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as President of the United States, the theme of my campaign was: Building a bridge to the 21st century. In Shanghai, you are building that bridge to the 21st century, and we want to build it with you.

Thank you very much.

NOTE: The President spoke at 6:40 p.m. at the Shanghai Museum. In his remarks, he referred to Mayor Xu Kuangdi of Shanghai; Ma Chengyan, director, Shanghai Museum; and Premier Zhu Rongji of China.

Proclamation 7107—To Modify Duty-Free Treatment Under the Generalized System of Preferences

June 30, 1998

By the President of the United States of America

A Proclamation

1. Pursuant to sections 501, 503(a)(1)(A), and 503(c)(1) of title V of the Trade Act of 1974, as amended ("the 1974 Act") (19 U.S.C. 2461, 2463(a)(1)(A), and 2463(c)(1)), as amended, the President may designate or withdraw designation of specified articles provided for in the Harmonized Tariff Schedule of the United States (HTS) as eligible for preferential tariff treatment under the Generalized System of Preferences (GSP) when imported from designated beneficiary developing countries.

2. Pursuant to section 503(c)(2)(A) of the 1974 Act (19 U.S.C. 2463(c)(2)(A)), beneficiary developing countries, except those designated as least-developed beneficiary developing countries pursuant to section 503(c)(2)(D) of the 1974 Act (19 U.S.C. 2463(c)(2)(D)), are subject to competitive need limitations on the preferential treatment afforded under the GSP to eligible articles.

3. Pursuant to section 503(c)(2)(C) of the 1974 Act (19 U.S.C. 2463(c)(2)(C)), a country that is no longer treated as a beneficiary developing country with respect to an eligible article may be redesignated as a beneficiary developing country with respect to such article if imports of such article from such country did not exceed the competitive need limitations in section 503(c)(2)(A) of the 1974 Act (19 U.S.C. 2463(c)(2)(A)), during the preceding calendar year.

4. Pursuant to section 503(c)(2)(F) of the 1974 Act (19 U.S.C. 2463(c)(2)(F)), the President may disregard the competitive need limitation provided in section 503(c)(2)(A)(i)(II) of the 1974 Act (19 U.S.C. 2463(c)(2)(A)(i)(II)) with respect to any eligible article if the aggregate appraised value of the imports of such article into the United States during the preceding calendar year does not exceed the applicable amount set forth in section 503(c)(2)(F)(ii) of the 1974 Act (19 U.S.C. 2463(c)(2)(F)(ii)).

5. Pursuant to section 503(d) of the 1974 Act (19 U.S.C. 2463(d)), the President may waive the application of the competitive need limitations in section 503(c)(2)(A) with respect to any eligible article of any beneficiary developing country if certain conditions are met.

6. Section 507(2) of the 1974 Act (19 U.S.C. 2467(2)) provides that in the case of an association of countries which is a free trade area or customs union, or which is contributing to comprehensive regional economic integration among its members through appropriate means, including, but not limited to, the reduction of duties, the President may provide that all members of such association other than members which are barred from designation under section 502(b) of the 1974 Act (19 U.S.C. 2462(b)) shall be treated as one country for purposes of title V of the 1974 Act.

7. Pursuant to sections 501 and 503(a)(1)(A) of the 1974 Act, and after receiving advice from the International Trade Commission in accordance with section 503(e), I have determined to designate certain articles, previously designated under section 503(a)(1)(B), as eligible articles from additional beneficiary developing countries. In order to do so, it is necessary to subdivide and amend the nomenclature of existing subheadings of the HTS. For certain articles, I have decided that the effective date of designation shall be determined by the United States Trade Representative (USTR).

8. Pursuant to section 503(c)(1) of the 1974 Act, I have determined to limit the application of duty-free treatment accorded to

certain articles from certain beneficiary developing countries.

9. Pursuant to section 503(c)(2)(A) of the 1974 Act, I have determined that certain beneficiary developing countries should not receive preferential tariff treatment under the GSP with respect to certain eligible articles imported in quantities that exceed the applicable competitive need limitation.

10. Pursuant to section 503(c)(2)(C) of the 1974 Act, I have determined that certain countries should be redesignated as beneficiary developing countries with respect to certain eligible articles that previously had been imported in quantities exceeding the competitive need limitations of section 503(c)(2)(A).

11. Pursuant to section 503(c)(2)(F) of the 1974 Act, I have determined that the competitive need limitation provided in section 503(c)(2)(A)(i)(II) should be waived with respect to certain eligible articles from certain beneficiary developing countries. For certain articles, I have decided that the effective date of the waiver shall be determined by the USTR.

