



cc Mr Gibson
Mr Templeton

5 April 1996

To: 1. Mr ~~Gamble~~ *W5/4*
2. Secretary

From: David Mercer

**LETTER FROM NORTH WEST REGION CROSS BORDER GROUP ABOUT AMERICAN FREE
TRADE ZONE**

1. Shirley McCay, Development Officer, has written on behalf of the North West Region Cross Border Group about the idea of establishing a North American Free Trade Zone within Northern Ireland and the Border Counties. The Group has apparently been investigating the idea and urges DED to carry out a feasibility study to determine its prospects of success.
2. We have been aware of the proposal (from contact with Prof Ewart and Armagh Council) but we understand it is fraught with problems in several respects. We have invited the US promoters of the idea (Pathfinder Consultants) to address the difficulties, so far without response.
3. The attached draft reply explains the Department's attitude to the proposal and stresses that it is for the promoters rather than DED to demonstrate the feasibility of the idea.

David Mercer

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Policy Branch I

NPOL1374JM



• DEPARTMENT • OF • ECONOMIC • DEVELOPMENT •
An Equal Opportunities Organisation

Shirley McCay
Development Officer
North West Region Cross Border Group
16A The Diamond
LONDONDERRY
BT48 6HW

April 1996

Dear

Thank you for your letter of 22 March in which you express interest in the possibility of establishing an American Free Trade Zone within Northern Ireland and the Border Counties.

The Department became aware of this suggestion some months ago through the US organisation promoting the idea. In principle, the establishment of a preferential trade agreement with the US seems attractive; however, the practicalities are more difficult and, as you acknowledge, there are likely to be serious obstacles. These include difficulties over the necessary legislation in the US, the position of the European Union and the World Trade Organisation on such arrangements and the practical problems and costs involved in policing an agreement limited to a region or part of a state.

Against this background, we have therefore indicated to those promoting the idea that we remain to be persuaded by them that the proposal is feasible and worth pursuing further.

Yours sincerely

GERRY LOUGHRAN

NPOL1373JM

Cite Sec 456
28/3

URGENT

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SECRETARY'S QUERY

Department of Economic Development.

TO BE DEALT WITH IMMEDIATELY AND NOT PLACED WITH OTHER PAPERS

Reference : SQ/00637/96

B/F Date : 03/04/1996

Raised By : SHIRLEY MCCAY

Details : NORTH AMERICAN FREE TRADE ZONE

ACTION REQUIRED

1. Please provide advice and draft reply for Secretary's signature not later than 03 Apr 1996
2. Please Provide :
 - (1) Briefing Material
 - (2) Speaking Notes/Speech
 - (3) Background Notes

FOR OFFICE USE ONLY

Letter Copied to :

SECRETARY
MR GIBSON
BF

Letter Acknowledged :	/	/	Final Reply Sent :	/	/
Referred To	Date		Referred To	Date	

MR GAMBLE

28/03/1996

W 28/3

Our Ref: SMcC/sw

22nd March 1996

Mr G. Loughran
Department of Economic Development
Netherleigh House
Massey House
BELFAST BT4 2JP

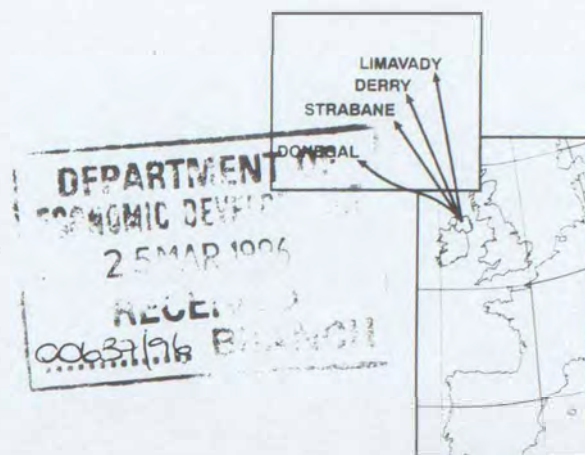
Dear Mr Loughran

On behalf of the North West Region Cross Border Group I wish to make you fully aware of the Group's expression of interest in the prospects for the establishment of a North American Free Trade Zone within Northern Ireland/Border Counties.

The Group learned of the proposal with much interest and has invested a great deal of time to date exploring the concept. Arguments for the proposal are obviously attractive for the local economy and new investment. Whilst the Group acknowledges there are potential problems associated with a Free Trade Zone these do not appear insurmountable. Consequently the Group believes that this proposal merits serious consideration and as a result the full Cross Border Group has agreed to advance preliminary discussions.

The Group is extremely pleased to note that the Department of Economic Development is currently investigating this initiative.

For this reason and in order to avoid duplication the Group feels that it is more appropriate for the Governments to undertake further feasibility analysis as the initiative will have implications for all Northern Ireland/Border Counties and not just the North West Region. Therefore, the Group urges the Department of Economic Development to invest in examining the feasibility of this initiative beyond initial discussions.

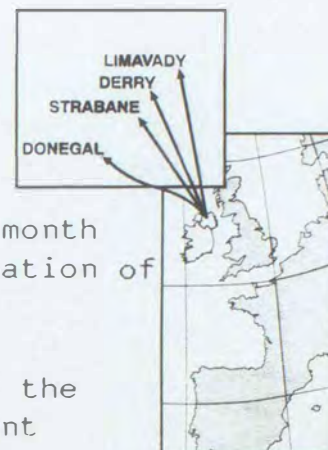


NORTH WEST
REGION
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CROSS
BORDER
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GROUP

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The North West Region Cross Border Group
incorporates
Derry City Council, Donegal County Council,
Limavady Borough Council,
Strabane District Council

and
is supported by the
British and Irish Governments
with funding through the EC Interreg
Programme



The Group understands that this would entail a 3 month feasibility study with the output of a firm indication of the initiative's probability of success.

The Group would appreciate an early indication of the action which the Department of Economic Development intends to take to capitalise on this opportunity.

I look forward to your reply,

Yours sincerely

Shirley McCay
Development Officer