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THE WHITE HOUSE

WASHINGTON

October 3, 1985

MEMORANDUM FOR JONATHAN R. SCHARFEN  
NATIONAL SECURITY COUNCIL

FROM: JOHN G. ROBERTS   
ASSOCIATE COUNSEL TO THE PRESIDENT

SUBJECT: Report to the Congress on U.S.  
Assistance to Coal-Exporting Nations

Counsel's Office has reviewed the proposed delegation of authority from the President to the Administrator of AID with respect to the report to Congress required by Section 1210 of Public Law 99-83. In the last line of the first paragraph of the memorandum for McPherson, "exports" should be changed to "export," to track the statutory language. With that change, we have no objections.

## WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

- O - OUTGOING
- I - INTERNAL
- I - INCOMING  
Date Correspondence Received (YYMM/DD) 1/1

Name of Correspondent: Jack Shegren

MI Mail Report      User Codes: (A) \_\_\_\_\_ (B) \_\_\_\_\_ (C) \_\_\_\_\_

Subject: Report to Congress on US Assistance to Coal Exporting Nations / Delegation of authority to Administrator GATD

ROUTE TO:	ACTION	DISPOSITION
Office/Agency (Staff Name)	Action Code	Type of Response      Code      Completion Date YYMMDD
<u>WHolland</u>	ORIGINATOR	<u>85110103</u> 1 1
<u>EWATIR</u>	Referral Note: <u>R</u>	<u>please call JGH</u> <u>85110103</u> <u>3.85110103</u>
	Referral Note:	_____
	Referral Note:	_____
	Referral Note:	_____
	Referral Note:	_____

**ACTION CODES:**

- A - Appropriate Action
- C - Comment/Recommendation
- D - Draft Response
- F - Furnish Fact Sheet  
to be used as Enclosure

- R - Direct Reply w/Copy
- S - For Signature
- X - Interim Reply

**DISPOSITION CODES:**

- A - Answered
- B - Non-Specific Referral
- C - Completed
- S - Suspended

**FOR OUTGOING CORRESPONDENCE:**

- Type of Response = Initials of Signer
- Code = "A"
- Completion Date = Date of Outgoing

Comments: rm. 361 1/2  
Ext: 3550 or 3551


Keep this worksheet attached to the original incoming letter.  
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Refer questions about the correspondence tracking system to Central Reference, ext. 2590.

THE WHITE HOUSE

WASHINGTON

October 8, 1985

MEMORANDUM FOR BRANDEN BLUM  
LEGISLATIVE ATTORNEY  
OFFICE OF MANAGEMENT AND BUDGET

FROM: JOHN G. ROBERTS   
ASSOCIATE COUNSEL TO THE PRESIDENT

SUBJECT: Draft Department of State Report on  
Proposed Revisions to S. 397, the "Foreign  
Trade Antitrust Improvements Act of 1985."

Counsel's Office has reviewed the above-referenced draft report, and finds no objection to it from a legal perspective.

## WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

O - OUTGOING

H - INTERNAL

I - INCOMING

Date Correspondence Received (YY/MM/DD) 1 1

Name of Correspondent: Garner C. Mun

MI Mail Report

User Codes: (A) \_\_\_\_\_ (B) \_\_\_\_\_ (C) \_\_\_\_\_

Subject: DOS report on proposed revisions to 5397, the "Foreign Trade Antitrust Improvements Act of 1985"

**ROUTE TO:**

**ACTION**

**DISPOSITION**

Office/Agency (Staff Name)	Action Code	Tracking Date YY/MM/DD	Type of Response	Code	Completion Date YY/MM/DD
<u>Central</u>	<u>ORIGINATOR</u>	<u>85,10,07</u>			<u>1 1</u>
<u>Unit 18</u>	<u>R</u>	<u>85,10,07</u>			<u>85,10,09</u>

**ACTION CODES:**

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- D - Draft Response
- F - Furnish Fact Sheet to be used as Enclosure
- I - Info Copy Only, No Action Necessary
- R - Direct Reply w/Copy
- S - For Signature
- X - Interim Reply

**DISPOSITION CODES:**

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- C - Completed
- S - Suspended

**FOR OUTGOING CORRESPONDENCE:**

- Type of Response - Initials of Signer
- Code - "A"
- Completion Date - Date of Outgoing

Comments: \_\_\_\_\_

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EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

October 3, 1985

**SPECIAL**

**SPECIAL**

LEGISLATIVE REFERRAL MEMORANDUM

TO: LEGISLATIVE LIAISON OFFICER

Department of Justice  
Department of Commerce  
Council of Economic Advisers  
U.S. Trade Representative  
Department of Transportation  
Federal Trade Commission

SUBJECT: Draft Department of State report on proposed revisions to S. 397, the "Foreign Trade Antitrust Improvements Act of 1985."

The Office of Management and Budget requests the views of your agency on the above subject before advising on its relationship to the program of the President, in accordance with OMB Circular A-19.

Please provide us with your views no later than October 9, 1985. (NOTE -- Justice and State testimony on S. 397 was cleared for a Senate Judiciary Committee hearing on June 21, 1985.)

Direct your questions to Branden Blum (395-3454), the legislative attorney in this office.

  
James C. Murr for  
Assistant Director for  
Legislative Reference

Enclosure

cc: Fred Fielding  
John Cooney

Karen Wilson  
Jim Barie


Penny Jacobs  
Chuck Goldfarb

THE WHITE HOUSE

WASHINGTON

October 16, 1985

MEMORANDUM FOR ALBERT BRASHEAR  
DEPUTY PRESS SECRETARY

FROM: JOHN G. ROBERTS   
ASSOCIATE COUNSEL TO THE PRESIDENT

SUBJECT: Section 301 of the Trade Act of 1974  
Fact Sheet and Statement

Counsel's Office has reviewed the above-referenced fact sheet and press statement. A word or words appear to be missing in the last sentence of the third paragraph on page one and the last sentence of the fourth paragraph on page three of the fact sheet. The fourth paragraph on page two of the fact sheet states that the USTR will report to the President by January 31, 1986, on Taiwan's actions, but the second paragraph of the press statement states the report is due by December 31, 1985. Finally, "Trade Act of 1979" in the first paragraph of the press statement should be "Trade Act of 1974."

cc: David L. Chew

**WHITE HOUSE  
CORRESPONDENCE TRACKING WORKSHEET**

- O - OUTGOING
- H - INTERNAL
- I - INCOMING  
Date Correspondence Received (YY/MM/DD) 1 1

Name of Correspondent: D. Chew

MI Mail Report User Codes: (A) \_\_\_\_\_ (B) \_\_\_\_\_ (C) \_\_\_\_\_

Subject: Section 301 of Trade Act of 1974 Fact Sheet + Statement

ROUTE TO:		ACTION		DISPOSITION	
Office/Agency	(Staff Name)	Action Code	Tracking Date YYMMDD	Type of Response Code	Completion Date YYMMDD
<u>CUHOLL</u>		<u>ORIGINATOR</u>	<u>1 1</u>		<u>1 1</u>
		Referral Note:	<u>Comments to Rusty Brashear cc: Chew</u>		
<u>CUAT18</u>		<u>R</u>	<u>RS1016</u>	<u>S</u>	<u>RS1016</u>
		Referral Note:			<u>10 am</u>
			<u>1 1</u>		<u>1 1</u>
		Referral Note:			
			<u>1 1</u>		<u>1 1</u>
		Referral Note:			
			<u>1 1</u>		<u>1 1</u>
		Referral Note:			

