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Office of the White House Press Secretary

THE WHITE HOUSETEXT OF A MEMORANDUM FROM THE
PRESIDENT TO THE
SPECIAL REPRESENTATIVE FOR TRADE NEGOTIATIONS

April 30, 1976

MEMORANDUM FOR

THE SPECIAL REPRESENTATIVE FOR TRADE NEGOTIATIONS

Pursuant to Section 202(b)(1) of the Trade Act of 1974 (P.L. 93-618, 88 Stat. 1978), I have determined the action I will take with respect to the report of the United States International Trade Commission (USITC) dated March 1, 1976, concerning the results of its investigation of a petition for import relief filed by the Stainless Steel Flatware Manufacturers Association.

I have determined that expedited adjustment assistance is the most effective remedy for the injury suffered by the domestic stainless steel flatware industry and its employees. I have determined that provision of import relief is not in the national economic interest of the United States.

The stainless steel flatware industry is currently receiving special import protection in the form of five-year tariff rate quota, which went into effect in 1971. Prior thereto, the industry received escape clause tariff protection from 1959 to 1967. The purpose of such special measures is to increase the amount of protection for a limited period during which the domestic industry is to make adjustments necessary to compete successfully with imports. The present tariff rate quota will remain in effect through September 30, 1976.

Under the existing level of special protection, some firms have made adjustments enabling them to meet foreign competition and one of the two largest producers opposes continuation of special protection. While certain others among the companies that requested greater tariff relief have shown low profits or losses, they account for a much smaller share of the industry's total output and employment. Additional import relief would thus give unnecessary protection to firms that account for a large part of domestic output. Adjustment assistance, on the other hand, will focus on the specific problems of individual firms and groups of workers that need help, without increasing the burden on restaurants, households, and other users.

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New import restraints would also have exposed U.S. industry and agriculture to claims for compensatory import concessions or retaliation against U.S. exports to the detriment of American jobs and exports.

With regard to the effect of import restraints on the international economic interests of the United States, which I am required to consider under the Trade Act of 1974, I have concluded that such restraints would be contrary to the U.S. policy of promoting the development of an open, nondiscriminatory and fair world economic system which would, in turn, promote domestic growth and full employment.

I have directed the Secretaries of Commerce and Labor to give expeditious consideration to any petitions for adjustment assistance filed by firms producing stainless steel flatware articles on which the USITC found injury, by communities impacted by imports of such articles, and by their workers.

This determination is to be published in the Federal Register.

GERALD R. FORD

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