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*Honey
Escape
Claims*

THE WHITE HOUSE
WASHINGTON

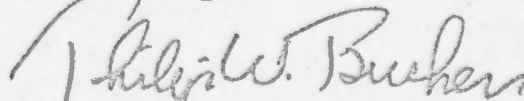
November 2, 1976

Dear Mr. Wolff:

Thank you for sending me the clipping from the Journal of Commerce along with a copy of Ambassador Dent's letter to the editor of that paper.

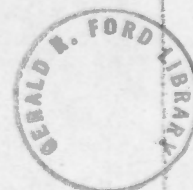
In the next few weeks, we should make further plans for meeting with Chairman Long on this subject as we promised.

Sincerely,



Philip W. Buchen
Counsel to the President

Mr. Alan Wm. Wolff
General Counsel
Office of the Special Representative
for Trade Negotiations
Executive Office of the President
Washington, D. C. 20506



OFFICE OF THE SPECIAL REPRESENTATIVE
FOR TRADE NEGOTIATIONS

EXECUTIVE OFFICE OF THE PRESIDENT
WASHINGTON
20506

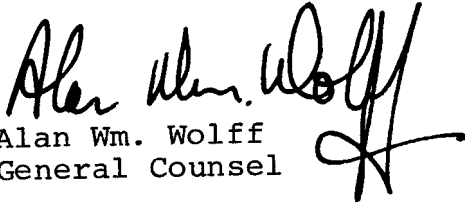
October 28, 1976

The Honorable
Philip W. Buchen
Counsel to the President
The White House
Washington, D. C.

Dear Mr. Buchen:

I thought that you would be interested in the attached which followed the President's honey override statement. We have been assured as recently as this week by Congressional staff that interest in this issue will not subside, and that there may well be a negative impact on obtaining implementing legislation for the President's trade agreements during the next Congress.

Very truly yours,


Alan Wm. Wolff
General Counsel



1

THE JOURNAL OF COMMERCE, Tuesday, September 7, 1976

“Separation of Powers’ Dispute May Impact US Trade Policy

*Ford Challenges the Right of Congress
To Override Import Relief Decisions*

By RICHARD LAWRENCE
Journal of Commerce Staff
WASHINGTON — A new

whether to grant higher tariffs or other import relief to U.S. industries

(ITC) recommendation that an industry warrants special

Cong

20506

September 8, 1976

Mr. Harold Gold
Editor
Journal of Commerce
99 Wall Street
New York, New York 10005

Dear Mr. Gold:

The lead story of the September 7th Journal of Commerce contains a misleading and inaccurate reference to the multilateral trade negotiations. This article dealing with "separation of powers" dispute states that, "Until now, U.S. negotiators have made clear that under the 1974 trade law, many of their agreements in nontariff trade matters would be subject to Congressional approval. Now, under the newly asserted Ford doctrine the American negotiating team would not be bound by the need for Congressional approval."

Quite to the contrary, these agreements are required by law to be subject to positive approval by both Houses of Congress as well as any necessary implementing legislation. Section 102 of the Trade Act requires this approval, and I have given assurance to the members of Congress that all such agreements and legislation will be submitted for their consideration and approval. This commitment is shared by the Administration as a whole and all nontariff matters agreed to in the Geneva negotiations will be brought back to the Congress for approval.

Sincerely yours,

(signed) Frederick B. Dent

Frederick B. Dent



FBDent:rcf:9/8/76
subj/chron

THE WHITE HOUSE

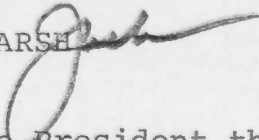
WASHINGTON

September 10, 1976

MEMORANDUM FOR:

PHIL BUCHEN
MAX FRIEDERSDORF

FROM:

JACK MARSH 

Senator Russell Long called the President this morning and the President would like the Counsel's Office to take the lead in addressing the question which Russell raised. However, you may need some backup and support from the Legislative Office.

The Senator expressed his concern to the President on a possible court test and invalidation of the "one-House veto" concept. Long's concern is that such a test would strike down this legislative procedure in tariff questions.

