

FOR IMMEDIATE RELEASE

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THE WHITE HOUSE

TEMPORARY QUANTITATIVE LIMITATION
ON THE IMPORTATION INTO THE UNITED STATES
OF CERTAIN ARTICLES OF STAINLESS STEEL OR
ALLOY TOOL STEEL

BY THE PRESIDENT OF THE UNITED STATES

A PROCLAMATION

1. Pursuant to section 201(d)(1) of the Trade Act of 1974 (19 U.S.C. 2251(d)(1)), hereinafter referred to as "the Trade Act", the United States International Trade Commission, hereinafter referred to as the "USITC", on January 16, 1976, reported to the President (USITC Report 201-5) the results of its investigation under subsection (b) of section 201 of the Trade Act (19 U.S.C. 2251(b)). 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) 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 or industries producing articles like or directly competitive with the imported articles. The USITC recommended the imposition of certain quantitative restrictions on imports of the above specified articles.
2. On March 16, 1976, pursuant to section 202(b)(1) of the Trade Act (19 U.S.C. 2252(b)(1)), and after taking into account the considerations specified in section 202(c) of the Trade Act (19 U.S.C. 2252(c)), I determined to

remedy the injury or threat thereof, found to exist by the USITC, through the negotiation of orderly marketing agreements pursuant to section 203(a)(4) of the Trade Act (19 U.S.C. 2253(a)(4)); and announced my intention to negotiate such agreements limiting the export from foreign countries and the import into the United States of certain articles of stainless steel or alloy tool steel. I also announced my intention to unilaterally impose quantitative restrictions if satisfactory orderly marketing agreements were not negotiated successfully. On March 16, 1976, in accordance with Section 203(b)(1) of the Trade Act (19 U.S.C. 2253(b)(1)), I transmitted a report to the Congress setting forth my determination and intention to negotiate orderly marketing agreements and stating the reasons why my decision differed from the action recommended by the USITC.

3. Section 203(e)(1) of the Trade Act (19 U.S.C. 2253(e)(1)) requires that import relief shall be proclaimed and take effect within 90 days after a Presidential determination to negotiate orderly marketing agreements under subsection (4) or (5) of section 203(a) of the Trade Act (19 U.S.C. 2253(a)(4), (5)).

4. Pursuant to the authority vested in the President by the Constitution and the statutes of the United States, including section 203(a)(4) of the Trade Act (19 U.S.C. 2253(a)(4)), 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, to be implemented as set forth in this proclamation.

5. Agreements not having been reached with other countries, I am also providing import relief, pursuant to section 203(a)(3) and (5), (e)(1) and (g)(2) of the Trade Act (19 U.S.C. 2253(a)(3) and (5), (e)(1) and (g)(2)), through the imposition of quantitative restrictions on the import into the United States (except as provided for in paragraph 4 above) of certain articles of stainless steel or alloy tool steel as hereinafter proclaimed.

6. In accordance with section 203(d)(2) of the Trade Act (19 U.S.C. 2253(d)(2)) I have determined that the level of import relief hereinafter proclaimed pursuant to section 203(a) of the Trade Act (19 U.S.C. 2253(a)) permits the importation into the United States of a quantity or value of articles which is not less than the average annual quantity or value of such articles imported into the United States in the 1971-1975 period, which I have determined to be the most recent representative period for imports of such articles.

NOW 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, including section 203 of the Trade Act (19 U.S.C. 2253) and section 301 of title 3,

United States Code, and in accordance with Article XIX of the General Agreement on Tariffs and Trade (GATT) (61 Stat. (pt. 5) A58; 8 UST (pt. 2) 1786), do proclaim that --

(1) An orderly marketing agreement was entered into on June 11, 1976, between the Government of the United States of America and the Government of Japan with respect to the trade in certain articles of stainless steel or alloy tool steel. Said orderly marketing agreement is to be implemented, according to its terms, as set forth in paragraphs (5), (6), (7) and (8) of this proclamation, and in the Annex to this proclamation.

(2) Items 608.52, 608.76, 608.78, 608.85, 608.88, 609.06, 609.07 and 609.08 in Part I of Schedule XX to the GATT are modified to conform with the quantitative restrictions set forth in the Annex to this proclamation.

(3) Subpart A, part 2 of the Appendix to the TSUS is modified as set forth in the Annex to this proclamation.

(4) The President's authority under section 203 (e)(2) of the Trade Act (19 U.S.C. 2253(e)(2)) to negotiate and conclude orderly marketing agreements with respect to products covered by this proclamation with any country or instrumentality, imports from which are subject to restrictions under this proclamation, and to suspend the effectiveness, in whole or in part, of such quantitative restrictions on imports from those countries is hereby delegated to the Special Representative for Trade Negotiations (hereinafter referred to as

the "Special Representative").

