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March 24, 2006

NATIONAL CHAMBER OF COMMERCE GROUP REPORT DECEPTIVE AND MISLEADING ATTACK ON ILLINOIS BUSINESS CLIMATE

On March 27, 2006, the U.S. Chamber of Commerce is scheduled to release its new annual state liability rankings, which criticizing the business climate of certain states because they have laws that protect consumers' legal rights. Their survey is based solely on the views of corporate lawyers who defend corporate wrongdoers who injure and kill average Americans.

In lieu of objective economic indicators, the Chamber designed this poll of corporate lawyers in order to produce results to support their political agenda to limit lawsuits and the liability of corporate wrongdoers. The U.S. Chamber's poll shows what corporate defense lawyers care about. However, in a survey of corporate CEO's recently conducted by the National Association of Manufacturers, fear of litigation is ranked as having the least negative impact on company operation.ⁱ

This year's report attacks the state of Illinois, claiming that the state's business environment is suffering due to its liability climate. But this is contrary to strong evidence showing just the opposite: Illinois's economy, considering several fundamental indicators, is strong and growing. The Chamber seems utterly unconcerned with the state's actual business climate or the hurtful impact this survey might have on its communities. The strength of Illinois's economy is illustrated by the following:

Many Illinois companies and plants are doing very well:

Chrysler recently announced it was adding a second production shift to their plant in Belvidere, Illinois. This change will raise the factory's payroll and double its capacity.ⁱⁱ

Ford Motor Company, which is planning to close plants all around North America, has announced that they will not close their Chicago plant and, in fact, according to their group vice president of sales and marketing, "the plant is going to play a big role in our future success..."ⁱⁱⁱ

Caterpillar Inc., based in Peoria, recently posted its most profitable quarter in its history. It has hired more than 6,000 new workers to keep up with increased demand for its product.^{iv}

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Illinois overall economy is doing very well:

“Illinois exports reached a record high in 2005, surging almost twice as fast as exports nationwide...” We are now the sixth largest exporter in the nation, with the value of our exports jumping 19%.^v

Illinois unemployment rate dropped to 5% in February 2006, its lowest rate in 5 years.^{vi}

Site Selection magazine ranks Illinois as the 13th best state business climate.^{vii}

Forbes.com ranks three Illinois metro areas in their 150 “Best Places for Business and Careers” and five in their 168 Best “Small Places.”^{viii}

Madison and St. Clair Counties, singled out by the Chamber for years now, has experienced a boom in recent years. Average home prices are rising and new home construction is booming.^{ix} Furthermore, Missourians are moving to Southwestern Illinois in large numbers.^x

Chicago and Cook County, also singled out by the Chamber, was recently named the Top Metropolitan area for Corporate America by Site Selection, because the Metro Area secured more new and expanded corporate facility projects in 2005 than any other metropolitan area in the country.^{xi}

OTHER FACTS ABOUT THE U.S CHAMBER OF COMMERCE

DEFENDS CORPORATE WRONGDOERS

President and chief executive of the U.S. Chamber of Commerce, Tom Donohue, “has repeatedly criticized Eliot Spitzer, the New York attorney general, who has brought prosecutions against brokerage firms, insurance companies and mutual funds.”^{xii} Said Spitzer, “I think he is a shill for guilty people, and Tom Donohue has never once found a crime that he couldn’t justify, as long as it was committed by one of his dues-paying members.”^{xiii}

FUNNELS LOBBY MONEY FOR MULTINATIONAL INDUSTRIES

The Chamber “spent more than \$53 million on lobbying in 2004, more than any organization has ever spent in a year, according to PoliticalMoneyLine, which tracks federal lobbying”^{xiv} and has spent “more than \$72 million on lobbyists, research, advertising and other weapons to revamp the legal system around the country.” In 2001, “internal chamber documents reviewed by The Wall Street Journal show[ed] that the organization has created several special accounts to take in money for projects on behalf of individual companies or groups of companies.” In 2001, these included the insurance, pharmaceutical and auto industries. However, the U.S. Chamber “isn’t required to report the sources of its funding, which makes it an attractive vehicle for those ... who sometimes like to operate under the radar.”^{xv}