The President wanted you to be aware of the position he took with Long, which is as follows:

1. He could not address the questions specifically because he was not that aware of the precise matter in which Senator Long was interested.
2. However, as a matter of policy, he had a strong concern and reservation on the broad question of "one-House vetos" in usual and regular legislation.
3. It may be there was a distinction to be made in this device insofar as narrow tariff decisions were concerned.
4. He would have the question examined in this regard and seek advice on this narrow issue, but he did not make any promise.



Apparently, Senator Long is concerned that a court decision on pending cases involving the election laws might be so broad as to strike down the veto provisions on tariff decisions under the Trade Act. The Senator may also have mentioned to the President the fact that this was also included as a part of his message going back to the Hill on some tariff question.

In all events, he would like for you to address this matter as promptly as possible and furnish him with a memo.

You might have someone from Max's Office or your staff touch base with the Chief Counsel of his Committee in the event you need further information as to the Senator's concerns.

cc: Dick Cheney
Bill Seidman



THE SPECIAL REPRESENTATIVE FOR
TRADE NEGOTIATIONS
WASHINGTON

SEP 9 1976

MEMORANDUM TO THE HONORABLE PHILIP W. BUCHEN

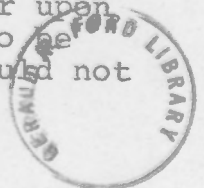
FROM : Frederick B. Dent

SUBJECT: Trade Matters and the "Separation of Powers"

Following up on our discussion at the Cabinet meeting this morning, I wanted to outline in greater detail an important problem that is likely to impair the cooperative attitude that we have met in the Congress up until now in implementing the President's trade agreements program. The problem arises from inclusion in the President's determination not to grant import relief in the honey case (memorandum to the STR dated August 28, 1976) of a paragraph stating that, contrary to the provisions of the Trade Act, there can be no Congressional override of this Presidential decision. The key sentence reads: "Such legislative 'vetoes' are considered by the Executive to be violative of fundamental constitutional precepts and thus without effect."

In the short term, the inclusion of that language may well result in an attempted Congressional override of the President's determination in the honey case. However, the implications go beyond the honey escape clause case. The Trade Act was a very carefully worked out and hard-won compromise between the Congress and the President necessitated by the fact that in most trade matters the President cannot implement international trade agreements without seeking legislation. This was made painfully obvious in the only two instances where nontariff barrier agreements were reached in the Kennedy Round. The Congress failed to implement one agreement, and, many would say, nullified the other agreement.

The fact that the Commerce Clause of the Constitution grants the power to regulate foreign commerce to the Congress, while the Constitution confers the foreign affairs power upon the President, required some compromise if there were to be international trade agreements. Foreign governments would not



negotiate with the Executive knowing that Congress might never act on an agreement after it had been negotiated or might require fundamental changes in it. Congress could not constitutionally give a broad enough advance grant of authority to serve as a basis for negotiations. The lack of a way in which negotiating requirements could be met while taking into account Congressional prerogatives left the President without any trade negotiating authority from mid-1967 until early 1975.

President Nixon proposed in April, 1973, that trade agreements be implemented in a similar manner to that used for reorganization plans. The implementing legislation would become effective after the Congress had an opportunity to pass a resolution of disapproval in either House. This is not very different in effect from the override contained in the Federal Election Campaign Act, currently being challenged by Ramsey Clark, with the Justice Department intervening. A key difference between the 1973 trade bill and the campaign law is that in the trade area the President was seeking to assume normally legislative functions. In the campaign law case, the Congress was trying to retain control over the administration of the law.

While the House adopted the Administration's proposed nontariff authority, the Senate insisted that U.S. statutes be changed only pursuant to positive legislation, i.e. a bill passed by both Houses of Congress, and signed into law by the President. It was this latter version that became law.

