

BOB UMPHREY

February 5, 1982

I went to talk to Bob about the clothespin case. It's coming to a head. (Ha Ha). It turns out it's coming to a conclusion because the quotas expire at midnight on the 22nd.

The industry came down two weeks ago to present their case to the Trade Policy Staff Committee.

"The industry" consists of the three companies that talked to Bill in Lewiston. Forster Manufacturing of Wilton. This is Mrs. Gould's operation. She inherited company and has now put 1.7 million of her own money in the business. Also Ben Haug is in that committee. Penley Corp. of West Paris, Dick Penley. He's putting family fortune "on the line". Diamond Int'l of Dixfield.

We are talking about 600 jobs here. Diamond and Forster make things other than clothespins.

Anyhow Bob Umphrey went to their presentation to the TPSC--and he was the only person from the delegation there. "I was the only person invited from the delegation. The industry is very happy that Olympia and David and George are supportive, but they realize that Bill is the only person who can turn it around."

Bob's comment on the meeting was "It's very political to say the least. The staff people there were bureaucrats who have their marching orders from the people above."

"I was dismayed that the industry had to go through the same thing they had gone through in months before the ITC--and they had to do it in one hour... One of the owners had put 1.7 million of her own money into her business. What more do they want? That in itself ought to decide the matter. They should give her a medal of commendation, waive her tax bills or something like that...But

these bureaucrats were arrogant. The industry plastered the walls with facts and charts. They made the point that what they needed was time--that after three years they could meet the Taiwan price." They are asking for 3 year extension.

"A couple of days later I began to hear from my contacts in Commerce, State and Treasury that they were going to do nothing. They were just going to let the quota expire. I can understand State. Sometimes we feel they should set up a U.S. Desk, so someone in the Department would look out for the interests of this country. But I couldn't understand Commerce. Their job is to promote U.S. industry, and yet the arguments they were putting out said that the industry was wholly in Maine, there are only 400 jobs involved, a signal our trading partners that we are protectionist.' Treasury was arguing consumer pricing. That argument had been raised in the meeting and the industry explained that there would be no fluctuation in price."

Bob tells Bill what's up.

"Bill called Brock. He had already talked with Beaver. I drafted and he sent a memo to Deaver. Brock gave Bill assurances that he would do something, that he would not just let the quotas expire. He said he would have deKiefer call me and work out a deal. That's all I needed!"

DeKiefer calls and asks if the industry can accept one more year of quotas, with a 10% decrease in 1st year and 20% in 2nd year. The industry says it cannot accept that "It will produce a slow death." The industry's position it would rather take two years stright quota. Cohen wants 2 1/2 years of straight quota. DeK says they can't do that. Cohen tells Bob to hold at 2-year extension.

DeKiefer comes back with other offers. Bill stands at 2 last night, says Bob, DeK. called and said "We're not going to give you 2 years, we're

going to give you something better." He thinks he'll hear the beginning of next week.

"We feel we have the merits on our side. After all the ITC voted 5-0. It's not like it was a 3-2 decision."

"The ITC had been working for months on this question and here you had a group of arbitrary arrogant bureaucrats asking a whole lot of stupid questions."

Bob went into an example of the Wilton firm where the bureaucrats said that unemployment statistics indicated that other industries could take up the slack. Bob says that statistics are not indicative of work force problem. And there are already 10,000 shoe workers out of work. Paper industry is just holding its own etc.

He talks about how difficult the process is for small industry and that problems go back to legislation, i.e., material inquiry" "is mumbo jumbo--no one can explain what it means, or how it is determined." Comes from escape clause--

"It still comes down to Bill Cohen calling Brock and the White House and yelling and screaming."

"His main argument is that these people are doing exactly what the act calls for. They are entrepreneurs putting their own private fortune on the line. They are playing by the rules."

"What is this a case of," I asked Bob - "dealing with Washington". Then Bob talked about cases re potatoes and shoes.