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March 14, 1975

MEMORANDUM FOR:

JACK MARSH

THRU:

MAX FRIEDERSDORF
VERN LOEN

FROM:

CHARLES LEPPERT, JR.

SUBJECT:

Surplus Potato Meeting
Friday, February 28, 1975

Attached for your information is the list of potato industry representatives attending the above meeting, as supplied by former Rep. Orval Hansen.

cc: Russ Rourke



ATTENDANCE ROSTER

DEHYDRATED POTATOES FOR WORLD HUNGER MEETING

WHITE HOUSE

February 28, 1975

Clarence A. Parr
Route #1, Box 209
Burley, Idaho 83318

Past President, National Potato Council; Past President, Potato Growers of Idaho, Inc.; Member, Idaho Potato Commission; Authorized to represent Potato Growers of Idaho, Inc., P. O. Box 949, Blackfoot, Idaho; Potato grower

Doyle Burns
National Potato Council
301 Montbello Campus
Denver, Colorado 80239

Executive Director, National Potato Council.

Merle Anderson
Climax, Minnesota 56523

Past President, National Potato Council; President, Red River Valley Potato Growers Association; Potato grower.

Lloyd Schmidt
P. O. Box 301
East Grand Forks, Minnesota 56721

Executive Vice President, Red River Valley Potato Growers Association.

Patrick Heffernan
American Potato Company
Bank of America Center
San Francisco, California 94104

Vice Chairman of the Board, The American Potato Company; operates potato plants in Idaho, Wisconsin and Washington.

Robert E. Pennock
Rogers Brothers Company
P. O. Box 2188
Idaho Falls, Idaho 83401

Operations Manager, Rogers Brothers Company; operates potato plants in Idaho, Washington and North Dakota

John Cahill
The R. T. French Company
One Mustard Street
Rochester, New York 14609

Vice President, The R. T. French Company; operates potato plants in Idaho, Nevada and Maine.

Stephen M. MacArthur
Carnation Company
1629 K Street, N. W.
Washington, D. C. 20006

Washington Representative, Carnation Company; operates potato plants in Washington and Idaho



Attendance Roster

Dehydrated Potatoes for World Hunger Meeting
White House
February 28, 1975

Orval Hansen
1819 H Street, N. W.
Washington, D. C. 20006

Hoyt A. Blackstock
J. R. Simplot Company
P O Box 1059
Caldwell, Idaho 83605

Bernard W. Shaw
R. F. D. #1, Box 41
Limestone, Maine

George C. Walker
124 South 11th
Othello, Washington

Lorin A. Grigg
Route 1, Box 52
Quincy, Washington 98848

Davis L. Sparks
Moses Lake, Washington 98837

Ruland G. Sparks
P O Box 1027
Moses Lake, Washington 98837

Bobie L. Whitaker
Route 1, Box 123
Warden, Washington

Ralph Harding
Route 4, Box 164
Blackfoot, Idaho 83221

Edwin J. Stastny
Star Route, Box 24
Malin, Oregon

Former Member of Congress of
Second District of Idaho.

Vice President, J. R. Simplot
Company - Idaho and Minnesota.

President, Maine Potato Council
Vice President, National Potato
Council; potato grower.

Representing potato farmers in
Othello and Wahluke Slope area.

Director, Washington Agricultural
Marketing Association; potato
grower.

Past Director, Rogers Brothers
Idaho Falls, Idaho; President,
Columbia Industries 1967-70 -
manufacturer of potato granules
potato grower.

Potato Grower.

Potato grower representing
Warden Washington area.

Former Member of Congress-Second
District of Idaho.

Vice Chairman, Oregon Potato
Commission; Past Vice Chairman,
National Potato Council



MEMORANDUM

THE WHITE HOUSE

WASHINGTON

March 6, 1975

MEMORANDUM FOR: CHARLES LEPPERT

FROM: NORM ROSS *NR/pt*

Attached is a list of government officials who attended the Ralph Harding and associates meeting on potatoes, per your request.

