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JG

Page 1 of 3

ID # 155128

WHITE HOUSE
OFFICE OF RECORDS MANAGEMENT
WORKSHEET

- X-MEDIA
- H-INTERNAL

Name of Document: BRIEFING PAPERS
FOR PRESIDENT'S
SCHEDULED
APPOINTMENTS FOR

JUL 28 83

Subject Codes:

1) Subject: Signing of Executive Order creating
the Commission on Organized Crime.

P R 0 0 7 - 0 1

FG 3 9 3 -

FE 0 0 3 -

 - -

2) Meeting with the Cabinet Council on Commerce
and Trade to discuss:

FG 0 1 0 - 0 2

BE 0 0 4 -

BE 0 0 3 - 1 0

BE 0 0 3 - 1 4

TA 0 0 4 - 1 4

A) steel industry ~~and~~ condition
B) textile industry and imports

PP 0 1 2 - 0 2

 - -

 - -

 - -

3) Meeting with Stanley Hamilton, Eureka
College roommate and fraternity
brother.

CO 1 7 2 -

WE 0 0 1 - 0 1

HE 0 0 1 - 0 5

ED -

 - -

 - -

4) Meeting with NHANNY (NONNIE) HEIL, a
Vietnamese orphan, and her foster
mother, Evelyn HEIL; who is in
charge of the WARREN CENTER of Learning.

ROUTE TO:		ACTION		DISPOSITION		
Office/Agency	(Staff Name)	Action Code	Tracking Date YY/MM/DD	Type of Response	Code	Completion Date YY/MM/DD
RMHENL		RSZ			C	

Referral Note:

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JUL 28 83

Subject Codes:

P	R	0	0	7	-	0	1
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C	O	0	2	7	-		
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H	O	0	1	3	-	9	3
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					-		

5) Subject: Meetings with U.S. Ambassadors:
 A) MYLES FRECHETTE - CAMEROON
 B) ARTHUR LEWIS - SIERRA LEONE
 C) PETER DEVOS - MOZAMBIQUE

6) Meeting with Red Skelton and Senators
 Richard LUGAR and Dan QUAYLE.

7) Meeting with Arthur TEELE, who
 recently resigned as administrator
 of the Urban Mass Transportation
 Administration.

8) Meeting with leaders of AHEPA, the
 American Heleneic Education Progressive
 Association.

ROUTE TO:		ACTION		DISPOSITION		
Office/Agency	(Staff Name)	Action Code	Tracking Date YY/MM/DD	Type of Response	Code	Completion Date YY/MM/DD
RMHENL		RSZ			C	

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Name of Document: BRIEFING PAPERS
FOR PRESIDENT'S
SCHEDULED
APPOINTMENTS FOR

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Subject Codes:

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F	G	0	0	6	-	0	1
F	G	0	0	6	-	0	7
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- 9) Subject: Meeting with Mrs. Mable
DETWEILER, former cook at the
TKF Fraternity House at Gureka College
- 10) Reception for the National Council of
Negro Women.
- 11) Meeting (farewell party) for Edwin
Harper, Assistant to the President
for Policy Development.

ROUTE TO:		ACTION		DISPOSITION		
Office/Agency	(Staff Name)	Action Code	Tracking Date YY/MM/DD	Type of Response	Code	Completion Date YY/MM/DD
RMHENL		RSZ			C	

Referral Note:

