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THE WHITE HOUSE

WASHINGTON

June 30, 1976

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR: BRENT SCOWCROFT

FROM: JAMES E. CONNOR *JEC*

SUBJECT: Import Relief for the Specialty Steel Industry

The President reviewed your memorandum of June 12 concerning a joint memorandum from Secretary Kissinger and Secretary Simon on the above subject and made the following decisions:

Recommendation #1 - Disapproved taking the action suggested by Secretary Kissinger and Secretary Simon.

Recommendation #2 - Approved raising this matter later in the summer when the industry will be stronger than it is today.

Please follow-up with appropriate action.

cc: Dick Cheney
Bill Seidman

THE WHITE HOUSE

WASHINGTON

June 30, 1976

MR PRESIDENT:

Import Relief for the Specialty Steel
Industry

On June 12 Brent Scowcroft prepared the attached memorandum concerning a joint memorandum from Secretary Kissinger and Secretary Simon on the Specialty Steel Escape Clause Case.

Messrs. Buchen, Cannon, Friedersdorf, Marsh and Lynn all recommended option 2 - "Raise this matter later in the Summer when the industry will be stronger than it is today." Some specific comments made were:

Phil Buchen (Schmults) "I recommend that the President not take any action for a month or so."

Jim Cannon (Leach) "It would seem that an announcement after the San Juan Summit might make sense as a concrete step toward free trade coming out of the "close consultations" with the major industrial nations."

Jim Lynn (O'Neill) "Since the threat of a congressional override will remain until mid-September, OMB recommends that termination of import relief not be reviewed until later this summer."

Bill Seidman recommends that we make use of the monitoring system being put in place to watch the industry closely for a month or two. If the industry's recovery is confirmed, then I would support taking the additional actions at an appropriate time." Detailed comments supporting this recommendation are at TAB B.

Jim Connor

THE WHITE HOUSE
WASHINGTONCONFIDENTIAL/GDSACTION

June 12, 1976

MEMORANDUM FOR: THE PRESIDENT

FROM: BRENT SCOWCROFT. 

SUBJECT: Import Relief for the Specialty Steel Industry

At Tab A is a joint memorandum from Secretaries Kissinger and Simon concerning the specialty steel escape clause case.

You have already approved the entry into force of an orderly marketing arrangement (OMA) with Japan and an import restraint program for shipments of specialty steel from other foreign suppliers. Ambassador Dent will sign the OMA on June 11, and a formal announcement of the details of the import relief program will follow shortly thereafter.

The memo expresses regret that this action, flowing from the ITC decision, was necessary, particularly in view of the apparently strong performance of our domestic industry in the first quarter of 1976. State and Treasury believe, however, that we can take certain steps to minimize the likely adverse impact at home and abroad. In that regard, they recommend that in announcing your decision to establish import quotas you also mention that you intend to terminate those controls as soon as conditions warrant. Specifically, they propose that you take the following actions:

- instruct the Secretaries of Commerce and Labor to review conditions in the domestic industry to determine whether elimination of the controls would be in the national interest;
- seek the International Trade Commission's (ITC) advice by August 15 as to the potential economic impact on the domestic industry of a decision to terminate import relief. Both of these steps meet the legal requirements for terminating the restrictions.

CONFIDENTIAL/GDS

KR 5/13/76

If the data received from Commerce and Labor indicate that the industry has substantially recovered from last year's depressed level -- and statistics we have received recently on company profits and domestic shipments indicate that it has -- you could lift the import quotas, possibly by this fall. Termination of the restrictions would not be subject to Congressional override under the Trade Act. While there might be some criticism by those Congressmen who originally supported import relief, as well as the interested unions and firms, there would probably also be support for the action by consumer groups and those who would recognize it as a step to avoid new inflationary pressure in the industry.

As you know, our trading partners were highly critical of the initial decision to provide relief to the domestic specialty steel industry. They argued then, as now, that the recession, not imports, caused the decline in domestic production. Thus they viewed our action as a protectionist device contrary to the spirit of Rambouillet and inconsistent with the OECD trade pledge. However, your decisions in the footwear and other escape clause cases and Treasury's discontinuance of the automobile anti-dumping investigation have shown that economic considerations, rather than protectionist pressures, guide our activities in the area of international trade. By taking the actions recommended by Secretary Kissinger and Secretary Simon, you would further underscore your commitment to a more open world economy and avoid having specialty steel become a possible issue at the forthcoming Puerto Rican summit.