THE WHITE HOUSE

WASHINGTON

February 27, 1975

Potato Meeting at 10:00 a.m. - Friday, Feb. 28, 1975
445 OEOB

Norm Ross
Charlie Leppert
Russ Rourke
Dick Dunham - Dep. Domestic Council
Agriculture - Art Mead
State - Robert Service
AID - Food for Peace - Dan Shaughnessy

From Outside the White House

Mr. Harding
Former Cong. Orval Hansen
Clarence Parr
Doyle Burnes
Merle Anderson
Lloyd Schmidt
Patrick Heffernan
Robert Pennock
John Cahill
Steven McArthur
Hoyt Blackstock
Bernard Shaw
George Walker
Loren Grigg
David Sparks
Roland Sparks
Bobbie Whitaker
J. Connally
Johnnie O'Brien



Government Officials attending the Ralph Harding
and Associates Meeting on Potatoes - Feb. 28

Daniel Shaughnessy, Associate Coordinator, Office of Food
for Peace, AID, State Department

Peggy Sheehan, Chief of Program Operations Division, AID,
State Department

James A. Placke, Director, Office of Food Policy and Programs,
State Department

Arthur Mead, Assistant Administrator for P. L. 480 Programs,
Department of Agriculture

Phillip DuSault, International Affairs Division, Office of Budget
and Management

- - - - -

Richard Dunham, Deputy Director, Domestic Council

Charles Leppert, Congressional Liaison, White House

Norman Ross, Associate Director, Domestic Council

(Don't know if Russ Rourke attended - his office coordinated
with Harding to set up meeting)



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and Associates Meeting on Potatoes - Feb. 28

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for Peace, AID, State Department

Peggy Sheehan, Chief of Program Operations Division, AID,
State Department

James A. Placke, Director, Office of Food Policy and Programs,
State Department

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Richard Dunham, Deputy Director, Domestic Council

Charles Leppert, Congressional Liaison, White House

Norman Ross, Associate Director, Domestic Council

(Don't know if Russ Rourke attended - his office coordinated
with Harding to set up meeting)



March 3, 1975

MEMORANDUM FOR:

JACK MARSH

THRU:

MAX FRIEDERSDORF
VERN LOEN

FROM:

CHARLES LEPPERT, JR.

SUBJECT:

Surplus Potatoes

The meeting requested by Ralph Harding and Orval Hansen concerning the plight of the potato farmers and processors over the surplus potato situation, was held on Friday, February 28, 1975.

Norman Ross of the Domestic Council chaired the meeting. After all parties (list attached) were given an opportunity to express their views and positions or ask questions. Mr. Ross advised the group that for FY '75 on the short term problem there was nothing the Administration could do to assist the plight of the potato farmers and processors. For the long term the Administration will continue to look at dehydrated potatoes for inclusion in the P.L. 480 program.

Mr. Harding responded adamantly and negatively to the lack of any Administration short-term solution and suggested that those present contact their Congressmen and Senators on the matter.

Attachment

cc: Doug Bennett
Norm Ross



THE WHITE HOUSE

WASHINGTON

February 27, 1975

Potato Meeting at 10:00 a.m. - Friday, Feb. 28, 1975
445 OEOB

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Charlie Leppert
Russ Rourke
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Bernard Shaw
George Walker
Loren Grigg
David Sparks
Roland Sparks
Bobbie Whitaker
J. Connally
Johnnie O'Brien

THE WHITE HOUSE

WASHINGTON

February 19, 1975

Norm Ross mty them

Fri 2/21/75 at

8:30 am

per Ross' office

MEMORANDUM FOR: JOHN O. MARSH

THRU: MAX L. FRIEDERSDORF
VERN LOEN *V.L.*

FROM: CHARLES LEPPERT, JR. *CLJr.*

SUBJECT: Request by Governors Evans, Andrus,
Anderson, Milliken for Meeting with
President on the Potato Surplus

Ralph Harding called at 4:30 p.m. today stating that the Governors named above will request a meeting with the President on February 20th or 21st concerning the potato surplus and the need for federal assistance.

Harding and Dave Clark, President of the National Potato Council, have advised Governor Evans that if successful in getting a meeting with the President the group to meet with the President should include Members of the House and Senate from the potato states and include Harding, Dave Clark, Orval Hansen and the leaders of the Farm Bureau Federation and the National Farmers Organization. Harding states his intent is to keep the group relatively small and selectively screened so that nobody uses the occasion for political publicity.