(5) The Special Representative is hereby directed to take such actions and perform such functions for the United States as may be necessary concerning the administration, implementation, modification, amendment, or termination of the agreement described in paragraph (1) of this proclamation, and any subsequent agreement or agreements negotiated pursuant to paragraph (4) of this proclamation, including modifications or amendments thereof. In order to carry out said directive, the Special Representative is hereby authorized to delegate to appropriate officials or agencies of the United States authority to perform any functions necessary for the administration and implementation of said agreement or agreements. The Special Representative is hereby authorized to make any changes in part 2 of the Appendix to the TSUS which may be necessary to carry out said agreement or agreements, such changes to be effective on or after the date of their publication in the Federal Register.

(6) The authority to make changes in the quantitative restrictions provided for in this proclamation, as set forth in the Annex to this proclamation, is hereby delegated to the Special Representative.

(7) The Commissioner of Customs shall take such action as the Special Representative shall direct to carry out the agreement described in paragraph (1) of this proclamation and any subsequent agreement or agreements negotiated pursuant to paragraph (4) of this

proclamation, or any modifications thereof, with respect to entry or withdrawal from warehouse, for consumption in the United States of products covered by such agreement or agreements: .

(8) This proclamation shall be effective as to those articles entered, or withdrawn from warehouse, for consumption on or after June 14, 1976, and before the close of June 13, 1979, unless the period of its effectiveness is earlier expressly modified or terminated.

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

Harold R. Ford

ANNEX

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

(a) by adding the following new headnote 2:

"2. Quantitative limitations on stainless steel and alloy tool steel.--The provisions of this headnote apply to items 923.20 to 923.24, inclusive, of this subpart. The quantitative import limitations imposed are in addition to the duties provided for the restrained articles in schedule 6, part 2B.

(a) Definitions.--For the purposes of this subpart--

- (i) the term "restraint period" refers to a 12-month period beginning June 14 in one year and ending at the close of June 13 of the following year;
- (ii) the term "European Economic Community" refers to an instrumentality of the Governments of Belgium, Denmark, France, the Federal Republic of Germany, Ireland, Italy, Luxembourg, the Netherlands, and the United Kingdom;
- (iii) the term "alloy tool steel" in item 923.24 refers to alloy steel which contains the following combinations of elements in the quantity, by weight, respectively indicated:
 - not less than 1.0% carbon and over 11.0% chromium; or
 - not less than 0.3% carbon and 1.25% to 11.0% inclusive chromium; or
 - not less than 0.85% carbon and 1% to 1.8% inclusive manganese; or
 - 0.9% to 1.2% inclusive chromium and 0.9% to 1.4% inclusive molybdenum; or
 - not less than 0.5% carbon and not less than 3.5% molybdenum; or
 - not less than 0.5% carbon and not less than 5.5% tungsten;
- (iv) the term "razor blade steel" in item 923.20 refers to stainless steel strip not over 0.010 inch in thickness and not over 0.9 inch in width, containing by weight not less than 0.6 percent and not over 0.75 percent carbon, and containing by weight not less than 11.5 percent and not over 14.7 percent chromium, certified at the time of entry to be used in the manufacture of razor blades.

(b) Timing.--No more than 60 percent of the respective aggregate quantity of articles provided for in item 923.20, 923.21, 923.22, 923.23 or 923.24, the product of a foreign country or instrumentality, may be entered during the first 6 months of any restraint period.

(c) Shortfall.--During the last 3 months of a restraint period, should the Special Representative for Trade Negotiations determine that any quota quantity for a country or instrumentality under an item hereof is unlikely to be used during that restraint period, the Special Representative may modify the quota quantities for that item during such restraint period to reallocate the shortfall to other suppliers, such modification to be effective on or after the date of its publication in the Federal Register. A shortfall shall be considered likely when, *inter alia*, less than 66-2/3% of the quota quantity is entered in the first 9 months of a restraint period or less than 80% of the quota quantity is entered in the first 10 months of a restraint period.

(d) Allocation.--If the Special Representative determines that it is necessary or appropriate, to assure equitable treatment, he may allocate or reallocate a specific quota quantity to any country or instrumentality subject to restriction (either individually or by inclusion in the "other" country groupings), either on an item by item basis, or for all items.

(e) Carryover.--Whenever the quota quantity or base limit, whichever is less, specified for an item for importation from Japan has not been entered during any restraint period, the shortfall may be entered in the same item during the first 30 days of the following restraint period and not be counted against the quota quantity therefor, provided that the amount of shortfall so entered does not exceed 4 percent of the base limit as specified in the table in headnote 2(f), for the restraint period during which the shortfall occurs. If in accordance with the provisions of headnote 2(f) all or part of a base limit of any item for Japan has been reallocated to the base limit of one or more other items for Japan, such amounts will not be considered a shortfall, and therefore not available for carryover.

