

The original documents are located in Box C46, folder “Presidential Handwriting, 8/16/1976 (2)” of the Presidential Handwriting File at the Gerald R. Ford Presidential Library.

Copyright Notice

The copyright law of the United States (Title 17, United States Code) governs the making of photocopies or other reproductions of copyrighted material. Gerald Ford donated to the United States of America his copyrights in all of his unpublished writings in National Archives collections. Works prepared by U.S. Government employees as part of their official duties are in the public domain. The copyrights to materials written by other individuals or organizations are presumed to remain with them. If you think any of the information displayed in the PDF is subject to a valid copyright claim, please contact the Gerald R. Ford Presidential Library.

THE WHITE HOUSE

WASHINGTON

August 16, 1976

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR: L. WILLIAM SEIDMAN
FROM: JAMES E. CONNOR *JEC*
SUBJECT: Designation of Portugal as
a GSP Beneficiary

The President reviewed your memorandum of August 13 on the above subject and approved the following:

The recommendation of the Trade Policy Committee that Portugal be designated as a beneficiary developing country eligible to receive duty free treatment from the United States on selected articles pursuant to the General System of Preferences (GSP).

The President also signed the letters to the President of the Senate and the Speaker of the House. With a copy of this letter these letters are being forwarded to Robert Linder for appropriate handling.

Please follow-up with any additional action required.

cc: Dick Cheney
Robert Linder

THE WHITE HOUSE

WASHINGTON

August 13, 1976

MEMORANDUM FOR THE PRESIDENT

FROM: L. WILLIAM SEIDMAN *LWS*
SUBJECT: Designation of Portugal as a GSP
Beneficiary

The Trade Policy Committee has considered designation of Portugal as a beneficiary developing country eligible to receive duty free treatment from the United States on selected articles pursuant to the Generalized System of Preferences (GSP). A memorandum from Ambassador Dent on this issue, including the recommendation of the Trade Policy Committee is attached at Tab A.

The Trade Policy Committee unanimously recommends the designation of Portugal as a beneficiary of the Generalized System of Preferences.

Ambassador Dent's memorandum has been staffed to the appropriate White House offices not included on the Trade Policy Committee. Their comments and recommendations are as follows:

| | |
|------------------|--|
| Philip Buchen | No comment or recommendation |
| James Cannon | Concur with Trade Policy Committee |
| John O. Marsh | Approve |
| Brent Scowcroft | I agree with the unanimous recommendation of the Trade Policy Committee that Portugal be designated as eligible to receive GSP. This is consistent with the important foreign policy interests we have in Portugal, our desire to assist that country economically, and the status of Portugal as a relatively poor country. |
| Max Friedersdorf | Concur with Trade Policy Committee |

Recommendation: I recommend that you approve the recommendation of the Trade Policy Committee that Portugal be designated as a beneficiary developing country eligible to receive duty free treatment from the United States on selected articles pursuant to the General System of Preferences (GSP).

Approve YR 7 Disapprove _____

If you approve this recommendation, the following documents are attached for your signature at Tab B:

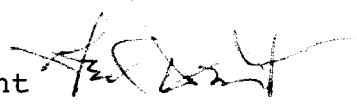
1. A letter to the President of the Senate notifying him of your intention to designate Portugal as a beneficiary developing country for purposes of the General System of Preferences (GSP) provided for in Title V of the Trade Act of 1974.
2. A letter to the Speaker of the House notifying him of your intention to designate Portugal as a beneficiary developing country for purposes of the Generalized System of Preferences (GSP) provided for in Title V of the Trade Act of 1974.

Attachments

THE SPECIAL REPRESENTATIVE FOR
TRADE NEGOTIATIONS
WASHINGTON

14 JUL 1974

MEMORANDUM FOR THE PRESIDENT

FROM: Ambassador Frederick B. Dent 

SUBJECT: Designation of Portugal as a Beneficiary
of the Generalized System of Preferences

On behalf of the interagency Trade Policy Committee, I recommend the designation of Portugal as a beneficiary developing country eligible to receive duty-free treatment from the United States on selected articles pursuant to the Generalized System of Preferences (GSP), for the reasons described herein. If you concur with this recommendation, the first procedural step, which is required by section 502(a)(1) of the Trade Act of 1974, is delivery of the attached letters notifying the Speaker of the House and the President of the Senate of your intention to designate Portugal as a GSP beneficiary.

The Government of Portugal will be notified of your announced intention at the same time that the letters are delivered to the House and Senate. Thereafter, we will submit to you an Executive order carrying out the designations.

