

**MEMO# 5250**

October 27, 1993

## **CONGRESS TO CONSIDER NAFTA; INSTITUTE ACTIVE IN SUPPORT**

October 27, 1993 TO: BOARD OF GOVERNORS NO. 98-93 FEDERAL LEGISLATION  
COMMITTEE NO. 34-93 INTERNATIONAL COMMITTEE NO. 22-93 MEMBERS - ONE PER  
COMPLEX NO. 72-93 REGIONAL WORKING GROUPS RE: CONGRESS TO CONSIDER NAFTA;  
INSTITUTE ACTIVE IN SUPPORT

This fall, the Congress will be voting to approve the North American Free Trade Agreement (NAFTA). Though NAFTA is strongly supported by the President, the outcome of the vote is by no means certain. The Institute is urging Congress to approve NAFTA because it will provide the U.S. financial services industry with significant new access to the Mexican market, access that today is virtually denied. Under NAFTA, U.S. firms will for the first time be able to establish wholly-owned Mexican mutual fund operating companies. In support of this effort, I am asking that you write the Member(s) of Congress and Senator(s) whose names appear on the attached list and communicate, in your own words, the reasons you urge approval of NAFTA. These reasons might include the following: The U.S. services section is one of the most dynamic in the U.S. economy, posting a trade surplus of \$59 billion in 1992. Mexico has been one of the most restrictive markets for U.S. financial services firms, which are generally prohibited from establishing and providing services in Mexico. NAFTA would for the first time allow U.S. firms to establish wholly-owned Mexican mutual fund operating companies. -2- Expansion into the Mexican market means additional jobs in the U.S. as well. It would be helpful to include in your letter that your firm is headquartered or has a presence in the Member's state (see attached "State Profile"). For your additional guidance, we are attaching a letter to Members of Congress from a group of Massachusetts' mutual fund complexes as a model. Please send Julie Domenick, Senior Vice President, Legislative Affairs, blind copies of your correspondence and advise her of any response to your communication. Should you wish to discuss this further or require additional information, please call me (202/955-3510) or Julie (202/955-3544). We very much appreciate your assistance in connection with this important endeavor. Matthew P. Fink President Attachments