A RESOLUTION

Expressing the dismay and concern of the FSM Congress at the recent action of the United States Treasury Department to change General Headnote 3(a) regulations which will restrict the ability of the Federated States of Micronesia to export manufactured clothing into the United States during the period of the Compact of Free Association.

WHEREAS, the Federated States of Micronesia has negotiated and ratified an international treaty with the United States titled the Compact of Free Association; and

WHEREAS, pursuant to article IV, section 242, the United States agreed that for the purpose of assessing duties on products imported into the customs territory of the United States the Federated States of Micronesia would be treated as if it were an insular possession of the United States within the meaning of General Headnote 3(a) of the Tariff Schedules of the United States; and

WHEREAS, the Federated States of Micronesia, throughout its future status negotiations with the United States and until today, has looked upon the General Headnote 3(a) provision in the Compact of Free Association as one of the major economic attractions of the Compact; and

WHEREAS, if the United States Treasury Department can, with only minimal notice, markedly restrict the ability of the Federated States of Micronesia to export manufactured clothing into the United States pursuant to General Headnote 3(a), a justified fear exists that other economic products and/or merchandise exported from the Federated States of Micronesia into the United States might suffer similar treatment at the hands of the United States Treasury Department; and

WHEREAS, it is the sense of the FSM Congress that economic developments such as this contrast rather unfavorably with the rhetoric and policy of the present United States administration which seeks to encourage more private sector growth and less government sector growth; and

WHEREAS, it is the sense of the FSM Congress that if this particular
Treasury Department regulation change is permitted to go into effect if it could mark the beginning of successive regulation changes which would result in the nullification of section 242 of the Compact of Free Association; now, therefore,

BE IT RESOLVED by the Third Congress of the Federated States of Micronesia, Third Special Session, 1984, that the Congress hereby expresses its dismay and concern at the recent action of the United States Treasury Department to change General Headnote 3(a) regulations which will restrict the ability of the Federated States of Micronesia to export manufactured clothing into the United States during the period of the Compact of Free Association; and

BE IT FURTHER RESOLVED that certified copies of this resolution be transmitted to President Ronald Reagan, Ambassador Fred Zeder, Assistant Secretary Richard Montoya, President Tonyo Nakayama, President Haruo Remelik, President Aman Kampa, Governor Ricardo Bordallo, and Governor Pedro Tenorio.

Date: 8/10/84