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Israel FTA

THE WHITE HOUSE

Office of the Press Secretary
(Santa Barbara, California)

For Immediate Release

August 30, 1985

TO IMPLEMENT REDUCTIONS IN U.S. RATES OF DUTY PURSUANT
TO THE UNITED STATES-ISRAEL FREE TRADE AREA AGREEMENT,
AND FOR OTHER PURPOSES

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BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

A PROCLAMATION

1. Section 4 of the United States-Israel Free Trade Area Implementation Act of 1985 (the FTA Act) (19 U.S.C. 2112 note) confers authority upon the President to proclaim changes in tariff treatment which the President determines are required or appropriate to carry out the schedule of duty reductions for products of Israel set forth in Annex 1 to the Agreement on the Establishment of a Free Trade Area between the Government of the United States of America and the Government of Israel (the Agreement), entered into on April 22, 1985, and submitted to the Congress on April 29, 1985. I have determined that the modifications to the Tariff Schedules of the United States (TSUS) (19 U.S.C. 1202) set forth in Annexes I, VIII, IX, and X to this Proclamation are required or appropriate to carry out such duty reductions.

2. Previously, pursuant to Title V of the Trade Act of 1974, as amended, (the Trade Act) (19 U.S.C. 2461, et seq.), I designated certain articles provided for in the TSUS as eligible articles under the Generalized System of Preferences (GSP) when imported from designated beneficiary developing countries, and determined that limitations on the preferential treatment for eligible articles from certain beneficiary developing countries were necessary or appropriate. Previously, pursuant to section 503(a)(2)(A) of the Trade Agreements Act of 1979 (the Trade Agreements Act) (19 U.S.C. 2119 note), I determined that certain articles provided for in the TSUS are not import sensitive and, if the product of a least developed developing country (LDDC), are eligible for full tariff reductions pursuant to certain trade agreements without staging. Previously, pursuant to sections 211 and 218 of the Caribbean Basin Economic Recovery Act (the CBERA) (19 U.S.C. 2701, 2706), I designated certain articles provided for in the TSUS as eligible articles under the CBERA when imported from designated beneficiary countries.

3. In order to provide, for purposes of the GSP, for the continued designation of eligible articles and beneficiary developing countries (including least developed beneficiary developing countries, pursuant to section 504(c)(6) of the Trade Act (19 U.S.C. 2464(c)(6)), and associations of countries to be treated as individual countries for purposes of limitations on preferential treatment), and for the continuation of existing limitations on preferential treatment for articles from certain beneficiary developing countries, and in accordance with Title V of the Trade Act, as amended, it is appropriate that such preferential treatment and designations be set forth in this Proclamation.

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sugar and beef products that are the product of these five beneficiary countries. I will terminate the suspension of duty-free treatment under the CBERA imposed by this Proclamation with regard to any affected beneficiary countries which take appropriate action to remedy the factors on which the suspension was based.

8. In Proclamation 5021 of February 14, 1983, as amended by Proclamation 5291 of December 28, 1984, I proclaimed temporary duty reductions on certain articles pursuant to legislation implementing the Nairobi Protocol to the Florence Agreement on the Importation of Educational, Scientific, and Cultural Materials. And, pursuant to section 604 of the Trade Act, I modified the Appendix to the TSUS by inserting a new part 4 to such Appendix providing temporary duty reductions for such articles which were entered, or withdrawn from warehouse for consumption, on and after February 11, 1983, and before the close of August 11, 1985, as set forth in the Annex to Proclamation 5021. The effective period for the temporary reduction of such duties having expired on August 11, 1985, I am modifying the Appendix to the TSUS, pursuant to section 604 of the Trade Act, by deleting part 4 thereof.

NOW, THEREFORE, I, RONALD REAGAN, President of the United States of America, acting under the authority vested in me by the Constitution and the statutes of the United States, including but not limited to sections 4 and 8(b)(2) of the FTA Act, section 213(c) of the CBERA, and section 604 of the Trade Act, do proclaim that:

(1) The rate of duty column in the TSUS entitled "LDDC" is retitled "Special" each place it appears, including part 1B of the Appendix to the TSUS.

(2) Part 1 of the Appendix to the TSUS is further modified by inserting a rate of duty column entitled "Special", following the rate of duty column numbered 1, opposite each item for which a rate of duty column entitled "LDDC" is not set forth.

(3) The column in the TSUS entitled "GSP" is deleted.

(4) The modifications to the TSUS made by Annex I to this Proclamation, including the designations of eligible articles and beneficiary developing countries and the limitations on preferential treatment necessary to continue existing GSP treatment incorporated therein, and the suspension of duty-free treatment extended under the CBERA to sugar and beef products of certain beneficiary countries, shall be effective with respect to articles entered, or withdrawn from warehouse for consumption, on and after the effective date of this Proclamation.

(5) Products of Israel provided for in TSUS items which are enumerated in Annex VIII to this Proclamation and which are imported into the customs territory of the United States in accordance with general headnote 3 of the TSUS (as modified by Annex I to this Proclamation) on or after the effective date of this Proclamation are eligible for duty-free treatment, and a rate of duty of "Free" applicable to such products is inserted in the column in the TSUS entitled "Special" followed by the symbol "I" in parentheses.