THE SCHEDULE OF
PRESIDENT RONALD REAGAN

The President has seen _____

Thursday, July 28



R. Freedman
Sherry
Baker

9:00 am (30 min)	<u>Staff Time</u> (Baker, Meese)	Oval Office
9:30 am (15 min)	<u>National Security Briefing</u> (Clark)	Oval Office
9:45 am (15 min)	<u>Senior Staff Time</u>	Oval Office
10:00 am (90 min)	<u>Personal Staff Time</u>	Oval Office
11:30 am (15 min)	<u>Announcement of Organized Crime Commission (Fuller)</u>	Oval Office/ Rose Garden
12:00 m (60 min)	<u>Lunch with the Vice President</u>	(TAB A) (draft remarks attached) Oval Office
1:00 pm (30 min)	<u>Clark Briefing</u> (Clark)	Oval Office
1:30 pm (30 min)	<u>Meeting with Israeli Defense Minister Arens and Foreign Minister Shamir (Clark)</u>	Roosevelt Room (distributed separately)
2:00 pm (60 min)	<u>Meeting with Cabinet Council on Commerce and Trade (Fuller)</u>	Cabinet Room (TAB B)
3:00 pm (50 min)	<u>Personal Staff Time</u>	Oval Office
3:50 pm (10 min)	<u>Meeting with Stanley Hamilton & Family (Fischer)</u>	Oval Office (TAB C)
3:55	<i>MEET w/ MABLE DETWEILER</i>	OVAL
4:00 pm (30 min)	<u>Personnel Time</u> (Herrington)	Oval Office
4:30 pm (30 min)	<u>Administrative Time (Photos)</u> N 1) Nhanny Heil (Ryan) 2) Ambassadors departing for posts (Clark) 3) Red Skelton (Duberstein) 4) Art Teele (Fuller) 5) Leaders of AHEPA (Fuller) 6) Mrs. Mable Detweiler (Fischer) moved up to 3:55	Oval Office (TAB D)
5:00 pm (20 min)	N <u>Join Reception for National Council of Negro Women (Whittlesey/ Rosebush)</u>	Residence (TAB E) (draft remarks attached)
5:30 pm (10 min)	<u>Dropby Farewell Reception for Ed Harper (Jenkins)</u>	Roosevelt Room (TAB F)

THE SCHEDULE OF
PRESIDENT RONALD REAGAN

Thursday, July 28



9:00 am (30 min)	<u>Staff Time</u> (Baker, Meese)	Oval Office
9:30 am (15 min)	<u>National Security Briefing</u> (Clark) <i>D. Kamp</i>	Oval Office
9:45 am (15 min)	<u>Senior Staff Time</u>	Oval Office
10:00 am (90 min)	<u>Personal Staff Time</u>	Oval Office
11:30 am (15 min)	<u>Announcement of Organized Crime Commission (Fuller)</u>	Oval Office/ Rose Garden (TAB A) (draft remarks attached)
12:00 m (60 min)	<u>Lunch with the Vice President</u>	Oval Office
1:00 pm (30 min)	<u>Clark Briefing</u> (Clark)	Oval Office
1:30 pm (30 min)	<u>Meeting with Israeli Defense Minister Arens and Foreign Minister Shamir (Clark)</u>	Roosevelt Room (distributed separately)
2:00 pm (60 min)	<u>Meeting with Cabinet Council on Commerce and Trade (Fuller)</u>	Cabinet Room (TAB B)
3:00 pm (50 min)	<u>Personal Staff Time</u>	Oval Office
<i>3:45 - 3:55</i> 3:50 pm (10 min)	<i>Go Rallens - photo - People Mag</i> <u>Meeting with Stanley Hamilton & Family</u> (Fischer)	Oval Office (TAB C)
4:00 pm (30 min)	<u>Personnel Time</u> (Herrington)	Oval Office
4:30 pm (30 min)	<u>Administrative Time (Photos)</u> N 1) Nhanny Heil (Ryan) 2) Ambassadors departing for posts (Clark) 3) Red Skelton (Duberstein) <i>no lunch</i> 4) Art Teele (Fuller) 5) Leaders of AHEPA (Fuller) 6) Mrs. Mable Detweiler (Fischer)	Oval Office (TAB D)
5:00 pm (20 min)	N <u>Join Reception for National Council of Negro Women (Whittlesey/ Rosebush)</u>	Residence (TAB E) (draft remarks attached)
5:30 pm (10 min)	<u>Dropby Farewell Reception for Ed Harper</u> (Jenkins)	Roosevelt Room (TAB F)

