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Handwritten signature

THE WHITE HOUSE
WASHINGTON

September 9, 1976

MEMORANDUM FOR:

JIM CANNON

FROM:

PAUL LEACH *Paul*

SUBJECT:

Personnel Memo re:
President's Export Council

I recommend we send the following memorandum to Bennett.

As you will note, this strongly endorses Henry Schacht, President of Cummins Engine, who I know quite well. Henry is a first-rate guy and someone who definitely should be one of the two choices.



THE WHITE HOUSE

WASHINGTON

September 7, 1976

MEMORANDUM FOR: DOMESTIC COUNCIL

FROM: PRESIDENTIAL PERSONNEL OFFICE **DPB**

SUBJECT: Members, President's Export Council
(PA, WAE, POP) Two Vacancies

Attached is a copy of our proposed memorandum to the President on the Members, President's Export Council.

Please call Mr. Aaron L. Spaulding (X2244) to let him know your opinion of the proposed action or return this sheet (Room 135) with your comment.

We would appreciate your response within three days.

Attachment



THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR THE PRESIDENT

THROUGH: RICHARD B. CHENEY

FROM: DOUGLAS P. BENNETT

SUBJECT: . Members, President's Export Council
PA, WAE, POP

The purpose of this memorandum is to recommend the names of three individuals for consideration to fill the two vacancies on the President's Export Council vice John D. Harper and Lynn A. Townsend.

The President's Export Council was established by Executive Order 11753 of December 20, 1973 and extended by Executive Order 11827 of January 4, 1975. Along with the President's Interagency Committee on Export Expansion, the President's Export Council, working through the Council on International Economic Policy, will recommend: short-term action to achieve material improvement in the U.S. trade account; long-term programs to achieve equilibrium in the U.S. balance of payments; and action to remove domestic impediments to U.S. exports and imports or supplement existing incentives.

Secretary Richardson recommends the following candidates; we concur:

Robinson F. Barker--63 years old; A.B. Harvard College. Since 1967, he has been Chairman and Chief Executive Officer, PPG Industries, Inc. (Pittsburgh). He is a Republican in the 18th Congressional District of Pennsylvania (Heinz).

William O. Beers--62 years old; no degree. Since 1973, he has been Chairman, Kraftco Corp. (Clenview, Illinois). He is a Republican in the 10th Congressional District of Illinois (Mikva).



Henry B. Schacht--42 years old; B.S. Yale University, M. B.A. Harvard Graduate Business School. Since 1969, he has been Chairman and Chief Executive Officer, Cummins Engine Company Inc. (Columbus, Indiana). He is a Republican in the 9th Congressional District of Indiana (Hamilton).

DECISION: Select Two

Appoint Robinson F. Barker	<u> </u>	<u> </u>
	Agree	Disagree
Appoint William O. Beers	<u> </u>	<u> </u>
	Agree	Disagree
Appoint Henry B. Schacht	<u> </u>	<u> </u>
	Agree	Disagree



ROBINSON F. BARKER

BARKER, ROBINSON FRANKLIN, glass co. exec.; b. Boston, Dec. 20, 1913; s. Williston Wright and Gertrude (Sherman) B.; A.B., Harvard, 1935; grad. Advanced Mgmt. Program, 1956; m. Mary Lucinda Haskins, July 8, 1938; children—Christopher Haskins, Susan. With PPG Industries, Inc. (formerly Pitts. Plate Glass Co.), 1935—, successively mgr. Nashville br., asst. mgr. plate glass sales, asst. gen. mgr. merchandising branches, asst. to pres., gen. mgr. planning Glass div., 1955-57, v.p. gen. mgr. Glass div., 1957-62, v.p. glass and fiber glass group, 1962-66, pres., 1966-67, chmn. bd., chief exec. officer, 1967—, also dir.; dir. Pitts. Corning Corp., PPG Industries Found., Societe Anonyme des Glaces de Courcelles, Canadian Pitts. Industries, Ltd., Duplate Canada, Ltd., Carrier Corp., Pitts. br. Fed. Res. Bank of Cleve., Mellon Bank N.A., Mellon Nat. Corp. Mem. bd. health, Edgeworth Borough, 1957—; mem. Internat. Exec. Service Corp.; adv. com. Radio Free Europe, Trustee Sewickley Valley Hosp.; bd. dirs. Action-Housing, Inc., Regional Indst. Devel. Corp. Served from ensign to Lt. USNR, 1942-45. Mem. Western Pa. Safety Council (dir.), Newcomen Soc. N.A., Pa. Soc. Episcopalian. Clubs: Duquesne (Pitts.); Harvard of Western Pa.; Edgeworth; Allegheny Country, Sewickley Heights Gun (Sewickley, Pa.); Laurel Valley Golf, Rolling Rock (Ligonier, Pa.); Stonedale Guns; Fifth Avenue (N.Y.C.). Home: 8 Woodland Rd Sewickley PA 15143 Office: One Gateway Center Pittsburgh PA 15222



