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THE WHITE HOUSE

WASHINGTON

May 29, 1976

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

FROM: L. WILLIAM SEIDMAN *LWS*
SUBJECT: Implementation of Speciality Steel Decision

A memorandum from Ambassador Dent on implementation of the specialty steel decision is attached.

I would appreciate your comments and recommendations no later than c.o.b. Tuesday, June 1, 1976

No objection

*Ken Legar
6/2/76 gut*

Attachment

~~CONFIDENTIAL~~

THE SPECIAL REPRESENTATIVE FOR
TRADE NEGOTIATIONS
WASHINGTON

May 27, 1976

MEMORANDUM FOR THE PRESIDENT

FROM : Frederick B. Dent

Frederick B. Dent

SUBJECT: Implementation of Specialty Steel Decision

Pursuant to your decision of March 16, 1976, you instructed me to seek orderly marketing agreements with the countries which are principal suppliers of specialty steel to the United States market. You announced your intention at that time that if agreements were not negotiated successfully, you would proclaim import quotas for a period of three years to take effect on or before June 14, 1976, at overall levels comparable to those recommended by the U.S. International Trade Commission.

Invitations to negotiate were extended to Japan, the EC and Sweden. Of these suppliers, only Japan has indicated its willingness to sign an agreement with the United States. Japan is our principal supplier, accounting for 51 percent of all U.S. imports of specialty steel in 1975. The agreement with Japan provides for a reduction of Japanese shipments to the annual average share that that country shipped during the period 1971-75, with some additional elements of flexibility with regard to shifting between product categories.

It is proposed that quotas be provided for other countries, generally on the 1971-75 base applied initially to Japan (without the agreed additional elements of flexibility), with some additional consideration for our trade with Canada, which runs heavily in our favor, and with provision being made for new suppliers. This nondiscriminatory application of quantitative restrictions complies with United States international obligations under the General Agreement on Tariffs and Trade (GATT). A full description of the proposed import relief program is contained in the attached memorandum. A copy of the proposed agreement with Japan is contained in Annex C.

~~CONFIDENTIAL~~

DECLASSIFIED

E.O. 12958, Sec. 3.5

NSC Memo, 11/24/98, State Dept. Guidelines

By 12/HM, NARA, Date 5/5/00

~~CONFIDENTIAL~~

- 2 -

Discussions are continuing with Canada which may result in an exchange of letters agreeing that the Canadian quota will only be applied after consultations are held. This possible agreement would not affect the amount of U.S. specialty steel imports allocated to Canada.

Under the provisions of the Trade Act, import relief must be effective in accordance with your decision no later than June 14, 1976. After receiving your approval, I will indicate to the Government of Japan that the orderly marketing agreement between our two countries should be submitted for approval to the Japanese Cabinet on June 11 (after consideration by Vice Ministers on June 10). It is contemplated that the Japanese Ambassador and I would then sign the U.S.-Japan agreement in Washington on June 11, in time for your issuance of a proclamation of the entire import relief program effective June 14.

The proposed orderly marketing agreement and the remainder of the import relief program has been reviewed and approved by the statutory interagency trade organization (the Trade Policy Committee structure). The program described in the attached memorandum has been agreed to by STR, CIEP, CEA, and the Departments of State, Treasury, Commerce, Labor, Agriculture, Interior, and Defense. Additional comments by participants in the interagency review of this case follow:

State, Treasury, CIEP, and CEA wish to emphasize the great importance that they place on close monitoring of the industry and trade, so that you will be in a position to exercise your March 16 decision to reduce or terminate relief when the industry is regaining healthy production and employment levels. I have therefore directed that a further interagency review take place next week to improve the monitoring system described on page eight of the attached memorandum. The object of the review will be to design a system to collect data on the most current basis feasible.

The State Department also wishes that the announcement of the controls make clear the Administration's commitment to a continuing review of the restraint program looking toward early termination. State and CIEP would also have you announce that consultations would be held with suppliers

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- 3 -

prior to the end of the first restraint period. State urges an early review of the stainless steel sheet and strip industry, a quarterly review of the effects of the quotas (including price implications), and an overall review of the restraint program at the end of 12 months. CEA and Treasury wish to be associated with State's suggestion that price effects be reviewed quarterly.