PARTISAN POLITICAL AGENDA AT EVERY LEVEL OF GOVERNMENT

From forming an organization to defeat the Democratic presidential ticket, to

ousting pro-consumer local judges they do not like, the U.S. Chamber is spending massive amount of money to influence elections – and more each year. In 2000, the Chamber began the practice of funding negative attack ads against judges. The U.S. Chamber’s Ohio front group has argued that these are “issue ads” allowing it to conceal its corporate contributors, although this is being challenged by the Ohio Elections Commission.^{xvi}

But in 2004, the Chamber invested far more money into election efforts than ever. According to U.S. Chamber President Tom Donohue, the election of 2004 represented, “a landmark achievement for the Chamber’s political program ... [investing] up to \$30 million in the November 2nd elections. What was the return on this investment? In House and Senate races, the Chamber endorsed 269 candidates and 249 of them won. But the real story is what happened in the select number of close, very tough races that we targeted. In the House, we targeted 28 races and were successful in 20. We targeted nine Senate contests and were successful in seven.”^{xvii}

BUYS NEWSPAPER TO MANIPULATE PUBLIC OPINION TO SUPPORT POLITICAL AGENDA

The U.S. Chamber established a Southern Illinois newspaper called *The Madison County Record*, presenting readers with biased accounts of cases and pro-“tort reform” commentary. The U.S. Chamber refused to tell readers about its connection to the paper “because it might be pre-judged.”^{xviii} Professor Michael Hoyt at the Columbia School of Journalism said, “If this is an attempt to poach the legitimacy of independent reporting, to falsely fly under that flag, then it’s unethical.”

ⁱ National Manufacturer’s Association, “National Manufacturing Week 2006 Annual Survey Results,” http://www.nam.org/s_nam/doc1.asp?CID=6&DID=236617

ⁱⁱ Reuters News Service, “Chrysler adding second shift to Belvidere plant,” *Crain’s Chicago Business*, March, 13, 2006.

ⁱⁱⁱ Jim Mateja, “Ford won’t close plant in Chicago, official says,” *Chicago Tribune*, March 22, 2006.

^{iv} James P. Miller, “Caterpillar posts best quarter in its history,” *Chicago Tribune*, January 27, 2006.

^v Sandra Jones, “Illinois rides global boom,” *Crain’s Chicago Business*, January 23, 2006.

^{vi} Associated Press, “State unemployment rate lowest in five years,” *Crain’s Chicago Business*, March 23, 2006.

^{vii} Mark Arend, “North Carolina Reclaims Top Billing,” *Site Selection Magazine*, November 2005

^{viii} Forbes List of Best Places, <http://www.forbes.com/2005/05/05/05bestplaces.html>

^{ix} Kerry L. Smith, “Number, quality of new Illinois homes up in 2004,” *Illinois Business Journal*, December 13, 2004

^x Alan J. Ortals, “Eastward Ho: Missourians moving to Soutwestern Illinois,” *Illinois Business Journal*, April 11, 2005

^{xi} Ron Starner, “Title Town: Chicago No. 1 Again,” *Site Selection Magazine*, March 2006

^{xii} Gretchen Morgenson and Glen Justice, “Taking Care of Business, His Way,” *New York Times*, February 20, 2005.

^{xiii} Interview with Neal Cavuto, *Fox News*, February 15, 2005. (emphasis added)

^{xiv} Gretchen Morgenson and Glen Justice, “Taking Care of Business, His Way,” *New York Times*, February 20, 2005. (emphasis added)

^{xv} Jim VandeHei, “Political Cover: Major Business Lobby Wins Back Its Clout By Dispensing Favors,” *Wall St. Journal*, Sept. 11, 2001. (emphasis added)

^{xvi} Jim Provance, “Ohio chief justice wants law to say who pays the bills,” *Toledo Blade*, Nov. 5, 2004.

^{xvii} Letter from U.S. Chamber President and CEO Tom Donohue to U.S. Chamber Board of Directors, “President’s Update – Elections 2004,” December 6, 2004, found at <http://www.smartbrief.com/hosted/c100/c100-president-letter.pdf>. (emphasis added). See also, CJ&D White Paper, *Chamber of Horrors*, Feb, 2005, <http://centerjd.org/lib/chamber.htm>; <http://centerjd.org/private/papers/ChamberWhitePaper.php>

^{xviii} Jeffrey H. Birnbaum, “Advocacy Groups Blur Media Lines; Some Push Agendas By Producing Movies, Owning Newspapers,” *Washington Post*, December 6, 2004.