



CALIFORNIA CHAMBER of COMMERCE

FOR IMMEDIATE RELEASE
January 24, 1992

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CALIFORNIA CHAMBER BUSINESS DELEGATION OPTIMISTIC ABOUT PROSPECTS FOR NORTH AMERICAN FREE TRADE AGREEMENT

MEXICO CITY -- "A fair and comprehensive North American Free Trade Agreement (NAFTA) would be very good for California's economy, our small business sector and jobs in our state," California Chamber President Kirk West said today.

"After extensive briefings and direct talks with Mexican leaders from the public and private sectors, our business delegation strongly supports the NAFTA negotiations and is optimistic that a fair agreement can be reached," West said upon completion of a trade and investment mission in which 25 business leaders from across the state representing all sectors of California business accompanied Governor Pete Wilson on his successful trip to Mexico City.

"The free trade agreement would create jobs in both California and Mexico. It would help North America compete with the powerful trade blocs of the European Community and the Pacific bloc led by Japan. We would create a powerful free market with 370 million people and an annual output of \$6.6 trillion," West said.

"The free trade agreement would help small firms in California by creating clear standards and rules for conducting business in Mexico, rules that currently favor larger firms with legal staffs due to their complexity," West said. "There has been a sharp increase in California-Mexican trade and investment in the last few years. NAFTA will accelerate that activity and open up more exciting possibilities for California entrepreneurs.

"Mexico is demonstrating increasing concern about controlling pollution. For California businesses to compete fairly, regulations must be equivalent and fairly enforced on both sides of the border. NAFTA will accelerate Mexico's ability to afford pollution control technology, which California businesses are in the best position to provide.

"Opposition to NAFTA is based on the mistaken notion that trade and investment barriers will save jobs. History proves exactly the opposite.

"Governor Wilson, in meetings with President Salinas and his cabinet secretaries, made a strong case for a NAFTA that is fair and advantageous to both California and to Mexico," West said. "We share the Governor's enthusiasm for the dramatic progress made by the Salinas administration in opening up foreign investments, privatizing state industries and controlling drug traffic and corruption.

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"California has an especially strong bond with Mexico. We have complementary economies, as the maquiladora program demonstrates. It is in our mutual interest to create more jobs on both sides of the border," West noted.

The California Chamber's support for NAFTA is contingent on its meeting criteria that assure a benefit to the California business community, as well as to Mexico and Canada.

Other reactions from members of the California Chamber business delegation include:

● **Manuel Rosales, President, California Hispanic Chambers of Commerce:**

"The Hispanic business community in California will benefit tremendously from the free trade agreement. Our fast-growing Hispanic business community looks forward to exciting opportunities to create more jobs in California and in Mexico. We are already in partnership with small and medium businesses in Mexico and are seeing the benefits of what NAFTA can produce on a larger scale."

● **Jim Miscoll, Vice Chairman, Bank of America:** "After many trips to Mexico, I believe that Mexico, under President Salinas, is creating a *new* Mexico, truly open to the world. We are more convinced than ever that we need NAFTA now. NAFTA will create new economic activity in Mexico and California, including new employment opportunities in selected industries."

● **John Kautz, President, State Board of Food and Agriculture:** "California agriculture has a potentially great market in Mexico which could be enhanced by NAFTA. We will need a phase-in period for our sensitive commodities. Based on my observations on this trip, I believe we can develop an agreement that is mutually beneficial."

● **E. Jane Arnault, Ph.D., President, JurEcon, Inc., Los Angeles:** "As the president of a small business and an economist, I was truly impressed with the Governor's leadership regarding NAFTA. Reducing barriers to trade will overall be good for the growth of jobs on both sides of the border."