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STEEL PRICE INCREASE

Q. U. S. Steel and Jones and Laughlin yesterday announced that they would increase prices. Doesn't that mean that we are in for another round of stepped-up inflation, which will throw your rosy economic projections off base?

A. I am very concerned that those increases could lead to increases in other industries. This country cannot go through another period of double-digit inflation. But it is a complicated matter and it is too early to tell what effect these just-announced increases will have.

Recently I asked my Council on Wage and Price Stability to look into the whole question of pricing of all basic metals. For the first time in history, they have been able to look at the steel industries cost and price data. I expect their report next week. Prior to that it would be premature to comment on what effect this increase will have, without simply shooting from the hip; except to say again that I do not intend to let this nation go through another period of double-digit inflation.

Lilly/Shuman
6-5-76

June 8, 1976

SPECIALTY STEEL

~~Q:~~

Q: The President stated to newsmen yesterday that he signed a document which imposes quotas on imports of specialty steel. Could you expand on this point?

A: As you know, earlier this year the International Trade Commission (ITC) found that increased imports of specialty steel had caused injury to the domestic industry. Therefore, in March the President announced his intention to provide import relief in this case and he directed the Special Trade Representative to seek orderly marketing arrangements with the principal foreign suppliers. He set a deadline of June 14 for completion of these negotiations. ~~But~~ He further indicated that if ~~these~~ these suppliers declined to participate in such marketing arrangements he would impose import quotas. We have held discussions with the Japanese, European Community, Sweden and Canada among others but only the Japanese have shown any willingness to conclude a marketing agreement. The Japanese Government now has under consideration a draft agreement worked out by negotiators on both sides, and we hope that Japan will approve the text this week. The document~~s~~ to which the President referred yesterday was the authorization for Ambassador Dent to sign this agreement; its timing was to facilitate Japanese consideration of the agreement before the expiration of the negotiati~~ng~~ng period.

Since we have not succeeded in concluding additional marketing arrangements, it will be necessary to impose import quotas for other countries in accordance with the President's March 16 determination.

STATE DEPARTMENT LEAKS

- Q. Highly secret information was leaked from the State Department to a writer for Foreign Policy Magazine. What do you plan to do about it?
- A. I am greatly disturbed by that leak. My staff is looking into it and will take whatever action is proper when we know the full details.

August 7, 1975

SUBJECT: WHEELING-PITTSBURGH STEEL
RAISES STEEL PRICES

Wheeling-Pittsburgh Steel Corporation, following Tuesday's action by ARMCO Steel Corporation, announced yesterday it is raising its base prices on flat-rolled steel, effective Sunday. Wheeling-Pittsburgh is the country's ninth largest producer and said its increase was less than ARMCO's 9%. The largest steelmakers, U.S. Steel Corporation and Bethlehem Steel have taken no action.

Will the Administration ask the steel industry to postpone or rollback their price increases?

GUIDANCE: The Council on Wage and Price Stability has urged other steel producers to exercise restraint in considering whether to follow the moves of Wheeling-Pittsburgh and ARMCO.

The Council will be looking at the justification for the price increases and the Administration and the Council on Wage and Price Stability are following the whole situation very closely.

Would you expect the steel producers to be called in for some jawboning?

GUIDANCE: All I can say at this time is that we are following this situation very closely and will be asking for data justifying their price increase.

JGC

August 6, 1975

SUBJECT: ARMCO INCREASES PRICE OF STEEL

The ARMCO Steel Corporation yesterday announced a 9% increase in the price of flatrolled steel. The Company said it is taking this action to offset a 17% rise in production costs in the past 13 months.

Is the White House concerned about the increase in steel prices and do you plan to do anything about it?

GUIDANCE: It is my understanding that the Council on Wage and Price Stability issued a statement urging other steel producers to exercise restraint in considering whether to follow ARMCO's move. The Administration and the Council on Wage and Price Stability are following the events very closely.

In the case of the aluminum price increases, the Council asked the aluminum industry to postpone any price increases for 30 days while hearings were held. Will the Administration or the Council ask for a postponement of the increase until hearings are held?

GUIDANCE: The aluminum situation and the steel situation are completely different. In the case of aluminum, the Council did not take any action until the three major aluminum companies had all acted.

Are you saying then that if the other large steel companies raise their prices, the Administration will then ask for a postponement and hearings will be held?

GUIDANCE: I wouldn't want to project that though I will restate that we are following the developments very closely.

FYI: ARMCO is the fifth largest steel producer, following U.S. Steel, Bethlehem Steel, National Steel, and Wheeling-Pittsburgh Steel. END FYI.

JGC

STEEL PRICE INCREASES

12/27/74

FYI: Officials of Bethlehem Steel Corporation are meeting today with the Council on Wage and Price Stability amid rumors that the Company plans to ~~roll~~ Roll back part of its 2.5% increase. Bill Roberts says that the Company spokesman refuses to make any comment and he will alert us as soon as he has any information for us.

Bethlehem Steel Is Slated to Meet Today With Wage-Price Panel to Defend Costs

A WALL STREET JOURNAL News Roundup

written justification for the boosts. Today's meeting to discuss the matter, a company representative said as the matter

Washington Wire

A Special Weekly Report From
The Wall Street Journal's
Capital Bureau

December 19, 1974

SUBJECT: NEW STEEL PRICE HIKES

- Q. Bethlehem Steel and Colorado Fuel and Iron Steel Companies are reported to have raised their steel prices today. Is the White House taking any action?
- A. The Council on Wage and Price Stability has no ~~information~~ ^{confirmation of} a price increase by Bethlehem Steel. It does understand, from press reports, that Colorado Fuel and Iron Company has announced an increase in prices. Council Director Albert Rees will send the company a telegram today requesting just as was done with U.S. Steel. Rees hopes Colorado Fuel and Iron will be as prompt in responding to the request as was U.S. Steel.
- Q. Ron, does this latest action indicate a wave of price increases throughout the steel industry?
- A. I would certainly hope not. As I said, Mr. Rees, the Director of the Council on Wage and Price Stability is hopeful that there will not be such action.
- Q. What can the White House do -- other than hope -- if the companies continue to raise prices?
- A. It is just not possible to predict what the President might or might not do in any individual price action before any determination has been made as to the justification for that price action.