WILLIAM O. BEERS

BEERS, WILLIAM O., food co. exec.; b. Lena, Ill., May 26, 1914; s. Ernest and Rose (Binz) B.; student U. Wis., 1933-37, LL.D., 1970; m. Mary Elizabeth Holmes (dec.); m. 2d, Frances Lemana Miller, Feb. 17, 1954, children—Marita M. (Mrs. John T. Beatty, Jr.), Barbara Ann (Mrs. Michael Guzzardo), Mary Elizabeth (Mrs. Daniel L. Commes), Richard W., Duncan R. Miller. With Kraftco Corp., 1937—, dir., 1965—, pres., 1968-73, chmn., 1973—, pres. Kraft Foods div., 1965-68; dir. Mfrs. Hanover Trust Co., Mfrs. Hanover Corp., A.O. Smith Corp., Sears, Roebuck & Co., Allis-Chalmers, 1st Nat. Bank Chgo., 1st Chgo. Corp., U.S. Steel Corp., Trustee Food and Drug Law Inst., Consumer Research Inst., Nutrition Found.; bd. dirs. Evanston (Ill.) Hosp., U. Wis. Found., Council Better Bus. Bur. Mem. N.A.M. (dir.), Grocery Mfrs. Ass. (vice chmn.), Conf. Bd. (vice chmn.), Bus. Council, Bus. Roundtable, Chgo. Council on Fgn. Relations (dir.), Episcopalian. Clubs: Economic (N.Y.C., Chgo.); Union League, Links (N.Y.C.); Chicago, Old Elm (Chgo.); Bund Brook (Portchester, N.Y.); Indian Hill (Winnetka, Ill.). Home: 1630 Sheridan Rd Wilmette IL 60091 Office: Kraftco Ct Glenview IL 60025

HENRY B. SCHACHT

SCHACHT, HENRY BREWER, diesel engine mfg. co. exec.; b. Erie, Pa., Oct. 16, 1934; s. Henry Blass and Virginia (Brewer) S.; B.S., Yale, 1956; M.B.A., Harvard, 1962; m. Nancy Godfrey, Aug. 27, 1960; children—James, Laura, Jane, Mary. Sales trainee Am. Brake Shoe Co., N.Y.C., 1956-57; investment mgr. Irwin Mgmt. Co., Columbus, Ind., 1962-64; v.p. finance Cummins Engine Co., Inc., Columbus, 1964-66, v.p. central area mgr. internat., London, Eng., 1966-67, group v.p. internat. and subsidiaries, 1967-69, pres., Columbus, 1969—; dir. CBS, Potomac Assoc., Inc., Cummins Americas, Inc., Cummins Diesel Sales Corp., Cummins Diesel Can. Ltd., Kirloskar-Cummins, Ltd., Poona, India. Served with USNR, 1957-60. Mem. Harvard Bus. Sch. Assn. (exec. council), Tau Beta Pi. Republican. Home: 3648 Deerfield Pl Columbus IN 47201 Office: 432 Washington St Columbus IN 47201

SEP 10 AM 2 19



THE WHITE HOUSE


WASHINGTON

September 9, 1976

MEMORANDUM FOR:

JIM CANNON

FROM:

PAUL LEACH 

SUBJECT:

Mushroom Imports

The attached memorandum from Bill Seidman to the President recommends that the President direct STR Dent to request a U.S. International Trade Commission investigation of the deteriorating canned mushroom trade situation and to take interim action to restrain imports.

Since the memorandum from Bill Seidman does not contain enough information upon which to make a reasoned judgment and does not contain Treasury, State, Commerce or CEA recommendations, I would have to recommend strongly against approval of this proposed action. Seidman notes that the problem is caused by lower Korea and Taiwanese production costs and is exacerbated by European Community restraints. On the facts, as presented, there seems to be no compelling reason to take the proposed actions which appear to be at odds with the principles of freer trade.

THE WHITE HOUSE

WASHINGTON

September 9, 1976

MEMORANDUM FOR PHILIP BUCHEN
JOHN O. MARSH
JAMES M. CANNON ✓
MAX FRIEDERSDORF
BRENT SCOWCROFT

FROM: L. WILLIAM SEIDMAN *LWS*
SUBJECT: Mushroom Imports

A memorandum for the President on the mushroom import situation is attached.

I would appreciate very much your comments and recommendations no later than 10:00 a.m. Friday, September 10, 1976.

Thank you very much.

J
Attachment

*Support VP B
Porter
Jul*

THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR THE PRESIDENT

FROM: L. WILLIAM SEIDMAN
SUBJECT: Mushroom Imports

Background

On March 17, 1976, the U.S. International Trade Commission (USITC) announced its finding that the domestic mushroom canning industry was being injured or threatened with injury by imports and recommended expedited adjustment assistance as the remedy. On May 17, 1976, as required by law, you accepted the recommendation of the USITC and ordered expedited adjustment assistance for the industry and its workers.

