Congress during previous trade debates, but she said she has seen their effects and does not like them, and therefore won't support the bill.

"Eighty-five percent of CAFTA is identical to NAFTA," Foxx said. "I can't see us subjecting ourselves to it again."

Grass-roots opponents of CAFTA hope that the undecided members of the delegation hear that message. During the rally in Raleigh yesterday, the podium was decorated with a sign that read, "Remember NAFTA," and activists handed out bumper stickers that read: "NAFTA + CAFTA = SHAFTA."

NAFTA cost the nation almost 1 million jobs, 33,000 of them in North Carolina, Baynard said.

CAFTA battle is coming to N.C.

Bush visit to push free-trade pact

By JIM NESBITT, Staff Writer

North Carolina has become a crucial battleground in the political fight over America's latest free-trade pact.

President Bush will make his pitch for the Central American Free Trade Agreement during a speech Friday at Gaston College near Charlotte, trying to drum up support for a crucial House vote expected by the end of this month.

Meanwhile, opponents of the deal, which narrowly passed the Senate, gathered Wednesday in Raleigh. They vowed to remind voters and U.S. House members of the thousands of North Carolina textile and manufacturing jobs lost from past trade pacts.

Playing up the loss of more than 230,000 jobs in North Carolina since the North American Free Trade Agreement was signed in 1993, they said CAFTA would lead to more job losses.

"It could well deal the death blow to what is left of the textile industry in North Carolina," said Ernest C. Baynard, executive director of Americans For Fair Trade, an umbrella group of union and agriculture interests opposed to CAFTA. "There are only two kinds of people supporting CAFTA -- those who are already outsourcing your jobs and those that want to."

CAFTA has divided the textile industry into two camps: those who see it as a bulwark against the recent ravages of cheap clothing imports from China and other Asian countries, and those who think it will lead to further job losses and mill closures.

CAFTA would create a duty-free trade zone covering the United States and six other countries -- Costa Rica, the Dominican Republic, El Salvador, Guatemala, Honduras and Nicaragua.

Some textile officials say it will allow American mills to solidify their role as the prime supplier of fabric and yarn for clothes makers in the region.

U.S. Commerce Secretary Carlos Gutierrez underscored that message during a Wednesday teleconference with North Carolina journalists.

"If we want to keep textile jobs in North Carolina, if we want to keep family farms, we need to pass CAFTA," he said.

Help or hurt?

North Carolina exports to Central America have almost tripled since 1999, rising from \$520 million to more than \$1.4 billion last year, U.S. Commerce Department figures show. The state trails only Florida and Texas in exports to that region.

Phil Kirk, president and chief executive officer of N.C. Citizens for Business and Industry, said his organization supports CAFTA -- the first time the business group has weighed in on a trade issue.

"We think it helps tremendously in terms of exports and does not damage our domestic industries," Kirk said.

But CAFTA may be a tough sell to North Carolina's House delegation.

U.S. Rep. David Price, a pro-free-trade Democrat from Chapel Hill, said he will vote against CAFTA because the deal doesn't address disparities in labor and environmental standards between the United States and its proposed partners.

U.S. Rep. Robin Hayes, a Republican from Concord whose grandfather founded the Cannon Mills textile firm, also will oppose CAFTA.

"What does CAFTA sound like? NAFTA," he said. "It's not in the best interests of a core constituency I represent."

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"The only freedom CAFTA will create is freedom for folks to export more of your jobs," he said. "CAFTA is basically, at its core, an outsourcing agreement.... There are only two types of people who support CAFTA - those who are outsourcing your jobs, and those who want to.

"It's simple - CAFTA will cost North Carolina and the United States of America more jobs," Baynard said.

Carlos Gutierrez, the U.S. secretary of commerce, held a 20-minute conference call with North Carolina reporters yesterday and immediately took up the jobs issue, particularly as it relates to textiles, and said that North Carolina would be better off with CAFTA than without it.

"CAFTA will be good for North Carolina's textile industry," he said, adding, "If we want to keep textile jobs from going to China, we must pass CAFTA."

He also criticized the comparisons between CAFTA and NAFTA, saying that there are significant differences between them.

Before NAFTA, tariffs were imposed on Mexican and Canadian goods. When they were lifted, those products flooded the U.S. market. But Central American products are already imported into the United States without tariffs, a result of legislation passed by Congress in the 1980s to help those countries' economies.

"Look at CAFTA on its own merits and don't get it blurred ... with NAFTA," Gutierrez said.

Jake Parker, the national legislative director for the N.C. Farm Bureau, agrees. He said that the deal would be good for chicken, pork and soybean farmers, and said that the state could see an extra \$70 million in revenue as result of its passage.

"This makes a one-way street a two-way street, with our products going to them," Parker said.

According to the U.S. Chamber of Commerce, the six foreign countries involved in the CAFTA proposal collectively make up the second-largest market for goods exported from North Carolina after Canada.

John Murphy, the vice president of Western Hemisphere affairs for the U.S. Chamber of Commerce, acknowledged that his group has a hard sell.

Like Gutierrez and Parker, Murphy said that trade with these countries already exists but at the detriment of American products.

"We already have free trade with Central America, but its one-way free trade," he said.

"Virtually everything that comes in here is duty free ... 99 percent of agriculture is duty free,"

Murphy said, noting that some American products are subject to tariffs ranging from 7 percent to 35 percent when they enter these countries.

This would change under CAFTA, he said.

But opponents are not convinced. They have heard this before and don't want to see any more jobs leave the state, they say.

"CAFTA will only speed up the loss of American jobs and make worse the inequality and exploitation of workers in Central America and the Dominican Republic," Andrews said.