However, in five other areas of the Trade Act, the Congress inserted a Congressional override over Executive action. Two Congressional vetoes are attached to provisions that are particularly important to the administration of international trade policy. These concern import relief and a waiver by the Secretary of the Treasury of the imposition of countervailing duties. In the case of import relief, the President was allowed latitude in deciding whether to grant relief on a showing that a domestic industry had been injured by import competition, provided that a concurrent resolution would put into effect the U.S. International Trade Commission's finding of remedy if the Congress disapproved of the President's action. In the case of countervailing duties, the Secretary of the Treasury was allowed to waive the imposition of countervailing duties if a number of criteria were met, subject to disapproval by either House of Congress. (The use of this latter waiver provision brought to an end hostilities with the Common Market over cheese imports last year.) In both provisions, the presence of the possibility of a Congressional veto was a key factor in the granting of discretion to the Administration.



I recognize that there are very important Constitutional questions which should be litigated with respect to the separation of powers. However, the challenge of some of these override provisions in the context of the Trade Act may be viewed as undermining some basic decisions reached by the Congress and the President with respect to the conduct of the United States international trade policy.

I think that it would be useful to discuss further how best we might approach this issue in the context of the history of the Trade Act. For this purpose, I would suggest that you and I meet in the near future, and that Alan Wolff, our General Counsel, attend, in view of the fact that he participated in the process of obtaining the President's current trade authority from the Congress.

cc: Mr. Seidman



THE WHITE HOUSE

WASHINGTON

August 17, 1976

MEMORANDUM FOR: ROGER PORTER
THROUGH: PHIL BUCHEN *P.*
FROM: KEN LAZARUS *K.*
SUBJECT: Honey Escape Clause Case

Counsel's Office has reviewed the memorandum to the President on the subject noted above. We have no objection to the recommendation against increased duties which is advanced by Ambassador Dent but suggest that both the memorandum and Presidential Report to the Congress incorporate additional language along the following lines:

"In taking action which differs from the action recommended by the Commission, the President is required by Sec. 203(b) of the Trade Act of 1974 to report to Congress on the reasons underlying his action. This reportorial requirement is by itself of course appropriate. However, by Sec. 203(c) of the Trade Act, Congress has also attempted to empower itself with the authority to disapprove of such Presidential action by force of a concurrent resolution. Such legislative "vetoes" are considered by the Executive to be violative of fundamental constitutional precepts and thus without effect. The question is currently at issue in litigation which is being actively pursued by the Department of Justice."

Back up sent to PB



THE WHITE HOUSE

WASHINGTON

August 17, 1976

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

FROM: ROGER B. PORTER *RBP*
SUBJECT: Honey Escape Clause Case

A memorandum from Ambassador Dent on "Honey Escape Clause Case" is attached. We would appreciate your comments and recommendations on this memorandum no later than c.o.b. Monday, August 23, 1976.

Thank you very much.

Attachment



THE SPECIAL REPRESENTATIVE FOR
TRADE NEGOTIATIONS

WASHINGTON

16 AUG 1976

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MEMORANDUM FOR THE PRESIDENT

SUBJECT: Escape Clause Case on Honey

The U.S. International Trade Commission reported to you on June 29, 1976 its finding by a vote of 3 to 2 that commercial producers of honey are being threatened with serious injury due to increased imports. To prevent such injury, the Commission recommended that the duty on imports of honey from most-favored-nation countries in excess of 30 million pounds be raised to one cent per pound plus 30 percent ad valorem. After 1978, the over-quota rate would be phased down and would terminate at the end of 1980. The present duty of one cent per pound on imports from such sources is equivalent to about three percent ad valorem.

Under the Trade Act of 1974 your decision as to remedy must be made by August 28, 1976. If you do not proclaim the remedy recommended by the Commission, your decision will be subject to Congressional override.

The farm value of the annual domestic honey crop is about \$100 million. While there are only 1,600 commercial producers with an estimated 10,000 employees, as many as 200,000 hobbyists and 10,000 sideliners also maintain hives accounting for about half of the total bee colonies and 40 percent of production. These groups are well organized and have mounted an active campaign for support from the Hill.