On August 31, 1976, the Special Trade Representative was visited by a large group from the mushroom industry in Pennsylvania and Michigan who called attention to the rapid escalation of mushroom imports since the President's decision. These imports are coming primarily from the Republic of China and the Republic of Korea. Imports during the first seven months of 1976 were up 29 percent over the comparable period in 1975. Imports during June and July of 1976 were 108 percent higher than the comparable period in 1975.

Mushroom Imports
(thousands of pounds)

	<u>1975</u>	<u>1976</u>
Jan/May	23,330	21,744
June	4,708	10,391
July	6,025	11,939
August	<u>5,053</u>	<u>19,416</u>
Jan/Aug	39,116	63,490

The August numbers indicating a fourfold increase in imports were provided by the industry. Government figures for August will not be available until September 24. It is useful to note

that the industry figures for July compared closely to the Government figures. If the industry numbers for August are correct, U.S. imports during the first eight months of 1976 will be about half the expected total U.S. consumption this year of 125,000,000 pounds.

Foreign producers have captured a large share of the U.S. market because of their significantly lower production costs. Restraints applied on mushroom imports by the European Community have exacerbated the situation.

Domestic mushroom producers questioned the effectiveness of adjustment assistance as a solution to their problem. The industry delegation inquired about the possibility of seeking a formal restraint agreement under Section 204 of the Agricultural Act, but STR indicated that the chances of this being used were minimal. They also inquired about the possibility of seeking voluntary restraints. STR pointed out that this had been tried in the past without success.

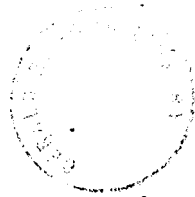
Congressional Activity

The industry has urged restrictive legislation in the Congress. Since hearings have not been held on these bills, it is virtually certain that no legislative action will be taken this session. On September 2, 1976, the Trade Subcommittee of the House Ways and Means Committee passed a concurrent resolution calling upon the President to negotiate with representatives of foreign governments in an effort to obtain agreements limiting exports of mushrooms to the United States. If these negotiations are unsuccessful during a 90-day period, the resolution calls for a referral of the case to the USITC. The future of this resolution in the Congress is uncertain.

Conclusion

The evidence seems strong that the situation for the domestic mushroom industry has significantly deteriorated in the period since the USITC announced its finding. Moreover, the problem has been made more difficult by the restraint applied to mushroom imports by the European Community resulting in a diversion of exports to the U.S. market

After discussions with Ambassador Dent and the NSC, we are persuaded that the best legal course available is to seek a re-investigation of the matter by the USITC.



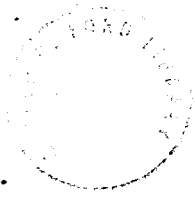
Recommendation

That you sign the memorandum attached at Tab A directing the Special Representative for Trade Negotiations to seek a reinvestigation of the matter by the USITC. The memorandum further directs the Special Representative for Trade Negotiations to discuss the problem with major suppliers (Korea and Taiwan) and includes authorization to negotiate export restraint agreements with those countries.

Approve _____

Disapprove _____

Attachment



THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR

THE SPECIAL REPRESENTATIVE
FOR TRADE NEGOTIATIONS

SUBJECT: Possible Import Relief to the U.S.
Mushroom Industry

I am informed that there has been a dramatic increase in imports of canned mushrooms since my implementation on May 17 of the U.S. International Trade Commission's findings (March 1976) that serious injury was being caused or threatened to the domestic industry by imports and that expedited trade adjustment assistance for U.S. mushroom growers and canners and employees should be granted. In view of what appears to be a significant increase of mushroom imports from trends that existed during the period covered by the six month investigation of the U.S. International Trade Commission earlier this year, I am directing you to request the Commission to promptly undertake a further investigation with respect to this industry under the import relief provisions of the Trade Act. This will enable the Commission to make a new finding with respect to the appropriate remedy for injury, or threat of injury, found to exist. Please urge the Commission to review this case promptly and to issue its report on an expedited basis.

During the interim period before receipt of a Commission report, you are directed to conduct discussions with the major supplying countries of canned mushrooms to the United States market with a view towards seeking to moderate the quantity of exports to this country. If you deem it desirable, you are authorized to negotiate and enter into one or more agreements under Section 204 of the Agricultural Act of 1956, as amended, with respect to this product. In performing these functions, you are authorized to draw upon the assistance and resources of any interested Federal agencies.

cc: Quern
Moore
Leach

THE WHITE HOUSE
WASHINGTON

September 15, 1976

ADMINISTRATIVELY ~~CONFIDENTIAL~~

MEMORANDUM FOR: JIM CANNON

FROM: JIM CONNOR JEC

The attached notation was directed to you in the President's
outbox:

"Where do we stand on meat imports
and the Puerto Rican case?"