I endorse the Kissinger/Simon recommendations, as does CEA.

If you felt, however, that it would be somewhat embarrassing for you to announce this week actions intended to reverse a decision which you are only just implementing, you could probably hold off for a month or so. The foreign policy cost of such a delayed announcement should be manageable, especially in light of your highly constructive decision on shoes, and the auto anti-dumping action taken by Treasury.

RECOMMENDATION

1. That at the same time you announce your decision to impose quotas on specialty steel imports you also take the actions suggested by

Secretary Kissinger and Secretary Simon.

WRC

APPROVE _____ DISAPPROVE _____

2. That if you decide not to take this action now, we raise this matter later in the summer, when the industry will be stronger than it is today.

APPROVE *WRC* _____ DISAPPROVE _____

June 5, 1976

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Your Decision to Provide Import Relief for the
Specialty Steel Industry

Ambassador Dent has reported to you his efforts to negotiate orderly marketing arrangements covering specialty steel imports, as you directed in your March 16th decision on this important escape clause case. Since your decision, however, we believe that important changes have occurred in the economic condition of the industry in line with our rapid economic recovery.

For this reason, we would recommend that you not impose any import restrictions on specialty steel. However, we understand that such an action would not be legal. Therefore, we propose a series of steps to terminate the restraints as soon as possible.

We recommend that you announce the following actions at the same time that you announce your decision on import restraints:

1. That you instruct the Secretaries of Commerce and Labor to report by August 15 on the state of production and employment in the specialty steel industry and whether termination of restrictions is in the national interest.
2. That at the same time you request the International Trade Commission's advice by August 15, as to the probable economic effect on the industry of terminating import relief. Both these steps meet the legal requirement for terminating the restrictions. However, you should know that you are not bound, under the law, by the advice you receive.
3. On the basis of this data about the condition of the industry, which we expect will continue to reflect general domestic economic recovery, you will be free to terminate this import relief program at an appropriate time in the fall. Termination of the restrictions would not be subject to Congressional override under the Trade Act.

These actions would be consistent with your March 16th decisions.

This recommendation is based upon the following factors:

The Industry's Recovery

The adverse impact of the import restraint is intensified by the fact that the specialty steel industry is recovering fast from its cyclical downturn of 1974-75.

A bright signal of recovery came within days after your March decision.

On March 18, in its Annual Report for 1975, the Allegheny Ludlum Corporation, the largest of the specialty steel firms and the leader of the industry-union drive for import barriers, announced that 1975 earnings were better than in most years over the last decade and that, as a result, its dividend would be increased by 30 cents, to \$1.80 per share.

This specific company example received industry-wide corroboration in early May, when the American Iron and Steel Institute published data showing the strength of the specialty steel industry's recovery.

The industry's vigorous recovery from the recession is demonstrated in the attached table A. It shows that shipments in the first quarter of 1976 were 57 percent greater than during the 1975 recession trough, and were 30 percent above the 1975 average of shipments. Imports in the first quarter of 1976 were 17 percent less than the first quarter of 1975, even though we believe 1976 imports are inflated by efforts to import steel before restraints would be imposed in June.

During such a period of market expansion, import restraints can lead to physical shortages, to inflation and to market distortions.

World Opinion

The second factor is domestic and international opinion. Editorial reaction in the United States was strongly critical of the March 16th decision. We were deeply impressed as well by the adverse, sustained, world-wide reaction. It was widely perceived that the U.S. specialty steel industry was suffering not from import competition but from the effects of the cyclical downturn that had generally hurt industry throughout the world.

The decision was seen as contrary to our commitment at Rambouillet and to the spirit of the OECD Trade Pledge, and world reaction was therefore predictably hostile. This hostility was expressed in a number of forums. When U.S. representatives presented the U.S. decision to our developed country partners in the OECD they were met with sharp criticism. The decision was also received with concern by developing countries (e.g., Brazil, Argentina, Korea) who saw it as inconsistent with the often-expressed U.S. commitment to facilitate their access to open U.S. markets.