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 Code - "A"  
 Completion Date - Date of Outgoing

Comments: \_\_\_\_\_

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## WHITE HOUSE STAFFING MEMORANDUM

DATE: 10/15/85 ACTION/CONCURRENCE/COMMENT DUE BY: 10:00 a.m. TOMORROW

SUBJECT: Section 301 of the Trade Act of 1974 Fact Sheet and Statement

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	<input type="checkbox"/>	<input type="checkbox"/>	LACY	<input type="checkbox"/>	<input type="checkbox"/>
REGAN	<input type="checkbox"/>	<input checked="" type="checkbox"/>	McFARLANE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
MILLER	<input type="checkbox"/>	<input type="checkbox"/>	OGLESBY	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BUCHANAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	RYAN	<input type="checkbox"/>	<input type="checkbox"/>
CHAVEZ	<input type="checkbox"/>	<input type="checkbox"/>	SPEAKES	<input type="checkbox"/>	<input checked="" type="checkbox"/>
CHEW	<input type="checkbox"/> P	<input checked="" type="checkbox"/> SS	SPRINKEL	<input type="checkbox"/>	<input type="checkbox"/>
DANIELS	<input type="checkbox"/>	<input type="checkbox"/>	SVAHN	<input checked="" type="checkbox"/>	<input type="checkbox"/>
FIELDING	<input checked="" type="checkbox"/>	<input type="checkbox"/>	THOMAS	<input checked="" type="checkbox"/>	<input type="checkbox"/>
FRIEDERSDORF	<input checked="" type="checkbox"/>	<input type="checkbox"/>	TUTTLE	<input type="checkbox"/>	<input type="checkbox"/>
HENKEL	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
HICKEY	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
HICKS	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
KINGON	<input checked="" type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>

**REMARKS:** Please give your recommendations directly to Rusty Brashear, with an info copy to my office by 10:00 a.m. Wednesday, October 16th. Thanks.

**RESPONSE:**

THE WHITE HOUSE  
Office of the Press Secretary

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For Immediate Release

October 16, 1985

FACT SHEET

Section 301 of the Trade Act of 1974

Section 301 of the Trade Act of 1974 authorizes the President to take action against foreign trade practices that violate international trade agreements or burden or restrict U.S. commerce in an unjustifiable, unreasonable, or discriminatory fashion.

Action may be initiated by the U.S. Trade Representative (USTR) on his own initiative or at the direction of the President, or following a petition from any interested person, including business or labor. If a petition is filed, USTR has 45 days to determine if an investigation is warranted. The factors involved in initiating a section 301 investigation include, among others: the flagrancy of the foreign trade practice; the duration of the practice; the amount of trade and jobs affected; and the likelihood of resolving the issue.

Section 301 directs the USTR to consult with the foreign country involved in the dispute as part of its investigation. USTR also seeks advice from the public and from private sector groups. Most cases are resolved through negotiations with the country whose practices are questioned. [If the USTR finds that unfair trade practices exist and the dispute settlement procedures of the General Agreement on Tariffs and Trade (GATT), the USTR makes a recommendation to the President as to what action, if any, he should take.]

Under section 301, the President has the authority to take all appropriate and feasible actions within his power to obtain the elimination of unfair trade practices. Specifically, he may impose duties, fees or restrictions on products and services of the offending country. These goods do not necessarily have to be related to the goods and services which are the subject of the 301 complaint. The President may also deny licenses issued by Federal regulatory agencies to foreign service suppliers. The degree and duration of these actions is up to the President.

(more)

### Taiwan - Cigarettes, Wine and Beer Monopoly

Taiwan maintains monopoly controls on the import and distribution of cigarettes, wine and beer through the use of high tariffs and other import limitations, such as discriminatory rules on distribution and pricing practices. These products are produced and distributed by the Taiwan Tobacco and Wine Monopoly Bureau (TTWMB). As a result of these barriers, U.S. cigarette exports accounted for less than one percent of Taiwan's \$840 million market, beer imports are currently banned and U.S. wine exports amounted to only 62 metric tons in 1984.

Today, the President announced that, following consultations between the American Institute in Taiwan (AIT) and the Coordination Council for North American Affairs (CCNA), Taiwan has agreed to improve access to its market for American wine, beer and cigarettes. Under the agreement, U.S. wine, beer, and cigarettes will be permitted to be sold in all retail outlets in which the domestic products are sold. There are approximately 70,000 such outlets in Taiwan.

In addition, the TTWMB will not apply price mark-ups (including import duties, harbor tax, commodity tax, and TTWMB profit) on U.S. products at a rate higher than the overall mark-up applied to comparable domestic products. Immediate steps will be taken to begin implementing these changes. According to the CCNA, these changes will be fully implemented within six to 12 months. The detailed implementation steps required by these changes will be discussed by AIT and CCNA.

The President directed the USTR to report to him by January 31, 1986 on Taiwan's progress in implementing these changes. ?

### EC - Export Subsidies on Wheat

Domestic support levels far in excess of world market prices have resulted in increasing European Community (EC) overproduction of wheat. In order to sell this gigantic surplus, the EC provides direct export subsidies. These subsidies have increased the EC's share of the \$14.5 billion world wheat export market from less than eight percent in the early 1970s to more than 16 percent in the past crop year. The EC's practice has also depressed world prices. U.S. farmers suffer doubly: lower prices and reduced export volume.

International rules do not prohibit export subsidies on farm products, but they do prohibit using such subsidies to obtain "more than an equitable share" of world trade.

Today, the President directed the United States Trade Representative to initiate a GATT Subsidies Code case against EC wheat export subsidies. Dispute settlement under the Subsidies Code includes three phases: bilateral consultations, conciliation, and establishment of a dispute settlement panel.

(more)

## Korea - Intellectual Property Rights

Korea's laws appear to deny effective protection for U.S. intellectual property. Korea's patent law does not cover foodstuffs, or chemical compounds and compositions. Protection for chemicals and pharmaceuticals is limited to process patents. Works of U.S. authors are not protected under Korea's copyright law.

It is difficult to quantify the effects of these policies, especially where the effect is simply a decision not to invest in Korea. However, in the copyright area alone, U.S. industry estimates losses of over \$170 million annually. The U.S. has consulted with Korea on this issue over the last two years. While the Government of Korea has indicated an intent to change its laws to protect the intellectual property rights of other nations, no legislative changes have yet been made.

Today, the President directed the U.S. Trade Representative to initiate section 301 proceedings against Korea's unfair trade practices in intellectual property rights.

\* \* \*

## GATT Subsidies Code Process

Bilateral Consultations: USTR will first request bilateral consultations with the EC. (If those consultations do not lead to a resolution of the problem within 30 days of the request conciliation. )

Conciliation: Under conciliation, which also lasts 30 days, the signatories to the Subsidies code will hear the U.S. complaint and try to assist the U.S. and EC in resolving the issue.

Dispute Settlement Panel: After 30 days of conciliation, the U.S. may request establishment of a dispute settlement panel to review its complaints and issue findings and recommendations which will then be reviewed by the committee of signatory nations to the Subsidies Code.

The Subsidies Code Committee will consider the panel report as soon as possible and make recommendations to the parties to the dispute. If the Committee's recommendations are not followed, countermeasures may be authorized.