Please follow-up with appropriate action.

cc: Dick Cheney

This is EPB
action. I'm
co-ordinating response
w/ Porter.

A.
Connor's office informed
9/15 by phone. They
will send similar
memo to Leachman/Baker.

THE WHITE HOUSE
WASHINGTON
September 21, 1976

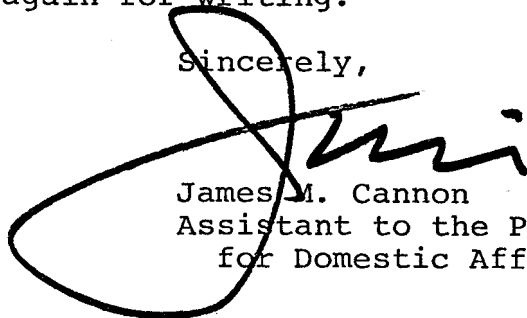
Commence

Dear Arthur:

Thank you for your recent letters regarding the unfair behavior of the Japanese. It is an interesting and important matter. I have sent the material to appropriate members of the White House staff for their review.

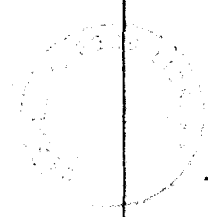
Thanks again for writing.

Sincerely,



James M. Cannon
Assistant to the President
for Domestic Affairs

Mr. Arthur Spitzer
1011 North Crescent Drive
Beverly Hills, California 90210



1011 NO. CRESCENT DRIVE
BEVERLY HILLS, CA. 90210
TELEPHONE 213/274-6155

August 31, 1976

96 AUG 31 2 31
Mr. James M. Cannon
Assistant to the President
for Domestic Affairs
The White House
Washington, D.C.

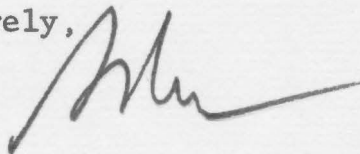
Dear Jim:

I am enclosing a copy of the letter I wrote recently to Congressman Reuss and an article from Business Week regarding the unfair behavior of the Japanese.

This is a very important matter, as I feel the Japanese are very arrogant in their dealings with us and it is time that we use a little muscle.

I hope to hear from you.

Sincerely,



AS:clb
encls.

Bill
WJ
Thank you



ARTHUR SPITZER

1011 NO. CRESCENT DRIVE
BEVERLY HILLS, CA. 90210
TELEPHONE 213/274-6155

August 27, 1976

Honorable Henry Reuss
Room 2413
R.H.O.B.
Washington, D.C. 20515


Dear Congressman Reuss:

I just saw in the paper that you accused Japan of reducing the yen's value. For God's sake, it is time that someone tackled the Japanese aggressive and arrogant behavior. For years I have followed and watched the Japanese declare Economic War on the U.S. and other countries. I have cut out a few newspaper articles which I have enclosed.

The dollar surplus, which Japan accumulates and they supposedly have to spend in this country; they do so by buying only raw materials and sometime paying for it in advance so it shows a lower surplus. They never buy finished products from us. The paradox about the Lockheed bribe scandal shows how naive the American people really are in dealing with our competitors. They have to spend the money in this country anyhow, so there was no need to bribe Japan or Korea.

We could reduce our unemployment 2 - 3%, if we would get tougher with other industrial nations, particularly, Japan.

Yours truly


Arthur Spitzer

AS:clb
encl.

P.S. I also enclosed some papers for identification purposes only.

1011 NO. CRESCENT DRIVE
BEVERLY HILLS, CA. 90210
TELEPHONE 213/274-6155

September 15, 1976

Mr. James M. Cannon
Assistant to the President
for Domestic Affairs
The White House
Washington, D.C.

Dear Jim:


I very earnestly urge you to do what you can to remove the "wool", which the Japanese have pulled over our eyes. We don't have to spend hundreds of thousands of dollars for research since it is a fact that the Japanese are conducting their trade like a battle and they are winning it right and left.

We could reduce, and I repeat, reduce, our unemployment by 2%, or more, if we would get tougher with our trade partners and, in particular, Japan. Millions of citizens are aware of this and I think the President should mention this in his campaign, or during his debate with Carter, that we have to get tougher and put a stop to dumping on us and their extreme aggressiveness. This would do a great deal for our country and would get him votes, too.

Please let me know what you have been doing and I hope to see you soon.

Best wishes.

Sincerely,



AS:clb
encls.



091804

Rigging the yen

Battered by criticism from other industrial countries, Japan's Deputy Prime Minister, Takeo Fukuda, announced last Friday that his country would no longer intervene in foreign exchange markets to keep the yen from rising. On the following Tuesday, the Bank of Japan was back in the market, selling some \$20 million worth of yen on a day when only about \$120 million in transactions were recorded.

