



AMERICANS for TAX REFORM

December 16, 2009

To: All Members, U.S. Congress
RE: "Buy American"

Dear Member of Congress,

On behalf of Americans for Tax Reform, I am writing today to express this organization's strong opposition to the inclusion of "Buy American" language in any new stimulus or job bills. **Such protectionist measures raise costs for consumers and businesses. Not only do "Buy American" provisions restrict growth, but they inevitably cost more jobs than they purport to create.**

On December 8, Reps. Bruce Braley and Mike Michaud circulated a letter urging members of congress to support "Buy American" in the potential job "creation" bill currently under discussion. The Representatives claim that "it is clear that these provisions would equate to greater investment, and greater job-creation, within the U.S." This assertion is not only incorrect, but recent history proves the opposite to be the reality.

At the behest of President Obama, Democrats in Congress have already attempted to use this same protectionist provision. "Buy American" mandates in this year's \$787 billion spending package have clearly not helped create the jobs that legislators have promised. Unemployment hovers around 10%, yet populist sentiments urge you to make the same mistake twice. According to the *New York Times*, employers across the country have been forced to lay off workers as a direct result of "Buy American" requirements in the bill. One factory in Pennsylvania has let go of 600 employees because some of its products include goods produced overseas.

"Buy American" mandates raise barriers to trade and endanger American businesses to retaliation from trading partners. Considering the escalating trade wars with both China and Mexico, the last thing that Congress should do is provoke trading partners further. If the federal government is serious about spurring the creation of new jobs, Congress should focus on lowering corporate taxes and pursuing enactment of previously ratified free trade agreements.

Free trade reduce price for consumers, promotes innovation, and naturally creates jobs in the private sector. Protectionism appeals to populist agenda and the will of big labor, without yielding the intended results, as history has shown. As American companies struggle pay their employees, it is a terrible idea to introduce mandates that will raise employers' costs further. **Americans for Tax Reform urges you not to make the same mistake that helped contribute to the failure of the first "stimulus" package. Oppose all "Buy American" measures in legislation aimed at creating jobs.**

Onward,

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