12. Pursuant to section 503(d) of the 1974 Act, I have determined that the competitive need limitations of section 503(c)(2)(A) should be waived with respect to certain eligible articles from certain beneficiary developing countries. I have received the advice of the International Trade Commission on whether any industries in the United States are likely to be adversely affected by such waivers, and I have determined, based on that advice and on the considerations described in sections 501 and 502(c), that such waivers are in the national economic interest of the United States. For a certain article, I have decided that the effective date of the waiver shall be determined by the USTR.

13. Pursuant to section 507(2) of the 1974 Act, I have determined that members of the West African Economic and Monetary Union (WAEMU) should be treated as one country for purposes of title V of the 1974 Act.

14. Pursuant to section 507(2) of the 1974 Act, I have determined that members of the Southern African Development Community (SADC) should be treated as one country for purposes of title V of the 1974 Act. The USTR shall determine which specific members of the SADC are to be included in the designation under section 507(2) of the 1974 Act and shall determine the effective date or dates of the designation. The USTR shall announce by publication in the *Federal Register* the specific SADC members to be included in the designation and the effective date or dates.

15. Pursuant to section 507(2) of the 1974 Act, I have determined that members of the Tripartite Commission for East African Cooperation (EAC) should be treated as one country for purposes of title V of the 1974 Act. The USTR shall determine which specific members of the EAC are to be included in the designation under section 507(2) of the 1974 Act and shall determine the effective date or dates of the designation. The USTR shall announce by publication in the *Federal Register* the specific EAC members to be included in the designation and the effective date or dates.

16. Section 604 of the 1974 Act, as amended (19 U.S.C. 2483), authorizes the President to embody in the HTS the substance of the relevant provisions of that Act, and of other acts affecting import treatment, and actions thereunder, including the removal, modification, continuance, or imposition of any rate of duty or other import restriction.

Now, Therefore, I, William J. Clinton, President of the United States of America, acting under the authority vested in me by the Constitution and the laws of the United States of America, including but not limited to title V and section 604 of the 1974 Act, do proclaim that:

(1) In order to provide that one or more countries that have not been treated as beneficiary developing countries with respect to one or more eligible articles should be designated as beneficiary developing countries with respect to such article or articles for purposes of the GSP, and that one or more countries should not be treated as beneficiary developing countries with respect to one or more eligible articles for purposes of the GSP, general note 4 to the HTS is modified as provided in section A of Annex I and section A of Annex IV to this proclamation.

(2) In order to designate certain articles, previously designated under section

503(a)(1)(B), as eligible articles from additional beneficiary developing countries, the HTS is modified by amending and subdividing the nomenclature of existing HTS subheadings as provided in section B of Annex I to this proclamation.

(3)(a) In order to designate certain articles as eligible articles for purposes of the GSP when imported from any beneficiary developing country, the Rates of Duty 1–Special subcolumn for certain HTS subheadings is modified as provided in section C(1) of Annex I and section B of Annex IV to this proclamation.

(b) In order to designate certain articles, previously designated under section 503(a)(1)(B), as eligible articles from additional beneficiary developing countries, the Rates of Duty 1–Special subcolumn for the HTS subheadings enumerated in section C(2) of Annex I to this proclamation is modified as provided in such section.

(c) In order to provide preferential tariff treatment under the GSP to beneficiary developing countries that have been excluded from the benefits of the GSP for certain eligible articles, the Rates of Duty 1–Special subcolumn for each of the HTS subheadings enumerated in section C(3) of Annex I to this proclamation is modified as provided in such section.

(d) In order to provide that one or more countries should not be treated as a beneficiary developing country with respect to certain eligible articles for purpose of the GSP, the Rates of Duty 1–Special subcolumn for each of the HTS subheadings enumerated in section C(4) of Annex I to this proclamation is modified as provided in such section.

(4) A waiver of the application of section 503(c)(2)(A) of the 1974 Act shall apply to the eligible articles in the HTS subheadings and to the beneficiary developing countries set forth in Annex II and in section C of Annex IV to this proclamation.

(5) In order to provide for the continuation of previously proclaimed staged reductions of duties in the Rates of Duty 1–General subcolumn for goods that fall in the HTS subheadings modified by section B of Annex I to this proclamation and that are entered, or withdrawn from warehouse for consumption, on or after the dates specified in section A of Annex III to this proclamation, the rate of duty in the HTS set forth in such subcolumn for each of the HTS subheadings enumerated in section A of Annex III to this proclamation is deleted and the rate of duty provided in such section is inserted in lieu thereof.