# # #

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

October 16, 1985

STATEMENT BY THE PRINCIPAL DEPUTY PRESS SECRETARY

President Reagan is today instructing Ambassador Yeutter to initiate proceedings under the General Agreement on Tariffs and Trade (GATT) against wheat export subsidies offered by the European Communities. He is also asking Ambassador Yeutter to begin an investigation under Section 301 of the Trade Act of 1979 of Korea's practices for protecting intellectual property rights. 4

I am also pleased to announce today that consultations between the American Institute in Taiwan and the Coordination Council for North American Affairs have resulted in an agreement by Taiwan to improve access to its market for American beer, wine and cigarettes. Ambassador Yeutter will report to the President by December 31, 1985 on Taiwan's progress in implementing these changes. 7

This market opening step by Taiwan is particularly gratifying because it represents the kind of response we would hope to receive from all nations to our request for elimination of trading practices that prohibit free and fair competition between the goods and services produced by all nations. Through the actions we have already announced and the further actions we are announcing today, we are asking all nations to live up to their responsibility to preserve and enhance free trade. Our objective continues to be to enlarge and enhance the world trading system for the benefit of all.

These actions follow several other section 301 investigations announced by the President at a September 23 major trade speech to selected business, labor and agriculture leaders.

# # #

THE WHITE HOUSE

Office of the Press Secretary

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For Immediate Release

October 16, 1985

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# # #

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

October 16, 1985

FACT SHEET

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Section 301 of the Trade Act of 1974 authorizes the President to take action against foreign trade practices that violate international trade agreements or burden or restrict U.S. commerce in an unjustifiable, unreasonable, or discriminatory fashion.

Action may be initiated by the U.S. Trade Representative (USTR) on his own initiative or at the direction of the President, or following a petition from any interested person, including business or labor. If a petition is filed, USTR has 45 days to determine if an investigation is warranted. The factors involved in initiating a section 301 investigation include, among others: the flagrancy of the foreign trade practice; the duration of the practice; the amount of trade and jobs affected; and the likelihood of resolving the issue.

Section 301 directs the USTR to consult with the foreign country involved in the dispute as part of its investigation. USTR also seeks advice from the public and from private sector groups. Most cases are resolved through negotiations with the country whose practices are questioned. If the USTR finds that unfair trade practices exist and the dispute cannot be resolved through negotiations or through dispute settlement procedures of the General Agreement on Tariffs and Trade (GATT), the USTR makes a recommendation to the President as to what action, if any, he should take.

Under section 301, the President has the authority to take all appropriate and feasible actions within his power to obtain the elimination of unfair trade practices. Specifically, he may impose duties, fees or restrictions on products and services of the offending country. These goods do not necessarily have to be related to the goods and services which are the subject of the 301 complaint. The President may also deny licenses issued by Federal regulatory agencies to foreign service suppliers. The degree and duration of these actions is up to the President.

Today's Actions

Taiwan - Cigarettes, Wine and Beer Monopoly

Taiwan maintains monopoly controls on the import and distribution of cigarettes, wine and beer through the use of high tariffs and other import limitations, such as discriminatory rules on distribution and pricing practices. These products are produced and distributed by the Taiwan Tobacco and Wine Monopoly Bureau (TTWMB). As a result of these barriers, U.S. cigarette exports accounted for less than one percent of Taiwan's \$840 million market, beer imports are currently banned and U.S. wine exports amounted to only 62 metric tons in 1984.

Today, the President announced that, following consultations between the American Institute in Taiwan (AIT) and the Coordination Council for North American Affairs (CCNA), Taiwan has agreed to improve access to its market for American wine, beer and cigarettes. Under the agreement, U.S. wine, beer, and cigarettes will be permitted to be sold in all retail outlets in which the domestic products are sold. There are approximately 70,000 such outlets in Taiwan.

In addition, the TTWMB will not apply price mark-ups (including import duties, harbor tax, commodity tax, and TTWMB profit) on U.S. products at a rate higher than the overall mark-up applied to comparable domestic products. Immediate steps will be taken to begin implementing these changes. According to the CCNAA, these changes will be fully implemented within six to 12 months. The detailed implementation steps required by these changes will be discussed by AIT and CCNAA.

The President directed the USTR to report to him by December 31, 1985 on Taiwan's progress in implementing these changes.

#### EC - Export Subsidies on Wheat

Domestic support levels far in excess of world market prices have resulted in increasing European Community (EC) overproduction of wheat. In order to sell this gigantic surplus, the EC provides direct export subsidies. These subsidies have increased the EC's share of the \$14.5 billion world wheat export market from less than eight percent in the early 1970s to more than 16 percent in the past crop year. The EC's practice has also depressed world prices. U.S. farmers suffer doubly: lower prices and reduced export volume.

International rules do not prohibit export subsidies on farm products, but they do prohibit using such subsidies to obtain "more than an equitable share" of world trade.

Today, the President directed the United States Trade Representative to initiate a GATT Subsidies Code case against EC wheat export subsidies. Dispute settlement under the Subsidies Code includes three phases: bilateral consultations, conciliation, and establishment of a dispute settlement panel.

#### Korea - Intellectual Property Rights

Korea's laws appear to deny effective protection for U.S. intellectual property. Korea's patent law does not cover foodstuffs, or chemical compounds and compositions. Protection for chemicals and pharmaceuticals is limited to process patents. Works of U.S. authors are not protected under Korea's copyright law.

It is difficult to quantify the effects of these policies, especially where the effect is simply a decision not to invest in Korea. However, in the copyright area alone, U.S. industry estimates losses of over \$170 million annually. The U.S. has consulted with Korea on this issue over the last two years. While the Government of Korea has indicated an intent to change its laws to protect the intellectual property rights of other nations, no legislative changes have yet been made.

Today, the President directed the U.S. Trade Representative to initiate section 301 proceedings against Korea's unfair trade practices in intellectual property rights.

\* \* \*

#### GATT Subsidies Code Process

Bilateral Consultations: USTR will first request bilateral consultations with the EC. If those consultations do not lead to a resolution of the problem within 30 days of the request, the U.S. may request conciliation.

Conciliation: Under conciliation, which also lasts 30 days, the signatories to the Subsidies code will hear the U.S. complaint and try to assist the U.S. and EC in resolving the issue.



Dispute Settlement Panel: After 30 days of conciliation, the U.S. may request establishment of a dispute settlement panel to review its complaints and issue findings and recommendations which will then be reviewed by the committee of signatory nations to the Subsidies Code.

The Subsidies Code Committee will consider the panel report as soon as possible and make recommendations to the parties to the dispute. If the Committee's recommendations are not followed, countermeasures may be authorized.

# # #

THE WHITE HOUSE

WASHINGTON

October 28, 1985

MEMORANDUM FOR DAVID L. CHEW  
STAFF SECRETARY

FROM: JOHN G. ROBERTS *JGR*  
ASSOCIATE COUNSEL TO THE PRESIDENT

SUBJECT: USTR Memorandum Regarding Copper

Counsel's Office has reviewed the proposed letter from the President to Congress, explaining his decision not to seek to negotiate voluntary production restraints on copper. In the last sentence of the second paragraph of the letter, "Section 201(b)(1)" should be changed to "Section 202(b)(1)." In the third line of the fifth paragraph on page two of the letter, "CPTA" should be changed to "JTPA."

Lastly, the parenthetical sentence in the sixth item in the Report to Congress, noting Interior's disagreement with the Task Force finding on subsidies, should be deleted. It serves no purpose to disclose the positions adopted by individual departments in the course of reaching an inter-agency task force finding. As a general matter, we do to great lengths to prevent the disclosure of such internal deliberations. Disclosing such disagreement in a Report to Congress is a red flag inviting further Congressional inquiry, including requests for testimony or deliberative documents elucidating the disagreement.

## WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

- O - OUTGOING
- H - INTERNAL
- I - INCOMING  
Date Correspondence Received (YY/MM/DD) 1-1-1

Name of Correspondent: D. Chew

MI Mail Report      User Codes: (A) \_\_\_\_\_ (B) \_\_\_\_\_ (C) \_\_\_\_\_

Subject: USTR MEMO re: CORREN

ROUTE TO:	ACTION	Tracking Date	Disposition
Office/Agency (Staff Name)	Action Code	YY/MM/DD	Type of Response Code Completion Date YY/MM/DD
<u>CH Hall</u>	ORIGINATOR	<u>85,10,25</u>	1 1
<u>Cont 18</u>	Referral Note: R	<u>85,10,25</u>	S 85,10,29
	Referral Note:	1 1	1 1
	Referral Note:	1 1	1 1
	Referral Note:	1 1	1 1
	Referral Note:	1 1	1 1

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| <p><b>ACTION CODES:</b></p> <ul style="list-style-type: none"> <li>A - Appropriate Action</li> <li>C - Comment/Recommendation</li> <li>D - Draft Response</li> <li>F - Furnish Fact Sheet<br/>to be used as Enclosure</li> </ul> | <ul style="list-style-type: none"> <li>I - Info Copy Only/No Action Necessary</li> <li>R - Direct Reply w/Copy</li> <li>S - For Signature</li> <li>X - Interim Reply</li> </ul> | <p><b>DISPOSITION CODES</b></p> <ul style="list-style-type: none"> <li>A - Answered</li> <li>B - Non-Special Referral</li> <li>C - Completed</li> <li>S - Suspended</li> </ul> <p><b>FOR OUTGOING CORRESPONDENCE</b></p> <ul style="list-style-type: none"> <li>Type of Response = Initials of Signer</li> <li>Code = "A"</li> <li>Completion Date = Date of Outgoing</li> </ul> |
|--|---|--|

Comments: \_\_\_\_\_

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## WHITE HOUSE STAFFING MEMORANDUM

DATE: 10/25/85 ACTION/CONCURRENCE/COMMENT DUE BY: Tuesday, October 29th

SUBJECT: USTR MEMO RE COPPER

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	<input type="checkbox"/>	<input type="checkbox"/>	LACY	<input type="checkbox"/>	<input type="checkbox"/>
REGAN	<input type="checkbox"/>	<input checked="" type="checkbox"/>	McFARLANE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
MILLER	<input checked="" type="checkbox"/>	<input type="checkbox"/>	OGLESBY	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BUCHANAN	<input type="checkbox"/>	<input type="checkbox"/>	RYAN	<input type="checkbox"/>	<input type="checkbox"/>
CHAVEZ	<input type="checkbox"/>	<input type="checkbox"/>	SPEAKES	<input type="checkbox"/>	<input checked="" type="checkbox"/>
CHEW	<input type="checkbox"/> P	<input checked="" type="checkbox"/> SS	SPRINKEL	<input type="checkbox"/>	<input type="checkbox"/>
DANIELS	<input type="checkbox"/>	<input type="checkbox"/>	SVAHN	<input checked="" type="checkbox"/>	<input type="checkbox"/>
FIELDING	<input checked="" type="checkbox"/>	<input type="checkbox"/>	THOMAS	<input checked="" type="checkbox"/>	<input type="checkbox"/>
FRIEDERSDORF	<input checked="" type="checkbox"/>	<input type="checkbox"/>	TUTTLE	<input type="checkbox"/>	<input type="checkbox"/>
HENKEL	<input type="checkbox"/>	<input type="checkbox"/>	<u>CLERK</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
HICKEY	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
HICKS	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
KINGON	<input type="checkbox"/>	<input checked="" type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>

REMARKS: Please give your recommendations to my office by Tuesday, October 29th. Thanks.

RESPONSE:

THE UNITED STATES TRADE REPRESENTATIVE  
WASHINGTON  
20508

October 23, 1985

MEMORANDUM FOR THE PRESIDENT

FROM : CLAYTON YEUTTER 

SUBJECT: Copper

Section 247 of the Trade and Tariff Act of 1984 conveyed the sense of Congress that you should negotiate voluntary production restraint agreements with the principal foreign copper-producing countries. This provision also called on you to report to Congress by October 31, 1985 to explain either the results of such negotiations or why you felt it was inappropriate or unnecessary to undertake them.

The possibility of negotiating such restraints was thoroughly examined by an interagency task force, established by my predecessor, Bill Brock, and subsequently reviewed by the Trade Policy Review Group. With the exception of the Department of Interior, all agencies agreed that the Administration should not seek to negotiate voluntary production restraints with foreign copper-exporting countries, primarily on the grounds that:

1. It would be inconsistent with the overall market-oriented trade and economic policy objectives of this Administration.

2. Neither negotiation nor implementation of such restraint agreements appear to be feasible. The major copper-producing countries have made it clear that they are strongly opposed to such negotiations.

I urge that you approve the recommendation of the Trade Policy Review Group that the Administration should not seek to negotiate voluntary production restraint agreements on copper. If you concur, I have enclosed the necessary letters to the Vice President and the Speaker of the House of Representatives advising them of this decision. These letters also describe the Department of Labor's efforts to assist dislocated copper workers and indicate that I will explore other possibilities for improving the situation of the U.S. copper industry.

Attachments

The Honorable George Bush  
President of the Senate  
Washington, D. C. 20510

Dear Mr. President:

In accordance with Section 247(c)(2) of the Trade and Tariff Act of 1984, I am writing to inform you of my decision not to seek to negotiate voluntary production restraints on copper.

Section 247(b) conveyed the sense of Congress that I should negotiate "with the principal foreign copper-producing countries to conclude voluntary restraint agreements with those governments for the purpose of effecting a balanced reduction of total annual foreign copper production for a period of between three and five years. . . ." In light of this provision, an interagency task force, chaired by the Office of the United States Trade Representative, was formed to take another look at the possibility of negotiating such restraints -- which had been considered, and rejected, in the context of the determination made on September 6, 1984 on import relief in accordance with Section 201 (b) (1) of the Trade Act of 1974.

The task force reviewed all questions relevant to the issue of voluntary production restraints, including:

1. The consistency of voluntary production restraints with the basic policies of this Administration.
2. The situation of the U.S. copper industry.
3. The extent of subsidization or unfair trade practices in the world copper economy.
4. The probable economic effects of production restraints.
5. The feasibility of negotiating and implementing such restraints.

The findings of the task force are outlined in the attached report.

In light of this review, I have determined that it would be inappropriate for this Government to seek to negotiate voluntary production restraint agreements with the governments of the principal foreign copper-producing countries.

An attempt to negotiate such restraints would be inconsistent with the overall, market-oriented trade and economic policy objectives of this Administration. It would set an undesirable precedent in light of both our efforts to increase the responsiveness of the domestic and international economy to market forces and our continued opposition to cartels or other arrangements aimed at controlling world markets. Moreover, any effort by this Government, in the context of production restraint negotiations, to give foreign producers assurances regarding the intentions of U.S. copper producers would raise serious antitrust concerns.

Efforts to raise world copper prices through the restraint of foreign production would also be inefficient and expensive for the U.S. economy; they would incur losses to U.S. consumers substantially in excess of any gains accruing to U.S. producers.

Finally, I do not believe it would be feasible either to conclude or to implement production restraint agreements. The major copper-producing countries have made it clear that they are opposed to the negotiation of such restraints -- largely because they do not feel that such actions would be effective in improving the longer term situation in the world copper market. Moreover, past experience shows that production restraint agreements are extremely difficult to implement effectively and that any benefits from restraints tend to be eroded or reversed in the years following their termination.

