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THE WHITE HOUSE

WASHINGTON

May 31, 1976

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR:

L. WILLIAM SEIDMAN

FROM:

JAMES E. CONNOR *JEB*

SUBJECT:

Ferricyanide and Ferrocyanide
(Iron Blue) Pigments Escape
Clause Case

The President reviewed your memorandum of May 27 on the above subject and approved the following option:

Option 1 - "Provide no remedy to the domestic industry."

The necessary documents to implement this decision were signed and forwarded to Robert Linder for appropriate handling.

Please follow-up with any additional action necessary.

cc: Dick Cheney
Robert Linder

THE WHITE HOUSE

WASHINGTON

May 27, 1976

MEMORANDUM FOR THE PRESIDENT

FROM: L. WILLIAM SEIDMAN *LWS*

SUBJECT: Ferricyanide and Ferrocyanide (Iron Blue)
Pigments Escape Clause Case

On April 2, 1976, the U.S. International Trade Commission (USITC) reported to you its findings that ferricyanide and ferrocyanide (iron blue) pigments are being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to the domestic industry producing such pigments. The USITC recommended that the current duty be raised for a 5-year period. For the first year, an additional duty of 18 percent ad valorem was recommended. In each of the four following years the supplementary duty would decline by 3 percentage points, terminating at the end of the fifth year.

If you do not proclaim the remedy recommended by the USITC, your decision will be subject to a congressional override. The statutory deadline for your decision is June 1, 1976.

A memorandum from Ambassador Dent on this case, including the recommendations of the Trade Policy Committee, is attached at Tab A.

Options

Three options are outlined in Ambassador Dent's memorandum for your consideration:

1. Provide no remedy to the domestic industry
2. Direct the Secretary of Labor to provide expeditious consideration to petitions for adjustment assistance filed by workers in the iron blue pigments industry.

3. Impose a 3-year tariff rate quota of 3 million pounds with an over-quota rate of 8¢ per pound.

The Trade Policy Committee unanimously recommends that you grant no remedy to the domestic industry (Option 1).

Ambassador Dent's memorandum has been staffed to the appropriate White House offices not included on the Trade Policy Committee. Their comments and recommendations are as follows:

James Cannon: Approve Trade Policy Committee recommendation that the President grant no remedy to the industry. However, if some remedy is deemed necessary, I would recommend the alternative of expeditious consideration of worker adjustment assistance petitions.

Counsel's Office: Support the recommendation of the Trade Policy Committee.

John O. Marsh: . Approve Trade Policy Committee recommendation.

Max Friedersdorf: Approve Trade Policy Committee recommendation.

NSC: Strongly support recommendation that import relief be denied in the iron blue pigments escape clause case. A memorandum from the NSC on this issue is attached at Tab B.

Decision

Option 1 MCJ Provide no remedy to the domestic industry.

Supported by: Trade Policy Committee,
Cannon, Counsel's Office, Marsh,
Friedersdorf, NSC

Option 2 _____ Direct the Secretary of Labor to provide expeditious consideration to petitions for adjustment assistance filed by workers in the iron blue pigments industry.

Option 3 _____ Impose a 3-year tariff rate quota of 3 million pounds with an over-quota rate of 8¢ per pound.

If you approve Option 1, which is the recommendation of the Trade Policy Committee that you provide no relief to the domestic blue iron pigments industry, you should sign the following documents attached at Tab C: These have been approved by Bob Hartmann's office.

1. A memorandum for the Special Representative for Trade Negotiations outlining your determination in this case which would be published in the Federal Register.
2. A report to the Congress setting forth your determination that import relief for the U. S. blue iron pigments industry is not in the national economic interest and explaining the reasons for your decision.

If you approve either Option 2 or Option 3 the necessary documents to implement those decisions will be promptly prepared.