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TIMM F. CRULL
CHAIRMAN, CHIEF EXECUTIVE OFFICER

*The Honorable Bob Dole
United States Senate
141 Hart Senate Office Building
Washington, DC 20510*

Dear Senator Dole:

What does a Nestlé Crunch bar have to do with NAFTA? A lot, especially if you look at the back label of the enclosed bar and note all the U.S. suppliers who join Nestlé in producing this one brand of candy.

*At Nestlé, despite what Ross Perot believes, the passage of NAFTA will have little impact on the way we currently do business in the United States and the 40,000 American workers we employ. To those of us at Nestlé in the USA, the NAFTA debate is not about losing jobs but gaining new market opportunities. Our business in North America, and that of our suppliers, prospers when more of our products are consumed. **We look at NAFTA the same way: an expanding market in Mexico means higher sales for Butterfingers, Nestlé Crunch Bars, Stouffer's, Lean Cuisine and the many other products we make in the United States. It also means Nestlé's jobs and opportunities for Nestlé key suppliers – in cities like Arbuckle, California; Minnetonka, Minnesota; Savannah, Georgia; and Linwood, New Jersey.***

From our perspective, the controversial issue of low-wage Mexican labor is simply not relevant. Like other growing U.S. industries, the high value-added, food processing industry in which we compete relies on skilled labor and sophisticated technologies to gain additional market share. For instance, it does not make good business sense to give up our significant investment in our Stouffer's facilities in Solon, Ohio, to pursue less expensive labor cost in Mexico. If NAFTA passes, however, we are going to actively pursue Mexican consumers – by marketing U.S. produced Lean Cuisine to this rapidly growing new market. That is just one example of why the current debate over NAFTA and jobs is often so far from reality.

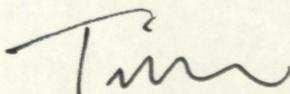
Our business decisions – especially our decisions to locate a plant in one site or another – are never based solely (or even largely) on the location of low cost labor. Instead, these decisions depend on where we can gain a competitive edge in the market.

The location of our key suppliers is also a consideration. For example, we may locate a plant near produce growers in the Sacramento Valley. At other times we consider economies of scale – such as producing Butterfingers in Illinois and Crunch Bars in Fulton, New York, and then shipping them to Mexico. We will continue doing business this way after NAFTA passes.

Yet just as the Perot analysis on NAFTA skims over the realities of the marketplace, I am no less dismayed by the NAFTA supporters who irresponsibly predict an outbreak of trade wars should NAFTA fail to garner enough support this year. This argument ignores the realities of international trade and how multinational businesses do business. NAFTA now or NAFTA later, tariffs are headed down; the trend is irreversible. **The question is who benefits from these reductions and I believe it should be U.S. consumers, workers and business.**

I urge you to support NAFTA when it comes before Congress in the ensuing weeks.

Sincerely,



Timm Crull
CEO, Nestlé USA, Inc.

Enclosure