CEA would prefer some upward adjustment in the total quantity of specialty steel imports permitted, in order to reflect growth in the market since the USITC decision was issued in January, and to benefit industrialization in developing countries.

I believe that your March 16 decision, and the monitoring system that we develop, will be sufficient to bring to your attention information necessary for a timely reduction or termination of the import relief when it is no longer required. In view of these procedures, and flexibility to reallocate shortfalls in shipments under quota, the quota amounts provided should be adequate in the context of providing import relief.

To meet the statutory deadlines involved, your approval indicated below is requested by June 7.

RECOMMENDATION: That you approve the entry into force of the proposed orderly marketing agreement with Japan and the implementation of the agreement and the import relief program described in the attached memorandum.

Approve _____

Disapprove _____

Attachments

- (1) Memorandum describing program
- (2) Draft press release

~~CONFIDENTIAL~~

THE WHITE HOUSE

WASHINGTON

November 4, 1976

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

FROM: L. WILLIAM SEIDMAN *LWS*
SUBJECT: Proclamation to Revise Special
Steel Quotas

A memorandum from Ambassador Dent recommending issuing a proclamation to revise specialty steel quotas is attached at Tab A.

The proposed proclamation has also been approved as to form and legality by the Department of Justice (Tab B).

I would appreciate your comments and recommendations by no later than c.o.b. Monday, November 8.

Thank you.

Attachments

November 9, 1976

The Counsel's Office has no objection to the issuance of a Proclamation revising special steel quotas.

P.W.B.
Philip W. Buchen



THE WHITE HOUSE

WASHINGTON

November 9, 1976

MEMO FOR: PHIL BUCHEN *Bobbie*
FROM: BOBBIE KILBERG
SUBJECT: Proclamation to Revise
Special Steel Quotas

Suggested response:

The Counsel's Office has no objection
to the issuance of a Proclamation
revising special steel quotas.



A



THE SPECIAL REPRESENTATIVE FOR
TRADE NEGOTIATIONS
WASHINGTON

1 NOV 1976

LIMITED OFFICIAL USE

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Proclamation to Revise Specialty Steel Quotas

Due to historical errors in statistical classification of U.S. imports, the quotas you proclaimed for specialty steel on June 11, 1976 did not provide adequately for certain steels used for the manufacture of bearings ("bearing steel"). This has an unintended serious restrictive effect on imports of bearing steels, causing great concern among the Governments of Sweden, Japan, and the European Community and domestic bearing producers. It is also inconsistent with the requirement of the Trade Act that quotas not restrict imports below levels in a recent historical period. The domestic specialty steel industry supports action to alleviate the bearing steel problem and domestic bearing producers are anxious to remove constraints on imported materials.

Attached is a Proclamation which would rectify the situation by establishing a quota for bearing steel and providing quota amounts to countries affected that fulfill the Trade Act requirement. This Proclamation has been cleared by interested member agencies of the Trade Policy Committee structure (State, Commerce, Labor, Interior, Defense, and Treasury).

Also attached is a background paper on the bearing steel problem.

(Signed) Frederick B. Dent

Frederick B. Dent

Attachments

LIMITED OFFICIAL USE



LIMITED OFFICIAL USE

Background Paper on Bearing Steel Problem

On June 11, 1976, you proclaimed an agreement between the Governments of Japan and the United States to limit specialty steel imports from Japan and quotas on specialty steel imports from all other countries. This action followed an investigation by the U.S. International Trade Commission, under the import relief provisions of the Trade Act of 1974, which led to its finding of import-related injury to the domestic industry and of quotas as an appropriate remedy.

Subsequent to issuance of the Proclamation, it has been ascertained that a certain type of steel used primarily to produce ball bearings ("bearing steel") was being charged to the quota for "alloy tool steel". Because this material apparently had not been counted historically as "alloy tool steel" prior to imposition of the quotas, the historical statistics used in establishing the alloy tool steel quota levels were set at levels that are far too low (perhaps by as much as 50 percent). Section 203(d)(2) of the Trade Act requires that any quota or agreement proclaimed under the "escape clause" authority shall "permit importation of a quantity or value of the article which is not less than the quantity or value of such article imported into the United States during the most recent period which the President determines is representative of imports of such article". Due to the inadequacy of import statistics during the recent representative period used, the restriction levels proclaimed are inadvertantly less than they should be, and would violate this Trade Act requirement.