Juxtaposed to nearly universal criticism of the steel decision is the overwhelmingly positive reception that greeted your decision in the shoe case -- a decision reinforced by your decisions on stainless steel flatware and ceramic tableware. The shoe decision was correctly greeted as sound and courageous. These decisions, in combination with the decision on autos, reversed a swelling fear that the United States was about to turn protectionist in a pre-election atmosphere of intense political pressure.

In retrospect we are able to assess just how important these decisions have been to the world economy and to political relationships with some of our most important developed and developing country friends. Announcement of steps toward rapid termination of specialty steel restraints would demonstrate conclusively our commitment to an open world trading system on the eve of the San Juan Summit.

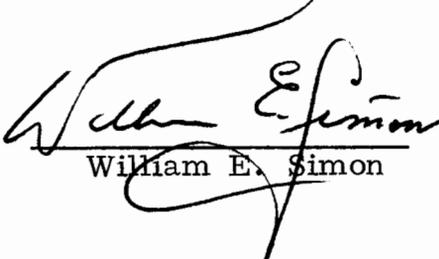
Recommendation

We have been advised that you are legally committed to take restraint action on specialty steels. We regret the necessity of this action. We believe that the program we propose will minimize its adverse impact, and will maintain the momentum that your other decisions have created toward a more open world trading system.

NSC and CEA concur in this memorandum.

Approve _____

Disapprove _____



William E. Simon



Henry A. Kissinger

Specialty Steel: Net U.S. Producer Shipments
and Imports by Quarter I '75 - I '76
(1,000 tons)

	<u>I '75</u>	<u>II '75</u>	<u>III '75</u>	<u>IV '75</u>	<u>I '76</u>	
Shipments	206.1	147.9	165.2	184.0	232.4	(57% above trough)
Imports	50.3	36.9	32.9	33.5	41.7	(17% below 1st quarter 1975)

Source:
American Iron & Steel Institute
May 17, 1976

THE WHITE HOUSE

WASHINGTON

CONFIDENTIAL/GDS

MEMORANDUM FOR: JAMES E. CONNOR
FROM: L. WILLIAM SEIDMAN *lws*
SUBJECT: Brent Scowcroft's memorandum of June 12, 1976, re Import Relief for the Specialty Steel Industry

In their June 5 memorandum Secretaries Simon and Kissinger regret that the President is legally committed to take restraint action on specialty steel imports. They recommend that at the time the President announces his decision on import restraints, he also announce several actions to minimize that decision's adverse impact and maintain the momentum that the President's other decisions have created toward a more open world trading system. The President did not announce these additional recommended actions on June 11 when he announced his decision on import restraints.

Secretaries Simon and Kissinger offer a number of good economic and political reasons why the President should indicate his intention to terminate import restraints as soon as conditions warrant. There are, however, several good arguments for not announcing such intentions at this time. These arguments are presented in the memorandum from Ambassador Yeutter attached at Tab C.

I share the regret of Secretaries Simon and Kissinger that the President was legally committed to take restraint action. However, given that the President has just taken such action and that Ambassador Yeutter's memorandum raises some questions about the industry's recovery, I believe it would be unwise to make the additional announcements at this time.

I recommend that we make use of the monitoring system being put in place to watch the industry closely for a month or two. If the industry's recovery is confirmed, then I would support taking the additional actions at an appropriate time.

Attachment

CONFIDENTIAL/GDS

KR 5/17/76

C

DEPUTY SPECIAL REPRESENTATIVE FOR TRADE NEGOTIATIONS

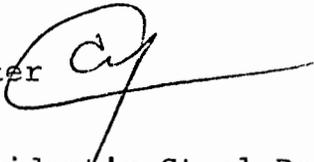
EXECUTIVE OFFICE OF THE PRESIDENT

WASHINGTON, D.C. 20506

202-395-5114

JUN 1970

MEMORANDUM TO THE HONORABLE L. WILLIAM SEIDMAN

FROM : Clayton K. Yeutter 

SUBJECT: Undoing the President's Steel Decision

Secretaries Kissinger and Simon have recommended that the President state, at the time that the specialty steel import relief is announced this Friday, that he is requesting advice from the U.S. International Trade Commission that would enable the President to terminate the import relief within two months. We believe that a request of this kind, at this time, would be a grievous error.