Harding and Dave Clark will arrive in Washington, D. C., tomorrow and will call you or me in the morning.



THE WHITE HOUSE

WASHINGTON

February 14, 1975

MEMORANDUM FOR:

JACK MARSH

THRU:

MAX FRIEDERSDORF
VERN LOEN

FROM:

CHARLES LEPPERT, JR. *CLJ*

SUBJECT:

Former Rep. Ralph Harding's proposal
for federal assistance to potato farmers
and processors

Talked to Ralph Harding today regarding specific dates for meetings of potato farm leaders and processors here in Washington, D. C. He states that the National Potato Council is trying to arrange a meeting here for Wednesday, February 19, 1975, but feels they cannot get their people here on such short notice. He states he will keep me advised of meeting dates if possible.

Harding wanted you to know that the bottom has fallen out of the potato situation in the last two weeks and could not overstate how hot the issue was in the states of Idaho and Washington where the President of the National Potato Council resides.

Harding states that the Administration will be hearing from the Senators, Representatives, Governors and farm organizations from the states of Washington, Idaho, California, Oregon, Nevada, Colorado, Minnesota, Wisconsin and Maine in the next few weeks on this issue. He expects Senators Jackson and Humphrey to hit the Administration very hard on the issue. In addition, Harding expects that there may be something coming out of the next Governor's Conference on the potato situation.

If nothing is done Harding expects potato farmers to plan TV filming of hauling potatoes to a dump and burning them for the National news media coverage.

THE WHITE HOUSE

WASHINGTON

February 13, 1975

MEMORANDUM FOR:

JACK MARSH

THRU:

MAX FRIEDERSDORF
VERN LOEN

FROM:

CHARLES LEPPERT, JR. *CLJ*

SUBJECT:

Former Rep. Ralph Harding's request
for Presidential meeting on potato surplus

Per your request I talked to Ralph Harding on February 12, 1975. He wanted to bring you up to date on the potato situation he discussed with you in November 1974.

Mr. Harding contends that disaster is about to strike the potato farming and processing industries because of the expected large potato surplus. People in the industry have been calling him to meet in Washington, D. C. He wants to set up a federal program to assist the potato farmers and processors.

Harding contends the situation will be so grave that potato farmers and processors will go bankrupt, potato workers will be unemployed and the potato crop will be dumped as a loss. He further contends that if the President was aware of the situation federal assistance could be provided and he renews his request to see the President with Orval Hansen.

Harding further contends that the State Department is giving him the usual bureaucratic run around as Secretary Butz has indicated support for his concept. He says that if the State Department and AID got behind his concept they could get the Arab countries to buy \$25 million worth of the potato surplus to feed some of the starving people of the world.

I am awaiting a return call from Harding as to whether or not he and the farm leaders intend to meet in Washington, D. C. on this matter, the dates and where, within the next few weeks.

I have also discussed the matter with former Rep. Orval Hansen who agrees with the gravity of the situation and the need for federal action to assist the potato farmers and processors.

Recommendations:

- (1) If Ralph Harding informs me that he will be meeting with farm leaders here in Washington, D. C. on a specific date in the next few weeks, a meeting should be set up with the Department of Agriculture, State, and OMB to determine if federal assistance can or cannot be provided.
- (2) Prior to such meeting, if one is to be held, the Department of Agriculture, State and OMB should identify the problem, if any, from their own sources and possible solutions for explanation at a meeting with Harding, Hansen and the farm leaders or with Harding and Hansen alone.

2-11-75

Jack March

1. Call from Jefferson - has nobody introduced Subsistence **DONE**

2. Ralph Harding Cong - from Idaho - idea that has merit - wants to get to Pres. - His suggestion - dehydrated potatoes - food value - probably alternative to man feeding to feed grain - ship dehydrated potatoes. - Domestic Council says it has merit. - Wants Ogwalle Human Resource Admin for famine relief.

Harding represents one of potato processors Amer. Potato Company

(H) 785-1248
(O) 684-4441

049411

Will come if he can see the P. & brief P. on potato State Dept. from around 10:00 a.m. if we can come

Natl Potatoes Council want help for their crop.