Foreign Reaction

The Government of Sweden has made strong protests concerning this problem. The issue is particularly sensitive in Sweden because bearing and alloy tool steel exports are substantial and because of the uncertainties associated with the Swedish governmental transition. The Swedish Government has urged that we move immediately to exempt bearing steel from the quotas.

providing quota amounts based on the level of Japan, the European Community (EC), and Canada also have an interest in this problem. By amending the orderly marketing agreement, Japan has been permitted to continue shipments of alloy tool steel and bearing steel despite filling of the initial quota in early September, in part at the cost of reduced quotas in other specialty steel categories. However, the Japanese Government has urged strongly that an exclusion of bearing steels be made. The EC has requested prompt U.S. action to alleviate the problem. Canada's interest is small and no formal communications have been received.

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Domestic Reaction

Representatives of the domestic specialty steel industry have indicated that they had not considered bearing steel to be covered by the industry's import relief petition and they support exclusion of such steel from import relief.

The domestic bearing producers are anxious also to remove this item from the quotas. Several producers are already experiencing problems due to shortages of supplies of special order materials.

Action Taken

On October 14, 1976, Ambassador Dent requested the U.S. International Trade Commission (USITC) and the Secretaries of Commerce and Labor to advise you regarding the effects of excluding bearing steel from import relief. This step is a necessary prerequisite to your consideration of such an exclusion.

Unfortunately, the USITC investigation will take three to four months to complete, and "alloy tool steel" quota levels have already been reached for the EC and will be reached shortly for Sweden. Japan has had to borrow tonnages from other categories to continue shipments of bearing and alloy tool steels. Shipments of both bearing steel and alloy tool steel (and in the case of Japan of other categories from which tonnages have been borrowed) are thus being curtailed in an unintended manner. Such curtailment is adversely affecting some domestic bearing manufacturers, disrupting long established importer/customer relationships in the U.S. market for tool and bearing steels and creating considerable tension between the United States and Sweden (and, to a lesser extent, the EC and Japan).

Proposed Action

To avoid disruption of trade while the USITC conducts its investigation, we recommend that you issue a new proclamation establishing a separate quota category for bearing steel and providing quota amounts based on the best available estimates of anticipated shipments obtained from the respective governments in countries that have shipped this material. This will bring your original proclamation into conformance with Section 203(d)(2) of the Trade Act, which requires that imports not be rolled back from recent levels. It will alleviate the problems of disruption of bearing steel imports while the USITC completes its investigation on the effects of exclusion of such steel from the quotas. In the event you should decide against such exclusion when advice is received from the USITC, Commerce and Labor, the import relief program will permit imports of bearing steel at anticipated shipment levels without disrupting imports of other specialty steels.

Attached is a proclamation for your signature to implement this recommendation. The interested member agencies of the Trade Policy Staff Committee structure (State, Commerce, Labor, Interior, Defense, and Treasury) concur in this request.

Attachment



Modification of Temporary Quantitative Limitations
on the Importation into the United States
Of Certain Articles of Alloy Tool Steel

BY THE PRESIDENT OF THE UNITED STATES

A PROCLAMATION

1. On January 16, 1976, the United States International Trade Commission (USITC) reported to the President the results of its investigation under section 201(b) of the Trade Act of 1974 (19 U.S.C. 2251(b)) (the Trade Act). The USITC determined that certain articles of stainless steel or alloy tool steel provided for in items 608.52, 608.76, 608.78, 608.85, 608.88, 609.06, 609.07, and 609.08 of the Tariff Schedules of the United States (TSUS) were 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 or industries producing articles like or directly competitive with the imported articles.

2. An orderly marketing agreement was concluded on June 11, 1976, between the Government of the United States of America and the Government of Japan, limiting the export from Japan and the import into the United States of certain articles of stainless steel (except razor blade steel) or alloy tool steel provided for in items 608.52, 608.76, 608.78, 608.85, 608.88, 609.06, 609.07, and 609.08 of the TSUS.



3. On June 11, 1976, by Proclamation 4445, I proclaimed, pursuant to the Constitution and the statutes of the United States (including section 203 of the Trade Act), the imposition of temporary quantitative limitations on the importation into the United States of certain articles of stainless steel or alloy tool steel. These limitations were effective as to those articles entered, or withdrawn from warehouse, for consumption on or after June 14, 1976, and are to continue for a period of three years from that date unless earlier modified, or terminated.

