The original documents are located in Box C5, folder "Presidential Handwriting, 10/30/1974" of the Presidential Handwriting File at the Gerald R. Ford Presidential Library.

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FO 3-2 5083

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

DECKET - GDS

ACTION

October 30, 1974

MEMORANDUM FOR: T

FROM:

THE PRESIDENT HENRY A. KISSINGER

SUBJECT:

Presidential Determination for Sale of Wheat to Egypt

Acting Secretary Ingersoll has recommended that you make a Determination and finding, required by PL 480, to permit a U.S. agreement for sale of wheat to Egypt (Tab B).

Together with the finding and Determination you made on August 14th, making possible a sale of 100,000 tons of wheat to Egypt, the sale proposed here for 200,000 more tons of wheat will further our desire to establish a new relationship with Egypt in the context of our Middle East efforts.

For this sale to proceed the law requires you to find that it is in the national interest of the United States to make such sales and also to waive legislative prohibitions against:

-- Agreement with a country which trades with Cuba.

Section 103(d)(3) of PL 480 prohibits sales agreements with countries which sell or furnish or permit their ships or aircraft to transport to or from Communist Cuba or North Vietnam any equipment, materials, or commodities. In the case of a country whose trade activities described above are limited to the furnishing, selling, or selling and transporting to Cuba of medical supplies, non-strategic raw materials for agriculture or non-strategic agricultural or food commodities, the Act authorizes the President to waive this prohibition if he finds it is in the national interest of the United States to do so. These restrictions have been explained to the Government of Egypt. Our Embassy in Cairo has been assured that there is no Egyptian trade with North

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Vietnam and that Egyptian trade with Cuba is limited to nonstrategic items which would make a waiver possible under Section 103(d)(3). Information independently available to us from other sources does not contradict that assurance.

-- Sales to Egypt.

Section 103(d)(4) of PL 480 prohibits sales under Title I of PL 480 to Egypt (the United Arab Republic in the law), unless the President determines that such sale is in the national interest of the United States. In any event, no sale to Egypt can exceed its needs for a single fiscal year. The proposed sale of wheat is within the statutory limitation.

There has been no adverse reaction in Congress to the earlier Determination to sell wheat to Egypt. I believe -- and Mr. Timmons agrees -that Congress will accept further sales in the context of our Middle East peace efforts.

I recommend you make the necessary Determination and finding required to authorize sale of 200,000 tons of wheat to Egypt. The memo at Tab A will give effect to this recommendation.

Subject to your approval, the Department of State will convey your actions to Congress along with the statement of reasons at Tab A. These documents will also be published in the Federal Register.

Mr. Ash concurs in the recommendation to sell this wheat to Egypt (Tab C). The Department of Agriculture also concurs.

RECOMMENDATION

That you sign the Determination and finding at Tab A and approve the attached statement of reasons to be sent to Congress.

Approve MR.

Disapprove _____

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