An important factor in the specialty steel decision is the presence of a threat of a Congressional override through approximately mid-September. A recommendation was made to the President to grant import relief, because it was felt that Presidential inaction would result in an override, and the imposition of the USITC-recommended five-year program of import quotas. The request for a new report within 60 days to allow reduction or termination of the import relief, could easily lead to a Congressional challenge of the President's decision. Such a request would pose a substantial risk of mobilizing the steel industry, the Steel Workers Union, and the AFL-CIO leadership to press for an override, which requires only a simple majority vote in both Houses.

Not only would the request for termination advice likely result in the President's decision being overturned, but it would remove any credit that the President would have earned with the Congress and the affected industry for being responsive to the needs of an industry injured by imports. The positive effects of providing relief would thus be removed, while the international reaction would change little, if any, because import quotas would still be put into effect on June 14. (We expect some rhetoric, but not a harsh reaction, internationally in any case.)

The President always has the authority to request advice from the U.S. International Trade Commission re the possible reduction or termination of import relief. An extensive monitoring system is being put into place so that the Executive Branch can closely follow the recovery of the industry. If the economic situation warrants, an interagency or Presidential decision can result in a request for USITC advice later in the year, when further economic data on the industry is available.

While the domestic industry is recovering, the improvement is confined primarily to stainless steel sheet and strip. Plate shipments have declined from 1975 levels. While bar, rod, and tool steel shipments have increased somewhat from 1975 levels, they are at 65, 52, and 64 percent, respectively, of 1974 average levels. The Department of Labor informs us that there is no evidence that substantial numbers of laid-off specialty steel workers have been re-hired. Unemployment was 25 percent earlier this year.

It should also be noted that imports of specialty steel products have increased over the 1975 levels that the President found injurious. While it is true that first quarter 1976 imports are below the figures for the first quarter of 1975, they are above 1975 average levels. In addition, this trend may be accelerating since March imports were very substantially above monthly imports for 1975.

In other words, there is little, if any reason, from an economic standpoint to alter the President's decision of 90 days ago. And there certainly is no political reason for doing so. In our judgment, any additional credits that such an alteration might gain on the foreign policy front are minimal in comparison to the negatives on the domestic front.

STAFFING

June 30, 1976

MR PRESIDENT:

Import Relief for the Specialty Steel
Industry

On June 12 Brent Scowcroft prepared the attached memorandum concerning a joint memorandum from Secretary Kissinger and Secretary Simon on the Specialty Steel Escape Clause Case.

Messrs. Buchen, Cannon, Friedersdorf, Marsh and Lynn all recommended option 2 - "Raise this matter later in the Summer when the industry will be stronger than it is today." Some specific comments made were:

Phil Buchen (Schmults) "I recommend that the President not take any action for a month or so."

Jim Cannon (Leach) "It would seem that an announcement after the San Juan Summit might make sense as a concrete step toward free trade coming out of the "close consultations" with the major industrial nations."

Jim Lynn (O'Neill) "Since the threat of a congressional override will remain until mid-September, OMB recommends that termination of import relief not be reviewed until later this summer."

Bill Seidman recommends that we make use of the monitoring system being put in place to watch the industry closely for a month or two. If the industry's recovery is confirmed, then I would support taking the additional actions at an appropriate time." Detailed comments supporting this recommendation are at TAB B.

Jim Connor

THE WHITE HOUSE
WASHINGTONCONFIDENTIAL/GDSACTION

June 12, 1976

MEMORANDUM FOR: THE PRESIDENT

FROM: BRENT SCOWCROFT. *BS*

SUBJECT: Import Relief for the Specialty
Steel Industry

At Tab A is a joint memorandum from Secretaries Kissinger and Simon concerning the specialty steel escape clause case.

