

FOR IMMEDIATE RELEASE

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Office of the White House Press Secretary

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THE WHITE HOUSE

## ADJUSTMENT OF DUTY ON CERTAIN BRANDY

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BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

## A PROCLAMATION

1. In December, 1963, in the exercise of international rights accorded the United States, particularly paragraph 3 of Article XXVIII of the General Agreement on Tariffs and Trade (the GATT), the United States notified the Contracting Parties to the GATT that it was suspending certain trade agreement concessions made by the United States and reflected in the United States Schedules to the GATT in response to a withdrawal of certain concessions with respect to poultry, resulting from the formation of the European Economic Community (now a part of the European Communities (the EC)).

2. Pursuant to the authority vested in him by the Constitution and the statutes of the United States of America, including section 252(c) of the Trade Expansion Act of 1962 (19 U.S.C. 1882(c)), and section 350(a)(6) of the Tariff Act of 1930, as amended (19 U.S.C. 1351(a)(6)), the President determined that the European Economic Community maintained unreasonable import restrictions on poultry from the United States and suspended, by Proclamation No. 3564 of December 4, 1963, the application of the benefits of the trade agreement concessions of the United States which were suspended as noted in paragraph 1.

3. By Proclamation 4304 of July 16, 1974, pursuant to section 255(b) of the Trade Expansion Act of 1962 (19 U.S.C. 1885(b)), and section 350 of the Tariff Act of 1930, as amended (19 U.S.C. 1351), the President, in order to encourage the resolution of outstanding trade disputes between the United States and the European Communities, particularly the removal of unreasonable import restrictions maintained by the EC on poultry from the United States, terminated in part Proclamation 3564 of December 4, 1963, restored in part the application of the benefits of the suspended trade agreement concessions on certain brandy valued over \$9 and not over \$17 per gallon, and maintained a rate of duty for column 1 of \$5 per gallon for brandy valued over \$17 per gallon provided for in items 168.20 and 168.22 of the Tariff Schedules of the United States (TSUS). This action was taken for the purpose of providing a temporary adjustment for a period of time during which a satisfactory solution to the aforementioned trade dispute could be found.

4. No solution having been reached between the United States and the EC regarding the removal of unreasonable import restrictions on poultry from the United States, I have determined it to be appropriate, in the exercise of United States rights under Article XXVIII of the GATT following from the suspension of the concessions noted in paragraph 1 above, to increase rates of duty on certain brandy as provided in this proclamation.

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5. Pursuant to Section 125(c) of the Trade Act of 1974 (19 U.S.C. 2135(c)), whenever the United States, acting in pursuance of any of its rights or obligations under any trade agreement entered into pursuant to the Trade Act of 1974, section 201 of the Trade Expansion Act of 1962, or section 350 of the Tariff Act of 1930, withdraws, suspends, or modifies any obligation with respect to the trade of any foreign country or instrumentality thereof, the President is authorized to proclaim increased duties or other import restrictions, to the extent, at such times, and for such periods as he deems necessary or appropriate, in order to exercise the rights or fulfill the obligations of the United States.

6. Moreover, section 255(b) of the Trade Expansion Act of 1962, and section 350(a)(6) of the Tariff Act of 1930, as amended, authorize the termination, in whole or in part, of any proclamation issued pursuant to Title II of the Trade Expansion Act of 1962, and section 350 of the Tariff Act of 1930, as amended, respectively.

7. For purposes of the Generalized System of Preferences, the former TSUS items 168.20 and 168.22, providing for all brandy valued over \$9 per gallon, were subdivided into new items 168.23, 168.26, 168.28, and 168.32, the first two of which apply to pisco and singani, which are types of brandy not produced in the EC, and the latter two of which provided for all other brandy valued over \$9 per gallon.

8. In accordance with the requirements of the Trade Act of 1974, the Trade Policy Staff Committee held a public hearing on September 21 and 22, 1976, at which all interested persons were given reasonable opportunity to be present, to produce evidence, and to be heard on the proposed duty increase on brandy. Public notice of the hearing was given on August 19, 1976 (41 F.R. 35107).

NOW, THEREFORE, I, Gerald R. Ford, President of the United States of America, acting under the authority vested in me by the Constitution and the statutes of the United States of America, including section 125(c) of the Trade Act of 1974, section 255(b) of the Trade Expansion Act of 1962, and section 350(a)(6) of the Tariff Act of 1930, as amended, in the exercise of the rights of the United States, do hereby proclaim, until the President otherwise proclaims or until otherwise superseded by law, that:

A. Proclamation 4304 of July 16, 1974, is terminated; and

B. Item 945.16 of Subpart B of part 2 of the Appendix to the Tariff Schedules of the United States (TSUS), is amended to read as follows:

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<u>Item</u>	<u>Article</u>	<u>Rate of Duty</u>	
		<u>1</u>	<u>2</u>
945.16	Brandy valued over \$13 per gallon provided for in item 168.28, and brandy valued over \$9 per gallon provided for in item 168.32	\$3 per gallon	No Change

The modifications of Subpart B of Part 2 of the Appendix to the TSUS, made by this proclamation, shall be effective as to all articles that are both

- (i) imported, and
- (ii) entered, or withdrawn from warehouse, for consumption,

on or after December 10, 1976.

IN WITNESS WHEREOF, I have hereunto set my hand this twenty-sixth day of November, in the year of our Lord nineteen hundred seventy-six, and of the Independence of the United States of America the two hundred and first.

GERALD R. FORD

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