

GENERAL AGREEMENT ON
TARIFFS AND TRADE

RESTRICTED

2809
4 June 1967

Limited Distribution

Original: English

UNITED STATES AGRICULTURAL ADJUSTMENT ACT

Tariff Commission Investigation on Imports of
Certain Dairy Products

The following communication, dated 19 June, has been submitted by the United States Mission in Geneva in accordance with paragraph 2 of the "Conditions and Procedures" of the Decision of the CONTRACTING PARTIES of 5 March 1955.

On 3 April 1967, the President of the United States requested the United States Tariff Commission to make a study with respect to imports of certain dairy products, and on 10 April 1967 the Tariff Commission issued a public notice of investigation under Section 22 of the Agricultural Adjustment Act, as amended. The text of that notice is annexed.

Many governments have submitted statements on the subject of the investigation to the Tariff Commission, directly or through other agencies of the United States Government. These statements have been studied carefully. The United States Government would welcome any additional views contracting parties may wish to present.

The report of the Tariff Commission on the investigation is expected to be issued soon. The President of the United States will carefully consider the findings of the Tariff Commission before deciding what action should be taken.

ANNEX

Dairy Products

Notice of Investigation

At the request of the President (reproduced herein), the United States Tariff Commission, on 10 April 1967 instituted an investigation under sub-sections (a) and (d) of Section 22 of the Agricultural Adjustment Act, as amended (7 USC 624), to determine whether certain articles described in sub-divisions (1), (2), (3) and (4) of the President's letter are being, or are practically certain to be, imported into the United States under such conditions and in such quantities as to render or tend to render ineffective, or materially interfere with, the price-support programmes of the United States Department of Agriculture for milk and butterfat, and to determine related questions as outlined in the President's letter.

The text of the President's letter of 7 April 1967 to the Commission follows:

"On 3 April 1967 I requested that a study be made by the Tariff Commission with respect to imports of certain dairy products. The Secretary of Agriculture has suggested that I provide you with additional information to facilitate your investigation.

"I have been advised by, and agree with, the Secretary of Agriculture that there is reason to believe that cheeses, similar to or processed from types of cheese already under quota, Junex and other variations of this type of article, and cream, are being imported, and are practically certain to be imported, under such conditions and in such quantities as to render or tend to render ineffective or materially interfere with the price-support programs now conducted by his Department for milk and butterfat.

"Specifically, the Secretary has reference to the following articles:

- (1) American-type cheese, including Colby, washed curd, and granular cheese (but not including Cheddar) and cheese and substitutes for cheese containing, or processed from, such American-type cheese;
- (2) Cheese and substitutes for cheese containing, or processed from, Edam and Gouda cheeses;

- (3) Italian-type cheeses, made from cows' milk, not in original loaves (Romano made from cows' milk, Reggiano, Parmesano, Provoloni, Provolette, and Sbrinz), and cheese and substitutes for cheese containing, or processed from, such Italian-type cheeses, whether or not in original loaves; and
- (4) Articles containing over 5.5 per cent but not over 45 per cent by weight of butterfat, the butterfat of which is commercially extractable, or which are capable of being used for any edible purpose for which products containing butterfat are used (except articles currently subject to quotas under Section 22 of the Agricultural Adjustment Act, as amended, cheeses, and articles packaged for distribution in the retail trade and ready for use by the purchaser at retail for an edible purpose or in the preparation of an edible article).

"The United States Tariff Commission is therefore directed to make an immediate investigation under Section 22 of the Agricultural Adjustment Act, as amended, to determine whether the above described articles are being, or are practically certain to be, imported under such conditions and in such quantities as to render or tend to render ineffective or materially interfere with the Department's price-support programs for milk and butterfat, and to report its findings and recommendations to me at the earliest practicable date.

"If the Tariff Commission finds and recommends that quotas be imposed on any of the aforementioned articles described in sub-divisions (1), (2), (3) and (4), it is requested that the Commission also determine:

(a) whether items 950.08, 950.09, and 950.10, Tariff Schedules of the United States (TSUS), can be modified to include any or all of the articles described in the foregoing sub-divisions (1), (2) and (3), respectively, with an increase in the existing quotas by the amounts of the recommended quotas for any or all of the articles in the respective sub-divisions (1), (2) and (3), and

(b) whether, in lieu of imposing any recommended quotas for the products (except frozen milk and cream) described in the foregoing sub-division (4), the quota quantity specified for the products in item 950.05 of the TSUS can be enlarged by an amount of such products which, in the judgment of the Tariff Commission, would have to the extent practicable a total combined butterfat content approximately equivalent to the total combined butterfat content of the products in sub-division (4) (other than frozen milk or cream) included in any recommended quota therefor, with a corresponding reduction in any such recommended quota for sub-division (4), without rendering or tending to render ineffective or materially interfering with the said programs of the Department of Agriculture.

"The Secretary of Agriculture has also recommended to me that Section 22 quotas on dairy products be changed from the present fiscal-year basis, with allocations of certain quotas being made three times a year, to a calendar-year basis, with semi-annual allocations when the yearly quota is periodically allocated. It is requested that the United States Tariff Commission in its investigation consider and report to me its findings and recommendations whether there could be such a change in the quota year and periodic allocations of certain of the quotas without rendering or tending to render ineffective or materially interfering with the price-support programs for milk and butterfat.

"This letter supersedes my letter to you of 3 April 1967, in order to provide the requested technical clarification."