While I do not believe that the negotiation of restraints is an appropriate course of action, I have asked the United States Trade Representative to continue to follow closely developments in the world copper market and to explore other possibilities for improving the situation of the U.S. copper industry. I also continue to be deeply concerned about the problems facing many workers in the U.S. copper industry. In response to my directive of September 6, 1984, the Department of Labor has developed, and begun to implement, a plan for a special effort to assist workers displaced from the copper industry.

This plan consists of three elements. First, of the funds reserved by the Secretary under Title III of the Job Training Partnership Act (JTPA), \$5.0 million has been earmarked specifically for retraining programs to assist copper workers in heavily impacted States and localities. To assure that a maximum effort is made in the States to assist copper workers, the States have been asked to contribute an amount equivalent to twice the Federal allocation to support these projects. In total this will amount to approximately \$15 million in new training and employment services for copper workers.

Second, a team of senior Department of Labor staff has been made available to work with those State and local governments that

request assistance to help establish programs of retraining, relocation, and related assistance for displaced copper workers.

Finally, Secretary Brock, working closely with representatives of industry and labor and officials from all levels of government, is monitoring these efforts and seeking ways to improve upon them. A more detailed report on the Department of Labor's efforts to assist dislocated copper workers is attached.

Sincerely,

Attachments



REPORT TO THE CONGRESS:  
FINDINGS OF THE INTERAGENCY COPPER TASK FORCE

--An initiative by the U.S. Government to negotiate restraints on foreign copper production would be inconsistent with the basic thrust of this Administration's trade and commodity policy.

--Any USG effort to secure foreign production restraints would lead to counter-requests by those foreign countries for commitments on U.S. copper production. The USG does not have any legal authority to make such commitments. Moreover, discussions with domestic copper-producing firms aimed at developing production "forecasts" for use in negotiations with foreign countries could expose U.S. producers to significant risks of antitrust liability.

--The evolution of the world copper market over the past few years has seriously injured the U.S. copper industry. Large losses have been incurred over the past four years and most firms are in a precarious financial position. Although market fundamentals improved substantially in 1984, prices weakened further.

--If prices were to continue at 1984 levels, a further severe shrinkage of U.S. copper production would likely occur. Only about 275,000 mt of U.S. production can meet long-run breakeven costs at those price levels. However, even if the anticipated increase in prices occurs (to about 75 cents per lb), a further shrinkage of U.S. production from current levels is likely.

--The U.S. industry has made strenuous cost cutting efforts. Although U.S. production costs are still well above those of the lowest cost producers (Chile and Zaire), they would appear, on average, to compare favorably with the costs of most other major producers.

--No significant net government subsidies by foreign governments to their copper-producing industries were found, although governments in several key producing countries were involved in the financing of the copper industry. (Interior believes the situation with respect to subsidies is inconclusive and questions the net subsidy concept.)

--The role of multilateral development banks (MDBs) in financing copper projects appears to be minor. MDB financing of copper projects over the past decade has amounted to less than 5 percent of total financing of copper projects.

--Although the IMF has made large loans to major copper-exporting countries in recent years (about \$3.8 billion outstanding as of 8/31/84), these loans go to the central banks of foreign governments and not to the copper-producing industries in those countries.

--Market behavior of some government owned or controlled copper enterprises appears to be significantly different from that of private sector firms and to result in maintenance of higher levels of production when prices are low.

--Econometric analysis shows that losses to consumers resulting from production restraints would substantially exceed gains to producers.

--The U.S. copper fabricating industry has indicated that it could support the negotiation of production restraints as long as it does not result in the establishment of a two-tier market (i.e., higher copper prices in the United States than in the rest of the world).

--Econometric analysis gives no clear-cut answer as to whether or not the export earnings of participating foreign countries would increase as a result of their imposition of production restraints. Where U.S. production is "frozen," the analysis usually shows such increases occurring. On the other hand, the analysis tends to show that gains in revenue enjoyed while restraints are in place may be largely lost in the longer term.

--Any U.S. efforts to negotiate production restraints would meet strong resistance from the key copper-exporting countries. Both Chile and the CIPEC (Intergovernmental Council of Copper-Exporting Countries) Secretariat have advised the United States of their opposition to such negotiations. It seems unlikely that the United States could successfully negotiate such restraint agreements unless major enticements were offered (or pressures exerted) outside the copper area.

Report of the Department of Labor on Efforts to  
Assist Dislocated Copper Workers

In response to the directive of the President of September 6, 1984, the Department of Labor has developed a plan for a special effort to assist workers displaced from the copper industry.

The major source of retraining and relocation assistance available to such workers is the Dislocated Worker Program under Title III of the Job Training Partnership Act (JTPA). Services are available under (a) a program of formula grants to the States, which accounts for 75 percent of Title III funds, and (b) the remaining 25 percent or national reserve, which is available to the States on application to the Secretary. Workers may also receive training and related services in their local service delivery areas (SDAs) if they are economically disadvantaged under the terms of Title II-A of JTPA. In addition, up to 10 percent of participants in local Title II-A programs need not meet the income requirement if they face special barriers in the labor market.

In addition to assistance under JTPA, copper workers may receive counseling, referral and placement services at the local offices of the Federal-State employment service. The unemployment compensation system provides partial income replacement for qualifying workers (the vast majority of dislocated workers qualify for these benefits).

The plan developed by the Department of Labor consists of three elements. First, of the funds reserved by the Secretary under Title III of JTPA, \$5.0 million has been earmarked specifically for retraining programs to assist copper workers in heavily impacted States and localities. To assure that a maximum effort is made in the States to assist copper workers, these States have been asked to contribute an amount equivalent to twice the Federal allocation to support these projects. The source of the contribution can be State training funds, received under JTPA or other legislation, or private sector funds. In total, this will amount to approximately \$15.0 million in new training and employment services for copper workers.

Second, a team of senior Department of Labor staff has been made available to work with those State and local governments that request assistance to help establish programs of retraining, relocation, and related assistance for displaced copper workers. These States have identified special liaison staff to work with the DOL team.

The Federal team members are providing technical assistance to help State and local staff in the design of programs which can be of maximum assistance in enabling displaced copper workers

to be placed in suitable employment. They are assisting staff to make maximum and effective use of Federal resources, particularly those available under JTPA.

Pursuant to this plan, Secretary Brock in May 1985, announced that dislocated copper workers in 12 states with significant numbers of such workers would be covered by the plan. These states are Arizona, Colorado, Maryland, Michigan, Montana, Nevada, New Jersey, New Mexico, Tennessee, Texas, Utah and Washington.

Proposals submitted by Arizona, Colorado, New Jersey, Texas, Utah, and Washington have been approved by the Secretary. Approximately 2000 workers will receive benefits under these proposals at a cost of \$2.4 million. Proposals submitted by Maryland, and Montana are still under review at the Department. If approved by the Secretary, approximately 360 workers will receive benefits under these 2 proposals totaling about \$700,000. Projects from Michigan, Nevada, New Mexico and Tennessee are still being prepared. The Department is in the process of obtaining information on the status of each project and will continue to monitor them.

Prior to the initiation of this special plan, seven projects aimed at assisting dislocated copper workers were funded through the Secretary's Reserve Account during Program Year 1984, which ended on June 30, 1985. These projects provided benefits to about 5,400 copper workers (some dislocated steel workers are included in this total) and cost about \$7.0 million.