This recommendation has been approved by the Trade Policy Staff Committee (TPSC), a subgroup of the cabinet-level Trade Policy Committee. The TPSC is composed of representatives of the Departments of Agriculture, Commerce, Defense, Interior, Labor, State and Treasury, the Council on International Economic Policy, and the U.S. International Trade Commission, and is chaired by this Office.

The factors on which the TPSC based its recommendation are described in the attachment entitled "Background Information on the Recommended Designation of Portugal as a Beneficiary of the Generalized System of Preferences."

BACKGROUND INFORMATION
ON THE RECOMMENDED DESIGNATION OF PORTUGAL AS A
BENEFICIARY OF THE GENERALIZED SYSTEM OF PREFERENCES

Recommendations with respect to the eligibility of countries for the Generalized System of Preferences are based primarily upon information provided by the Department of State. Preliminary determinations with respect to country eligibility under the provisions pertaining to nationalizations, in section 502(b)(4) of the Trade Act are made initially by the CIEP Interagency Coordinating Group on Expropriation, on the basis of information provided by the Department of State.

Title V of the Trade Act of 1974 sets forth two types of eligibility criteria: in section 502(c), discretionary factors to be "taken into account", such as the country's level of economic development, and whether other developed countries are extending preferences to the country; and in section 502(b), mandatory provisions requiring the exclusion from eligibility of countries affected by specified criteria, such as Communist countries (with certain exceptions), members of OPEC, countries giving preferential treatment to other developed countries that harms U.S. commerce (with exceptions), and countries that have nationalized U.S. property without sufficient compensation, negotiations, or arbitration.

Portugal reasonably meets the discretionary criteria of section 502(c), and is not rendered ineligible by the mandatory exclusions of section 502(b). The explanations below are intended to show only why Portugal no longer is affected by the exclusionary provisions of section 502(b)(3).

Portugal previously was ineligible for GSP benefits by reason of section 502(b)(3) of the Trade Act of 1974, which denies GSP beneficiary status to any country --

"if such country affords preferential treatment to the products of a developed country, other than the United States, which has, or is likely to have, a significant adverse effect on United States commerce . . .".

Following extensive bilateral consultations the Government of Portugal has provided, by a Note delivered to the United States Embassy in Lisbon, information that Portugal has taken action to ensure that there will be no significant adverse

effect upon United States commerce from preferential treatment that Portugal affords to the products of the European Economic Community. According to this information, which the Trade Policy Staff Committee (TPSC) considers satisfactory, the following actions were taken:

1) A law was adopted by Portugal which lowered the most-favored-nation tariff on 15 items (which accounted for over \$26 million of Portuguese imports from the United States in 1974) to the preferential level currently enjoyed by countries of the European Economic Community. These were items identified during our bilateral consultations where the previous margin of preference accorded the European Community significantly affected our commerce. This law took effect June 1, 1976.

2) In addition, the Government of Portugal has agreed to consult with the United States if the tariff disparity continues to exist between the rates applied to products of the original six member states of the European Economic Community and to the products of the United States on two additional tariff items (of which Portugal imported slightly over \$2 million from the United States in 1974).

3) Furthermore, the Government of Portugal is ready to consider any future specific cases where preferential treatment granted to or being considered for the six original member states of the European Economic Community has or is likely to have a significant adverse effect on exports from the United States to Portugal.

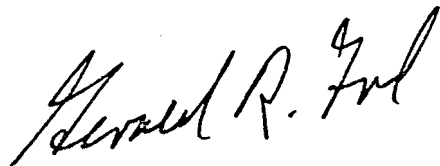
4) At the request of either country, consultations will take place to consider any additions, deletions or other modifications of the product list.

This arrangement is similar to the one worked out with Israel last year under which Israel qualified for beneficiary status under the Generalized System of Preferences. You designated Israel as a beneficiary on November 24, 1975.

On June 1, 1976, Portugal lowered its most-favored-tariff rates applicable to 15 tariff categories, under which United States exports worth some \$26 million entered Portugal in 1974. This tariff reduction eliminated the margins of preference that previously were accorded to products of the European Communities entering under the same tariff categories. In addition, the Government of Portugal has stated its intention to consider taking similar action on other tariff categories that the United States Government may identify in the future.

On the basis of these actions, I have determined that the preferential treatment that Portugal continues to accord to the European Communities with respect to other tariff categories does not have, and is not likely to have, a significant adverse effect on United States commerce.

