

FOR IMMEDIATE RELEASE

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JANUARY 20, 1977

Office of the White House Press Secretary

THE WHITE HOUSE

TEXT 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)(2) of the Trade Act of 1974, I herewith notify the House of Representatives/Senate of my intention to withdraw the designation of the People's Republic of the Congo as a beneficiary developing country for purposes of the Generalized System of Preferences.

The considerations that entered into my decision were based upon the provisions of sections 504(b) and 502(b)(4) of the Trade Act. Section 504(b) of that Act states:

"The President shall, after complying with the requirements of section 502(a)(2), withdraw or suspend the designation of any country as a beneficiary developing country if, after such designation, he determines that as the result of changed circumstances such country would be barred from designation as a beneficiary developing country under section 502(b) . . .".

Section 502(b)(4) of the Trade Act prohibits the designation of any country as a beneficiary developing country for purposes of the Generalized System of Preferences if such country -

"has nationalized, expropriated, or otherwise seized ownership or control of property owned by a United States citizen or by a corporation, partnership, or association which is 50% or more beneficially owned by United States citizens . . .

unless -

the President determines that -

(i) prompt, adequate, and effective compensation has been or is being made to such citizen, corporation, partnership, or association,

(ii) good faith negotiations to provide prompt, adequate, and effective compensation under the applicable provisions of international law are in progress, or such country is otherwise taking steps to discharge its obligations under international law with respect to such citizen, corporation, partnership, or association,

or

more

(OVER)

12

(iii) a dispute involving such citizen, corporation, partnership, or association over compensation for such a seizure has been submitted to arbitration under the provisions of the Convention for the Settlement of Investment Disputes, or in another mutually agreed upon forum,

During 1974, the Government of the People's Republic of the Congo nationalized foreign-owned oil companies in that country, including companies that were 50% or more beneficially owned by United States citizens. Following several attempts to commence negotiations with a view to reaching a satisfactory settlement of the claims arising from such nationalizations, it is my judgment that the People's Republic of the Congo currently is not meeting the requirements set forth in section 502(b)(4) of the Trade Act. Accordingly, as a result of changed circumstances, that country would be barred from designation at this time as a beneficiary developing country for purposes of the Generalized System of Preferences.

A communication is being prepared for delivery to the Government of the People's Republic of the Congo on or about the same date as that of the delivery of this letter, notifying that Government of my intention to terminate the country's beneficiary status, together with the considerations entering into my decision, as required by section 502(a)(2) of the Trade Act.

Sincerely,

GERALD R. FORD

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