THE SCHEDULE OF
PRESIDENT RONALD REAGAN

set



9:04

Thursday, July 28

9:00 am (30 min)	<u>Staff Time</u> 9:06 (Baker, Meese)	Oval Office
9:30 am (15 min)	<u>National Security Briefing</u> 9:28 - 10:00 (Clark), Bush, JB, McCarroll, J. Kemp	Oval Office
9:45 am (15 min)	<u>Senior Staff Time</u>	Oval Office
10:00 am (90 min)	<u>Personal Staff Time</u> 9:52 9:52 -	Oval Office
11:30 am (15 min)	<u>Announcement of Organized Crime Commission (Fuller)</u>	Oval Office/ Rose Garden
	(TAB A) (draft remarks attached)	
12:00 m (60 min)	<u>Lunch with the Vice President</u>	Oval Office
1:00 pm (30 min)	<u>Clark Briefing</u> (Clark)	Oval Office
1:30 pm (30 min)	<u>Meeting with Israeli Defense Minister Arens and Foreign Minister Shamir (Clark)</u> 1:30-1:58 (distributed separately)	Roosevelt Room Cabinet Room
2:00 pm (60 min)	<u>Meeting with Cabinet Council on Commerce and Trade (Fuller)</u> 2:05 - 3:09 3:09 - JB (TAB B)	Cabinet Room
3:00 pm (50 min)	<u>Personal Staff Time</u>	Oval Office
3:50 pm (10 min)	<u>Meeting with Stanley Hamilton & Family (Fischer)</u> Ed Rollins 3:42 - (TAB C)	Oval Office
4:00 pm (30 min)	<u>Personnel Time</u> 4:03 - (Herrington) JB	Oval Office
4:30 pm (30 min)	<u>Administrative Time (Photos)</u> N 1) Nhanny Heil (Ryan) 2) Ambassadors departing for posts (Clark) 3) Red Skelton (Duberstein) 4) Art Paul (Fuller) 5) Leaders of AHEPA (Fuller) 6) Mrs. Mable Detweiler (Fischer)	Oval Office (TAB D)
5:00 pm (20 min)	<u>Join Reception for National Council of Negro Women (Whittlesey/Rosebush)</u> (TAB E) (draft remarks attached)	Residence
5:30 pm (10 min)	<u>Dropby Farewell Reception for Ed Harper (Jenkins)</u> (TAB F)	Roosevelt Room

5:48 Residence

THE WHITE HOUSE

WASHINGTON

July 28, 1983

MEMORANDUM FOR: DAVE FISCHER
FROM: M. B. OGLESBY, JR. *Bo*
SUBJECT: Congressional Attendance for Organized
Crime Commission Announcement

The following Members of the House of Representatives attended the 11:30 a.m. Rose Garden ceremony for the announcement of the President's Commission on Organized Crime:

- Congressman Peter Rodino
- Congressman E. Clay Shaw
- Congressman Thomas N. Kindness
- Congressman George Gekas
- Congressman Larry Smith

Staff

John F. Scruggs

Israel

Yitzhak Shamir, Foreign Minister
Moshe Arens, Defense Minister
Hanan Bar-on, Deputy Director
General
Eli Rubenstein, Legal Adviser
Avi Pasner, Director of the Press
Division and Spokesman for the
Ministry of Foreign Affairs
Josef Ben Aharon, Director of the
Minister's Bureau
Ambassador to the US Meir Rosenne
Major General Menachem Einan,
Director of Plans
Brig. General Dani Yatom, Executive
Assistant to Arens
Nachman Shai, Spokesman for the
Ministry of Defense
Uri Lubrani, Coordinator for
Lebanese Affairs
Major General Ehud Barak, Director
of Military Intelligence

PRESS PLANS

The meeting will be announced; pool photo opportunity -
Cabinet Room.

Sequence of Events

1:00-1:30 p.m. Pre-briefing for President - Oval Office
1:30-2:00 p.m. Meeting - Roosevelt Room

cc: Dave Fischer
Kathy Osborne
Nell Yates
West Basement Guard

MEETING WITH ISRAELI FOREIGN MINISTER YITZHAK SHAMIR
and DEFENSE MINISTER MOSHE ARENS

Thursday, July 28, 1983

1:00-1:30 p.m. - Pre-Brief Meeting - Oval Office

✓ President Reagan
✓ Vice President Bush
✓ Secretary Shultz
✓ Secretary Weinberger
✓ General Vessey
✓ William P. Clark
✓ Ambassador Lewis
✓ Ambassador Fairbanks
✓ Robert C. McFarlane
✓ Assistant Secretary Veliotos
✓ Geoffrey Kemp
✓ Howard R. Teicher
(Messrs. ~~Meese~~ and Baker
will attend at their discretion)

1:30-2-00 p.m. - Meeting - The Roosevelt Room

United States - President Reagan
Vice President Bush
Secretary Shultz
Secretary Weinberger
General Vessey
William P. Clark
Ambassador Lewis
Ambassador Fairbanks
Robert C. McFarlane
Nicholas Veliotos
Geoffrey Kemp
Howard Teicher
(Messrs. Meese and Baker
will attend at their discretion)

THE WHITE HOUSE

WASHINGTON

July 27, 1983

MEMORANDUM FOR DAVE FISCHER

FROM: M. B. OGLESBY, JR.

SUBJECT: Attendance in Presidential Meeting on IMF on
July 27, 1983, in the Roosevelt Room

The following individuals were in attendance today, July 27, 1983, in a meeting with the President on IMF (International Monetary Fund) legislation in the Roosevelt Room, at 11:00 a.m.