Sincerely,

A handwritten signature in cursive script, reading "Gerald R. Ford". The signature is written in dark ink and is positioned above the typed name of the sender.

The Honorable Nelson A. Rockefeller
President of the Senate
Washington, D.C. 20510

THE WHITE HOUSE

WASHINGTON

August 14, 1976

Dear Mr. President:

In accordance with the requirements of Section 502(a) (1) of the Trade Act of 1974, I hereby notify the Senate of my intention to designate Portugal as a beneficiary developing country for purposes of the Generalized System of Preferences (GSP) provided for in title V of the Trade Act of 1974. My intention to designate Portugal as a GSP beneficiary reflects the following considerations:

- a. The expression of Portugal's desire to be designated as a beneficiary;
- b. Portugal's level of economic development, including its per capita gross national product, its general living standard as measured by levels of health, nutrition, education, housing and its degrees of industrialization;
- c. Whether or not other major developed countries are extending generalized preferential tariff treatment to Portugal;
- d. The extent to which Portugal has assured the United States that it will provide the United States with equitable and reasonable access to Portugal's markets.

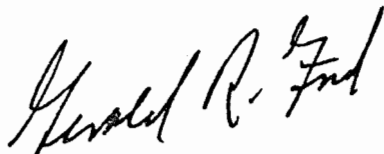
In addition, Portugal no longer is excluded from designation as eligible for the GSP by the provisions of Section 502(b) (3) of the Trade Act of 1974. That section prevents the designation of any country

"if such country affords preferential treatment to the products of a developed country, other than the United States, which has, or is likely to have, a significant adverse effect on United States commerce . . .".

On June 1, 1976, Portugal lowered its most-favored-tariff rates applicable to 15 tariff categories, under which United States exports worth some \$26 million entered Portugal in 1974. This tariff reduction eliminated the margins of preference that previously were accorded to products of the European Communities entering under the same tariff categories. In addition, the Government of Portugal has stated its intention to consider taking similar action on other tariff categories that the United States Government may identify in the future.

On the basis of these actions, I have determined that the preferential treatment that Portugal continues to accord to the European Communities with respect to other tariff categories does not have, and is not likely to have, a significant adverse effect on United States commerce.

Sincerely,

A handwritten signature in cursive script, reading "Gerald R. Ford". The signature is written in dark ink and is positioned below the word "Sincerely,".

The Honorable
The Speaker
U.S. House of Representatives
Washington, D.C. 20515

THE WHITE HOUSE

WASHINGTON

August 14, 1976

Dear Mr. Speaker:

In accordance with the requirements of Section 502(a)(1) of the Trade Act of 1974, I hereby notify the House of Representatives of my intention to designate Portugal as a beneficiary developing country for purposes of the Generalized System of Preferences (GSP) provided for in title V of the Trade Act of 1974. My intention to designate Portugal as a GSP beneficiary reflects the following considerations:

- a. The expression of Portugal's desire to be designated as a beneficiary;
- b. Portugal's level of economic development, including its per capita gross national product, its general living standard as measured by levels of health, nutrition, education, housing and its degrees of industrialization;
- c. Whether or not other major developed countries are extending generalized preferential tariff treatment to Portugal;
- d. The extent to which Portugal has assured the United States that it will provide the United States with equitable and reasonable access to Portugal's markets.

In addition, Portugal no longer is excluded from designation as eligible for the GSP by the provisions of Section 502(b)(3) of the Trade Act of 1974. That section prevents the designation of any country

"if such country affords preferential treatment to the products of a developed country, other than the United States, which has, or is likely to have, a significant adverse effect on United States commerce . . .".

THE WHITE HOUSE

WASHINGTON

August 16, 1976

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR: L. WILLIAM SEIDMAN

FROM: JAMES E. CONNOR *JEC*

SUBJECT: Review and Modification of
the U.S. Generalized System of
Preferences

The President reviewed your memorandum of August 14 on the above subject and made the following decisions:

Agreed Cases

Approved the unanimous recommendations of the Trade Policy Committee as outlined in your memorandum.

Disagreed Cases

Issue 1: Should the petition to remove leather apparel from the GSP product coverage be accepted?

Option 2: Deny the petition to remove leather wearing apparel from the GSP product list. Direct a survey of current production and employment conditions in the leather apparel industry and announce that there will be an inter-agency review of the issue no later than three months from now.

Issue 2: Should the petition to remove pig leather from GSP product coverage be accepted?

Option 1: Remove pig leather from the GSP product list.

Please follow-up with appropriate action.

cc: Dick Cheney