Bring Jack up to date on potato situation Pres. Nat'l Pot. Council called & other groups problem of last Nov has happened - farm loss in Idaho high water & need to see the P. want John Bureau, NFO, Farm Extension greatest surplus of potatoes in history of country now in world shortage - process potatoes & run seas - deep process potatoes working USDA - will have to take off what for for farmers.

Suggestion: Nov. in city w/ march & call referred to Norm Ross -

Agree for Ogwalle Human. & he to see P. only on this matter

get w/ credit country to buy 25 or more worth of potatoes for storage geo.

AID

Nov. 3.00 cent. to produce
Apr. 9.50 cent.

planted - greatest crop in history

400 lbs to the acre - cost is there

50 plants to dehydrate & dry, necessary.
at 50% capacity, now as much down.

Real disaster - something must be done for
to farmers
producers taking

In Far 1960

Meet w/ Ag. + State

Call more 1800



January 18, 1975

MEMORANDUM FOR: DON RUMSFELD

FROM: JACK MARSH

Ralph Harding, according to the Domestic Council, did have a pretty good idea on using dehydrated potatoes in famine situations.

However, there is one aspect of the attached letter which I should discuss with you personally as to whether the President feels it best not to meet with Harding and Orval Hansen.

I think it might be helpful to run this back through the circuit by sending it to the Domestic Council to see if there is a way that the Harding proposal can be at least used in part.

In making this request, I am appointing Orval Hansen to meet with you next week to spend about fifteen minutes discussing the program. If such a meeting is again denied (this is my third request), I feel I have no alternative but to go to the news media and the Members of Congress with all of the facts as to why in a world where people are starving to death, we are going to be dumping potatoes onto the ground and into the garbage pits this winter.

I sincerely hope we will have an opportunity to discuss this vital matter early next week.

Best personal regards for a happy and successful New Year.

Your former colleague,

Ralph Harding

Member of Congress

United States House of Representatives

Washington, D.C.



RALPH HARDING
Route 4, Box 164
BLACKFOOT, IDAHO 83221
January 9, 1975

*showed ltr to
President 1/16*

The Honorable John Marsh
Councilor to the President
White House
Washington, D. C.

Dear Jack:

As much as I admire President Ford, my patience is exhausted. Starting next week I am going to Humphrey, McGovern, Tom Foley, and the Democratic Study Group with this program.

I think it is a damned disgrace for people to be starving to death throughout the world while the United States is facing the possibility of potato prices that are going to bankrupt farmers and result in potatoes being dumped on the ground and potato plant workers going unemployed.

I sincerely hope you will deliver my letter to the President immediately and that he will find the time to spend fifteen minutes with Orval Hansen and me.

Best personal regards for a Happy and Successful New Year!

Sincerely,

Ralph
Ralph R. Harding

*Jack, I would hate to join those
who are calling this a "Do" nothing
Wait and see Administration" I still
have the highest regards for the President
and high hopes for his
Administration.
Your friend
Ralph*



RALPH HARDING

Route 4, Box 164

BLACKFOOT, IDAHO 83221

January 9, 1975

The Honorable Gerald A. Ford
President of the United States
White House
Washington, D. C.

Dear Mr. President:

Because of my deep personal respect for you as a Member of Congress and my high hopes for you as President, I have been working since November 1, 1974 to secure Administration action on a program of feeding dehydrated potatoes to the starving people of the world. This program could possibly save 1,500,000 people from starvation, thousands of American potato growers from drastic financial losses, and thousands of potato processing plant employees from the loss of their jobs.

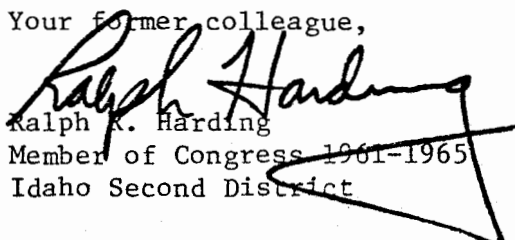
I have worked in full cooperation with former Congressman Orval Hansen and made every effort to date to make this an Administration Program. However, the reaction has been one of a typical bureaucratic red tape roadblock. I feel I can no longer in good conscience wait for Administration action on such a program.

I am making this final request for an appointment for Orval Hansen and me to meet with you next week to spend about fifteen minutes explaining the program. If such a meeting is again denied (this is my third request), I feel I have no alternative but to go to the news media and the Members of Congress with all of the facts as to why, in a world where people are starving to death, we are going to be dumping potatoes onto the ground and into the garbage pits this spring.