(6) Products of Israel provided for in TSUS items which are enumerated in Annex IX to this Proclamation and which are imported into the customs territory of the United States in accordance with general headnote 3 (as modified by Annex I) on

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(15) Annex III to Proclamation 4707 of December 11, 1979, is amended as set forth in Annex XII to this Proclamation effective as to articles entered, or withdrawn from warehouse for consumption, on and after the effective date specified in Annex XII to this Proclamation.

(16) Annexes II and III of Executive Order No. 11888, as amended, and general headnote 3 are further amended as set forth in sections A and B, respectively, of Annex XIII to this Proclamation effective with respect to articles both: (1) imported on or after January 1, 1976, and (2) entered, or withdrawn from warehouse for consumption, on and after the effective dates specified in sections A and B of Annex XIII to this Proclamation.

(17) Annex III of Proclamation 4707 and Annex III of Proclamation 4768 of June 28, 1980, are amended as set forth in Annex II to this Proclamation as of the effective date of this Proclamation.

(18) Except for articles provided for in items which are enumerated in Annex IV to Proclamation 4707 and Annex IV to Proclamation 4768 and which are not enumerated in Annex V to this Proclamation, Annex IV to Proclamation 4707 and Annex IV to Proclamation 4768 are superseded by Annex V to this Proclamation, to the extent inconsistent therewith, as of the effective date of this Proclamation.

(19) Executive Order No. 11888, as amended by subsequent Executive orders for purposes of the GSP, and as amended by subsequent proclamation to the extent they amend Executive Order No. 11888 for purposes of the GSP, is superseded by this Proclamation as of the effective date of this Proclamation.

(20) Proclamations 4707, 4768, 5133, 5142, 5291, 5305, and 5308, are superseded to the extent inconsistent with this Proclamation.

(21) Part 4 of the Appendix to the TSUS is deleted effective August 12, 1985.

(22) Except as provided in paragraphs (11), (15), (16), and (21), the provisions of this Proclamation shall be effective as to articles entered, or withdrawn from warehouse for consumption, on and after September 1, 1985.

IN WITNESS WHEREOF, I have hereunto set my hand this thirtieth day of August, in the year of our Lord nineteen hundred and eighty-five, and of the Independence of the United States of America the two hundred and tenth.

RONALD REAGAN

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Presidential Statement
On
U.S.-Israeli Free Trade Area

I and friends of Israel everywhere take great pleasure in congratulating Ambassador Brock and Minister of Industry and Trade Sharon on the U.S.-Israeli Free Trade Area Agreement. The signing of this historic agreement caps nearly one and one half years of intensive and highly productive discussions. These talks have deepened our understanding of each other's economies and trading systems. And this agreement adds a new dimension to the special relationship between our countries.

The Free Trade Area Agreement is without precedent. It is the first such agreement entered into by the United States which fully meets the definition of free trade areas in terms of the scope and degree of reciprocal access. When fully implemented in January 1995, the agreement will eliminate restrictions on all trade between the United States and Israel--trade which in 1984 amounted to \$3.6 billion dollars. The agreement also contains unique provisions relating to trade in services and investment which will serve to further liberalize our bilateral economic relations.

This agreement opens up new prospects for the United States and Israel. Both our countries will derive substantial benefits through the unrestricted access it provides to each other's markets. More broadly, however, the agreement is an important milestone in our efforts to liberalize trade. We hope that it also will serve to encourage greater liberalization of the multilateral trading system and that it will help us move ahead in our continued attempts to expand world trade. I want to thank the chief negotiators, Danny Halperin from Israel and Doral Cooper from the United States and their respective teams for a job well done.

The United States has a basic commitment to Israel's economic well-being, and we have pledged to continue to help Israel fulfill its great potential. In my discussions with Prime Minister Peres last fall we explored ways to address Israel's pressing economic problems. We agreed that the Free Trade Area will be instrumental in helping Israel put its economy back on a foundation of vigorous, self-sustaining growth. I am confident that as this agreement is implemented the U.S.-Israel Free Trade Area will prove to be one of the cornerstones of Israel's future economic development program.

The Free Trade Area Agreement symbolizes once again our two countries' deep community of interest and our shared values and aspirations for a better future. It underscores the importance of Israel to the United States both as an ally and trading partner and underscores the U.S. commitment to Israel's security and prosperity.

THE WHITE HOUSE

22 copies

Office of the Press Secretary

For Immediate Release

April 22, 1985

STATEMENT BY THE PRESIDENT

I and friends of Israel everywhere take great pleasure in congratulating ~~Ambassador Brock and Minister of Industry and Trade Sharon on the~~ U.S.-Israeli Free Trade Area Agreement. The signing of this historic agreement caps nearly one and one half years of intensive and highly productive discussions. These talks have deepened our understanding of each other's economies and trading systems. And this agreement adds a new dimension to the special relationship between our countries.

The Free Trade Area Agreement is the first such agreement entered into by the United States. It fully meets the international rules regarding free trade areas contained in the GATT. When fully implemented in January 1995, the agreement will eliminate restrictions on all trade between the United States and Israel -- trade which in 1984 amounted to \$3.6 billion. The agreement also contains unprecedented recognition of the increasing importance of trade in services and investment which will serve to further liberalize our bilateral economic relations.

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