

FOR IMMEDIATE RELEASE

SEPTEMBER 14, 1976

Office of the White House Press Secretary

THE WHITE HOUSETEXT OF A LETTER FROM THE
PRESIDENT TO THE CHAIRMAN OF THE
UNITED STATES INTERNATIONAL
TRADE COMMISSION

September 14, 1976

Dear Mr. Chairman:

In a recent executive branch review of the operation of the Generalized System of Preferences (GSP) the Trade Policy Staff Committee (TPSC) considered several petitions from domestic producers to remove products from the list of articles eligible for duty-free treatment under the GSP. It was necessary to postpone a decision on some of the petitions, however, because of the absence of data on the amount of imports and domestic production or because of inadequate information on recent developments in the industry. To assist the Administration in assembling the needed information, I hereby request the Commission, pursuant to section 332(g) of the Tariff Act of 1930 to conduct investigations and report the results, as follows:

1. With respect to the petitions for the withdrawal of GSP benefits for permanent-magnet direct current motors classifiable in item numbers 682.25 and 682.30 of the Tariff Schedules of the United States (TPSC GSP case No. 76-34), an investigation and report (a) on the economic effect which the designation of these motors as articles eligible for duty-free treatment under the GSP has had on domestic producers of like or directly competitive motors; (b) the probable economic effect which withdrawal of GSP benefits would have on: (i) The domestic producers; (ii) the prospective establishment of new or additional domestic production; and (iii) domestic producers of products that utilize or incorporate such motors; and (c) which countries, if any, would be eliminated from GSP benefits by virtue of the "competitive need" provisions of section 504(c) of the Trade Act of 1974 if items 682.25 and 682.30 were each subdivided into three new items, as follows: (i) AC motors; (ii) DC motors; and (iii) other motors.

2. With respect to cast iron household stoves, cast iron parts of household stoves, and cast iron fireplace grates classifiable in item 653.50 of the Tariff Schedules of the United States (TPSC GSP case No. 76-25), an investigation and report on the conditions of competition between imported and domestically produced articles, with particular attention to the economic effect which the designation of these articles as eligible for duty-free

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treatment under the GSP has had, or is likely to have, on domestic producers. The report should include information on the volume and trend of U.S. imports and domestic production in recent years, as well as the factors of competition affecting these articles.

3. With respect to leather wearing apparel classifiable in item 791.75 of the Tariff Schedules of the United States (TPSC GSP case No. 76-2), an investigation and report on the current employment and production conditions in the domestic industry.

I further request that the Commission make every effort to provide the reports as soon as possible but not later than 120 days of the receipt of this letter with respect to reports 1 and 2 and not later than November 10, 1976 with respect to report 3.

Sincerely,

GERALD R. FORD

The Honorable Will E. Leonard, Jr.
Chairman
United States International
Trade Commission
Washington, D.C. 20436

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