I sincerely hope we will have an opportunity to discuss this vital matter early next week.

Best personal regards for a Happy and Successfull New Year.

Your former colleague,


Ralph K. Harding
Member of Congress 1961-1965
Idaho Second District

THE ECONOMICS OF AGRICULTURE

~~EE~~
[ca. 4/75]

U.S. FARM POLICY GOAL: A highly efficient agriculture, to provide maximum benefits for the nation, for farmers, and for the world.

NATIONAL BENEFITS:

- * An abundance of high-quality food and fiber for consumers.
- * Strength for the nation's trade balance through farm exports.
- * Jobs created and sustained by high production, processing and marketing of farm commodities, both domestically and overseas.
- * Prosperous, stabilized rural communities and population.

FARM BENEFITS:

- * Freedom to manage individual operation--maximize efficiency--lower production costs.
- * Opportunity to produce for export demand.
- * Improved farm income.

WORLD BENEFITS:

- * Higher output of food to meet increasing demand.
- * Competition in the marketplace--less reliance on the U.S. as a residual supplier and "storehouse for the world."

The rapid shift to market-oriented farm policies in recent years has been facilitated by growing world demand and affluence.

- * World population is growing 1.9 percent annually (about 80 million persons).
- * World incomes are rising rapidly, fueling the desire of people in all countries to eat better and live better than they have in the past.
- * Increased world demand focuses attention, places higher value on comparative advantage of U.S. farmer in food production.
- * Adverse weather conditions and strong demand have depleted world food stocks since 1972. However, with normal weather and strong farmer incentives, stocks could be replenished this year.

MARKET-ORIENTED FARM POLICY IN THE U.S.:

- * Frees U. S. farmers for full production. Acres taken out of production under previous policies of controlled production have been returned to crops as rapidly as farmers could profitable do so since 1972. No set-aside acres have been required under farm programs in 1974 or 1975.
- * Allows greater efficiency in farming. About one-third of the U.S. cropland is now being used differently than it was under the allotment patterns.
- * Contributes to U. S. national economy. National purchasing power is at an all-time high.



CURRENT FARM POLICY ISSUES

DOMESTIC ISSUES:

- * The market-oriented approach works with wheat, feed grains and cotton. Should it be extended to peanuts, rice and extra-long-staple cotton?
- * What is the function of target prices? How high should they be set?
- * What is the proper relationship between target prices and loan levels?
- * Is there a proper role for export controls. Under what conditions?
- * Do export controls lead to import restrictions by other countries?
- * Do export controls make the U.S. appear to be an unreliable supplier?
- * Who should hold food and farm commodity stocks needed to buffer changes in supply and demand?
 - Can the Government hold reserves without decreasing farmers' incentives to produce?
 - Can farmers carry their own stocks?
 - What is the proper role for private trade in the reserve picture?
- * How can farm production costs be slowed?

INTERNATIONAL ISSUES:

- * U. S. farm output is not without limits. How can world agricultural productivity and efficiency be increased to meet growing demand?
- * How do we assure that other nations assume a larger share of the support role for increasing world food security?
- * What is the proper role of the U.S. in world food production and distribution?

FOOD STAMPS AND FEEDING PROGRAMS

BUDGET: The growing share of the USDA budget represented by food stamps and feeding programs is a major concern.

- * Fiscal 1974 feeding programs claimed about half the USDA budget.
- * Fiscal 1975 feeding programs claim about two-thirds of the USDA budget.
- * Despite Administration attempts to eliminate waste and overlap, the FY 1976 proposed USDA budget allots nearly three-fifths of the total requested appropriation to feeding programs.
- * Fiscal 1975 outlays will exceed \$5.8 billion. The Food Stamp Program represents the major cost increase. Other feeding programs include:
 - school lunch and pilot school breakfast.
 - equipment assistance to schools.
 - non-school child feeding.
 - special milk.
 - special supplemental food program for women, infants, and children (WIC).
 - commodity donations to schools.
 - summer camps.
 - child-care centers.
 - non-profit institutions.
 - Indian reservations.
 - nutrition education for low-income families.

