

NAM *National Association
Of Manufacturers*

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Public

*Director, Trade Policy
Economic Policy Department*

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Ms. Kathryn McCallion
Chairman of the Committee of Government
Representatives on Civil Society Participation
c/o Tripartite Committee (Ref. Civil Society)
United Nations Economic Commission
for Latin America and the Caribbean (ECLAC)
1825 K Street, NW - Suite 1120
Washington, DC 20006

Dear Chairman McCallion:

This letter is written in response to the "Open Invitation to the Civil Society in FTAA Participating Countries" and is directed to the Committee of Government Representatives on Civil Society Participation. It is submitted by the National Association of Manufacturers (NAM), the largest national broad-based industry trade group in the United States. The NAM's 14,000 member companies and subsidiaries, including approximately 10,000 small manufacturers, are located in every state in America and produce 85 percent of U.S. manufactured goods. The NAM's member companies and affiliated associations represent every industrial sector and employ more than 18 million people.

As stated in the aforementioned open invitation, the purpose of this submission is to allow all sectors of civil society to present their views on trade matters as they pertain to the Free Trade Area of the Americas (FTAA). As an integral segment of civil society that will be directly guided by, and which in fact solicited the negotiation of, the new FTAA rules, the NAM is unequivocally supportive of the FTAA initiative. The NAM's member companies are fully committed to promoting prosperity in the Western Hemisphere through increased economic integration and more open economies. The NAM strongly believes that an FTAA, as stated in the San Jose FTAA Ministerial Declaration of March 1998, will improve the well being of all people within the hemisphere. That is because international trade is the very fabric by which the FTAA countries can raise living standards, improve working conditions for their people, and better protect the hemispheric environment.

The NAM is pleased that FTAA negotiations were formally launched during the second Summit of the Americas in Santiago, Chile in April 1998. United States manufacturers support the main objectives of the exercise; to negotiate a balanced, comprehensive, WTO-consistent agreement that will be fully implemented by all contracting parties. The NAM supports the participating governments' commitment to concluding negotiations no later than 2005, and very strongly reiterates the call to achieve concrete progress toward the attainment of this objective by the end of the century, which is December 31, 1999. (See enclosed NAM paper entitled "An FTAA Early Harvest Strategy").

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The advent of a formal Civil Society committee is new to the traditional trade-negotiating framework. There is no question that society as a whole is affected by the workings of its economies, and that there are stakeholders beyond the traditional business community who are directly or indirectly affected by international commerce. To that end, there may be certain important environmental and labor objectives that have a rational relationship to international commerce and should be pursued in concert with the pursuit of trade liberalization. For that reason, the solicitation of comments by all sectors in civil society on matters of trade is of benefit.

The crux of the matter, however, is to incorporate comments and goals that fall within the scope of the undertaking at hand, which is to establish transparent and consistent rules to facilitate the conduct of commerce between the 34 FTAA countries. It is imperative that the FTAA trade negotiations be limited to international trade policy objectives. To that end, U.S. manufacturers do not support the use of trade sanctions to enforce agreements in other areas. There can and should be meaningful intersection, where necessary and appropriate, between international agreements in differing areas such as trade, labor and the environment. But business should no more be held hostage by, or penalized for, its trading partners' social domestic failures than should any country's labor or environmental requirements or regulations be suspended for business profiteering. Somewhere in between, there is room for creative compromise.

American manufacturers are excited about the opportunities that lie ahead for development within the hemisphere. There are many synergies that can be augmented, causing "the rising tide to lift all boats." These synergies can and should promote sustainable development, preserve the overall environment and create a wealth of opportunities for all workers. For these reasons, NAM member companies look forward to continuing concrete progress in the FTAA initiative, as well as in general commercial and other relations within the Western Hemisphere.

Sincerely,

Dianne Sullivan
Director, Trade Policy
National Association of Manufacturers

cc: Charlene Barshefsky/USTR
Peter Allgeier/USTR
Bryan Samuel/Department of State

Enclosure