This sequence—an assurance that there will be no "dirty floating," followed by vigorous action to keep the yen at a cheap rate—is typical of Japanese trade policy. The evidence is overwhelming that the Japanese are holding the yen low in order to keep their exports going strong (page 54). Japanese policymakers obviously are still hooked on the idea that foreign markets can be forced to provide the answer to their economic and political problems.

Only the gullible will accept the bland explanation that Japan is doing American consumers a favor by supplying them with autos, steel, and an assortment of other exports at what amounts to a discount. By keeping the yen undervalued, Japan is exporting not

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just goods but stagnation and unemployment to the rest of the world.

Up to this time, Japan's trading partners have shown considerable patience and goodwill, but the system of floating exchange rates cannot function when one nation is cheating. At any moment, Japan's stubbornness could start a trade war, with each nation erecting barriers to protect itself. Before that happens, the other industrial nations should close ranks and present Japan with a choice: Either stop rigging the yen or accept the imposition of compensating duties. Goodwill has its limits.

1011 NO. CRESCENT DRIVE
BEVERLY HILLS, CA. 90210
TELEPHONE 213/274-6155

September 15, 1976

Mr. James M. Cannon
Assistant to the President
for Domestic Affairs
The White House
Washington, D.C.

Dear Jim:

It might interest you how the Japanese are operating and have been for the last twenty years. Here's an example: Richard Hanna, former Democrat Congressman from Orange County, California, was for twelve or sixteen years, on the Committee for Banking Currency and Joint Economic Committees during these years and made many trips to Japan and the Far East.

Several years ago, he decided not to run for Congress and opened a Consultant Office where he represented various Japanese/American companies.

Many times a year, Japanese organizations are sponsoring a supplement of many pages in all major American newspapers and magazines. Another way that they pull the wool over our eyes is to give endowments to big universities and colleges.

When they have a great dollar surplus, they prepay for raw material which they buy in this country. This is not to show a big surplus, but they never buy finished products from us.

I hope you can alert the proper Government agency so that we can live up to a truly "Yankee Trader" image.

Sincerely,



AS:clb



1011 NO. CRESCENT DRIVE
BEVERLY HILLS, CA. 90210
TELEPHONE 213/274-6155

September 14, 1976

The Wall Street Journal
Editorial and Corporate Headquarters
22 Cortlandt Street
New York, New York 10007

Dear Editor:

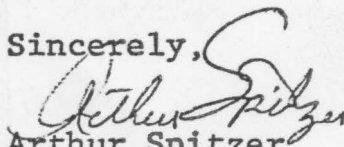
Regarding your editorial, "The Second Japanese Campaign", I do hope that you continue looking into the "behavior" of the Japanese. For the past several years, I have followed the arrogance of the Japanese and their trade with our country and I am frustrated with the naivety of our government who goes from one crisis to another; Vietnam, Watergate, Elections, etc., without doing their homework, and also the labor unions who could help correct the Japanese economic war, but are too busy with their pension funds and domestic power struggle to look at the Japanese who are getting away with their extreme aggressiveness.

Congressman Reuss recently spoke up against Japan's reducing the value of the yen, but he went almost unnoticed in the Congress, and in the country.

Recently, a U.S. District Judge settled a suit with the Japanese Trade Counsel and other individuals who were violating the Foreign Agent Registration Act, who were simply lying and cheating, but in legal language, the suit was settled by the defendants consenting without admitting or denying any accusations.

We could reduce unemployment by at least 2%, if we would penalize the offenders more severely and by reducing unemployment, we would reduce crime in our cities, too.

Sincerely,


Arthur Spitzer
Beverly Hills

AS:clb



REVIEW & OUTLOOK

The Second Japanese Campaign

The first Japanese campaign was mounted in 1971. Throughout the West, but especially in New York, Washington and London, policymakers, academics and journalists complained that the reason unemployment was so high in Schenectady, Newark, Manchester and Rome was because the Japanese were keeping their currency, the yen, undervalued.

The notion behind these complaints was that the Japanese were being bad trading partners because they were not charging enough for their goods. They were, it was said, "exporting unemployment" to the other industrial nations by rigging their exchange rate. If they would only appreciate the yen by, say, 10% or 15%, their goods would become that much more expensive on world markets, Japan would lose business and jobs and the rest of the world would gain.

In the Smithsonian Agreement of December, 1971, the objective was met. The yen was sharply revalued upward against the dollar. And when the advertised economic benefits did not appear, it was argued that the dollar devaluation had not been sufficient. The Bretton Woods par value system was abandoned and currencies set afloat, pushing the yen up some more.

It is not now possible to persuade us that the first Japanese campaign succeeded in benefitting the United States at the expense of Japan. There were not only no benefits to anyone, but the breakdown of the international monetary system was followed by the worst global inflation and recession in memory.