PROGRAMS:

- * Authority for the pilot school breakfast, non-school food, and WIC programs expires June 30, 1975. The Administration will not seek extension.
- * Authority to purchase commodities, regardless of price, to maintain donations for food assistance programs expires on June 30, 1975. The Administration does not wish to extend this legislation.
- * Instead the Administration will propose legislation substituting a comprehensive block grant program for existing overlapping child feeding programs.
- * The Administration also will seek to limit to 5 percent any price index adjustments (January 1, 1975 through June 30, 1976) for child nutrition and food stamp programs.

ISSUES:

- * What is the role of food stamps in overall assistance to the needy?
- * What level of food stamp funding can the Government sustain without seriously aggravating inflation because of higher Treasury outlays?
- * What effect would still higher food stamp benefits have on work incentives?

RURAL AND SMALL TOWN AREAS

RURAL DEVELOPMENT POLICY: Current policy is aimed at achieving a better balance in national growth. That policy is succeeding.

- * Net migration of millions of rural people to urban centers is beginning to reverse.
- * Farm population has stabilized at 9-1/2 million people.
- * Non-farm rural and small town areas are growing.
- * Job opportunities in non-metro areas are increasing faster than in big cities.
- * Manufacturing and other business enterprises are putting facilities in rural and small town areas.

ISSUES:

- * Non-metro areas have one-third of the population but two-thirds of the substandard housing. How can this be corrected?
- * Non-metro areas have one-half of the nation's people who are in the "poverty" class. What is the proper Government response to this situation?
- * How can Federal programs gear-in more planning assistance and support in shaping and carrying out rural development projects from:
 - local groups?
 - local community leaders?
 - local program participants?
 - private enterprise in the local community.

LAND AND NATURAL RESOURCES

PRESSURES ON LAND USE: Demands on land and natural resources continue to grow. Food and fiber production competes with:

- recreation.
- highways.
- community development.
- airports.
- shopping centers
- other uses.

ISSUES:

- * What is the Government's proper role in assisting rural communities with:
 - grants?
 - loans?
 - technical assistance?
 - personnel interchange?
- * What is the proper Government role in the confrontation between "status quo environmentalists" and producers of food and fiber?
- * What investments should the Federal Government make in conservation, protection and development of renewable natural resources?
- * Should the Executive Branch of Government be reorganized to improve policy and programs for land and natural resources? If so, how?
 - a Department of Energy and Natural Resources?
 - a Department of Agriculture and Natural Resources?
 - leave structure as is?

AGRICULTURAL RESEARCH

FOOD PRODUCTION AND TECHNOLOGY:

- * New knowledge and technology are needed to meet efficiency goals in:
 - food and fiber production.
 - transportation and marketing of agricultural commodities.
 - environmental protection and improvement.
 - resource conservation, development and use.
- * Both pure and applied research are needed to:
 - develop new and hardier seeds and strains.
 - control pests, and plant and animal diseases.
 - improve irrigation techniques.
 - establish better cultural practices.
 - maintain soil fertility.

COOPERATIVE GOALS AND PROJECTS:

- * Improved Federal and State relationships are needed to:
 - pinpoint goals and objectives.
 - adapt findings to local and regional conditions.
 - eliminate duplication of effort, waste and overlap.

NEW, INNOVATIVE IDEAS:

- * World conditions demand expanded cooperation in projects, such as:
 - LACI and other earth satellite projects.
 - A "Food for Peace" Institute.
 - A worldwide weather and crop information dissemination system.

[ca. 4/75]

POINTS WITH RESPECT TO VETO OF FARM BILL

- (1) Bill as passed legislates inflation by increasing the cost of food ingredients, i. e. butter, milk, cheese, flour.
- (2) Results in increased food costs to consumers.
- (3) Non-farm, urban and suburban areas reap no benefits but bear the cost of price supports for farmers both on consumers and taxpayers.
- (4) Farm bill calls for \$1.8 B increased spending in fiscal year 1976.
- (5) Farm bill not included in \$70 Billion Budget deficit resolution, passed by House last week. Approval of this bill would make a farce of the budget resolution.

Talked to Cong. Joe Waggoner and he wanted to suggest three things that the veto message reflect.