In addition to benefits provided for dislocated copper workers under the JTPA, copper workers are also eligible for readjustment allowances, training, job search allowances and relocation allowances under trade adjustment assistance provisions of the Trade Act of 1974. Under this program, Secretary Brock announced in June that 3,500 copper workers in Utah are eligible to apply for these benefits.

Under the third and final element of the Department's plan, the Secretary, working closely with representatives of industry and labor and officials from all levels of government, is monitoring these efforts and seeking ways to improve upon them.

## SUMMARY OF ETA PROGRAMS FOR DISLOCATED COPPER WORKERS

Dislocated copper workers receive retraining and reemployment aid from two programs in the Employment and Training Administration. Trade Adjustment Assistance is available for workers laid off as a result of increased imports. Programs funded through the Job Training Partnership Act are open to workers who have lost their jobs, have received a notice of permanent layoff, or are long-term unemployed and have limited opportunities for employment or reemployment.

### Trade Adjustment Assistance

The Trade Adjustment Assistance program provides training, job search and relocation allowances, and other reemployment services to help workers prepare for and obtain suitable employment. In addition, weekly trade readjustment allowances (TRA) may be payable to eligible workers following their exhaustion of unemployment insurance benefits.

During FY84 and FY85, the Office of Trade Adjustment Assistance issued determinations in fifteen cases involving copper industry workers. Ten of those cases resulted in certifications of worker eligibility to apply for adjustment assistance benefits. Information on those certifications includes the following:

Number of cases certified	10
Number of workers certified	4,901 Est.

### TAA Benefits Data

	<u>Number of Workers</u>	<u>Amount Paid</u>
Trade Readjustment Allowances	444	\$959,695
Training	115	105,884
Job search allowances	46	3,478
Relocation assistance	45	31,417

(Benefits data are through June 30, 1985. Approximately 4,200 workers are covered by certifications issued in June and July 1985. Their benefit activity does not appear in the above table.)

Job Training Partnership Act Programs

Under Title III of the Job Training Partnership Act, training and reemployment services are provided to dislocated workers. Benefits available under JTPA programs include career counseling, classroom and on-the-job training, remedial education, job search assistance, placement services, and relocation assistance.

Title III funds are composed of two separate accounts, a formula allocation made directly to the States and a Reserve Account administered by the Secretary of Labor. Proposals for funding projects under the Reserve Account are made directly to the Secretary by the Governor of the affected State.

In June 1985, Secretary Brock awarded a total of \$5 million in Title III funds from the Secretary's Reserve Account to twelve states with significant numbers of dislocated copper workers. Eight of the affected states have submitted project proposals; six of these have been approved by the Secretary. Eight other projects aimed at dislocated copper workers have been funded through the Reserve Account.

Unemployed copper workers may also be eligible to participate in programs for dislocated workers administered by the States under Title III. At least 75 percent of the total Title III appropriated funds are allocated directly to the States. States receiving formula funds are required to provide matching funds; the amount of matching required is adjusted to reflect the State's unemployment rate. The National Office has no specific data on participation in these programs by dislocated copper workers.

Following is a summary of the status and recent accomplishments of TAA and JTPA programs for those states with significant dislocations of copper workers.

STATE: ARIZONA

Trade Adjustment Assistance, FY84-FY85:

Number of cases certified	3
Number of workers certified	343 (Est.)

	<u>Number of Workers</u>	<u>Amount Paid</u>
Trade Readjustment Allowances	54	\$84,914
Training	33	22,364
Job search allowances	46	3,478
Relocation assistance	45	31,417

(Benefits data are through June 30, 1985.)

Job Training Partnership Act:

I. Special Copper Project

<u>Amount</u>	<u>Number of Participants</u>	<u>Date Approved</u>
\$600,000	250	08/02/85

Project Description: Dislocated copper miners and copper-related workers in five rural counties in the central and southeastern parts of the State will be served through the existing delivery system, Arizona Dislocated Worker Assistance Centers. Generally, mining occupational skills will be upgraded to non-mining occupational skills; e.g., heavy mine equipment operators to all types of heavy equipment, mine truck drivers to cross-country long distance truckers, etc. The project operator, the Arizona Dislocated Worker Assistance Center, has strong working relationships with the United Steelworkers of America, the International Brotherhood of Electrical Workers, the Operating Engineers, the AFL-CIO, and Job Service Employer Committees. The proposal was submitted by the Arizona Department of Economic Security on behalf of Governor Bruce Babbitt.

STATE: ARIZONA (continued)

II. Other Projects Involving Copper Workers Funded by the Secretary's Reserve Account

<u>Project Location</u>	<u>Amount</u>	<u>Number of Participants</u>	<u>Date of Award</u>
Yavapai County and SE Arizona	\$150,000	150	07/30/84

Project Description: Dislocated copper workers were served through the Arizona Department of Economic Security. Participants received training, relocation assistance, counseling, vocational assessment, and basic education. Cyprus Bagdad representatives, whose mine formerly employed the workers, participated in a joint task force which also included state and local officials.



STATE: COLORADO

Trade Adjustment Assistance:

No cases involving copper industry workers were received during this period.

Job Training Partnership Act:

I. Special Copper Project

<u>Amount</u>	<u>Number of Participants</u>	<u>Date Approved</u>
\$200,000	300	09/27/85

Project Description: Dislocated copper industry workers from Denver will be served through the Governor's Job Training Office. Participants will receive career counseling, referral and placement services, clinical counseling, and entrepreneurial training. This proposal was submitted by the Governor's Job Training Office. The Atlantic Richfield Company, which formerly employed the dislocated workers, will provide office space and logistical support.

II. Other Projects Involving Copper Workers Funded by the Secretary's Reserve Account

No other projects targeted toward dislocated copper workers in Colorado have been funded by the Secretary's Reserve Account.

STATE: MARYLAND

Trade Adjustment Assistance, FY84-FY85:

Number of cases certified	1
Number of workers certified	195 (Est.)

	<u>Number of Workers</u>	<u>Amount Paid</u>
Trade Readjustment Allowances	195	\$444,898
Training	52	56,690
Job search allowances	0	0
Relocation assistance	0	0

(Benefits data are through June 30, 1985.)

Job Training Partnership Act:

I. Special Copper Project

<u>Amount</u>	<u>Number of Participants</u>	<u>Status</u>
\$200,000	-	Under Review

II. Other Projects Involving Copper Workers Funded by the Secretary's Reserve Account

No other projects targeted toward dislocated copper workers in Maryland have been funded by the Secretary's Reserve Account.

STATE: MICHIGAN

Trade Adjustment Assistance, FY84-FY85:

No cases involving copper industry workers were received during this period.

Job Training Partnership Act:

I. Special Copper Project

<u>Amount</u>	<u>Number of Participants</u>	<u>Status</u>
\$500,000	-	In preparation

II. Other Projects Involving Copper Workers Funded by the Secretary's Reserve Account

<u>Project Location</u>	<u>Amount</u>	<u>Number of Participants</u>	<u>Date of Award</u>
Upper & NE Lower Peninsula	\$1,000,000	850*	11/01/84

\*(Also includes dislocated iron ore miners.)

Project Description: Dislocated copper, iron ore, and limestone miners are being served through the Governor's Office of Job Training and the Michigan State AFL-CIO. Participants are receiving counseling, on-the-job and classroom training, job development and placement, relocation assistance, and support services. The project operator is the Michigan State AFL-CIO. The project is expected to receive available in-kind services from the Michigan State AFL-CIO, local unions, the local central labor councils, and the Michigan United Labor Community Services.