As a result, 28 members of Congress have written in support of tariff relief. In addition, 18 members expressed no views but asked that consideration be given to representations from their constituents, almost all favoring import restrictions. Only two members opposed tariff relief.

The Trade Policy Committee (TPC) was unanimous in the view that the case for a finding that the industry is threatened with injury is exceptionally weak. Prices are near record levels and employment has been increasing. Imports have risen but the short domestic crop predicted for 1976 will be well below the recent level of U.S. consumption. On an issue not before the Commission, but on which we received extensive comment, namely, the impact of

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imports on pollination services needed by U.S. farmers, agencies agreed that denial of tariff relief would have no adverse impact on the availability of such services.

For these reasons, as well as other considerations which you are directed to take into account under section 202(c) of the Trade Act, the TPC recommends unanimously that you (1) determine that tariff relief is not in the national economic interest and (2) direct the Secretary of Agriculture to undertake studies of the importance of pollination to U.S. agriculture and consumers, identifying possible problem areas and recommending appropriate solutions, as needed. This approach has the support of the American Farm Bureau Federation.

I concur in the above recommendations.

Approve _____

Disapprove _____

For your information, I am attaching a copy of the paper on this case prepared by the Trade Policy Staff Committee and a list of the members of Congress who have made representations on this matter. Also attached for use if you accept the above recommendations are: (1) a draft letter to the Secretary of Agriculture concerning initiation of pollination studies; (2) a draft press release announcing your decision; (3) a draft decision memorandum which would be published in the Federal Register; and (4) draft letters to the President of the Senate and the Speaker of the House of Representatives reporting your decision to the Congress.



Frederick B. Dent

Attachments



As of: August 16, 1976

Members of Congress Who Have
Expressed an Interest in Honey

A. In favor of Tariff Relief

Sen. Mike Mansfield (D-Mont)	Cong. John Krebs (D-Cal)
Sen. John Tunney (D-Cal)	Cong. Larry Pressler (R-S.Dak)
Sen. James Abourezk (D-S.Dak)	Cong. John Melcher (D-Mont)
Sen. Paul Laxalt (R-Nev)	Cong. Keith Sebelius (R-Kan)
Sen. Carl Curtis (R-Neb)	Cong. James Abdnor (R-S.Dak)
Sen. Howard Cannon (D-Nev)	Cong. Matthew McHugh (D-NY)
Sen. James A. McClure (R-Idaho)	Cong. Mark Andrews (R-N.Dak)
Sen. Hubert Humphrey (D-Minn)	Cong. Les AuCoin (D-Oreg)
Sen. George McGovern (D-S.Dak)	Cong. Charles Wilson (D-Tex)
Sen. Frank Church (D-Idaho)	Cong. Robert Kastenmeier (D-W.
Sen. Roman Hruska (R-Neb)	Cong. Charles Thone (R-Neb)
Sen. Sam Nunn (D-Ga)	Cong. Robert Leggett (D-Cal)
	Cong. Max Baucus (D-Mont)
	Cong. Virginia Smith (R-Neb)
	Cong. Mike McCormack (D-Wash)
	Cong. George Danielson (D-Cal)

B. Against Tariff Relief

Sen. John A. Durkin (D-NH)	Cong. Edwin Eshleman (R-Pa)
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C. Expressed Interest But Took No Position

Sen. Adlai Stevenson (D-Ill)	Cong. James Cleveland (R-NH)
Sen. James Buckley (R-NY)	Cong. James Haley (D-Fla)
Sen. Floyd Haskell (D-Colo)	Cong. Barber Conable (R-NY)
Sen. Phillip Hart (D-Mich)	Cong. Shirley Pettis (R-Cal)
Sen. Walter Mondale (D-Minn)	Cong. Manuel Lujan (R-N.Mex)
Sen. Alan Cranston (D-Cal)	Cong. George O'Brien (R-Ill)
Sen. Richard Stone (D-Fla)	Cong. William Armstrong (R-Cal)
Sen. Milton Young (R-N.Dak)	Cong. Teno Roncalio (R-N.Mex)
Sen. John Culver (D-Iowa)	Cong. Garry Brown