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CAFTA opponents cite problems in free-trade pact

By Tim Boyum & Web Staff

News14-TV (NC)

July 13, 2005

(RALEIGH) - President Bush visits Charlotte Friday but opponents of a free trade plan are already speaking out about his trip.

The president plans to promote CAFTA or the Central America Free Trade Agreement during his visit.

A crucial vote comes next week in the U.S. House of Representatives and North Carolina has quickly become a focal point of the issue.

Labor leaders from across the state and the nation met Wednesday to speak out about CAFTA. "CAFTA will only speed up the loss of American jobs and worsen the inequalities and exploitation of workers in Central America," said N.C. AFL-CIO President James Andrews.

CAFTA would allow the U.S. and Central American countries to trade freely without extra fees. Supporters believe it will increase companies sales to those countries but labor leaders believe those countries are too poor to buy much and will take American jobs.

"That's why there are only two kinds of people who support CAFTA," said Ernest Baynard of Americans for Free Trade. "Those who are already out sourcing your jobs and those who want to."

Baynard made the trip to North Carolina two days in advance of President Bush's visit to Gaston County to convince Tar Heel Congress members to vote no on the idea.

Labor leaders in North Carolina and across the country say it will have a huge impact on the textile industry in particular in North Carolina.

"First of all I think it could very well deal the death blow to what's left of the textile industries in states like North Carolina," Baynard continued.

"What we're seeing in small towns across North Carolina is people who have not been able to go and get a higher education who always counted on that textile or manufacturing job and now can't support their families," said Rep. Melanie Wade Goodwin (D-Richmond).

She blames that on another trade agreement with Canada and Mexico. She believes CAFTA would have the same effect across the state.

President Bush will tell his side of the story Friday in Gaston County.

The U.S. Senate has already approved CAFTA. The House of Representatives could vote as early as next week. It's expected to be a close vote.

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Opponents: CAFTA Will Cost More N.C. Jobs

NBC-TV 17 (NC)

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To see video of this check out:

http://rdu.news14.com/content/your_news/raleigh/?SecID=17&ArID=72109 and click on WATCH VIDEO.

RALEIGH, N.C. -- Opponents of the Central American Free Trade Agreement vowed Wednesday to remind voters and U.S. House members of the thousands of North Carolina textile and manufacturing jobs that previous trade pacts have cost the state.

They pointed out that North Carolina has 230,000 such jobs since the North American Free Trade Agreement was signed in 1993 and said CAFTA would cause similar economic harm.

"It could well deal the death blow to what is left of the textile industry in North Carolina," said Ernest C. Baynard, executive director of Americans For Fair Trade, an umbrella group of union

and agriculture interests opposed to CAFTA. "There are only two kinds of people supporting CAFTA -- those who are already outsourcing your jobs and those that want to."

The news conference came two days before President Bush will make his pitch for the Central American Free Trade Agreement during a speech Friday at Gaston College near Charlotte, trying to drum up support for a crucial House vote expected by the end of this month.

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"We think it helps tremendously in terms of exports and does not damage our domestic industries," Kirk said.

But CAFTA may be a tough sell to North Carolina's House delegation.

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Bush to tour Gaston plant, tout CAFTA

The Charlotte Business Journal

July 13, 2005

President George Bush will visit Gaston County on Friday to woo support for the Dominican Republic-Central American Free Trade Agreement.

Arriving in the morning, Bush will tour the Helms Plant of yarn-maker [R.L. Stowe Mills Inc.](#) in Belmont. The president then will make a speech touting the trade pact, known as CAFTA, in the Myers Center Auditorium of Gaston College in Dallas.

Gaston College officials referred questions about the visit to the White House.

D. Harding Stowe, R.L. Stowe Mills chief executive, says it is the first time the company has hosted a president.

The Helms Plant is a cotton yarn-spinning plant built in 1989.

"It seems to be coming together," Stowe says of the visit. "It is exciting. We want to make sure the plant looks as good as possible."

CAFTA is a proposed treaty governing trade among the United States, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and the Dominican Republic. If approved, more than 80% of U.S. consumer and industrial exports and over half of U.S. farm exports to Central America would become duty free. All nontextile and nonagricultural goods exported from Central American countries to the United States would be duty free. Tariffs on other goods would be phased out over 20 years.

The Bush administration is pushing for passage of CAFTA, saying it is essential for keeping the United States competitive in the global economy.

Stowe Mills is among the large yarn spinners supporting CAFTA.

"Central America has become the single largest market for U.S. yarn," says Stowe, who serves on the administration's manufacturer's council. "CAFTA will expand that opportunity. Under CAFTA, there will be more investment in the region and an expansion of customers (for U.S. products)."

Stowe Mills now sells about 25% of the yarn it makes to Central American apparel makers from about 20% a year ago.

Critics contend CAFTA will lead to a further drain of manufacturing jobs, especially in North Carolina, similar to what occurred following passage of the North American Free Trade Agreement about 10 years ago. They also fear countries such as China will use Central American countries to funnel their products into the United States illegally, as has happened in Mexico, a NAFTA partner.

The U.S. Senate approved CAFTA July 1 by a 54-45 vote. It could be voted on in the U.S. House of Representatives as early as Monday. Rep. Sue Myrick (R-N.C.) has said she will vote to approve the measure, while Rep. Robin Hayes (R-N.C.) has said he will oppose it.

North Carolina exports about \$1.7 billion in goods annually to CAFTA countries, or about 10% of all N.C. exports, according to the U.S. Department of Commerce. Textiles comprise the bulk of those exports, and Central American countries are the world's second-largest buyer of U.S. fabric and yarn, a mainstay of Charlotte-area manufacturing.