

BOB DOLE



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FOR IMMEDIATE RELEASE:
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DOLE, KASSEBAUM URGE PRESIDENT TO MAKE BRAZILIAN AIRCRAFT AND PARTS INELIGIBLE FOR INVESTMENT TAX CREDITS

WASHINGTON-- Kansas Senators Bob Dole and Nancy Landon Kassebaum today wrote President Carter urging him to make aircraft and parts produced in Brazil ineligible for investment tax credits. They cited the fact that Brazil has imposed restrictions on the importation of U.S. aircraft, and said that the President has the authority to rule on the matter under section 48 (a) (7) (D) of the Internal Revenue Code.

Dole and Kassebaum were joined by Texas Senators Lloyd Bentsten and John Tower, Ohio Senators Howard Metzenbaum and John Glenn, and New Jersey Senator Harrison Williams.

"This issue is particularly important to Kansas because of the severe unemployment in our aircraft industry. More than 5,000 Kansans are laid-off or out of work completely," said Dole. "I believe it is time to strongly protest what amounts to an unfair practice on the part of the Brazilians. Their aircraft enter duty free, while we have been denied access to their market since 1975. This issue has been subject to negotiations for quite some time. A meeting is in fact scheduled between representatives of our two nations for August 14. Perhaps we can get the President to send a clear message that we will not stand idly by while they take away our markets," said Dole.

ABRAHAM RIBICOFF, CONN.
HARRY F. BYRD, JR., W. VA.
GAYLORD NELSON, WIS.
MIKE GRAVEL, ALASKA
LLOYD BENTSEN, TEX.
SPARK M. MATSUNAGA, HAWAII
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MAX BAUCUS, MONT.
DAVID L. BOREN, OKLA.
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JOHN H. CHAFFEE, R.I.
JOHN HEINZ, PA.
MALCOLM WALLOP, WYO.
DAVID DURENBERGER, MINN.

United States Senate

COMMITTEE ON FINANCE
WASHINGTON, D.C. 20510

MICHAEL STERN, STAFF DIRECTOR
ROBERT E. LIGHTHIZER, CHIEF MINORITY COUNSEL

July 29, 1980

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

Since 1974 the Republic of Brazil has effectively limited the quantities of general aviation aircraft which can be imported from the United States. These quantitative restrictions appear to be contrary to the General Agreement on Tariffs and Trade to which Brazil has acceded. They are also contrary to the purpose of the Trade Agreements Act of 1979 to promote the growth and maintenance of an open world trading system and expanded opportunities for the commerce of the United States in international trade.

As you are aware, the Trade Agreements Act implemented the Agreement on Trade in Civil Aircraft. As a result, civil aircraft and parts imported from countries entitled to column 1 rate treatment, including Brazil, enter the United States free of duty and without quantitative restrictions.

Imports of aircraft from Brazil are now increasing at a time when the domestic aircraft industry has thousands of unemployed workers. The domestic industry clearly needs assistance to insure that it has the ability to take advantage of legitimate export opportunities and to insure that access to existing markets is maintained.

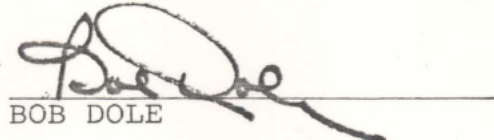
Pursuant to Public Law 92-178 and section 48(a)(7)(D) of the Internal Revenue Code you are authorized to deny eligibility for investment tax credit to articles manufactured or produced in a country which is unjustifiably restricting United States commerce. Since the Government of Brazil is restricting United States commerce while at

the same time taking full advantage of the opportunities afforded by trade concessions, it is requested that you exercise immediately your authority to deny eligibility for investment tax credits to aircraft and parts manufactured or produced in Brazil.


Sincerely yours,



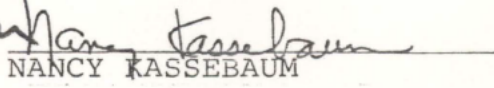
LLOYD BENTSEN



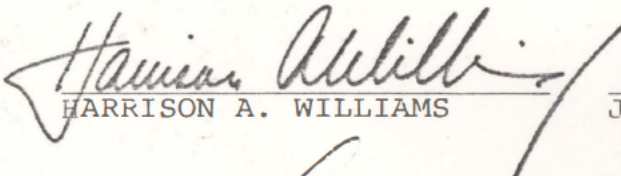
BOB DOLE



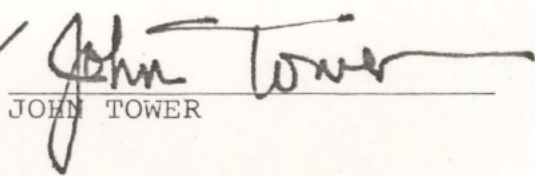
HOWARD METZENBAUM



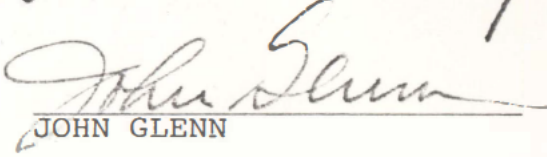
NANCY KASSEBAUM



HARRISON A. WILLIAMS



JOHN TOWER



JOHN GLENN