THE SPECIAL REPRESENTATIVE FOR
TRADE NEGOTIATIONS
WASHINGTON

DRAFT LETTER TO THE SECRETARY OF AGRICULTURE

Dear Mr. Secretary:

In considering the recent escape clause case on honey, I received a number of representations dealing with the role of honeybees in the pollination of U.S. crops. While data reported by the U.S. International Trade Commission indicated that colonies of bees kept by commercial producers have increased in the past five years, the total number of colonies, including those of hobbyists and sideliners, has shown a substantial decline over the past three decades. This downward trend shows no correlation with imports and appears to be explained largely by pesticide losses, decreasing bee pasturage and changes in cropping patterns.

I am aware that your Department has conducted studies on pollination, but certain aspects of the subject appear to require additional research and analysis. In particular, it would be useful for the USDA to develop more definitive information on the value of pollination to U.S. agriculture and consumers, to identify possible problem areas, and to recommend appropriate solutions, as needed.

Please, therefore, have such studies initiated at an early date, and advise me of their scope and projected time schedule.

Sincerely,

Honorable Earl L. Butz
Secretary of Agriculture
Washington, D. C.



August __, 1976

PRESS RELEASE #

OFFICE OF THE SPECIAL REPRESENTATIVE FOR TRADE NEGOTIATIONS
EXECUTIVE OFFICE OF THE PRESIDENT
WASHINGTON, D. C. 20506

Import Tariff on Honey to Remain at Present Level

President Ford has determined that an increase in the duty on honey imports is not in the national economic interest, Ambassador Frederick B. Dent, the President's Special Representative for Trade Negotiations announced today. The President, however, ordered the Secretary of Agriculture to initiate additional research on the importance of pollination to U.S. agriculture and consumers.

The President's decision follows a June 29, 1976 finding by the USITC, in a 3-2 vote, that increased imports are a substantial cause of a threat of serious injury to the domestic industry engaged in the commercial production and extraction of honey.

The case was examined in the interagency trade organization which recommended that a tariff rate quota over a five-year period would be inconsistent with the national economic interest.

Domestic production, valued at about \$100 million, has, like imports, shown large year to year variations. In 1971, there was a short crop of 197 million pounds, rising to 214 million pounds in 1972. In 1973, there was a bumper crop of 238 million pounds followed by two short crops in 1974 and 1975 of 185 million and 196 million pounds, respectively. Another short crop is forecast for 1976, almost 50 million pounds below 1973. About 40% of the total is accounted for by hobbyists and sideliners.

The problems faced by commercial honey producers include several important factors other than imports, notably limited yields due to a decline in good pasturage, pesticides, adverse weather, availability of nectar sources and changes in cropping practices. Industrial demand for honey has also fallen sharply due to substitutes.

The USITC report also showed that prices have risen substantially between 1970-1975. The wholesale price received by producers for a pound of extracted honey rose from 13.5 cents to 47.8 cents while the average retail price paid by consumers rose from 32.1 to 71 cents. Tariff relief would be inconsistent with the nation's efforts to reduce inflation.

There is no evidence of significant idling of productive facilities, and employment has risen. Commercial employment is estimated to involve 10,000 workers although 218,000 part-time workers and hobbyists are involved in honey production. Overall profits have more than doubled in the past five years.



erratically, with imports increasing whenever domestic production is not sufficient to meet consumption needs. In 1971, imports amounted to 11.4 million pounds and rose to an unprecedented 39 million pounds in 1972. With strong domestic production bolstering U.S. total supply, imports dropped to 11 million pounds in 1973, but rose again as U.S. production declined in 1974 and 1975, with imports reaching 46 million pounds valued at \$16.2 million in 1975. Imports continued to rise in the first half of 1976 due to the anticipation of a short U.S. crop and the possibility of a duty increase.

In seeking import relief, producers stressed the role played by honey bees in the pollination of certain U.S. crops. Although the commercial honey bee colonies have increased, the total number of bee colonies has decreased over the past three decades. This trend, however, is due to factors other than imports. In view of the interest expressed in pollination, the President has asked the Secretary of Agriculture to initiate additional research on the importance of pollination to U.S. agriculture and consumers.

