



## Modifying the Implementation of the Generalized System of Preferences and the Caribbean Basin Economic Recovery Act

*By the President of the United States of America*

### A Proclamation

1. In Proclamation 5779 of March 23, 1988 (53 FR 9850), the President determined that, under section 802(b) of the Trade Act of 1974 (the Act) (19 U.S.C. 2492(b)), as amended by the Anti-Drug Abuse Act of 1986 (Public Law 99-570, 100 Stat. 3207), Panama had not during the previous year cooperated fully with the United States, and had not taken adequate steps on its own, in preventing narcotic and psychotropic drugs and other controlled substances produced or processed, in whole or in part, in Panama or transported through Panama, from being sold illegally within the jurisdiction of Panama to United States Government personnel or their dependents or from being transported, directly or indirectly, into the United States, and in preventing and punishing the laundering in that country of drug-related profits or drug-related monies. Pursuant to section 802(a) of the Act (19 U.S.C. 2492(a)), the President decided to deny until further notice the preferential tariff treatment under the Generalized System of Preferences (GSP) and the Caribbean Basin Economic Recovery Act (CBERA) previously afforded to articles that were eligible for such treatment and that were imported from Panama.

2. I have determined, pursuant to section 802(b)(1) of the Act, that the Government of Panama is taking adequate steps to prevent such drugs and other controlled substances from being sold illegally within its own jurisdiction to United States Government personnel or their dependents or from being transported, directly or indirectly, into the United States, and to prevent and punish the laundering in that country of drug-related profits or drug-related monies. Pursuant to section 802(b)(1)(A) of the Act, I have certified this determination to the Congress after considering the factors enumerated in section 802(b)(2) of the Act.

3. Under section 103 of the Urgent Assistance for Democracy in Panama Act of 1990 (Public Law 101-243), the conditions specified in section 802(b)(4)(B) of the Act are deemed to be satisfied with respect to the denial to articles imported from Panama of preferential treatment under the GSP and the CBERA pursuant to Proclamation 5779 of March 23, 1988.

4. Accordingly, under the terms of sections 802(b)(1)(A) and 802(b)(4)(B) of the Act, I have decided to restore the preferential tariff treatment under the GSP and the CBERA to articles that are currently eligible for such treatment and that are imported from Panama.

5. Section 604 of the Act (19 U.S.C. 2483) confers authority upon the President to embody in the Harmonized Tariff Schedule of the United States (HTS) the relevant provisions of that Act, of other acts affecting import treatment, and of actions taken thereunder.

NOW, THEREFORE, I, GEORGE BUSH, 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 but not limited to sections 604 and 802 of the Act, and section 103 of the Urgent Assistance for Democracy in Panama Act of 1990, do proclaim that:

(1) General note 3(c)(ii)(A) to the HTS is modified by inserting "Panama" in alphabetical sequence in the enumeration of independent countries eligible for benefits under the GSP.

(2) General note 3(c)(v)(A) to the HTS is modified by inserting "Panama" in alphabetical sequence in the enumeration of designated beneficiary countries whose products are eligible for preferential treatment under the CBERA.

(3) This proclamation shall be effective with respect to articles both: (a) imported on or after January 1, 1976, and (b) entered, or withdrawn from warehouse for consumption, on or after the 15th day following the date of publication of this proclamation in the **Federal Register**.

IN WITNESS WHEREOF, I have hereunto set my hand this twenty-eighth day of February, in the year of our Lord nineteen hundred and ninety, and of the Independence of the United States of America the two hundred and fourteenth.

Handwritten signature of George H. W. Bush in cursive.