
JIMMY CARTER
June 8, 2005

To Senator Charles Grassley

As you prepare for your initial consideration of the Central American Free Trade Agreement (CAFTA) with the nations of Central America and the Dominican Republic, I want to express my strong support for this progressive move. From a trade perspective, this will help both the United States and Central America.

Some 80 percent of Central America's exports to the U.S. are already duty free, so they will be opening their markets to U.S. exports more than we will for their remaining products. Independent studies indicate that U.S. incomes will rise by over \$15 billion and those in Central America by some \$5 billion. New jobs will be created in Central America, and labor standards are likely to improve as a result of CAFTA.

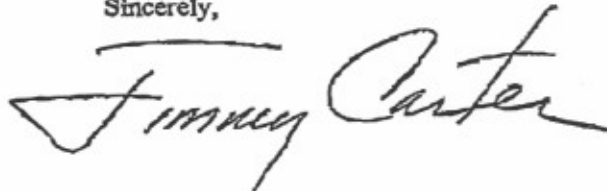
Some improvements could be made in the trade bill, particularly on the labor protection side, but, more importantly, our own national security and hemispheric influence will be enhanced with improved stability, democracy, and development in our poor, fragile neighbors in Central America and the Caribbean. During my presidency and now at The Carter Center, I have been dedicated to the promotion of democracy and stability in the region. From the negotiation of the Panama Canal Treaties and the championing of human rights at a time when the region suffered under military dictatorships to the monitoring of a number of free elections in the region, Central America has been a major focus of my attention.

There now are democratically elected governments in each of the countries covered by CAFTA. In negotiating this agreement, the presidents of each of the six nations had to contend with their own companies that fear competition with U.S. firms. They have put their credibility on the line, not only with this trade agreement but more broadly by promoting market reforms that have been urged for decades by U.S. presidents of both parties. If the U.S. Congress were to turn its back on CAFTA, it would undercut these fragile democracies, compel them to retreat to protectionism, and make it harder for them to cooperate with the U.S.

For the first time ever, we have a chance to reinforce democracies in the region. This is the moment to move forward and to help those leaders that want to modernize and humanize their countries. Moreover, strong economies in the region are the best antidote to illegal immigration from the region.

I appreciate your consideration of my views and hope they will be helpful in your important deliberations.

Sincerely,



The Honorable Charles E. Grassley
135 Hart Senate Office Building
Washington, DC 20510-1501