Secretary of the Treasury Regan

Members of Congress (House)

William Clinger (R-Pennsylvania)
Jim Courter (R-New Jersey)
William Dickinson (R-Alabama)
Cooper Evans (R-Iowa)
Bobbi Fiedler (R-California)
John Hiler (R-Indiana)
Duncan Hunter (R-California)
Bob McEwen (R-Ohio)
Bob Michel (R-Illinois)
Howard Neilson (R-Utah)
Ron Packard (R-California)
Ralph Regula (R-Ohio)
Thomas Ridge (R-Pennsylvania)
Clay Shaw (R-Florida)
Chalmers Wylie (R-Ohio)
Ed Zschau (R-California)

White House Staff


James A. Baker, III
Richard Darman
Norm Miller
Kenneth M. Duberstein
M. B. Oglesby, Jr.
John Dressendorfer
Randall Davis
David Wright
John Scruggs
Larry Speakes
Dennis Thomas, Assistant Secretary of the Treasury for
Legislative Affairs

THE WHITE HOUSE

WASHINGTON

July 27, 1983

ANNOUNCEMENT OF ORGANIZED CRIME COMMISSION

DATE: July 28, 1983
LOCATION: Oval Office and Rose Garden
TIME: 11:30 AM (15 minutes)
FROM: Craig L. Fuller 

I. PURPOSE

To sign an Executive Order creating the Organized Crime Commission and to announce the chairman and your nominees for the Commission.

II. BACKGROUND

On October 14, 1982, you announced your intention to create a Commission on Organized Crime. You will now be signing an Executive Order actually creating that Commission. The purpose of the Commission, which will last for three years, will be to undertake a region by region analysis of the influences of organized crime, to analyze and debate the data it gathers, and to hold public hearings on the findings. Hopefully, the work of this Commission will lead to important legislative recommendations, heighten public awareness and mobilize citizen support.

Judge Irving R. Kaufman of the U.S. Court of Appeals for the Second Circuit in New York, has agreed to serve as the Commission's chairman. 18 distinguished Americans from diverse backgrounds and professions with practical experience in criminal justice and combating organized crime will be nominated to serve on the Commission. A list of nominees approved by Presidential Personnel is attached and your intention to nominate them will be made public tomorrow morning.

III. PARTICIPANTS

Judge Irving R. Kaufman; Attorney General Smith; FBI Director William H. Webster; nominees for the Commission; and Craig Fuller.

IV. PRESS PLAN

White House Press

NOMINEES FOR THE PRESIDENT'S COMMISSION ON
ORGANIZED CRIME

Judge Irving R. Kaufman, U.S. Circuit Court Judge for
the Second Circuit of New York.

Senator Strom Thurmond, Chairman of the Senate Judiciary
Committee

Congressman Peter Rodino, Chairman of the House
Judiciary Committee

Judge Potter Stewart, retired Supreme Court Justice

Mr. William J. Guste, Jr., Attorney General for the State
of Louisiana

Mr. Eugene H. Methvin, Senior Editor of Readers Digest

Mr. Jesse A. Brewer, Deputy Chief of the Los Angeles Police
Department

Mr. Justin J. Dintino, Lieutenant Colonel, New Jersey
Police Department

Ms. Judith Richards Hope, partner with the law offices of
Paul, Hastings, Janofsky and
Walker; Washington, D.C.

Mr. Samuel Knox Skinner, partner with the law offices of
Sidley and Austin; Chicago

Mr. Edwin L. Miller, Jr., District Attorney for San Diego
County

Mr. Manuel J. Reyes, Executive Vice-President of the Board
of Directors of Miami International
Hospital

Mr. Thomas F. McBride, Associate Dean at Stanford Law
School

Mr. Charles H. Rogovin, Professor of Law at Temple
University

Mr. Phillip Ralph Manuel, President of Phillip Manuel
Resource Group

Mr. John Frederick Duffy, Sheriff of San Diego County

(Dolan/AB)
July 27, 1983
3:00 p.m.

PRESIDENTIAL REMARKS: ANNOUNCEMENT OF ORGANIZED CRIME COMMISSION
THURSDAY, JULY 28, 1983

Judge Kaufman, Attorney General Smith, Judge Webster, Chairmen Thurmond and Rodino, other distinguished members of this commission, and ladies and gentlemen. We are here today to redeem this Administration's promise to do all in our power to break apart and cripple the organized criminal syndicates that for too long have been tolerated in America.