(f) Adjustments.--Upon appropriate request of the Government of Japan for an adjustment of the quota quantities between items as provided for herein, the Special Representative shall modify the provisions of this subpart accordingly, such modification to be effective on or after the date of its publication in the Federal Register. The modification in the quota quantities for imports from Japan cannot exceed the percentage of the respective base limits shown below and 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.

Item	Restraint periods					
	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>s. tons</u>	<u>Percent</u>	<u>1,000</u> <u>s. tons</u>	<u>Percent</u>	<u>1,000</u> <u>s. tons</u>	<u>Percent</u>
923.20	38.6	10	38.9	10	39.8	10
923.21	5.6	1	5.9	1	6.3	1
923.22	13.0	1	14.0	3	14.5	3
923.23	5.7	1	5.9	3	6.0	3
923.24	3.5	1	3.7	3	3.8	3

(g) United States International Trade Commission (USITC) surveys.--The USITC shall conduct mandatory surveys with respect to products of the types subject to import restraints under each item involved as follows:

- (i) Quarterly.--Surveys by calendar quarter to obtain from domestic producers monthly data on production, shipments, prices, employment, and man-hours. The initial surveys shall cover the fourth quarter of 1975 and the first two quarters of 1976; subsequent surveys will cover individual quarters; the last such survey shall cover the quarter which ends not less than 60 days prior to the termination of the import restraints. The USITC shall publish the results of these surveys within 45 days (as soon as feasible and not later than 60 days in the case of prices) of the end of a quarter. Such surveys will be conducted monthly, upon written request of the Special Representative to the USITC, if the Special Representative determines that monthly reporting is necessary.
- (ii) Annually.--Annual surveys to obtain from domestic producers data by calendar quarter on profits, orders, and inventories, and annual data on capital expenditures, capacity, and research and development expenditures; and to obtain from importers data by calendar quarter on prices, orders, and inventories. The initial surveys shall cover the fourth quarter of 1975 and calendar year 1975, as appropriate, and calendar year 1976, and the results shall be published by March 31, 1977. The

results of subsequent surveys shall be published by March 31 of each year thereafter so long as the import restraints in this subpart are in effect."

(b) by inserting in numerical sequence the following new provisions:

Item	Articles	Quota quantity (in short tons)		
		Effective on or after --		
		June 14, 1976	June 14, 1977	June 14, 1978
	Whenever, in any restraint period the respective aggregate quantity of articles specified below for item 923.20, 923.21, 923.22, 923.23, or 923.24, the product of a specified foreign country or instrumentality, has been entered (whether, for tariff purposes, in schedule 6 or in parts 1, 2, and 5 of schedule 8); no article in such item the product of such country or instrumentality may be entered during the remainder of such restraint period:			
923.20	Sheets and strip of stainless steel (except razor blade steel) of the types provided for in items 608.85, 608.88, 609.06, 609.07, and 609.08:			
	Japan.....	38,600	38,900	39,800
	European Economic Community.....	15,800	16,300	16,600
	Canada.....	8,800	8,900	9,200
	Sweden.....	6,700	7,100	7,400
	Other:			
	Countries entitled to the rate of duty in rates of duty column numbered 1 (total).....	2,600	2,800	2,700
	Other (total).....	3	3	3
923.21	Plates of stainless steel of the types provided for in items 608.85 and 608.88:			
	Japan.....	5,600	5,900	6,300
	European Economic Community.....	2,900	3,000	3,100
	Canada.....	400	500	500
	Sweden.....	3,300	3,400	3,600
	Other:			
	Countries entitled to the rate of duty in rates of duty column numbered 1 (total).....	700	700	700
	Other (total).....	None	None	None
923.22	Bars of stainless steel of the types provided for in item 608.52:			
	Japan.....	13,000	14,000	14,500
	European Economic Community.....	2,500	2,600	2,700
	Canada.....	1,500	1,600	1,700
	Sweden.....	1,500	1,500	1,600
	Other:			
	Countries entitled to the rate of duty in rates of duty column numbered 1 (total).....	5,100	5,200	5,300
	Other (total).....	2	2	2
923.23	Wire rods of stainless steel of the types provided for in items 608.76 and 608.78:			
	Japan.....	5,700	5,900	6,000
	European Economic Community.....	7,400	7,600	7,900
	Canada.....	None	None	None
	Sweden.....	4,000	4,100	4,200
	Other:			
	Countries entitled to the rate of duty in rates of duty column numbered 1 (total).....	None	None	None
	Other (total).....	None	None	None
923.24	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:			
	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