4. Alloy "tool steel", as that term is defined in statistical headnote 1(a) of subpart B, part 2, schedule 6 of the TSUS, was included in the finding of the USITC. Steel, so defined, was made subject to the quantitative limitations established by Proclamation 4445, in item 923.24. Subsequent to the issuance of that proclamation I have ascertained that certain alloy tool steel having a chemical composition within the specifications of new headnote 2(a)(iv) proclaimed in paragraph A(iii) below had not either consistently or substantially been historically reported in import statistics as alloy tool steel prior to June 14, 1976. Therefore, the statistics used as a basis for establishing the quantitative limitations for item 923.24 are inaccurate, and the



quota quantity provided for that category is substantially understated.

5. Section 203(d)(2) of the Trade Act. (19 U.S.C. 2253(d)(2)) requires that any quantitative restriction proclaimed pursuant to section 203 subsection (a) or (c), and any marketing agreement negotiated pursuant to subsection (a), shall "permit the importation of a quantity or value of the article which is not less than the quantity or value of such article imported into the United States during the most recent period which the President determines is representative of imports of such article". Based on data that was not available on June 11, 1976, I have determined that the inclusion of the steel described in new headnote 2(a)(iv) proclaimed below in the quantitative limitation for item 923.24 would result in the importation of a quantity or value of specialty steel into the United States which is less than that quantity or value imported into the United States during the most recent period determined by me in recital 6 of the Proclamation 4445 to be representative of imports of alloy tool steel.

6. In order to provide appropriate quantitative limitations in accordance with the statutory requirements referred to in recital 5 above, I have determined to delete item 923.24 and to include alloy tool steel formerly provided for in item 923.24 separately in new items 923.25 and 923.26, and to proclaim separate quantitative limitations for imports included in each



4

new item.

THEREFORE, I, GERALD R. FORD, President of the United States of America, acting under the authority vested in me by the Constitution and the statutes of the United States of America, including section 203 of the Trade Act (19 U.S.C. 2253), do hereby proclaim, until the President otherwise proclaims or until otherwise superseded by law that:

A. Subpart A, part 2, of the Appendix to the Tariff Schedules of the United States (19 U.S.C. 1202) is modified as follows:

(i) by deleting "923.24" from the first sentence of headnote 2 and substituting "923.26" in lieu thereof.

(ii) by deleting "923.24" from headnote 2(a)(iii) and substituting "923.25 and 923.26" in lieu thereof.

(iii) by renumbering paragraph (a)(iv) of headnote 2 thereof (a)(v) and inserting the following new paragraph (a)(iv) in numerical sequence:

"(iv) The alloy tool steel provided for in item 923.25 is limited to alloy tool steel of the types provided for in items 608.52, 608.76, 608.78, 608.85, 608.88, 609.06, 609.07, and 609.08, which contain, in addition to



iron, each of the following elements by weight in the amounts specified:

carbon: not less than 0.95
nor more than 1.13
percent;

manganese: not less than
0.22 nor more
than 0.48 percent;

sulfur: none, or not more than
0.03 percent;

phosphorus: none, or not more
than 0.03 percent;

silicon: not less than 0.18
nor more than 0.37
percent;

chromium: not less than 1.25
nor more than 1.65
percent;

nickel: none, or not more than
0.28 percent;

copper: none, or not more than
0.38 percent;

molybdenum: none, or not more
than 0.09 percent.

(iv) by deleting "923.24" from headnote
2(b) and substituting "923.26" in lieu thereof.

(v) (a) by adding the following sentence
after the second sentence to headnote 2(f):

"With respect to item 923.25 there is no limitation specified for the increase permitted in any quota quantity but any establishment or increase in a base limit for item 923.25 must be accompanied by an equal tonnage reduction in the quota quantity from Japan for one or more of the other items during the same restraint period."