What troubles us now, having gone through this international economic crisis, is that there are still so many policymakers and academics around who argue that the first Japanese campaign was a limited success, in that the global inflation and recession that followed would have been worse without these currency alignments. And that it is now time for a second Japanese campaign, because Japan has been intervening on the exchange market to support the dollar in order to keep the yen from rising against it.

Michiya Matsukawa, Japan's Vice Minister of International Finance, argues correctly that while Japan has indeed intervened to buy dollars with yen this year, in the last six months of 1975 it was even more aggressively mopping up yen with dollars. The objective is to smooth out sharp swings in the rates, to prevent importers from being crippled when the yen falls and prevent exporters from

being crippled when the yen rises.

But a far stronger argument available to him is that the theory on which the critics of Japan rest their case is wrong. Supporting the price of someone else's currency, or devaluing your own, may have short-term effects on certain export products. But the widely accepted idea that there is a positive effect on the entire economy is not supported by experience.

If the theory that devaluation expands domestic employment were correct, the British would be cleaning up, the pound having fallen 30% against the dollar in about a year. But British unemployment is at a record high and their aim of an "export-led recovery" is nowhere in sight.

The principal benefit to Japan from its efforts to keep the yen-dollar exchange rate stable is to protect commercial transactors who have written contracts that have assumed a stable rate. It can hardly be faulted for limiting windfall profits and losses that occur because of exchange rate movements. And it can be faulted even less when it is recognized that the burden of this effort falls mainly on Japan itself.

That is because the major economic effect of Japanese intervention, buying dollars with yen, is to reduce the short-term impacts of U.S. inflation and increase the amount of inflation in Japan. Japan could just as easily keep the dollar-yen rate stable by simply printing more yen through domestic open-market operations. But then both Japan and the United States would suffer more from inflation.

After all, Japan is not buying dollars because it likes dollars, but simply to keep Japanese commercial transactors from being punished by U.S. monetary policy. The source of these surplus dollars is the Federal Reserve, which should take Japan's mopping up of dollars as a sign that it, the Fed, is printing too many of them. Then both the United States and Japan would have less inflation.

There are still outposts in New York and Washington demanding that the Japanese "behave," and "stop exporting unemployment." But this second campaign, for good reason, doesn't have the enthusiasm of the first. Very few of the journals of opinion have signed up in earnest against Japan. The U.S. Treasury, at least at the top, is not part of this campaign as it was the last time around. Undersecretary Yeo and Vice Minister Matsukawa seem to be eye-to-eye on how to finesse the critics. For everyone's sake, maybe it will just fizzle out.

A U.S. suit against 2 Japanese trade organizations was settled.

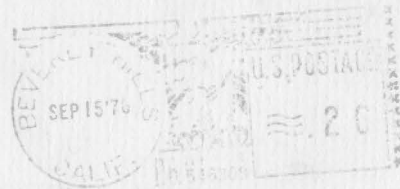
U.S. Dist. Judge John H. Pratt issued a decree in New York settling a suit charging the United States-Japan Trade Council Inc., the Japan Trade Promotion Office and five individuals with violations of the Foreign Agents Registration Act. The defendants consented to the decree without admitting or denying accusations contained in the civil suit filed last July, the Justice Department said. The suit accused the council of registering with the department as a non-profit trade association, concealing the fact that it actually is a Japanese government agent almost wholly financed by government funds.

California

A congressman accused Japan of reducing the yen's value.

Rep. Henry Reuss said the Japanese government is taking such action without justification in order to improve Japan's exports sales. The Wisconsin Democrat, chairman of the influential House Banking Committee, called for an end to what he called "rigging" of the yen, saying it is creating unfair competition and hurting U.S. firms. In a letter to Japan's ambassador to the United States, Reuss said the Japanese are violating the spirit of International Monetary Fund agreements on exchange rates.

1011 NO. CRESCENT DRIVE
BEVERLY HILLS, CA. 90210



Mr. James M. Cannon
Assistant to the President
for Domestic Affairs
The White House
Washington, D.C.

THE WHITE HOUSE
WASHINGTON

676 SEP 29 11 5 54

September 29, 1976

MEMORANDUM FOR PHILIP BUCHEN
JAMES CANNON ✓
MAX FRIEDERSDORF
JOHN O. MARSH

FROM: ROGER B. PORTER *RBP*
SUBJECT: Sugar

Attached is a copy of Mr. Seidman's draft memorandum to the President regarding an amendment to the sugar proclamation.

I would appreciate having your comments and recommendations on this issue by c.o.b. Thursday, September 30.

Thank you very much.

Attachment

Jim Cannon
says O.R.
Aman



ACTION

THE WHITE HOUSE
WASHINGTON

September 30, 1976

f.

MEMORANDUM FOR:

JIM CANNON

FROM:

PAUL LEACH

Paul

SUBJECT:

Amended Sugar Proclamation

After the President issued a proclamation tripling sugar duties on September 21 this memorandum from Bill Seidman to the President suggests that the President amend the proclamation to exclude certain sugar (e.g., that received or in transit) from the duty.

