

FOR IMMEDIATE RELEASE

NOVEMBER 11, 1975

Office of the White House Press Secretary
-----THE WHITE HOUSETEXT OF LETTERS FROM THE PRESIDENT TO THE
SPEAKER OF THE HOUSE OF REPRESENTATIVES
AND THE PRESIDENT OF THE SENATE

Dear Mr. Speaker: (Dear Mr. President:)

In accordance with the requirements of Section 502(a)(1) of the Trade Act of 1974, I hereby notify the House of Representatives (Senate) of my intention to designate additional beneficiary developing countries and territories for purposes of the Generalized System of Preference (the "GSP") provided for in title V of the Trade Act of 1974. This is to be done by amending Executive Order 11844, of March 24, 1975 (enclosed at Tab A), in the manner described below.

The following countries and territories are to be added to the lists of designated GSP beneficiaries set forth in section 1 of E.O. 11844:

Cyprus	Somalia
Hong Kong	Turkey
Israel	Christmas Island (Australia)
Romania	Cocos (Keeling) Islands

My intention to designate each of the countries and territories as GSP beneficiaries reflects the following considerations:

- a. The expressions of their desires to be designated as beneficiaries;
- b. Their levels of economic development, including their per capita gross national products, their general living standards as measured by levels of health, nutrition, education, housing, and their degrees of industrialization;
- c. Whether or not other major developed countries are extending generalized preferential tariff treatment to them;
- d. The extent to which they have assured the United States that they will provide the United States with equitable and reasonable access to their markets;
- e. The legislative history of the Trade Act of 1974, including the Reports thereon by the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate.

The exclusionary provisions of the Trade Act would apply to some of the countries that are to be designated but for the factors described below:

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Cyprus

The tariff preferences that Cyprus extends to the products of member countries of the European Economic Community ("E.E.C.") and the Commonwealth countries do not have, and are not likely to have, significant adverse effects upon United States commerce. Accordingly, the exclusionary provisions of section 502(b)(3) of the Trade Act do not apply to Cyprus.

Israel

I have received satisfactory assurances that Israel will take action prior to January 1, 1976 to assure that, although Israel affords preferential treatment to products of other developed countries (those of the E.E.C.), there will be no significant adverse effect on United States commerce resulting from such preferential treatment.

In particular, the Government of Israel has provided satisfactory assurances that, for specified U.S. exports to Israel worth some \$92 million (1974 data), Israel will reduce the applicable most-favored-nation (MFN) duty rates so as to eliminate, or in some cases virtually eliminate, the margin between such MFN rates and the preferential tariff rates being applied to the same products from E.E.C. countries. In addition, Israel will eliminate, at least during the life of the U.S. GSP, margins between the E.E.C. preferential tariff rates and the MFN rates whenever specified conditions are met for certain products. These products have been identified by the United States as important exports for which the U.S. and the E.E.C. countries are serious commercial competitors and for which tariff preferences, if applied, would be likely to affect adversely U.S. commercial interests. Israel will eliminate preferential tariff margins on these products whenever specific statistical criteria are met. Israel also will consult with the United States, at our request, concerning any other U.S. exports which may be affected adversely by its tariff preferences for products of E.E.C. countries.

For these reasons, Israel qualifies for the GSP under the terms of section 502(b)(3) of the Trade Act of 1974.

Romania

In view of (a) the U.S.-Romanian Trade Relations Agreement, signed on April 2, 1975, and entered into force on August 3, 1975, which granted non-discriminatory tariff treatment to Romanian products (b) Romania's status as a contracting party to the General Agreement on Tariffs and Trade and its membership in the International Monetary Fund, and (c) the repeated manifestation of Romanian determination to pursue an independent foreign policy, Romania, although a Communist country, fulfills the requirements for GSP eligibility set forth in section 502(b)(1) of the Trade Act.

Somalia

Somalia is now taking steps to discharge its obligations under international law with respect to an investment dispute which had the effect of a nationalization, expropriation, or other

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seizure of U.S. property by Somalia. My Determination to this effect is set forth at Tab B. This Determination makes Somalia eligible for GSP under the terms of section 502(b)(4) of the Trade Act.

Turkey

Turkey also is taking steps to discharge its obligations under the international law with respect to property questions in the Turkish-controlled area of Cyprus which could be considered as nationalizations, expropriations, or seizures of United States properties. My Determination at Tab B covers Turkey as well as Somalia, so that Turkey also is eligible for GSP under section 504(b)(4) of the Trade Act.

In addition, the tariff preferences that Turkey extends to the products of members of the E.E.C. do not have, and are not likely to have, significant adverse effects on United States commerce. This conclusion depends upon the continuance by Turkey of certain key government decrees. The Government of Turkey understands the importance of the maintenance of those decrees to Turkey's continued eligibility for GSP, and has acknowledged the desirability of consulting with the United States before changing its customs tariffs in a manner prejudicial to its status as a beneficiary country.

Hong Kong, Christmas Island (Australia), Cocos (Keeling) Islands

None of the exclusionary provisions of section 502(b) are applicable to these areas.

In addition to the intended designations described above, Cape Verde, Mozambique, Papua New Guinea, Sao Tome and Principe, and Surinam are to be moved from the list of dependent beneficiaries to the list of independent beneficiary countries, because they have become independent since Executive Order 11844 was issued last March 24. Anguilla will be deleted from Executive Order 11844 as a separate listing, but will continue to be a designated GSP beneficiary as part of "Saint Christopher-Nevis-Anguilla". These changes will not affect the status of the areas involved as GSP beneficiaries.

Sincerely,

GERALD R. FORD

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