The power of these syndicates infects every part of our society; the cost in human and fiscal terms is incalculable; the climate of lawlessness that their very existence fosters makes this confederation of career criminals a costly and tragic part of our history.

The reasons for the mob's success are clear. Its tactics and techniques are well known: organizational cohesion and discipline, vows of secrecy and loyalty, insulation for its leaders from direct criminal involvement, bribery and corruption of law enforcement and public officials, violence and threats against those who would testify or resist this criminal conspiracy -- all of these have contributed to the curtain of silence that surrounds the mob.

Through the years, a few dedicated Americans have broken this curtain of silence and fought this menace. Their names are familiar: Prosecutor Thomas Dewey and Judge William Seabury, Federal agent Eliot Ness, Senators Kefauver and McClellan, Attorney General Kennedy, investigative reporter Don Bolles. But for too long, this fight has been left to a few dedicated

policemen, prosecutors, journalists or public officials, and too often their efforts have resulted in only temporary gains against this menace.

The time has come to make these gains more permanent, to fully redeem the contributions of those who have waged a lonely battle against difficult odds. The time has come for all of us to assist in the fight to break the power of the mob in America.

It has often been said that no government can eliminate or end the illegal activities that provide much of the revenue and support for organized crime. That is only true as far as it goes. I agree government cannot stop or abolish the human impulses that make racketeering profitable. But I also believe we have the capacity to break apart and ultimately destroy the tightly knit, regional and national networks of career criminals who live off of these activities.

Late last year, I announced a national strategy to expose, prosecute and ultimately cripple organized crime in America. We are proceeding carefully with the elements of this strategy. Its final goal is the removal of a blot on American history that has lasted nearly 100 years.

As I have said before, few weapons against organized crime have proven more effective or more important to law enforcement than the investigations of the Kefauver Committee in the early fifties, the labor racketeering hearings of the McClellan Committee in the mid-fifties and the testimony of Federal informant Joseph Valachi before a Senate committee in the 1960's. While some other commissions on crime have been appointed since then, each has been of a short duration and had neither the time

nor the resources to fully investigate the syndicate and lay out a national program for its elimination.

I am pleased to announce today that one of America's most distinguished jurists, Judge Irving Kaufman from the U.S. Court of Appeals for the 2nd Circuit, has agreed to lead a panel of 15 distinguished Americans from diverse backgrounds and professions in this pursuit.

The purpose of this commission, which will last for up to 2 years, will be to undertake, through public hearings, a region by region exposure and analysis of organized crime, to measure its influence and impact on American society and make judicial and legislative recommendations. Judge Kaufman has won widespread praise for his leadership of a number of important commissions on judicial and law enforcement problems. After I expressed my gratitude to him today in the Oval Office for taking this assignment we were joined by the rest of the commission members including Senator Thurmond and Congressman Rodino, the chairmen of the Senate and House Judiciary Committees whom I am especially pleased to announce have agreed to serve on this commission. And I want also to acknowledge the generous assistance of Justice Potter Stewart who in addition to his other responsibilities has agreed to play a vital role in this endeavor.

The membership of this commission shows strong geographical balance; and it includes representatives of the judiciary, the Congress, the academic community, the private sector and, most important, law enforcement at all levels. We have been especially careful to include -- and I believe this will be one

of the commission's greatest strengths -- a number of individuals who though not widely known have had extensive front line experience with organized crime and are among the acknowledged experts in this field.

I know some will wonder why another commission is needed. They will ask: Aren't the Justice Department and the FBI and other law enforcement agencies damaging organized crime with their prosecutions? Don't congressional committees have the resources to conduct investigations? The answer to these questions is simply yes. Recent prosecutions have done the mob considerable damage. And, yes, the Congress has, as I said before, done highly effective work with its investigations. But prosecutions by themselves can never dig out the roots of a problem that reaches so deeply into our society. Nor is the Congress, which has many other matters on its agenda, in a position to take responsibility for the business of exposing organized crime, its latest techniques and inroads.

That is why this commission is so vitally important -- one of the centerpieces in our strategy for a frontal assault on the mob in America. I believe this commission can expose to the American people the small group of career criminals who run the rackets, push drugs, corrupt policemen and public officials and ultimately undermine the very basis of our democratic society itself. I believe this commission can mobilize the American people against organized crime by triggering the kind of public support that is vital for its final isolation and elimination.