You have already approved the entry into force of an orderly marketing arrangement (OMA) with Japan and an import restraint program for shipments of specialty steel from other foreign suppliers. Ambassador Dent will sign the OMA on June 11, and a formal announcement of the details of the import relief program will follow shortly thereafter.

The memo expresses regret that this action, flowing from the ITC decision, was necessary, particularly in view of the apparently strong performance of our domestic industry in the first quarter of 1976. State and Treasury believe, however, that we can take certain steps to minimize the likely adverse impact at home and abroad. In that regard, they recommend that in announcing your decision to establish import quotas you also mention that you intend to terminate those controls as soon as conditions warrant. Specifically, they propose that you take the following actions:

- instruct the Secretaries of Commerce and Labor to review conditions in the domestic industry to determine whether elimination of the controls would be in the national interest;
- seek the International Trade Commission's (ITC) advice by August 15 as to the potential economic impact on the domestic industry of a decision to terminate import relief. Both of these steps meet the legal requirements for terminating the restrictions.

CONFIDENTIAL/GDS

KR 5/17/66

If the data received from Commerce and Labor indicate that the industry has substantially recovered from last year's depressed level -- and statistics we have received recently on company profits and domestic shipments indicate that it has -- you could lift the import quotas, possibly by this fall. Termination of the restrictions would not be subject to Congressional override under the Trade Act. While there might be some criticism by those Congressmen who originally supported import relief, as well as the interested unions and firms, there would probably also be support for the action by consumer groups and those who would recognize it as a step to avoid new inflationary pressure in the industry.

As you know, our trading partners were highly critical of the initial decision to provide relief to the domestic specialty steel industry. They argued then, as now, that the recession, not imports, caused the decline in domestic production. Thus they viewed our action as a protectionist device contrary to the spirit of Rambouillet and inconsistent with the OECD trade pledge. However, your decisions in the footwear and other escape clause cases and Treasury's discontinuance of the automobile anti-dumping investigation have shown that economic considerations, rather than protectionist pressures, guide our activities in the area of international trade. By taking the actions recommended by Secretary Kissinger and Secretary Simon, you would further underscore your commitment to a more open world economy and avoid having specialty steel become a possible issue at the forthcoming Puerto Rican summit.

I endorse the Kissinger/Simon recommendations, as does CEA.

If you felt, however, that it would be somewhat embarrassing for you to announce this week actions intended to reverse a decision which you are only just implementing, you could probably hold off for a month or so. The foreign policy cost of such a delayed announcement should be manageable, especially in light of your highly constructive decision on shoes, and the auto anti-dumping action taken by Treasury.

RECOMMENDATION

1. That at the same time you announce your decision to impose quotas on specialty steel imports you also take the actions suggested by

Secretary Kissinger and Secretary Simon.

APPROVE _____ DISAPPROVE _____

2. That if you decide not to take this action now, we raise this matter later in the summer, when the industry will be stronger than it is today.

APPROVE _____ DISAPPROVE _____

June 5, 1976

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Your Decision to Provide Import Relief for the Specialty Steel Industry

Ambassador Dent has reported to you his efforts to negotiate orderly marketing arrangements covering specialty steel imports, as you directed in your March 16th decision on this important escape clause case. Since your decision, however, we believe that important changes have occurred in the economic condition of the industry in line with our rapid economic recovery.

For this reason, we would recommend that you not impose any import restrictions on specialty steel. However, we understand that such an action would not be legal. Therefore, we propose a series of steps to terminate the restraints as soon as possible.

We recommend that you announce the following actions at the same time that you announce your decision on import restraints:

1. That you instruct the Secretaries of Commerce and Labor to report by August 15 on the state of production and employment in the specialty steel industry and whether termination of restrictions is in the national interest.
2. That at the same time you request the International Trade Commission's advice by August 15, as to the probable economic effect on the industry of terminating import relief. Both these steps meet the legal requirement for terminating the restrictions. However, you should know that you are not bound, under the law, by the advice you receive.
3. On the basis of this data about the condition of the industry, which we expect will continue to reflect general domestic economic recovery, you will be free to terminate this import relief program at an appropriate time in the fall. ~~Termination of the restrictions would not be subject to~~ Congressional override under the Trade Act.

