

DECLASSIFIED

E.O. 12958, as amended, Sect 3.5

NSC/Soubers to Smith 09/04/2002

By LR Date 01/30/07

NATIONAL SECURITY COUNCIL

WASHINGTON, D.C. 20506

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National Security Study Memorandum 48

TO:           The Secretary of State  
              The Secretary of the Treasury  
              The Secretary of Agriculture  
              The Secretary of Commerce  
              The Secretary of Labor  
              The Director of the Bureau of the Budget  
              The Chairman of the Council of Economic Advisers  
              The Special Representative for Trade Negotiations  
              The Administrator of the Agency for International  
                  Development


SUBJECT:     Tariff Preferences for Less Developed Countries

The President has directed the preparation of a paper on U. S. policy toward generalized tariff preferences for the less developed countries (LDCs). The paper should deal with their economic costs and benefits to the LDCs, their economic costs and benefits to the U. S. and to the other countries extending preferences, and to their effects on political relations among the U. S., the other industrialized countries, and the LDCs in both the short and longer terms. The economic analyses should take account of different durations of time during which preferences might be in effect and should also take account of the possible development of new export products in LDCs as well as increases in their exports of products already being sold abroad.

These analyses should be done in terms of various possible preference arrangements, ranging from a comprehensive scheme with no or few derogations from the basic principle to a quite restrictive package which would fully reflect the domestic sensitivity of various industries in both the U. S. and other industrialized countries. The economic and political analyses should also cover the effects on the LDCs, on the U.S., and on the other countries extending preferences of changes in present practices which the U. S. or others might insist upon in moving to a generalized preferences scheme, such as preferences extended by certain LDCs to certain industrialized countries (reverse preferences) and preferences extended selectively by certain industrialized countries to certain LDCs.

The President has directed that the paper be prepared by the NSC Ad Hoc Group created by NSSM 16. It should be submitted by June 1.

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Henry A. Kissinger