ARTICLE XIX ACTION BY THE UNITED STATES

Stainless and Alloy Tool Steel

The following communication has been received from the United States further to the information earlier circulated in L/4313.

SUPPLEMENTARY ARTICLE XIX NOTIFICATION

On 16 January 1976, the United States International Trade Commission reported to the President of the United States its determination that certain articles of stainless steel and alloy tool steel are being imported into the United States in such increased quantities as to cause serious injury or threat thereof to the domestic industry.

On 5 March 1976, the United States formally asked the GATT secretariat to inform the Contracting Parties of the United States International Trade Commission action.

On 16 March 1976, the President made a determination to provide import relief to the United States domestic specialty steel industry along the following lines. This action is being taken pursuant to GATT Article XIX. The United States welcomes consultations on its proposed action.

The President has determined to seek agreements with the principal supplying countries limiting the export from those countries and the import into the United States of certain specialty steel products. It is intended that these agreements limit imports of products covered by such agreements to recent levels while the domestic industry recovers from the high unemployment and depressed operating levels of 1975. It is intended that these agreements limit imports over a three-year period. If, pursuant to consultations and negotiations, satisfactory agreements are not negotiated successfully, the United States will impose import quotas for a period of three years to take effect on or before 14 June 1976.

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This relief will be reduced or discontinued at such time as the President determines that the industry is regaining healthy production and employment levels.

To assist the large number of workers who have been laid off, the President has directed the Secretary of Labor to expedite processing of applications for trade adjustment assistance. The income benefits of such assistance for these unemployed workers should reduce the hardships suffered by domestic workers.

By participating in consultations and negotiations with its trade partners, the United States Government is hopeful that unilateral restrictive action can be avoided. In this manner the disruption of trade can be reduced and the special concerns of other nations can be taken into account while at the same time the injury to the domestic industry is remedied.