

The original documents are located in Box 11, folder “Steel Price Adjustments” of the Richard B. Cheney Files at the Gerald R. Ford Presidential Library.

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CLASSIFICATION

FROM: *RICHARD CHENEY*
TO: *DONALD RUMSFELD*

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THE WHITE HOUSE
WASHINGTON

December 23, 1974

NOTE FOR DONALD RUMSFELD

FROM: RICHARD B. CHENEY

The attached is for the President.



THE WHITE HOUSE

WASHINGTON

December 23, 1974

MEMORANDUM FOR THE PRESIDENT

FROM: L. WILLIAM SEIDMAN

I have reviewed the proposed price adjustment and believe that it is a good settlement of the issue. I think Mr. Rees should announce it is a satisfactory settlement after the adjustment is made by U.S. Steel. I believe the President's statement should be that he is pleased with the work that was done by the Council on Wage and Price Stability and the attitude of U.S. Steel in making this rollback.

We will need to know promptly whether this is a satisfactory way to handle.

Attachment



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THE WHITE HOUSE

WASHINGTON

December 23, 1974

MEMORANDUM FOR L. WILLIAM SEIDMAN

FROM: ALBERT REES (dictated over the telephone)

I met this morning in the Farles Works with Messrs. William Whyte and Edgar Speer. We reached an agreement on rolling back some of the price increases announced by U.S. Steel last week. The specific items agreed to are as follows:

	<u>Announced Increases</u> (Per Ton)	<u>New Increases</u> (Per Ton)
Tin mill products.....	\$13.50	\$20
Rails.....	\$20.00	\$15
Carbon plates.....	\$21.00	\$15
Structural steel.....	\$26.00	\$20
Semi-finished steel...	\$18.00	\$16

The Corporation also agreed that its prices will not be increased again for six months following the effective date of the last increase which was December 18, 1974. The new prices are to be announced by the Corporation on Tuesday, December 24. Until then, the position of the Council on Wage and Price Stability is that it is studying the information furnished by the Corporation. The rollback amounts to roughly 16 percent of the announced price increases when weighted by U.S. Steel Corporation volume. Sixty percent of the announced price increases represents catching up with prices of the other producers. No rollback is being made in the prices of pipes and tubes or rods or bars. No price increases were announced for flat rolled products other than tin plate. The percent figures given above are confidential and will remain confidential even after the price rollbacks have been announced.



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