(6) In order to provide for the continuation of previously proclaimed staged reductions of duties in the Rates of Duty 1–Special subcolumn for certain goods of Mexico that fall in the HTS subheadings modified by section B of Annex I to this proclamation and effective with respect to goods of Mexico under the terms of general note 12 to the HTS that are entered, or withdrawn from warehouse for consumption, on or after the dates specified in section B of Annex III to this proclamation, the rate of duty in the HTS set forth in such subcolumn followed by the symbol "MX" in parentheses for each of the HTS subheadings enumerated in section B of Annex III to this proclamation is deleted and the rate of duty provided in such section is interested in lieu thereof.

(7) In order to reflect in the HTS the decision that members of the WAEMU should be treated as one country for purposes of title V of the 1974 Act, and to enumerate the member countries, general note 4(a) to the HTS is modified as provided in Annex V to this proclamation.

(8) In order to reflect in the HTS the decision that members of the SADC should be treated as one country for purposes of title V of the 1974 Act, and to enumerate those member countries that should benefit from such designation, general note 4(a) to the HTS is to be modified as set forth in a notice or notices that the USTR shall cause to be published in the *Federal Register*. Such notice or notices should direct the insertion in general note 4(a) of the title of the association and the names of those member countries that should be treated as one country for purposes of title V of the 1974 Act, and should specify the effective date of such designation.

(9) In order to reflect in the HTS the decision that members of the EAC should be treated as one country for purposes of title V of the 1974 Act, and to enumerate those

member countries that should benefit from such designation, general note 4(a) to the HTS is to be modified as set forth in a notice or notices that the USTR shall cause to be published in the *Federal Register*. Such notice or notices should direct the insertion in general note 4(a) of the title of the association and the names of those member countries that should be treated as one country for purposes of title V of the 1974 Act, and should specify the effective date of such designation.

(10) Any provisions of previous proclamations and Executive orders that are inconsistent with the actions taken in this proclamation are superseded to the extent of such inconsistency.

(11)(a) The modifications made by Annex I to this proclamation shall be effective with respect to articles entered, or withdrawn from warehouse for consumption, on or after July 1, 1998.

(b) The action taken in Annex II to this proclamation shall be effective on the date of signature of this proclamation.

(c) The modifications made by Annex III to this proclamation shall be effective with respect to articles entered, or withdrawn from warehouse for consumption, on or after the dates set forth in such Annex.

(d) The modifications made by Annex IV to this proclamation shall be effective with respect to articles entered, or withdrawn from warehouse for consumption, on or after a date to be announced in the *Federal Register* by the USTR.

(e) The modification made by Annex V to this proclamation shall be effective with respect to articles entered, or withdrawn from warehouse for consumption, on or after the date of signature of this proclamation.

In Witness Whereof, I have hereunto set my hand this thirtieth day of June, in the year of our Lord nineteen hundred and ninety-eight, and of the Independence of the United States of America the two hundred and twenty-second.

William J. Clinton

[Filed with the Office of the Federal Register, 8:45 a.m., July 2, 1998]

NOTE: This proclamation was released by the Office of the Press Secretary on July 1, and it was published in the *Federal Register* on July 6.

Remarks to Business Leaders in Shanghai

July 1, 1998

Thank you very much. Thank you. Ladies and gentlemen, thank you for your warm welcome, and let me begin by thanking Charles Wu for inviting me here today. I am honored to be joined not only by Secretary Daley but by Secretary Albright and Ambassador Barshefsky, from whom you have already heard, and the distinguished congressional delegation and our fine Ambassador, Jim Sasser.

It is fitting that the American Chamber of Commerce here in Shanghai is the fastest growing one in Asia. Over the past 24 hours or so, I've had the chance to see examples of the kind of ingenuity and energy of those who live and work here, from the magnificent examples of architecture and culture to the people.

Yesterday I hosted a discussion with a range of Chinese leaders in academia, in law, in the media, in culture, and nongovernmental organizations, all working to create a more responsive, open, decentralized society. And also yesterday some of you may have heard the radio call-in show that I had, where the mayor joined me. It was very much like call-in shows in America. People were concerned about quite immediate issues by and large. My favorite caller said he did not want to talk to the President, he wanted to talk to the mayor about traffic issues. [*Laughter*]

One of the greatest American politicians in the last 50 years, the late Speaker Tip O'Neill, once told all of our Democrats in the House that all politics was local. That's the most extreme expression I've seen in a long time, and I liked it very much.

Later today I will have the opportunity to speak with several new entrepreneurs and to families who have recently moved into their own home for the first time. All of this to me has been very, very encouraging. Many of you have helped to nurture Shanghai's success and in so doing, have helped to nurture China's ongoing evolution to a more open,