STATE: MONTANA

Trade Adjustment Assistance, FY84-FY85:

No cases involving copper industry workers were certified during this period.

Job Training Partnership Act:

I. Special Copper Project .

<u>Amount</u>	<u>Number of Participants</u>	<u>Status</u>
\$500,000	210	Under Review

II. Other Projects Involving Copper Workers Funded by the Secretary's Reserve Account

<u>Project Location</u>	<u>Amount</u>	<u>Number of Participants</u>	<u>Date of Award</u>
Multi-State	\$818,600	800	09/29/83

Project Description: Dislocated copper, aluminum, and timber workers were served through the State Federations of Labor of Montana, Wyoming, Utah, Colorado, Nevada, New Mexico, Arizona, and Idaho. Participants received on-the-job, vocational, and upgrade training, transportation, and relocation services. The program operator was the Montana State AFL-CIO.

Butte & Silver Bow Counties	85,434	34	04/30/84
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Project Description: Dislocated copper, food, and chemical industry workers were served through the Montana Department of Labor and Industry. Participants received hands-on training, counseling, support services, and other needs-based payments. The proposal represents a cooperative effort between the affected company (Anaconda), the Governor, local government, local educational centers, the Operating Engineers Local 375, and the Montana Department of Labor.

STATE: MONTANA (continued)

II. Other Projects Involving Copper Workers Funded by the Secretary's Reserve Account (continued)

<u>Project Location</u>	<u>Amount</u>	<u>Number of Participants</u>	<u>Date of Award</u>
Butte & Silver Bow Counties	\$127,203	60	03/01/85

Project Description: Dislocated copper workers are being served through the Montana Department of Labor and Industry. Participants receive job counseling, job search assistance, vocational training, and needs-based payments. The affected company (Anaconda) makes in-kind contributions of services to the project. The Montana State AFL-CIO participates in the project as a subgrantee providing applicant screening, enrollment, training, job development, placement, and follow-up.

STATE: NEVADA

Trade Adjustment Assistance, FY84-FY85:

No cases involving copper industry workers were received during this period.

Job Training Partnership Act:

I. Special Copper Project

<u>Amount</u>	<u>Number of Participants</u>	<u>Status</u>
\$400,000	-	In preparation

II. Other Projects Involving Copper Workers Funded by the Secretary's Reserve Account

No other projects targeted toward dislocated copper workers in Nevada have been funded by the Secretary's Reserve Account.

STATE: NEW JERSEY

Trade Adjustment Assistance, FY84-FY85:

Number of cases certified	1
Number of workers certified	163 (Est.)

	<u>Number of Workers</u>	<u>Amount Paid</u>
Trade Readjustment Allowances	163	\$337,683
Training	21	25,611
Job search allowances	0	0
Relocation assistance	0	0

(Benefits data are through June 30, 1985.)

Job Training Partnership Act:

I. Special Copper Project

<u>Amount</u>	<u>Number of Participants</u>	<u>Date Approved</u>
\$700,000	500*	09/04/85

\* includes steelworkers.

Project Description: Dislocated copper and steel workers from Middlesex, Mercer, and Burlington Counties will be served through the New Jersey Department of Labor. An assistance center and branch will be established to provide job counseling, personal/financial counseling, job search assistance, education and training activities, GED, occupational retraining, support services, job development and placement services, high-intensity training and follow-up. A project specialist from the United Steelworkers will provide outreach and recruitment of participants. Relevant unions will provide lists of dislocated workers to facilitate outreach and recruitment.

II. Other Projects Involving Copper Workers Funded by the Secretary's Reserve Account

No other projects targeted toward dislocated copper workers in New Jersey have been funded by the Secretary's Reserve Account.

STATE: NEW-MEXICO

Trade Adjustment Assistance, FY84-FY85:

No cases involving copper industry workers were certified during this period.

Job Training Partnership Act:

I. Special Copper Project

<u>Amount</u>	<u>Number of Participants</u>	<u>Status</u>
\$600,000	-	In preparation

II. Other Projects Involving Copper Workers Funded by the Secretary's Reserve Account

No other projects targeted toward dislocated copper workers in New Mexico have been funded by the Secretary's Reserve Account.



STATE: TENNESSEE

Trade Adjustment Assistance, FY84-FY85:

Number of cases certified	1
Number of workers certified	900 (Est.)

	<u>Number of Workers</u>	<u>Amount Paid</u>
Trade Readjustment Allowances		-No data are
Training		-available. Case
Job search allowances		-was certified on
Relocation assistance		-July 10, 1985.

(Benefits data are through June 30, 1985.)

Job Training Partnership Act:

I. Special Copper Project

<u>Amount</u>	<u>Number of Participants</u>	<u>Status</u>
\$400,000	-	In preparation

II. Other Projects Involving Copper Workers Funded by the Secretary's Reserve Account

No other projects targeted toward dislocated copper workers in Tennessee have been funded by the Secretary's Reserve Account.

STATE: TEXAS

Trade Adjustment Assistance, FY84-FY85:

No cases involving copper industry workers were received during this period.

Job Training Partnership Act:

I. Special Copper Project

<u>Amount</u>	<u>Number of Participants</u>	<u>Date Approved</u>
\$200,000	150	09/04/85

Project Description: Dislocated copper workers from El Paso and Alpine will be served through the Upper Rio Grande Private Industry Council. They will receive intake and certification services, assessment, occupational skill training, vocational skill training, job search assistance, referral and job placement. This proposal was submitted by the office of the Governor of Texas. The United Steelworkers union will identify and contact eligible copper workers and will advise on training and placement matters. Administering agencies have direct ties with the employer community through local colleges, Chambers of Commerce, Small Business Councils, and the Consortium on Business and Industry Education and Training.

II. Other Projects Involving Copper Workers Funded by the Secretary's Reserve Account

No other projects targeted toward dislocated copper workers in Texas have been funded by the Secretary's Reserve Account.

STATE: UTAH

Trade Adjustment Assistance, FY84-FY85:

Number of cases certified	4
Number of workers certified	3300 (Est.)

	<u>Number of Workers</u>	<u>Amount Paid</u>
Trade Readjustment Allowances	32	\$92,200
Training	9	1,219
Job search allowances	0	0
Relocation assistance	0	0

Note: Three of the cases were certified on June 13, 1985. No benefits data are available for these cases.

(Benefits data are through June 30, 1985.)

Job Training Partnership Act:

I. Special Copper Project

<u>Amount</u>	<u>Number of Participants</u>	<u>Date Approved</u>
\$600,000	650	08/26/85

Project Description: Dislocated copper miners from Salt Lake County will be served through the Utah Office of Job Training for Economic Development. A Work Resource Center will provide participants with assessment, remedial education, job search, on-the-job training, vendor training, job development, and placement and relocation assistance. This proposal was submitted by the Utah Office of Job Training for Economic Development. Two staff members of the AFL-CIO will serve as outreach coordinators.

STATE: UTAH (continued)

II. Other Projects Involving Copper Workers Funded by the Secretary's Reserve Account

<u>Project Location</u>	<u>Amount</u>	<u>Number of Participants</u>	<u>Date of Award</u>
Wasatch Front	\$1,375,000	500*	02/28/85

\*(also includes steel workers)

Project Description: Dislocated copper and steel workers are served through the Utah Office of Job Training for Economic Development. Participants attend job search workshops and receive on-the-job and classroom training. The project is coordinated with another dislocated worker project in the area conducted by the AFL-CIO.

