

TELEGRAM

Foreign Service of the
United States of America

INCOMING RIO DE JANEIRO 7 8 10 AM 1967 FT 4

ACTION: ECON-4

INFO
AMB
DCM
MINECON
ECON/
COML
USAID-6
FINATT
USIS
ADDP
BRAS-3
RDG
FILE

LIMITED OFFICIAL USE
Classification

EMBASSY
BRAZ Control: 3637

Recd: OCT 14
0354

R 131659Z OCT 67
FM SECSTATE WASHDC
TO RUESAS/AMEMBASSY ASUNCION 0035
RUESBG/AMEMBASSY BOGOTA 0118
RUESLM/AMEMBASSY LIMA 0149
RUESDO/AMEMBASSY MONTEVIDEO 0059
RUESJO/AMEMBASSY SAN JOSE 0071
RUESAL/AMEMBASSY SAN SALVADOR 0060
RUESNA/AMEMBASSY SANTIAGO 0137
RUESUA/AMEMBASSY RIO DE JANEIRO 0436
ZEN/AMEMBASSY MANAGUA
ZEN/AMEMBASSY PANAMA
ZEN/AMEMBASSY GUATEMALA
ZEN/AMEMBASSY LA PAZ
ZEN/AMEMBASSY PORT AU PRINCE
ZEN/AMEMBASSY QUITO
ZEN/AMEMBASSY SANTO DOMINGO
ZEN/AMEMBASSY TEGUCIGALPA

SUBJECT

EMBOFFICE STATE GRNC
Brasilia

LIMITED OFFICIAL USE STATE 53536

FOR SENT ACTION BONN BRUSSELS BUENOS AIRES THE HAGUE LONDON
MEXICO OTTAWA PARIS ROME TOKYO GENEVA CANBERRA CARACAS
COPENHAGEN STOCKHOLM HONG KONG VIENNA WARSAW WELLINGTON, OCT
13, FROM DEPT

REF: LIMITED OFFICIAL USE STATE'S 53451

REF: CREDIT BUSEC GATT

REFTEL: STATE 52109

SUBJECT: PROTECTIONIST LEGISLATION IN CONGRESS

1. LEGISLATIVE PROPOSALS TO IMPOSE QUOTAS AND/OR AUTHORIZE
NEGOTIATION OF BILATERAL QUOTA AGREEMENTS CONTINUE TO BE INTRO-
DUCED, PARTICULARLY IN THE SENATE. MOST TROUBLESOME PROPOSALS
ARE THOSE BEFORE SENATE FINANCE COMMITTEE FOR ACTION FOLLOWING
HEARINGS OCTOBER 18-20. THESE INCLUDE NEW RESTRICTIONS ON ALL
TEXTILES AND APPAREL, STEEL, MEAT AND MEAT PRODUCTS, MINK FURS,
LEAD AND ZINC, WATCHES AND WATCH MOVEMENTS, GROUND FISH BLOCKS AND
FILLET, BASEBALL GLOVES AND MITTS, STRAWBERRIES, HONEY, AND
STAINLESS STEEL FLATWARE. IN ADDITION, PRESENT RESTRICTIONS ON
PETROLEUM AND PETROLEUM PRODUCTS, DAIRY PRODUCTS, AND COTTON
TEXTILES WOULD BE MADE MORE RESTRICTIVE. RESTRICTIONS ON
COTTON TEXTILES WOULD, FOR EXAMPLE, BE INTRODUCED ON COUNTRIES

CVS/14/0610

LIMITED OFFICIAL USE
Classification

REPRODUCTION FROM THIS COPY IS
PROHIBITED UNLESS "UNCLASSIFIED"

FORM 1-64 FS-501

DECLASSIFIED
Authority 53156

PRESENTLY FREE OF QUOTA SUCH AS THE EUROPEAN COUNTRIES AND CANADA. AN AOMNIBUS QUOTA BILL TO COVER ALL SUCH PROPOSALS AND PROVIDE FOR UNILATERAL QUOTAS OR BILATERALLY NEGOTIATED QUOTAS WILL PROBABLY BE INTRODUCED IN NEXT FEW DAYS, AND ADMINISTRATION IS INCREASINGLY CONCERNED THAT REAL DANGER EXISTS. IF PASSED BY SENATE, ISSUE WOULD HAVE TO BE CONSIDERED BY HOUSE IN ONE WAY OR ANOTHER, BUT HOUSE WOULD BE UNDER SAME PRESSURES AS SENATE.

2. FOLLOWING IS SUMMARY OF TOTAL U.S. IMPORTS IN 1966 COVERED BY SPECIFIC PROPOSALS MENTIONED ABOVE: TOTAL COVERAGE, EXCLUDING COTTON TEXTILES AND TRADE PRESENTLY UNDER QUOTA, WOULD BE 2.9 BILLION DOLLARS. INCLUDING COTTON TEXTILES, COVERAGE RISES TO 3.4 BILLION, AND INCLUDING OTHER TRADE CURRENTLY UNDER QUOTA, COVERAGE WOULD GO TO 5.0 BILLION DOLLARS.

3. PREVIOUS ASSESSMENTS CONVEYED TO EMBASSIES ON LEGISLATIVE POSITION SUCH ITEMS AS MEAT QUOTAS NOW OVERTAKEN BY THESE RAPID DEVELOPMENTS.

4. AS REPORTED REFTTEL CABINET OFFICIALS WILL TESTIFY DURING OCTOBER 18-20 HEARINGS BEFORE SENATE FINANCE COMMITTEE, REAFFIRMING ADMINISTRATION'S LIBERAL TRADE POLICY AND ATTACKING SWEEPING PROTECTIONISM. SIGNED RUSK UNQTE.

RUSK

LIMITED OFFICIAL USE

DECLASSIFIED

Authority 53156