One reason we sought to include a broad cross section of America in the membership of this commission stems from our firm

belief that this battle can never be fully won at the Federal level. Only when we work in our States and communities to put out of business the racketeering that fills the coffers of organized crime -- only when we publicly expose and isolate those groups or individuals who work or do business with organized crime can we expect a final victory.

More than 23 years ago, as he sentenced defendants in a trial following the notorious Appalachian Conference in upstate New York, a Federal judge noted that the defendants before him had not stumbled into criminal activity thoughtlessly or because of underprivileged backgrounds. He referred to them as hardened, sophisticated criminals who thought of themselves as a group above the law, men who placed loyalty to each other above loyalty to their country and its law-abiding citizens. He noted that these men "wear two faces": that they cloak themselves in the respectability of charitable or civic organizations even as they work to prey on innocent people and undermine the very moral foundations of our society.

Judge Kaufman, your words were true then just as they are, unfortunately, true today. I want you and the members of the commission to know as you seek subpoena power from the Congress and go about the difficult tasks ahead of you that you have my full support, the support of the Attorney General who was instrumental in the formation of this commission, and the support of this entire Administration.

Thank you and God bless you.

THE WHITE HOUSE

WASHINGTON

July 27, 1983

CABINET COUNCIL ON COMMERCE AND TRADE

DATE: July 28, 1983
LOCATION: Cabinet Room
TIME: 2:00 pm (60 minutes)

FROM: Craig L. Fuller



I. PURPOSE

To review the condition of the U.S. steel industry and all Administration actions which have been taken with respect to it. Also, to review the condition of the U.S. textile industry and the growing threat of increasing textile and apparel imports.

II. BACKGROUND

Steel Industry

The steel industry's participation in the economic recovery has been limited. While the economy in general is showing excellent signs of recovery, the steel industry's current operating rate (56%) is the lowest in the past three months and is approximately 20 percentage points below the rate for all U.S. manufacturing.

The steel industry will not begin to recover until the end of 1983, and, even then, high unemployment and heavy losses will continue due to structural problems in the industry.

Steel industry representatives propose that imports be limited to 15% of the U.S. market for five years. They also argue for additional investment tax credits and that a clear definition of merger/acquisition policy be developed for financially ailing industries. This is an overview presentation and no decision is required.

Textile Industry

Imports of textiles are up 20.7% for the first five months of 1983 and are expected to increase by 15 percent for the year. The domestic market, however, is expected to grow by only five percent. Thus, imports will continue to increase their share of the U.S. market.

The Administration is committed to relate import growth to domestic market growth. Members of Congress and industry and labor leaders claim that the 1983 import growth will provide enough textiles and apparel to offset market growth, leaving the domestic industry and workers in no better shape than they were during the recent recession. These interests have called on the Administration to take additional action to restrain imports at levels that do not exceed average growth in the domestic market. This is an overview presentation and no decision is required.

III. PARTICIPANTS

Members of the Cabinet Council on Commerce and Trade.
(A list will be attached to the agenda)

IV. PRESS PLAN

None

V. SEQUENCE OF EVENTS

Secretary Baldrige will open the discussion. Lionel Olmer will present the briefing on the steel industry. Walter Lenahan will present the briefing on the textile industry.



MEMORANDUM FOR The President

From: *MB* Malcolm Baldrige, Chairman Pro Tempore
 Cabinet Council on Commerce and Trade

Subject: The Steel Industry

This memorandum reviews the condition of the U.S. steel industry and Administration actions which have been taken with respect to it.

Condition of the Steel Industry

The steel industry's participation in the economic recovery has been limited. While the economy in general is showing excellent signs of recovery, the steel industry's operating rate for the first two weeks of July is the lowest in the past three months.

- o Capability Utilization: Capability utilization has fallen each month since April, when the industry operated at 59 percent, the highest level since March 1982. For the last week in which figures are available, capability utilization stood at only 56 percent, which is approximately 20 percentage points below the rate for all manufacturing.
- o Employment: About 110,000 steel workers were on lay-off in early July--almost a third of the industry's labor force. Many will never be recalled.
- o Production: Raw steel production in 1982 was the lowest since 1946. Production during the first six months of 1983 was down 3 percent from the first six months of 1982.
- o Imports: During the first five months of this year, foreign suppliers' share of the U.S. market stood at 19 percent, compared to 22 percent for the same period last year. This development is principally the result of the U.S.-European Communities (EC) steel trade arrangement. While total steel imports for the first five months of 1983 are 23 percent below the level for the comparable period of 1982, imports from the EC are down 41 percent.
- o Profitability: Losses by U.S. producers on their steel operations in 1982 reached 2.8 billion dollars. This was the first year the industry ever reported losses. In the first quarter of this year, U.S. producers reported net losses of 0.7 billion dollars.

