

FOR IMMEDIATE RELEASE

MAY 1, 1975

Office of the White House Press Secretary

THE WHITE HOUSE

TO THE CONGRESS OF THE UNITED STATES:

I am pleased to transmit herewith to the Congress the Nineteenth Annual Report of the President of the United States on the Trade Agreements Program. This report covers calendar year 1974.

The world economy in 1974 was characterized by deepening stresses and strains caused by persistent inflation, a downturn in economic activity, structural dislocations in the wake of the oil crises, high rates of unemployment, and widespread uncertainty as to the future. In such circumstances, most governments faced strong pressures to adopt unilateral restrictions on imports, to promote their export earnings and to secure access to essential supplies.

Fortunately, most governments have not forgotten the costly lessons of the nationalistic, go-it-alone policies and ensuing trade wars of the 1930s. With economic wisdom and political courage, the world's industrialized countries have in large part held the line against the proponents of short-sighted solutions involving unilateral measures restricting and distorting trade and competitive currency devaluations. Moreover, recognizing the need for positive, cooperative approaches, most of the world's trading nations joined in technical preparatory work for far-reaching multilateral negotiations to reduce trade barriers, as had been agreed to by over 100 countries in September, 1973. By the end of 1974, this preparatory groundwork was largely completed.

Passage of the Trade Act of 1974 last December opened the way for the multilateral trade talks to move into the negotiating stage in February, 1975. Countries accounting for most of the world's trade are participating in negotiations which will include all types of tariff and nontariff barriers that affect agricultural as well as industrial trade. Both developed and developing countries expect major benefits from the results.

When these negotiations were launched in 1973 at a Ministerial-level meeting in Tokyo, the objective was to achieve the "expansion and even greater liberalization of world trade and improvement in the standard of living and welfare of the people of the world." This commitment has been reaffirmed in recent meetings of the Trade Negotiations Committee in Geneva. The spirit of cooperation offers hope for broad and significant results.

The mandate given the President in the new trade legislation will enable the United States to play a leading role in these multilateral negotiations. Our position will be strengthened, moreover, by the close working arrangements which have been established between the Executive Branch and the Congress. Under these arrangements, representatives of the Congress have an important voice in U.S. policies and are participating fully in the negotiating sessions.

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U.S. negotiators will also have the benefit of far more extensive advice from the public sector than in the past. Public hearings by the International Trade Commission are in progress. Hearings by the Executive Branch will open soon. Advisory committees, made up of a cross-section of the public interest and agriculture, industry, labor and consumer groups involved, will provide input for the U.S. negotiating effort at both the policy and technical levels.

The Trade Act, like the earlier Declaration of Tokyo, recognizes the importance of providing fair and reasonable market access to products exported by developing countries. As one step toward this objective, the Act provides for the granting of temporary generalized tariff preferences to such countries. The mandatory procedural steps for establishing the preference system have been initiated. When the system is in operation later this year, it will offer substantial benefits to many developing countries.

I am hopeful that, as implementation moves forward, the Congress will provide the necessary authority to include other, developing countries through waiver of those restrictions of the Trade Act that are incompatible with our national interest and to which a number of countries have voiced strong objections.

At the same time, in signing the Trade Act on January 3, 1975, I expressed reservations about the wisdom of one of its provisions relating to restrictions on trade with the Soviet Union which led the U.S.S.R. to repudiate its 1972 trade agreement with the United States. This action by the Soviet Union constitutes an unfortunate setback to normalization of our economic relations with that country. In a spirit of cooperation with the Congress, I am hopeful that a solution to this problem can be found.

In light of the serious economic problems in the United States and elsewhere in the world today, efforts to preserve and build upon past gains in the trade field are now more urgent and imperative than ever. A more open, fair, and non-discriminatory system, providing access to both markets and supplies, can give a vital stimulus to economic recovery, increased employment, and sound growth both in the United States and in the world economy. Congress has provided the mandate for the United States to move forward toward these objectives in cooperation with other nations. It is my intention to carry out this mandate fully and expeditiously, in the interests of the health of the American economy and the strengthening of harmonious and mutually beneficial economic relations among all countries of the world.

GERALD R. FORD

THE WHITE HOUSE,
May 1, 1975

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