These actions would be consistent with your March 16th decisions.

This recommendation is based upon the following factors:

The Industry's Recovery

The adverse impact of the import restraint is intensified by the fact that the specialty steel industry is recovering fast from its cyclical downturn of 1974-75.

A bright signal of recovery came within days after your March decisions.

On March 18, in its Annual Report for 1975, the Allegheny Ludlum Corporation, the largest of the specialty steel firms and the leader of the industry-union drive for import barriers, announced that 1975 earnings were better than in most years over the last decade and that, as a result, its dividend would be increased by 30 cents, to \$1.80 per share.

This specific company example received industry-wide corroboration in early May, when the American Iron and Steel Institute published data showing the strength of the specialty steel industry's recovery.

The industry's vigorous recovery from the recession is demonstrated in the attached table A. It shows that shipments in the first quarter of 1976 were 57 percent greater than during the 1975 recession trough, and were 30 percent above the 1975 average of shipments. Imports in the first quarter of 1976 were 17 percent less than the first quarter of 1975, even though we believe 1976 imports are inflated by efforts to import steel before restraints would be imposed in June.

During such a period of market expansion, import restraints can lead to physical shortages, to inflation and to market distortions.

World Opinion

The second factor is domestic and international opinion. Editorial reaction in the United States was strongly critical of the March 16th decision. We were deeply impressed as well by the adverse, sustained, world-wide reaction. It was widely perceived that the U.S. specialty steel industry was suffering not from import competition but from the effects of the cyclical downturn that had generally hurt industry throughout the world.

The decision was seen as contrary to our commitment at Rambouillet and to the spirit of the OECD Trade Pledge, and world reaction was therefore predictably hostile. This hostility was expressed in a number of forums. When U.S. representatives presented the U.S. decision to our developed country partners in the OECD they were met with sharp criticism. The decision was also received with concern by developing countries (e.g., Brazil, Argentina, Korea) who saw it as inconsistent with the often-expressed U.S. commitment to facilitate their access to open U.S. markets.

Juxtaposed to nearly universal criticism of the steel decision is the overwhelmingly positive reception that greeted your decision in the shoe case -- a decision reinforced by your decisions on stainless steel flatware and ceramic tableware. The shoe decision was correctly greeted as sound and courageous. These decisions, in combination with the decision on autos, reversed a swelling fear that the United States was about to turn protectionist in a pre-election atmosphere of intense political pressure.

In retrospect we are able to assess just how important these decisions have been to the world economy and to political relationships with some of our most important developed and developing country friends. Announcement of steps toward rapid termination of specialty steel restraints would demonstrate conclusively our commitment to an open world trading system on the eve of the San Juan Summit.

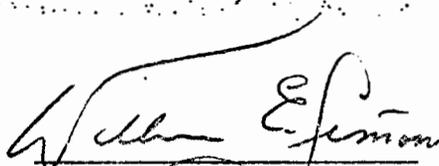
Recommendation

We have been advised that you are legally committed to take restraint action on specialty steels. We regret the necessity of this action. We believe that the program we propose will minimize its adverse impact, and will maintain the momentum that your other decisions have created toward a more open world trading system.

NSC and CEA concur in this memorandum.

Approve _____

Disapprove _____



William E. Simon



Henry A. Kissinger

Specialty Steel: Net U. S. Producer Shipments
and Imports by Quarter I '75 - I '76
(1,000 tons)

	<u>I '75</u>	<u>II '75</u>	<u>III '75</u>	<u>IV '75</u>	<u>I '76</u>	
Shipments	206.1	147.9	165.2	184.0	232.4	(57% above trough)
Imports	50.3	36.9	32.9	33.5	41.7	(17% below 1st quarter 1975)

Source:
American Iron & Steel Institute
May 17, 1976

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: June 12, 1976

Time:

FOR ACTION:

cc (for information):

- ✓ Phil Buchen
- ✓ Jim Cannon
- ✓ Max Friedersdorf
- ✓ Bill Seidman
- ✓ Jack Marsh
- ✓ Jim Lynn

FROM THE STAFF SECRETARY

DUE: Date: Tuesday, June 15 Time: 10 A.M.