[Ca. 4/75]

1. To acknowledge that farmers are in severe economic difficulty -- all farmers not just cotton farmers and overall tenor of veto message acknowledge this fundamental fact.
2. Point out that trying to help feed grain and wheat farmers and would like to help cotton farmers as well.
3. Legal authority and mechanics - P. should direct Secretary to review the method and formulas in which cotton loans are calculated and, secondly, to examine carefully the authority that Agriculture Dept. has to make open market purchases of cotton.

Hyde Murray in total harmony with that because that is what he wanted.

Veto instrument language which may have to be polished by speech writers. Don't foul it up.

COTTON - I realize of course, that farmers face serious problems in producing the food and fiber that all the rest of us depend upon.... and I sincerely seek to solve those problems not aggravate them.

That is why I have taken the action earlier described to help wheat and feed grain farmers adjust to the severe increase in the cost of production occurring since the 1973 farm bill was enacted.

I would like to be as responsive to cotton growers as well but unfortunately the law is not as clear nor as apparently flexible in the case of cotton as it is for grains. I, therefore, have directed the Sec. of Agriculture to thoroughly re-examine existing cotton legal authority, both in regard to calculating and establishing loan levels and in the exercise of authority to make open market purchases. This we will do in an effort to help create the confidence and nurture the hope of cotton producers that Washington, D. C. does indeed concern itself with their legitimate and vital interests.

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COTTON - I realize of course, that farmers face serious problems in producing the food and fiber that all the rest of us depend upon.... and I sincerely seek to solve those problems not aggravate them.

That is why I have taken the action earlier described to help wheat and feed grain farmers adjust to the severe increase in the cost of production occurring since the 1973 farm bill was enacted.

I would like to be as responsive to cotton growers as well but unfortunately the law is not as clear nor as apparently flexible in the case of cotton as it is for grains. I, therefore, have directed the Sec. of Agriculture to thoroughly re-examine existing cotton legal authority, both in regard to calculating and establishing loan levels and in the exercise of authority to make open market purchases. This we will do in an effort to help create the confidence and nurture the hope of cotton producers that Washington, D. C. does indeed concern itself with their legitimate and vital interests.

[ca. 4/75] Talked to Cong. Joe Waggoner and he wanted to suggest three things that the veto message reflect.

1. To acknowledge that farmers are in severe economic difficulty -- all farmers not just cotton farmers and overall tenor of veto message acknowledge this fundamental fact.
2. Point out that trying to help feed grain and wheat farmers and would like to help cotton farmers as well.
3. Legal authority and mechanics - P. should direct Secretary to review the method and formulas in which cotton loans are calculated and, secondly, to examine carefully the authority that Agriculture Dept. has to make open market purchases of cotton.

Hyde Murray in total harmony with that because that is what he wanted.

Veto instrument language which may have to be polished by speech writers. Don't foul it up.

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EMERGENCY LIVESTOCK CREDIT

APRIL 7, 1975.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. FOLEY, from the Committee on Agriculture,
submitted the following

REPORT

[To accompany S. 1236]

The Committee on Agriculture, to whom was referred the bill (S. 1236) having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

The amendments are as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

That the Emergency Livestock Credit Act of 1974 is amended as follows:

(a) Subsection (b) of section 2 of said Act is amended by striking everything following the word "Provided" and inserting in lieu thereof "That the term 'legally organized lending agency' shall be deemed to include the Federal Financing Bank only to the extent that such Bank may hold the guaranteed portion of such loans."

(b) Subsection (c) of section 2 of said Act is amended by striking everything after the word "Secretary" and inserting "to guarantee more than 90 per centum of the principal and interest on said loan."

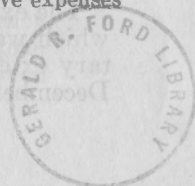
(c) Subsection (f) of section 2 of said Act is amended to read: "Loans guaranteed under this Act may be payable over a period of time as determined by the Secretary, but not to exceed seven years."

(d) Subsection (a) (3) of section 3 of said Act is amended by deleting everything after the words "Provided, That" and inserting in lieu thereof "the total principal balance outstanding at any one time on loans guaranteed under this Act for any borrower shall not exceed \$250,000;"

(e) Section 8 of said Act is amended to read as follows: "The provisions of this Act shall become effective upon enactment, and the authority to make new guarantees under this Act shall terminate on December 31, 1976."