Adjustment assistance is available to workers and firms who are injured by imports providing they meet the criteria established under the Trade Act of 1974.



THE SPECIAL REPRESENTATIVE FOR
TRADE NEGOTIATIONS
WASHINGTON

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DRAFT DECISION MEMORANDUM

MEMORANDUM FOR

THE SPECIAL REPRESENTATIVE FOR TRADE NEGOTIATIONS

SUBJECT: Decision on Honey Under Section 202(b) of the
Trade Act of 1974

Pursuant to Section 202(b)(1) of the Trade Act of 1974 (PL 93-618), 88 Stat. 1978), I have determined the action I will take with respect to the report of the U.S. International Trade Commission (USITC) dated June 29, 1976, concerning the results of its investigation of a petition for import relief filed by several associations and independent firms producing honey in the United States.

I have determined that import relief for honey is not in the national economic interest of the United States.

Three Commissioners found that although commercial producers of honey, i.e. with 300 bee colonies or more, had operated profitably, such producers were threatened with serious injury caused in substantial part by increased imports. This finding did not cover the numerous beekeepers who produce honey as a hobby or as a sideline to other occupations. Moreover, firms processing, packing and/or marketing honey were found not to be injured or threatened with injury from increased import competition. Two of the five Commissioners voting in

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the case found no injury or threat of injury to any part of the industry.

The farm value of the total domestic honey crop in 1975 is estimated at \$100 million, with about 60 percent accounted for by commercial producers. Commercial production has varied widely in recent years, depending on yield per bee colony, which is in turn affected by such factors as weather, pasturage, and pesticide losses. There is no idling of productive facilities and employment has increased.

Data reported by the Commission show that prices received by producers for bulk unprocessed honey in 1975 had declined from the all-time peak in 1974 but were still 27.7 cents per pound, or 154 percent above the 1971 level. In the same 5-year period, retail purchasers paid an increase of 34.4 cents per pound, or 94 percent. Per capita consumption declined, due at least in part to loss of a major part of the industrial market to lower price substitutes.

With increased costs and lower yields, honey producers showed a lower profit to sales ratio last year than in the boom year 1973. However, the net beekeeping profit before income taxes reported by commercial producers to the Commission for 1975 was 2.6 times the 1971 earnings.

Even with a good crop, domestic production of honey falls short of consumption. Imports have varied widely in the past, tending to even out consumption needs. With short crops in



1974-1975 and the 1976 crop expected to be nearly 50 million pounds below 1973, imports have risen. Efforts to increase stocks before a possible escape clause duty increase also contributed to the rise in imports in 1976.

Tariff relief would be inconsistent with the national effort to reduce inflation. New restrictions would also expose other U.S. products to foreign claims for compensatory tariff reductions or retaliation against U.S. exports. While honey is a small item in our overall imports, increased protection would have an adverse effect on our bargaining position in bilateral consultations and multilateral negotiations of major importance to the U.S. economy.

After considering the material on honeybee pollination of domestic crops, I have concluded that pollination will not be jeopardized in the absence of import relief. However, in view of the widespread interest in this subject, I have instructed the Secretary of Agriculture to undertake additional research on the importance of pollination, to identify possible problem areas, and to recommend appropriate solutions as needed.

This determination is to be published in the Federal Register.



THE SPECIAL REPRESENTATIVE FOR
TRADE NEGOTIATIONS
WASHINGTON

DRAFT LETTER SUBMITTING PRESIDENTIAL REPORT

Dear Mr. Speaker:

In accordance with Section 203(b)(2) of the Trade Act of 1974, enclosed is a report to the Congress setting forth my determination that import relief for the U.S. industry engaged in the commercial production and extraction of honey is not in the national economic interest, and explaining the reasons for my decision.