December 19, 1974

STEEL PRICE ROLLBACK : UNANSWERED QUESTIONS

Q: How much does the White House want U. S. Steel to rollback its price increases?

A: It is impossible to say at this time.
One of the major reasons for having the company submit a justification of its price actions is to help in the study of the very complicated sets of figures involved. We don't think ~~the~~ Council ^{the Council} should make snap judgments on a basis of incomplete information. It may take some time before the Council ~~and~~ Wage and Price Stability can reach a determination. But once that decision is reached, recommendations will be made.

Q: Does the White House want U. S. Steel to cancel its price increases completely?

A: Again, this is a matter for thorough study by the Wage and Price Council. U. S. Steel claims that a large part of the price increases were made to adjust U. S. Steel prices to those prevailing in the industry. The Council needs to study the matter very thoroughly before a determination can be made.

Q: It is conceivable then that only a partial rollback might be requested?

A: It is conceivable, but that depends on the study of the U. S. Steel justification.

Q: There are reports that the Wage and Price Council will confer in Washington Friday with U. S. Steel executives. Are they correct?

A: ONLY IF ASKED--Yes. Wage and Price Council Director Albert Rees and his staff will meet Friday afternoon with officials of the U. S. Steel Company, to discuss the justification report submitted by the company. The meeting was requested, I understand, by U. S. Steel.

Q: Are there likely to be any developments resulting from this meeting?

A: I would not think it likely that there would be any from the Wage and Price Council. After all, as I understand it, the purpose of the meeting is to allow U. S. Steel to more thoroughly discuss its position and justification of that position. This matter of price increases is a very complicated one, and does require considerable examination and study.

December 20, 1974

SUBJECT: U.S. STEEL MEETS WAGE-PRICE COUNCIL

Q -- Are the U.S. Steel officials going to meet with the President today?

A -- I understand that several officials of U.S. Steel will be meeting at 3 p.m. today with Albert Rees, Director of the Council on Wage and Price Stability and members of his staff. The meeting will take place in Mr. Rees's office, Room No. 3235, New Executive Office Building.

U.S. Steel officials participating include Edgar Speer, Chairman of the Board, David Roderick, Chairman of the Finance Committee and William Whyte, Washington Vice President.

For the Wage-Price Council, in addition to Mr. Rees; his deputy, James Blum and the Assistant Director for Price Monitoring, Arnold Collery will participate in the meeting.

We do not know at this time whether there will be any statements issued following the meeting, but if there are, they will come from the participants, not from the White House. Maury Feibush (Fye-bush), Information Officer for the Wage-Price Council, is handling press queries on the meeting. His number is 456-6757.

Q--Have there been any other developments in the steel price situation?

A--The Council on Wage and Price Stability says it is not aware of any. You may have heard that the Colorado Fuel and Iron Company sent a telegram to the Council yesterday acknowledging the Council's request for justification of its price increase action, and promising a prompt reply.

December 18, 1974

SUBJECT: U.S. STEEL RESPONSE TO REQUEST FOR JUSTIFICATION

Q: Has there been any response from U.S. Steel to the Wage and Price Council telegram of yesterday requesting written justification of the price increases?

A: Yes. The Council Director, Albert Rees was contacted this morning by U.S. Steel (by telephone). The Company assured Rees that the company would have a written explanation and justification of the price increases in the Council's office on Friday.

FYI ONLY: The Steel Company official who talked by phone with Rees was William Whyte, well-known golf partner of the President. Whyte also said that some company officials ~~will~~ ^{will} come in Friday, to discuss in person the Company's action. The Wage Price Council wanted that fact kept confidential saying they didn't want a circus over there, Friday.



THE WHITE HOUSE
WASHINGTON

Dec. 18, 1974

FOR: RON

FROM: ROBERTS

JWR

Steel

Pete

Per your request, this is a reminder to take up with the Senior Staff Thursday the question of whether you should respond to the question of "What can the President do if U.S. Steel refuses to lower its prices?" the following:

"I think any perceptive observer would realize that the President need not depend totally on "jawboning" companies that have taken price actions which are found to be out of line. There are possibilities of executive actions or decisions which might have a persuasive effect.

There are several follow on questions which are likely if the above answer is given, as outlined on P. 2 attached, if you need those, too.

Q: What can the President do other than wringing his hands, if U. S. Steel refuses to lower its prices.

A: I think any perceptive observer would realize that the President need not depend totally on "jawboning" companies that have taken price actions which are found to be out of line. There are possibilities of executive actions or decisions which might have a persuasive effect.

Q: What are you talking about, Ron?

A: Well, I certainly don't want to get into the business of predicting what the President might or might not do in an individual price action before any determination has been made as to the justification of that price action.

Q: Are you talking about something like President Kennedy did in 1962 when he ordered government agencies not to buy products from steel companies which raised prices?

A: I don't think I should speculate on the types of options that might be open to the President except to say that there are differing degrees and types of actions possible, depending on the circumstances. I don't think the circumstances under which President Kennedy acted are the same as those..

Q: What is different, Ron?

A: Well, as I recall, the 1962 price increases came after an industry wage settlement which President Kennedy thought would not involve price increases and was angered by the increases.