The steel industry will not begin to recover until the end of this year, and, even then, high unemployment may continue due to permanent structural changes in the industry. Recent forecasts for the fourth quarter of 1983 place domestic steel shipments at 57 percent above the level for the fourth quarter of 1982. (Attachment I provides additional background on the conditions of the steel industry.)

Steel Industry Policy Proposals

On June 28, 1983, selected Administration officials met with industry representatives to discuss a number of policy proposals. This meeting focused on three policy areas: trade, capital formation, and joint ventures/mergers. As a follow-up to that meeting, the AISI sent a letter to Ed Meese (Attachment II) which outlines their most serious concerns:

- o Trade Policy: The AISI letter emphasizes that trade action is the single most important measure that is needed. They propose that steel imports be limited to 15 percent of the U.S. market for five years.
- o Capital Formation Policy: The industry advocates legislation to enable it to receive cash for earned, but now unusable, investment tax credits and the extension of tax transfer leasing provisions beyond 1983.
- o Joint Venture/Merger Policy: AISI requests that the Administration explicitly articulate the kinds of mergers and joint ventures that would be permitted for financially ailing industries.
- o Steel Committee: AISI, along with the United Steel Workers, urges the establishment of a process through which senior Administration officials, representatives of the industry, and representatives of the United Steelworkers of America can discuss matters of mutual concern during the next year. We have agreed and will start this process with a Steel Advisory Committee.

Trade

Since 1981, the Department of Commerce has conducted 104 antidumping (AD) and countervailing duty (CVD) investigations of steel products imported from 17 countries. Forty-four of these cases were withdrawn last October when the U.S. concluded two steel trade arrangements with the EC that will run through 1985. These arrangements are operating smoothly. During the first five months of 1983, total steel imports from the EC amounted to 1.4 million net tons, 41 percent below U.S. imports from the EC during the same period in 1982. The remaining 60 cases (seven still pending) involve basic steel products imported chiefly from Brazil, South Africa, South Korea, and Spain.

The U.S. industry is concerned that foreign suppliers other than the EC, Japan and Canada are eroding our market through increased imports and aggressive pricing practices directly traceable to heavy government subsidies. We have met with embassy representatives from five of the countries whose imports have risen most dramatically (South Korea, Mexico, Brazil, South Africa, and Argentina), indicating Commerce's willingness to self-initiate AD and CVD cases if necessary.

U.S.-EC Consultations on Imports of Semi-Finished Products

While most imports from the EC have been falling, imports of semi-finished steel products have been rising. This was brought to the EC's attention at the June consultations on the U.S.-EC steel trade arrangements. Concern was voiced about the proposed U.S. Steel-British Steel venture (which will result in an additional 2-3 million tons of slab per year exported from the U.K. to the U.S., according to press reports). At my request, special consultations with the EC were held in Brussels on July 18 to discuss this. Discussions will continue in early September. Our aim is to reach an acceptable remedy to the semi-finished imports issue within the framework of the arrangements.

Specialty Steel

In April the International Trade Commission found that increased imports of specialty steel had caused serious injury to the U.S. industry. Subsequent to that finding, you announced the decision to impose tariffs and quotas on specialty steel imports. The EC has requested consultations under Article 19 of the GATT to challenge the decision and request compensation from the United States. Japan has indicated its intention to negotiate an orderly marketing agreement, but reserves its rights under the GATT pending the outcome of these negotiations.



MEMORANDUM FOR THE PRESIDENT

From: **M.B.** Malcolm Baldrige, Chairman Pro Tempore
Cabinet Council on Commerce and Trade

Subject: Textile Import Restraints

ACTION FORCING EVENT:

Imports of textiles and apparel were up 20.7 percent for the first five months of 1983 and are expected to increase by 15 percent for the year. The domestic market is expected to grow by only 5 percent. Thus, imports will continue to increase their market share. The Administration is committed to relate import growth to domestic market growth. Members of Congress and industry and labor leaders claim that the 1983 import growth will provide enough textiles and apparel to offset market growth, leaving the domestic industry and workers in no better shape than they were during the recent recession. These interests have called on the Administration to take additional action to restrain imports at levels that do not exceed average growth in the domestic market. Before we respond to these requests, the Administration should decide if additional actions are necessary and what actions are desirable.