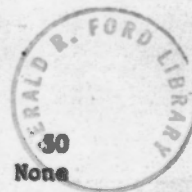
(b) by deleting "923.24" from the tabulation in headnote 2(f) and substituting "923.26" in lieu thereof; and

(c) by inserting the following in the tabulation to headnote 2(f) in numerical sequence:

Restraint Periods						
Item	June 14, 1976- June 13, 1977		June 14, 1977- June 13, 1978		June 14, 1978- June 13, 1979	
	Base limit	Maximum increase	Base limit	Maximum increase	Base limit	Maximum increase
	<u>1,000</u>		<u>1,000</u>		<u>1,000</u>	
	<u>s. tons</u>	<u>Percent</u>	<u>s. tons</u>	<u>Percent</u>	<u>s. tons</u>	<u>Percent</u>
923.25	19.8	no limitation	22.0	no limitation	24.3	no limitation

(vi) by deleting item 923.24 and substituting in lieu thereof the following:

Item	Articles	Quota Quantity (in short tons)		
		Effective on or after---		
		June 14, 1976	June 14, 1977	June 14, 1978
	Alloy tool steel of the types provided for in items 608.52, 608.76, 608.78, 608.85, 608.88, 609.06, 609.07, and 609.08:			
923.25	Alloy tool steel within the specifications of headnote 2(a)(iv):			
	Japan	19,800	22,000	24,300
	European Economic Community	3,500	3,500	3,500
	Canada	65	65	65
	Sweden	7,000	8,000	8,000
	Other:			
	Countries entitled to the rate of duty in rates of duty column numbered 1 (total)	50	50	50
	Other (total) ..	None	None	None

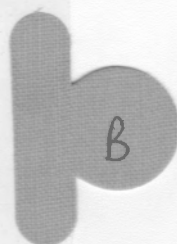


Item	Articles	Quota Quantity (in short tons)		
		Effective on or after--		
		June 14, 1976	June 14, 1977	June 14, 1978
923.26	Other (see headnote 2(a) (iii)):			
	Japan	3,500	3,700	3,800
	European Economic Community	3,400	3,500	3,600
	Canada	1,900	2,000	2,000
	Sweden	8,500	8,600	8,700
	Other:			
	Countries entitled to the rate of duty in rates of duty column numbered 1 (total)	3,600	3,700	3,800
	Other (total) ..	6	6	6

B. The modifications of subpart A, part 2 of the Appendix to the TSUS, made by this proclamation, shall be effective on the third day after the date of publication of this proclamation in the Federal Register as to articles entered, or withdrawn from warehouse, for consumption on and after June 14, 1976.

IN WITNESS WHEREOF, I have hereunto set my hand this day of November, in the year of our Lord nineteen hundred seventy-six, and of the Independence of the United States of America the two hundred and first.





NOV 3 1976

The President,

The White House.

Dear Mr. President:

We have received a copy of a proposed proclamation entitled "Modification of Temporary Quantitative Limitations on the Importation into the United States of Certain Articles of Alloy Tool Steel."

This proposed proclamation was prepared in the Office of the Special Representative for Trade Negotiations, and it has been forwarded by Ambassador Dent for the consideration of this Department as to form and legality. Section 2(f) of Executive Order No. 11846 provides that proclamations relating to the trade agreements program need not be channeled through the Office of Management and Budget.

The Department of Justice made several changes of an editorial and stylistic nature which are incorporated in the copy we have received.

At the instructions of the Office of the Special Representative for Trade Negotiations we have already advised Mr.



Roger Porter, Special Assistant to the President, by telephone that the proposed proclamation is approved as to form and legality. This letter confirms the Department's approval of the proposed proclamation as to form and legality.

Respectfully,

Antonin Scalia
Assistant Attorney General
Office of Legal Counsel



NOV 3 1976

MEMORANDUM

Re: Proposed proclamation entitled
"Modification of Temporary Quanti-
tative Limitations in the Importa-
tion into the United States of
Certain Articles of Alloy Tool Steel"

This proposed proclamation was prepared in the Office of the Special Representative for Trade Negotiations and has been forwarded for the consideration of this Department as to form and legality. Pursuant to Executive Order No. 11846, proclamations relating to the trade agreements program need not be channeled through the Office of Management and Budget.

This proposed proclamation will amend Proclamation No. 4445 of June 11, 1976. It will provide relief from the restriction to the supply of bearing steel and other alloy tool steel which resulted from latent inaccuracy in the historical data which served as the basis of the United States International Trade Commission (USITC) finding underlying the earlier proclamation. This proclamation is issued pursuant to authority in the Trade Act of 1974 (primarily section 203). It modifies the temporary quantitative limitations on certain alloy tool steel that were established by Proclamation 4445.

