

The original documents are located in Box C10, folder “Presidential Handwriting, 1/13/1975 (2)” of the Presidential Handwriting File at the Gerald R. Ford Presidential Library.

Copyright Notice

The copyright law of the United States (Title 17, United States Code) governs the making of photocopies or other reproductions of copyrighted material. Gerald Ford donated to the United States of America his copyrights in all of his unpublished writings in National Archives collections. Works prepared by U.S. Government employees as part of their official duties are in the public domain. The copyrights to materials written by other individuals or organizations are presumed to remain with them. If you think any of the information displayed in the PDF is subject to a valid copyright claim, please contact the Gerald R. Ford Presidential Library.

TA 4/2020-2
1/13/75

THE PRESIDENT HAS SEEN *ds*

COUNCIL ON INTERNATIONAL ECONOMIC POLICY
WASHINGTON, D.C. 20500

December 23, 1974

MEMORANDUM FOR THE PRESIDENT

FROM

W. D. EBERLE *W.D. Eberle*

SUBJECT: EC Subsidized Cheese Transshipments

I request your authorization to have concluded an agreement with the European Community to embargo under Section 204 of the Agriculture Act of 1956, as amended, subsidized EC cheese transshipped to the United States through third countries, through Puerto Rico, the Virgin Islands, or through other United States possessions and territories.

In July of 1974, we and the Community averted a trade confrontation when the Community suspended its subsidies on cheese destined for the United States, thus enabling Treasury to defer its countervailing duty investigation. Recently, however, this arrangement has become threatened by entry into the United States of EC-origin subsidized cheese through Canada and, apparently by oversight on the part of the EC, through Puerto Rico, which is part of our customs territory. The Community has, however, exhausted the range of unilateral actions available to it to ensure that leaks of subsidized cheese from third countries, Puerto Rico, the Virgin Islands, or other United States possessions and territories are plugged.

Therefore, with the objectives of preserving the basic July arrangement, continuing to avert a countervailing duty confrontation, and at the same time putting a definite stop to transshipments of EC-origin subsidized cheese, we recently proposed a Section 204 agreement wherein the Community would permit us to embargo all such cheese from third countries. The Commission has accepted the proposal and has agreed to an exchange of letters constituting the agreement. Section 204 of the Agriculture Act of 1956, as amended, provides that the President may, whenever he determines such action appropriate, negotiate to obtain agreements limiting exports and importation into the United States of any agricultural commodity or product manufactured therefrom.

The exchange of letters is attached at Tabs A and B. We will also request a second letter from EC confirming its agreement with the contents of our letter (Tab B). If you grant this authorization, the Department of Agriculture will, following formal exchange of the letters, prepare an executive order for your signature and the notification to Congress required by the new Trade Bill.

Recommendation:

That you authorize the Executive Branch to negotiate with the European Community under Section 204 of the Agriculture Act of 1956, as amended, regarding the transshipment into the U. S. of subsidized cheese.

Approve DR7

Disapprove _____