Background

An Interagency Working Group was selected to examine the current situation of the textile and apparel industries. The results of this examination describe the past trends in the domestic production, imports, and domestic market; the situation for the first five months of 1983; and the prospects for the remainder of 1983 and beyond.

The examination reveals that the domestic market did not grow from 1972 through 1982. Over the same period, imports on a comparable basis increased 52 percent while domestic production decreased 12 percent. These developments resulted in an import increase of market share from 10.2 percent in 1972 to 17.0 percent in 1982 to a projected 18.5 percent in 1983. These trends were more adverse since 1979 when the import market share increased from 12.1 percent to 17.0 percent in 1982 to the projected 18.5 percent in 1983.

1982 was a particularly difficult year for the domestic industry and its workers. Imports increased during the recession while domestic production and the market both declined. This is the first time that imports grew during a recession.

The surge in textile and apparel imports during the first five months is of great concern to Members of Congress and to the leadership of the domestic industry and unions. They are fearful that the growth in imports will offset the expected 1983 market recovery, leaving the domestic interests in no better shape than they were during the recession. They have called upon the Administration to take additional actions to restrain imports at a level that does not exceed average growth in the domestic market.

The projections developed from this examination indicate that, for 1983, the imports will increase 15 percent, domestic production from 1.5 to 4.6 percent, and domestic market about 5.0 percent. Thus, the import share of the domestic market will increase from 17.0 percent in 1982 to 18.5 percent in 1983.

Attached is a copy of the Interagency Working Group Report.

Attachment

OVERVIEW SUMMARY

- Apparent domestic consumption of finished textile and apparel products is expected to increase by 4.8 percent in 1983, an increase of about one billion square yard equivalents (bsye).
- Total production for the domestic market of apparel and other finished textile products declined by 3 percent in 1982. Production is up in 1983, but we do not have a good estimate of the rate of increase. For the entire year, we expect production to increase by about 4.6 percent.
- From January through May 1983, employment increased by 11,000 workers in the textile mill sector and 22,000 in the apparel sector. At the end of May, unemployment in the textile mill sector was 9.7 percent while unemployment in the apparel sector was 14.4 percent. Textile and apparel employment fell by 154,000 in 1982.
- Imports in 1982 increased during a period of recession when domestic production and consumption both declined. This is the first time that imports have grown during a recession, in part due to dollar strength which contributed to a fall in import prices while domestic prices rose moderately.
- Through May 1983, total textile and textile product imports have increased 21 percent over the comparable period of 1982. We estimate total 1983 import growth of yarn, fabric, and finished products will be about 15 percent, or an increase of about 900 million square yard equivalents (msye).
- We expect increases in domestic production and imports to share equally on a quantity basis in the growth in apparent domestic consumption in 1983. This will result in imports increasing their relative share of the domestic market.
- In 1982, the import to consumption ratio for yarn was 1.1 percent and for fabric 6.4 percent. The I/C ratio for apparel was 29.8 percent and for household and industrial products, 4.8 percent. The apparel I/C ratio may rise to 32.6 percent in 1983.
- On a cumulative basis, between 1979 and 1982 there was a decline of 8 percent in apparent domestic consumption of finished textile products. Production for the domestic market declined 12 percent and imports increased 28 percent. The export market declined 6 percent during the same period.
- The future trend in consumption is unclear and could range from negative growth to growth in the range of 2-3 percent. In either case, absent increases in exports, a continuation of imports at growth rates of the past few years would result in imports taking a larger share of the domestic market.

THE WHITE HOUSE

WASHINGTON

PHOTO OPPORTUNITY WITH STANLEY HAMILTON AND FAMILY

DATE: THURSDAY, JULY 28, 1983

LOCATION: OVAL OFFICE

TIME: 3:50 pm

FROM: DAVID FISCHER

I. PURPOSE

Photo opportunity with Stanley Hamilton and his family.

II. BACKGROUND

Mr. Hamilton was your roommate and fraternity brother at Eureka College in 1930. You have corresponded with him regularly since that time. He is now 78 years old and resides in Delray Beach, Florida.

III. PARTICIPANTS

The President

Stanley M. Hamilton
Dorothy Hamilton (wife)
Robert B. Hamilton (son)
Sondra J. Hamilton (son's wife)

IV. PRESS PLAN

White House Photographer

V. SEQUENCE OF EVENTS

3:50 pm Stanley Hamilton and his family enter Oval Office. You visit briefly and photos are taken.

4:00 pm Stanley Hamilton and his family depart Oval Office.