The proclamation (1) recites the prerequisite USITC finding, (2) recites the orderly marketing agreement with the Government of Japan, (3) recites the temporary quantitative limitations placed on stainless and alloy tool steel by Proclamation No. 4445, (4) recites that the historical data for alloy tool steel did not adequately reflect bearing steel, and that the quota quantity was therefore understated, (5) recites the requirements of section 203 of the Trade Act mandating preservation of historical import levels, and (6) recites that the President has determined to provide a separate



import category for bearing steel with accompanying quantitative limitations.

The implementing provisions of the proclamation cite the Constitutional and statutory authorities of the President and (A) modify Proclamation No. 4445 to create separate quantitative limitations for bearing steel and all other alloy tool steel, and (B) make such modifications effective three days after the date of publication of this proclamation in the Federal Register.

Antonin Scalia
Assistant Attorney General
Office of Legal Counsel



Modification of Temporary Quantitative Limitations
on the Importation into the United States
Of Certain Articles of Alloy Tool Steel

BY THE PRESIDENT OF THE UNITED STATES

A PROCLAMATION

1. On January 16, 1976, the United States International Trade Commission (USITC) reported to the President the results of its investigation under section 201(b) of the Trade Act of 1974 (19 U.S.C. 2251(b)) (the Trade Act). The USITC determined that certain articles of stainless steel or alloy tool steel provided for in items 608.52, 608.76, 608.78, 608.85, 608.88, 609.06, 609.07, and 609.08 of the Tariff Schedules of the United States (TSUS) were 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 or industries producing articles like or directly competitive with the imported articles.

2. An orderly marketing agreement was concluded on June 11, 1976, between the Government of the United States of America and the Government of Japan, limiting the export from Japan and the import into the United States of certain articles of stainless steel (except razor blade steel) or alloy tool steel provided for in items 608.52, 608.76, 608.78, 608.85, 608.88, 609.06, 609.07, and 609.08 of the TSUS.



3. On June 11, 1976, by Proclamation 4445, I proclaimed, pursuant to the Constitution and the statutes of the United States (including section 203 of the Trade Act), the imposition of temporary quantitative limitations on the importation into the United States of certain articles of stainless steel or alloy tool steel. These limitations were effective as to those articles entered, or withdrawn from warehouse, for consumption on or after June 14, 1976, and are to continue for a period of three years from that date unless earlier modified, or terminated.

4. Alloy "tool steel", as that term is defined in statistical headnote 1(a) of subpart B, part 2, schedule 6 of the TSUS, was included in the finding of the USITC. Steel, so defined, was made subject to the quantitative limitations established by Proclamation 4445, in item 923.24. Subsequent to the issuance of that proclamation I have ascertained that certain alloy tool steel having a chemical composition within the specifications of new headnote 2(a)(iv) proclaimed in paragraph A(iii) below had not either consistently or substantially been historically reported in import statistics as alloy tool steel prior to June 14, 1976. Therefore, the statistics used as a basis for establishing the quantitative limitations for item 923.24 are inaccurate, and the



quota quantity provided for that category is substantially understated.

5. Section 203(d)(2) of the Trade Act (19 U.S.C. 2253(d)(2)) requires that any quantitative restriction proclaimed pursuant to section 203 subsection (a) or (c), and any marketing agreement negotiated pursuant to subsection (a), shall "permit the importation of a quantity or value of the article which is not less than the quantity or value of such article imported into the United States during the most recent period which the President determines is representative of imports of such article". Based on data that was not available on June 11, 1976, I have determined that the inclusion of the steel described in new headnote 2(a)(iv) proclaimed below in the quantitative limitation for item 923.24 would result in the importation of a quantity or value of specialty steel into the United States which is less than that quantity or value imported into the United States during the most recent period determined by me in recital 6 of the Proclamation 4445 to be representative of imports of alloy tool steel.

6. In order to provide appropriate quantitative limitations in accordance with the statutory requirements referred to in recital 5 above, I have determined to delete item 923.24 and to include alloy tool steel formerly provided for in item 923.24 separately in new items 923.25 and 923.26, and to proclaim separate quantitative limitations for imports included in each



new item.