SUBJECT:

Brent Scowcroft's memorandum 6/12/76 re Import Relief for the Specialty Steel Industry

ACTION REQUESTED:

- For Necessary Action
- For Your Recommendations
- Prepare Agenda and Brief
- Draft Reply
- For Your Comments
- Draft Remarks

REMARKS:

NSC is aware that the President's decision to impose quotas on Specialty Steel imports was announced on June 11th -- they request that this memorandum be sent forward.

Buchen - see comments
Marsh #1 disapprove #2 approve
Lynn (O'Neill) see comments
Friedersdorf - option 2
Cannon - concurred plus comments
"see note from Marton"

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate delay in submitting the required material, please telephone the Staff Secretary immediately.

Jim Connor
For the President

Seidman - note expressing views at

THE WHITE HOUSE
WASHINGTON

Morton-

Scowcroft memo
by prefer option 2

Spencer
Stul

**MEMORANDUM
OF CALL**

TO: _____

YOU WERE CALLED BY— YOU WERE VISITED BY—

OF (Organization) *Marsh*

PLEASE CALL \longrightarrow PHONE NO. CODE/EXT. _____
 WILL CALL AGAIN IS WAITING TO SEE YOU
 RETURNED YOUR CALL WISHES AN APPOINTMENT

MESSAGE

*Scowcroft memo
Specialty Steel
#1 disapp
#2 approve*

RECEIVED BY _____

DATE _____

TIME _____

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: June 12, 1976

Time:

FOR ACTION:

cc (for information):

Phil Buchen

Bill Seidman

Jim Cannon

Jack Marsh

Max Friedersdorf

Jim Lynn

FROM THE STAFF SECRETARY

DUE: Date:

Tuesday, June 15

Time:

10 A.M.

SUBJECT:

Brent Scowcroft's memorandum 6/12/76
re Import Relief for the Specialty Steel
Industry

ACTION REQUESTED:

___ For Necessary Action

X For Your Recommendations

___ Prepare Agenda and Brief

___ Draft Reply

X For Your Comments

___ Draft Remarks

REMARKS:

NSC is aware that the President's decision to impose quotas on Specialty Steel imports was announced on June 11th -- they request that this memorandum be sent forward.

Agreement that the President not take any action for a month or so.

W. Schultz 6/14

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

Jim Connor
For the President

THE WHITE HOUSE

WASHINGTON

June 15, 1976

MEMORANDUM FOR: JIM CONNOR
THROUGH: JIM CANNON
FROM: PAUL LEACH
SUBJECT: Scowcroft Memorandum on
Specialty Steel

I would concur with the recommended actions. However, since the Specialty Steel Quota Proclamation was made July 11, I question the advisability of an immediate announcement. It would seem that an announcement after the San Juan Summit might make sense as a concrete step toward free trade coming out of the "close consultations" with the major industrial nations.



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

JUN 15 1976

MEMORANDUM FOR: MR. JAMES CONNOR
Secretary to the Cabinet

FROM: Paul H. O'Neill *Ohion*

SUBJECT: Scowcroft memorandum of June 12 on Import Relief
for Specialty Steel

This is in response to your June 12 request for comments and recommendations on Brent Scowcroft's June 12 memorandum on import relief for the specialty steel industry.

Since the President's decision on import relief was announced last Friday (June 11), and since the threat of a congressional override will remain until mid-September, OMB recommends that termination of import relief not be reviewed until later this summer. We endorse Recommendation #2 in the Scowcroft memorandum.

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

JUN 15 1976

MEMORANDUM FOR: MR. JAMES CONNOR
Secretary to the Cabinet

FROM: Paul H. O'Neill *is/O'Neill*

SUBJECT: Scowcroft memorandum of June 12 on Import Relief
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THE WHITE HOUSE

WASHINGTON

June 15, 1976

MEMORANDUM FOR: JIM CONNOR
FROM: MAX FRIEDERSDORF *MF*
SUBJECT: Brent Scowcroft's memorandum 6/12/76 re
Import Relief for the Specialty Steel Industry

The Office of Legislative Affairs recommends Option 2.