I suppose you should recommend that the President sign this proclamation modification to correct the technical problem. However, someone --- and hopefully not the President --- should feel quite embarrassed that the original proclamation did not prevent the "inequity" the President is now forced to correct. The "interagency group" and the lawyer(s) involved should feel quite sheepish about this.

all -
Jim

9210

THE WHITE HOUSE
WASHINGTON

*Trade
(Commerce)*

September 30, 1976

MEMORANDUM FOR: JACK MARSH
FROM: JIM CANNON *Jm*
SUBJECT: Boycott Amendment

My authoritative source says there are no figures to prove that the New York State boycott has had an impact in either exports or imports.

Sony

THE WHITE HOUSE
WASHINGTON

DATE:

7/29

TO:

Paul L. ✓

FROM:

ALLEN MOORE

SUBJECT:

ACTION:

FYI:

Can't Bill
Rowan, who
I imagine

Can all get a
brief response to info, give
March's question US data.
He must be best
source P.

THE WHITE HOUSE
WASHINGTON

September 27, 1976 SEP 29 AM 7 59

MEMORANDUM FOR: JACK MARSH
FROM: JIM CANNON *Jm*
SUBJECT: Boycott Amendment

New York State does have a Boycott Amendment that restricts trade from the port of New York.

According to an authoritative Port Authority Source, there are no figures to show that it has hurt trade through the port. Shipments out of this port have been about the same since the Boycott Amendment became effective. Trade sources believe that there would have been increases in shipments without the boycott, but there is no proof of it.



Jim,
Can't we get some
comparative figures on
exports, or imports? Jack

092901

THE WHITE HOUSE
WASHINGTON

October 5, 1976

*Trade
Comm.*
f.

MEMORANDUM FOR: ART QUERN
FROM: PAUL LEACH
SUBJECT: Arab Boycott Memorandum
for Secretary of Commerce

I have no objection to this, which probably has more domestic benefit than international cost. Also, there is a school of thought which argues that the Sunshine Act will have the same result, so why not issue this order now?

Date: October 4, 1976

Time:

FOR ACTION:

cc (for information):

Phil Buchen

Jim Cannon

Max Friedersdorf

Jack Marsh

Brent Scowcroft

Bill Seidman

1976 OCT 5 AM 8:37
Jim Lynn (Paul O'Neill)
Bob Hartmann

FROM THE STAFF SECRETARY

DUE: Date: October 5, 1976

Time: C.O.B.

SUBJECT:

Proposed Presidential Letter to
Secretary of Commerce re: Boycott Reports

ACTION REQUESTED:

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

REMARKS:

The Original of this memorandum was taken
by the Presidential Party --- your comments
must be dexed to them as promptly as possible --
therefore - the reason for the quick turnaround.
Thank you.

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

100505

THE WHITE HOUSE

WASHINGTON

October 4, 1976

MEMORANDUM FOR

THE SECRETARY OF COMMERCE

SUBJECT: Boycott Reports

I would like the Department of Commerce to take appropriate steps to permit, prospectively, the public inspection and copying of boycott-related reports filed with the Department of Commerce. Only business proprietary information regarding such things as quantity and type of goods exported, the release of which could place reporting firms at a competitive disadvantage, should not be made available to the public.

During the past year, there has been a growing interest in and awareness of the Arab boycott on American business. Disclosure of boycott-related reports will enable the American public to assess for itself the nature and impact of the Arab boycott and to monitor the conduct of American companies. To provide adequate notice to American exporters of this new policy, these inspection procedures should be placed in effect for reports filed after December 1, 1976.

In contrast to legislative proposals which were pending when Congress adjourned, public disclosure of boycott reports will strengthen existing policy against the Arab boycott of Israel without jeopardizing our vital, diplomatic and economic interests in the Middle East. I continue to believe that a lasting Middle East peace represents the only true means to end the Arab boycott.

THE WHITE HOUSE

WASHINGTON

October 4, 1976

The President today directed the Secretary of Commerce to take appropriate steps to permit, prospectively, the public inspection and copying of boycott-related reports filed with the Department of Commerce. Only business proprietary information regarding such things as quantity and type of goods exported, the release of which could place reporting firms at a competitive disadvantage, will not be made publicly available.

During the past year there has been a growing interest in and awareness of the impact of the Arab boycott on American business. Disclosure of boycott-related reports will enable the American public to assess for itself the nature and impact of the Arab boycott and to monitor the conduct of American companies. To provide adequate notice to American exporters of this new policy, the President asked the Secretary of Commerce to place it in effect for reports filed after December 1, 1976.