Enclosure

The Honorable Carl Albert
Speaker of the U.S. House
of Representatives
Washington, D. C. 20515



DRAFT LETTER SUBMITTING PRESIDENTIAL REPORT

Dear Mr. President:

In accordance with Section 203(b)(2) of the Trade Act of 1974, enclosed is a report to the Congress setting forth my determination that import relief for the U.S. industry engaged in the commercial production and extraction of honey is not in the national economic interest, and explaining the reasons for my decision.

Enclosure

The Honorable Nelson A. Rockefeller
President of the Senate
Washington, D. C. 20510



The U.S. Duty on Honey Imports

As required by Section 203(b)(2) of the Trade Act of 1974, I am transmitting this report to the Congress setting forth my determination that import relief for commercial producers of honey is not in the national economic interest. Since I have determined that the tariff remedy recommended by the United States International Trade Commission (USITC) should not be implemented, I am setting forth the reasons for my decision and other action I am taking in response to the widespread interest expressed by U.S. agriculture in honeybee pollination of U.S. crops.

U.S. honey production, valued at about \$100 million in 1975, has varied from year to year but has historically fallen below domestic consumption requirements. Imports have also varied widely, with the volume tending to even out consumption needs. The Department of Agriculture recently released its initial forecast for 1976 honey production, which indicates that for the third year in a row, the crop will be short, due in large measure to adverse weather conditions. The anticipation of low domestic production (nearly 50 million pounds below 1973) and the desire to avoid higher duties in the event of escape clause relief probably explains a significant part of the increase in imports of 1976.

The finding of threat of injury by three of the five Commissioners voting in this case covers only the commercial production and extraction of honey. It does not cover hobbyists and sideliners, i.e., producers with less than 300 colonies,

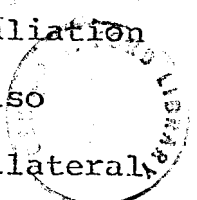


and the Commission found unanimously that processors and packers were not injured or threatened with injury. With regard to the commercial producers, data reported by the Commission for 1971-75 show rising sales, no idling of productive facilities and an increase in employment. Commercial producers' employment totals an estimated 10,000 persons, whereas part-time beekeepers and hobbyists total 218,000.

Producers' stocks since 1970 have been low as compared with the previous decade. Total stocks reported for 1975 were only slightly higher than in 1973 and were ten percent below the 1970 level. Prices received by producers for unprocessed bulk honey in 1975 were two and one half times the 1971 level and were not far below the all time high reached in 1974. Profits in 1975 were 162 percent above 1971 and were higher than for any year except 1973, when yields, which have an important impact on profits, were 31 percent higher.

Under the circumstances noted above, it is not anticipated that any substantial number of commercial producers or their employees are likely to seek adjustment assistance. However, any firms or workers who consider they can meet the statutory criteria can petition for such assistance under Title II, Chapters 2 and 3, respectively, of the Trade Act of 1974.

Import restraints would expose U.S. industrial and agricultural trade to compensatory import concessions or retaliation against U.S. exports. An increase in protection would also weaken the bargaining position of the United States in bilateral



consultations, and multilateral negotiations in which we are seeking improved access to foreign markets for our producers.

The national economic interest requires continued emphasis on reducing the rate of inflation. A remedy threatening price increases would work at cross purposes with our stabilization goals.

In considering the effect of import restraints on the international economic interests of the United States, as required by the Trade Act of 1974, I have concluded that such restraints, while affecting only a small share of our total imports, would be contrary to the U.S. policy of promoting the development of an open and fair world economic system. The goal of this policy is to expand domestic employment and living standards through increased economic efficiency.

In the course of this investigation extensive material was received concerning the role played by honeybees in pollinating certain crops. While total honeybee colonies in the United States have declined over the past 25 years, the major causes are pesticides, decreased bee pasturage and changes in cropping patterns. Imports of honey were not a significant factor. While a considerable amount of research has been done on pollination, more information on certain aspects of the subject would be useful. I have, therefore, instructed the Secretary of Agriculture to initiate studies of the importance of pollination to U.S. agriculture and consumers, to identify possible problem areas and to recommend appropriate solutions, as needed.