Wasatch Front	\$2,566,331	3,500	06/18/85
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Project Description: Dislocated copper workers are served through the Utah Office of Job Training for Economic Development. Participants receive job counseling, job search assistance, remedial education, vocational and on-the-job training, and support services. The AFL-CIO provides two staff persons as outreach coordinators. Union peer counselors are provided through a grant from the United Steelworkers.

STATE: WASHINGTON --

Trade Adjustment Assistance, FY84-FY85:

No cases involving copper industry workers were certified during this period.

Job Training Partnership Act:

I. Special Copper Project

<u>Amount</u>	<u>Number of Participants</u>	<u>Date Approved</u>
\$400,000	300	09/12/85

Project Description: Dislocated copper workers from Tacoma will be served through the State Employment Security Department. Participants will receive support services, self-employment training, job search assistance, and vocational training. This proposal was submitted by the Washington State Employment Security Department. A local task force, formed in response to the ASARCO smelter closure, includes representatives of the company, the United Steelworkers, and the International Brotherhood of Teamsters.

II. Other Projects Involving Copper Workers Funded by the Secretary's Reserve Account

<u>Project Location</u>	<u>Amount</u>	<u>Number of Participants</u>	<u>Date of Award</u>
Tacoma	\$591,355	300	02/28/85

Project Description: The Washington State Employment Security Department provides pre-layoff and job search assistance, job development, on-the-job and vocational training, and support services. A local task force includes representatives of the affected company (ASARCO), the United Steelworkers, and the International Brotherhood of Teamsters.

*g*

**C. H.**

ID # 246360 CU

TA004-08

# WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

**C O P Y**  
**from ORM**

- O - OUTGOING
- H - INTERNAL
- I - INCOMING  
Date Correspondence Received (YY/MM/DD) \_\_\_\_\_

Name of Correspondent: Ridra from ORM

MI Mail Report      User Codes: (A) \_\_\_\_\_ (B) \_\_\_\_\_ (C) \_\_\_\_\_

Subject: Copied Import Policy Determination

ROUTE TO:		ACTION	DISPOSITION		
Office/Agency	(Staff Name)	Action Code	Tracking Date YY/MM/DD	Type of Response Code	Completion Date YY/MM/DD
<u>WH/ELL</u>		ORIGINATOR	<u>3/17/06</u>		<u>C 85104108</u>
		Referral Note:			
<u>CUAT 18</u>		<u>A</u>	<u>8/4/06</u>		<u>C 85104108</u>
		Referral Note:	<u>See COMMENT</u>		
			<u>1 1</u>		<u>1 1</u>
		Referral Note:			
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		Referral Note:			

- ACTION CODES:**
- A - Appropriate Action
  - C - Comment/Recommendation
  - D - Draft Response
  - F - Furnish Fact Sheet to be used as Enclosure
  - I - Info Copy Only/No Action Necessary
  - R - Direct Reply w/Copy
  - S - For Signature
  - X - Interim Reply

- DISPOSITION CODES:**
- A - Answered
  - B - Non-Special Referral
  - C - Completed
  - S - Suspended

**FOR OUTGOING CORRESPONDENCE:**  
 Type of Response = Initials of Signer  
 Code = "A"  
 Completion Date = Date of Outgoing

Comments: HANDLED ORALLY  
COPIES OF 9/6/84 MEMO TO USTR, V.P. Geo. Bush  
AND HOUSE SPEAKER THOMAS P. O'NEIL

Keep this worksheet attached to the original incoming letter.  
 Send all routing updates to Central Reference (Room 75, OEOB).  
 Always return completed correspondence record to Central Files.  
 Refer questions about the correspondence tracking system to Central Reference, ext. 2590.

THE WHITE HOUSE  
WASHINGTON

4-8

TO: DGH

FROM: John G. Roberts, Jr.  
Associate Counsel *JGR*  
to the President

- FYI
- COMMENT
- ACTION

THIS MAY BE CLOSED OUT.  
YOU MAY RECALL IT WAS  
HANDLED ORALLY ON AN  
EMERGENCY BASIS.

THE WHITE HOUSE

WASHINGTON

September 6, 1984

MEMORANDUM FOR THE UNITED STATES TRADE REPRESENTATIVE

SUBJECT: Copper Import Relief Determination

Pursuant to Section 202(b)(1) of the Trade Act of 1974 (P.L. 93-618), I have determined the action I will take with respect to the report of the United States International Trade Commission (USITC), transmitted to me on July 16 concerning the results of its investigation, on the merits of providing import relief to the copper industry.

In view of all relevant aspects of this case, I have determined that granting import relief is not consistent with our national economic interest. The imposition of import restrictions -- either in the form of quotas, tariffs, or orderly marketing agreements -- would create a differential between U.S. and world copper prices. Consequently, it would seriously disadvantage the copper-fabricating industry in the United States, which employed an estimated 106,000 workers in 1983, vis-a-vis foreign competitors. Such a result would, over time, shrink domestic demand for copper and add to the serious problems faced by U.S. copper producers.

Import relief would also adversely affect the export earnings of the foreign copper-producing countries, many of which are heavily indebted and highly dependent on copper exports. It would, therefore, complicate our efforts to maintain the stability of the international financial system and lessen the ability of foreign countries to import goods from the United States. Finally, there are encouraging signs that the economic recovery is beginning to have a favorable effect on world copper prices; stocks have fallen considerably this year and a significant price increase is expected in the near future. The denial of import relief on copper should act as a signal and as encouragement to our partners around the world to resist protectionist acts and, thus, will foster that recovery.

In order to help ease the difficult problems now faced by many workers in the U.S. copper industry, I have also directed the Secretary of Labor to give expeditious consideration to their adjustment assistance petitions.

Ronald Reagan



THE WHITE HOUSE

WASHINGTON

September 6, 1984

Dear Mr. Speaker:

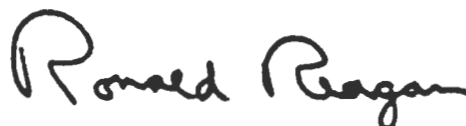
In accordance with Section 203(b)(2) of the Trade Act of 1974, I am writing to inform you of my decision today not to grant import relief to the copper industry.

In view of all relevant aspects of this case, I have determined that granting import relief is not consistent with our national economic interest. The imposition of import restrictions -- either in the form of quotas, tariffs, or orderly marketing agreements -- would create a differential between U.S. and world copper prices. Consequently, it would seriously disadvantage the copper-fabricating industry in the United States, which employed an estimated 106,000 workers in 1983, vis-a-vis foreign competitors. Such a result would, over time, shrink domestic demand for copper and add to the serious problems faced by U.S. copper producers.

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In order to help ease the difficult problems now faced by many workers in the U.S. copper industry, I have also directed the Secretary of Labor to give expeditious consideration to their adjustment assistance petitions.

Sincerely,

A handwritten signature in cursive script that reads "Ronald Reagan".

The Honorable Thomas P. O'Neill, Jr.  
Speaker of the  
House of Representatives  
Washington, D.C. 20515

THE WHITE HOUSE

WASHINGTON

September 6, 1984

Dear Mr. President:

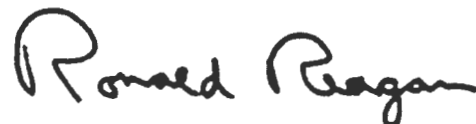
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In order to help ease the difficult problems now faced by many workers in the U.S. copper industry, I have also directed the Secretary of Labor to give expeditious consideration to their adjustment assistance petitions.

Sincerely,



The Honorable George Bush  
President of the Senate  
Washington, D.C. 20510