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THE SPECIAL REPRESENTATIVE FOR
TRADE NEGOTIATIONS
WASHINGTON

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March 1, 1976

MEMORANDUM FOR THE PRESIDENT

FROM: Ambassador Frederick B. Dent



SUBJECT: Recommended Action on Specialty Steel

Attached is a decision memorandum prepared on behalf of the Trade Policy Committee. The majority of the Committee favors the third option -- that you announce on March 16 your decision in favor of import relief in the form of international agreements, but if agreements are not successfully concluded by mid-June, quotas would then be imposed for a three-year period.

The purpose of announcing on March 16 your intention to impose quotas in June is to give the industry and Congress sufficient assurance that import restrictions will be imposed in order to minimize the risk of Congressional override.

An alternative to consider, however, is limiting your announcement on March 16 to the fact that you will grant import relief and stating that you have directed that orderly marketing agreements for a three year period be sought. You can delay the quota announcement until mid-June. The advantage of delay would be to cause less damage to our international economic relations, because we would not be publicly threatening the supplying countries with U.S.-unilaterally imposed restrictions.

A number of potential U.S. trade restrictive actions happen to be pending at the same time. This is causing great apprehension abroad over the direction of our trade policy. While each case must be decided on its merits, taken together they represent a commercial problem of great magnitude for our trading partners. There are four import relief cases pending -- specialty steel (\$200 million), asparagus (\$7 million), shoes (\$1.2 billion) and stainless steel flatware (\$11 million). A series of antidumping cases are pending involving \$7.5 billion of U.S. automobile imports alone. A countervailing duty case against the European value added tax remission policy is currently being litigated. A series

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By KBH, NARA, Date 7/29/93

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of Section 301 unfair trade cases have also been filed against EC agricultural practices.

The cumulative effect of these trade actions will be very difficult to contend with in maintaining constructive relationships with our trading partners. I will seek to provide you with realistic options.

If you elect not to announce the specialty steel quotas initially, I recommend that you authorize Bill Seidman or me to privately inform representatives of the industry, labor and Congress of your decision for action in the event negotiations fail.

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