National Security Decision Memorandum 29

TO: The Secretary of State
The Secretary of Treasury
The Secretary of Agriculture
The Secretary of Commerce
The Secretary of Labor

SUBJECT: Tariff Preferences for Developing Countries

The President has approved U.S. participation in a system of tariff preferences for developing countries, subject to Congressional approval.

The President has made the following decisions on the U.S. position on preferences, to supplement the Under Secretaries' guidance to our negotiators:

1. The scheme should be liberal, conferring the maximum range of benefits on the developing countries suggested by the Under Secretaries. Preferential duties should be set at zero.

2. For manufactured and semi-manufactured products, the scheme should except from preferential treatment only textiles, shoes, and petroleum and petroleum products.

3. The scheme should be simple, relying on the standard escape clause and adjustment assistance as safeguards for domestic industry.

4. All major developed countries must adopt a common scheme.

5. If duty-free treatment cannot be achieved, we should exclude from our preferences countries which receive selective preferences in developed country markets for products covered by the scheme.
6. Developing countries should eliminate reverse preferences which discriminate against the United States to become beneficiaries of U.S. tariff preferences.

Henry A. Kissinger

Copies to: Special Representative for Trade Negotiations
Chairman, Council of Economic Advisers
Administrator, Agency for International Development
Director, Bureau of the Budget