Public disclosure of boycott reports will complement positive steps already taken by my Administration to implement this Nation's policy in opposition to restrictive trade practices and boycotts. Other affirmative steps taken during the past year to give full effect to national policy have included the following:

1. On December 1, 1975, the Export Administration Regulations were amended to prohibit compliance with any boycott request which would discriminate against U.S. citizens or firms on the basis of race, color, religion, sex or national origin.
2. On December 1, 1975, the Regulations were amended to extend the reporting requirements to any person or firm other than the exporter handling any phase of the export transaction (such as banks, insurers, shipping companies, and freight forwarders.)

In addition, other actions taken by the Administration to implement the anti-boycott policy include:

1. On October 1, 1975, the reporting requirements were amended to require reporting firms to indicate whether or not they had complied, or intended to comply, with the reported boycott-related requests.

2. On December 1, 1975, the Department of Commerce ceased dissemination of information on trade opportunities containing boycott requests.
3. On April 29, 1976, the Secretary of Commerce directed that all charging letters alleging violations of the Export Administration regulations relating to the boycott be made public.
4. On a continuing basis, the Department of Commerce has referred and continues to refer reports of boycott requests that call for discriminatory actions against U.S. antitrust laws to the Departments of State and Justice for appropriate action.

In contrast to legislative proposals which were pending when Congress adjourned, public disclosure of boycott reports will strengthen existing policy against the Arab boycott of Israel without jeopardizing our vital, diplomatic and economic interests in the Middle East. Lasting Middle East peace, a primary diplomatic goal of the Administration, represents the only true means to end the Arab boycott.

*Commerce
Trade*

THE SPECIAL REPRESENTATIVE FOR
TRADE NEGOTIATIONS
WASHINGTON

1976 OCT 29 PM 12 05

28 OCT 1976

The Honorable James Cannon
Assistant to the President
for Domestic Affairs
The White House
Washington, D.C. 20500

Dear ~~Mr. Cannon~~ ^{Jim}:

You recently sent to me for advice and direct reply a copy of the September 17 memorandum sent to you by Hugh Scott concerning the "Mushroom Import Crisis". A copy of the same memorandum was sent to me by Senator Scott, with whom we have been in close touch on the mushroom problem, and I responded to him on September 29 (copy attached). Since the Senator already has our comments and there is nothing additional we would want to say, I suggest that no further reply be sent.

Sincerely,



Frederick B. Dent

Enclosure

cc: The Honorable
John O. Marsh, Jr.

OK.
Thanner



THE SPECIAL REPRESENTATIVE FOR
TRADE NEGOTIATIONS

WASHINGTON

20506

September 29, 1976

Honorable Hugh Scott
United States Senate
Washington, D.C. 20510

Dear Hugh:

I am enclosing herewith a press release concerning the successful trip which Ambassador Clayton Yeutter has just completed to the Republics of China and Korea regarding the mushroom problem. I am glad that this matter seems to be moving forward in a very constructive vein and hope that the outcome of the USITC case and the subsequent Presidential action will be constructive from the industry's viewpoint.

I would like also to express my deep appreciation for the generosity of your statement withdrawing your amendment to H.R. 9401, Number 2284. You were most kind and I am indeed grateful.

With best wishes, I remain

Sincerely yours,

(signed) Fred

Frederick B. Dent

Enclosure



FOR IMMEDIATE RELEASE
Monday, September 20, 1976

PRESS RELEASE #237

OFFICE OF THE SPECIAL REPRESENTATIVE FOR TRADE NEGOTIATIONS
EXECUTIVE OFFICE OF THE PRESIDENT
WASHINGTON, D. C.

President Moves to Re-Open Mushroom Import Relief Case

President Ford today requested a re-opening of a US International Trade Commission investigation of canned mushrooms under the import relief provisions of the Trade Act of 1974, in view of an upsurge of imports, primarily from the Republic of China (Taiwan) and the Republic of Korea. This announcement was confirmed today by Ambassador Dent.

Last March, the USITC found that imports have caused or threatened serious injury to the domestic mushroom industry and its workers, and recommended expedited trade adjustment assistance as the appropriate remedy. On May 17, 1976, the President accepted the findings and recommendations of the Commission (STR Press Release #226).

Since then, however, imports of canned mushrooms have increased dramatically. During the months of June and July, 10.4 million pounds and 11.9 million pounds respectively were imported. Estimates for August indicate a similarly high level of imports. These quantities compare with amounts averaging less than 4.5 million pounds per month since July, 1972.

In accordance with the President's instructions, Ambassador Dent today requested the USITC to "review this case promptly," and urged the Commission "to issue its report on an expedited basis."

Ambassador Dent also confirmed that the President has instructed him to seek assurances from the exporting country governments that their shipments of canned mushrooms to the United States, will not be carried on at a disruptive rate. Ambassador Dent has notified the Ambassadors of the two countries that Deputy Special Representative Clayton K. Yeutter will visit Taipei and Seoul to consult with those governments in order to assure that imports will not disrupt the market.

