

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
H-232, U.S. Capitol
Washington D.C. 20515

The Honorable Harry Reid
Majority Leader
U.S. Senate
S-221, U.S. Capitol
Washington D.C. 20510

The Honorable John Boehner
Minority Leader
U.S. House of Representatives
H-204, U.S. Capitol
Washington D.C. 20515

The Honorable Mitch McConnell
Minority Leader
U.S. Senate
S-230, U.S. Capitol
Washington D.C. 20510

February 9, 2009

Dear Speaker Pelosi and Leaders Reid, McConnell and Boehner

Last month, you received a letter from fifteen major US business associations, urging you to avoid trade-restrictive mandates in the American Recovery and Reinvestment Act (ARRA). We are writing to you as the international counterparts of those business associations, working here in DC; we commend the stance they have taken, and we hope you will listen to their powerful arguments.

Each of our organisations is working hard in our home countries, with our domestic governments and constituencies, to make sure they do not make the mistake of thinking that ‘protectionism’ actually protects. We are fighting strongly to keep markets open and to ensure economic activity flourishes as much as possible. In the current climate, with fragile consumer confidence and frozen credit lines, we need as much new opportunity as possible.

We understand that politicians – here in the US, but in our home countries too – must focus on the well-being of their own citizens. They are right to do so. But political leadership must also have the far-sightedness to work out what is really in their citizens’ best interests, and the commitment to champion those policies. We know that you all understand the central role free trade and international investment play in delivering economic prosperity. You understand the historical record, and how it illustrates the road from isolationism to global economic hardship. We are hopeful that you will apply those lessons today.

Our ability to constrain governments around the world from lapsing into isolationism will be much easier if America continues to provide leadership and moral authority on this issue. We therefore hope that you will ensure the US shows that leadership and sends a strong message about living up to multilateral commitments. We strongly urge you to strip from the final language of the bill anything that others could characterise as breaking the promise made at the G20 conference last November – *“we will refrain from raising new barriers to investment or to trade in goods and services, imposing new export restrictions, or implementing WTO inconsistent measures to stimulate exports.”*

The passage of an amendment proposed by Senators Dorgan and Baucus shows that there is an awareness of the importance of international rules. But we would go further: it is vital that the US observes the spirit, as well as the legal wording of the G20 statement, and does nothing that gives others an excuse to accuse her of breaking her word.

Just as important from your perspective, keeping America's markets free and open is the right thing to do domestically, in terms of stimulating the US economy. As the US business organisations note in their letter, "at a time when US exports are one of the few bright spots in the U.S. economy... the U.S. Congress should be taking actions to promote U.S. exports, not undermine them."

Probably most of the business association that have signed this letter – and many of the US business associations – have individual companies within their membership that could argue they might see a short term gain from a particular increased tariff line, domestic sourcing requirement or ownership limitation. But, when seen in context, we know that the overall economic interest of the US and of each of our home countries is best served by openness. We strongly urge you to reject measures that would close off the US market, leading inevitably to other markets being closed to you in return.

Respectfully,

Brazil Information Center / Brazil Industries Coalition
Canadian Council of Chief Executives
Confederation of British Industry
Confederation of Indian Industry
European-American Business Council
Federation of Korean Industries
Keidanren-USA (Japan Business Federation)
Representative of German Industry and Trade
Turkish Industrialists' and Businessmen's Association



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Rhian Chilcott
Head of Washington DC Office
Confederation of British Industry



Bernhard Welschke
President
Representative of German Industry and Trade



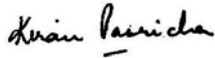
Thomas d'Aquino,
Chief Executive and President
Canadian Council of Chief Executives



Abdullah Akyuz
President, US Office
Turkish Industrialists' and Businessmen's
Association



Confederation of Indian Industry



Kiran Pasricha
Deputy Director General
Confederation of Indian Industry



Michael C. Maibach
President & CEO
European-American Business Council



Edward Chang
Executive Director.
The Federation of Korean Industries