THEREFORE, I, GERALD R. FORD, President of the United States of America, acting under the authority vested in me by the Constitution and the statutes of the United States of America, including section 203 of the Trade Act (19 U.S.C. 2253), do hereby proclaim, until the President otherwise proclaims or until otherwise superseded by law that:

A. Subpart A, part 2, of the Appendix to the Tariff Schedules of the United States (19 U.S.C. 1202) is modified as follows:

(i) by deleting "923.24" from the first sentence of headnote 2 and substituting "923.26" in lieu thereof.

(ii) by deleting "923.24" from headnote 2(a)(iii) and substituting "923.25 and 923.26" in lieu thereof.

(iii) by renumbering paragraph (a)(iv) of headnote 2 thereof (a)(v) and inserting the following new paragraph (a)(iv) in numerical sequence:

"(iv) The alloy tool steel provided for in item 923.25 is limited to alloy tool steel of the types provided for in items 608.52, 608.76, 608.78, 608.85, 608.88, 609.06, 609.07, and 609.08, which contain, in addition to



iron, each of the following
elements by weight in the amounts
specified:

carbon: not less than 0.95
nor more than 1.13
percent;

manganese: not less than
0.22 nor more
than 0.48 percent;

sulfur: none, or not more than
0.03 percent;

phosphorus: none, or not more
than 0.03 percent;

silicon: not less than 0.18
nor more than 0.37
percent;

chromium: not less than 1.25
nor more than 1.65
percent;

nickel: none, or not more than
0.28 percent;

copper: none, or not more than
0.38 percent;

molybdenum: none, or not more
than 0.09 percent;

(iv) by deleting "923.24" from headnote
2(b) and substituting "923.26" in lieu thereof.

(v) (a) by adding the following sentence
after the second sentence to headnote 2(f):

"With respect to item 923.25 there
is no limitation specified for the increase
permitted in any quota quantity but any
establishment or increase in a base limit
for item 923.25 must be accompanied by an
equal tonnage reduction in the quota
quantity from Japan for one or more of
the other items during the same restraint
period."



(b) by deleting "923.24" from the tabulation in headnote 2(f) and substituting "923.26" in lieu thereof; and

(c) by inserting the following in the tabulation to headnote 2(f) in numerical sequence:

Restraint Periods						
Item	June 14, 1976- June 13, 1977		June 14, 1977- June 13, 1978		June 14, 1978- June 13, 1979	
	Base limit 1,000	Maximum increase	Base limit 1,000	Maximum increase	Base limit 1,000	Maximum increase
	s. tons	Percent	s. tons	Percent	s. tons	Percent
923.25	19.8	no limitation	22.0	no limitation	24.3	no limitation

(vi) by deleting item 923.24 and substituting in lieu thereof the following:

Item	Articles	Quota Quantity (in short tons)		
		Effective on or after---		
		June 14, 1976	June 14, 1977	June 14, 1978
923.25	Alloy tool steel of the types provided for in items 608.52, 608.76, 608.78, 608.85, 608.88, 609.06, 609.07, and 609.08:			
	Alloy tool steel within the specifications of headnote 2(a)(iv):			
	Japan	19,800	22,000	24,300
	European Economic Community	3,500	3,500	3,500
	Canada	65	65	65
	Sweden	7,000	8,000	8,000
	Other:			
	Countries entitled to the rate of duty in rates of duty column numbered 1 (total)	50	50	
	Other (total) ..	None	None	



Item	Articles	Quota Quantity (in short tons)		
		Effective on or after—		
		June 14, 1976	June 14, 1977	June 14, 1978
923.26	Other (see headnote 2(a) (iii)):			
	Japan	3,500	3,700	3,800
	European Economic Community	3,400	3,500	3,600
	Canada	1,900	2,000	2,000
	Sweden	8,500	8,600	8,700
	Other:			
	Countries enti-			
	tled to the			
	rate of duty			
	in rates of			
	duty column			
	numbered 1			
	(total)	3,600	3,700	3,800
	Other (total) ..	6	6	6

B. The modifications of subpart A, part 2 of the Appendix to the TSUS, made by this proclamation, shall be effective on the third day after the date of publication of this proclamation in the Federal Register as to articles entered, or withdrawn from warehouse, for consumption on and after June 14, 1976.

IN WITNESS WHEREOF, I have hereunto set my hand this day of November, in the year of our Lord nineteen hundred seventy-six, and of the Independence of the United States of America the two hundred and first.