(f) Section 4 of said Act is amended to read as follows: "Loans guaranteed under this Act shall be secured by collateral adequate to protect the Government's interests, as determined by the Secretary: *Provided, That* the Secretary may accept collateral which has depreciated in value owing to temporary economic conditions and which in the opinion of the lender, together with his confidence in the repayment ability of the borrower, is adequate security for the loan."

(g) Section 5 of said Act is amended by adding a new sentence at the end thereof stating, "Such fund may also be utilized to pay administrative expenses of the Secretary necessary to carry out the provisions of this Act."



(h) Said Act is amended by adding at the end thereof the following new section 11:

"SEC. 11. The Secretary shall report to the Committee on Agriculture, U.S. House of Representatives, and the Committee on Agriculture and Forestry, U.S. Senate, on or within one year of the date of the enactment of this section, and annually thereafter, with respect to the effectiveness of this Act. The Secretary shall be required, but not limited, to include in such report the number of loan applications submitted, the number and amount of loans approved, the financial situation facing cattlemen at the time of the report, the effect of this Act on the retail marketing of beef and on the farm-retail price spread of beef, and any recommendations he may have as to actions which can be taken to further decrease the price spread and to increase the consumption of beef."

SEC. 2. Section 316 of the Consolidated Farm and Rural Development Act is amended by striking the period at the end of the first sentence and inserting after the words "additional years" the following: "except that if two or more loans are consolidated the renewal period shall be computed from the due date of the most recent loan."

Amend the title to read as follows:

"To amend the Emergency Livestock Credit Act of 1974 and Section 316 of the Consolidated Farm and Rural Development Act."

NEED AND PURPOSE OF THE LEGISLATION

The need for this legislation arose since the enactment of the Livestock Credit Act of 1974 on July 25, 1974. Livestock prices have dropped even further than the point they had reached in mid-1974, and the financial stress on producers now is even greater than it was when the Livestock Credit Act of 1974 was passed.

Based on the testimony of representatives of the Agriculture Department, the cattle level in March 1975 is running at a near record level as a result of a 7-year growth period, while the food grain supplies are some 20 percent, and roughage supplies are some 10 percent, smaller than last winter. The slaughter of cattle has been at record levels since January, largely because of the inability of farmers to carry their cattle through the winter. However, Departmental spokesmen expect the cattle inventory to remain at record levels; but, despite this, they do not expect cattlemen to be "in a clear-cut profit position for the rest of this year." This is not to say their position may not improve somewhat once cattle can be put out in pastures and ranges and if there is a large feed grain harvest this fall. However, we have got a record cow herd and most likely will have another record calf crop this year. The only relief that can help the cow-calf operators, that form the very foundation of the beef industry, is an increased demand for their product (feeder cattle). Basically such a turnaround will require higher prices for feeder cattle and lower feed costs.

In a deteriorating market that has seen the inventory value of cattle reduced by nearly 50 percent in recent months, the loss of equity and the expectation of a longer period of nonprofit operations calls for, if not demands, some liberalization of credit conditions for livestock producers through amendments to the Emergency Livestock Credit Act.

The extension of the Emergency Livestock Credit Act by Congress, which was scheduled for termination July 25, 1975, unless the Secretary extended it six months under his discretionary authority, until December 31, 1976, should serve as clear evidence to the financial com-

munity, especially rural bankers, of a commitment by the Government to a strong and viable livestock industry. The extension also comes at a time when the usefulness of the program to the cattle farmers and ranchers is being reflected in increased loan activity. For instance, Mr. Irwin, Assistant Secretary for Rural Development, testified that as of March 7, 1975, there were 1,811 borrowers that had \$218.1 million in loans under the emergency livestock loan program. More recent figures from the Department, a mere 2 weeks later (March 21, 1975) indicate that there are 1,942 borrowers and \$232.5 million in loans.

Given the testimony before the Subcommittee that the economic plight of the cattle producers will undoubtedly continue through the year, the amendment of the Emergency Livestock Credit Act to permit repayments of loans in periods up to 7 years, in lieu of 3 years (with up to a 2-year renewal), will provide the Secretary with flexibility to provide farmers and ranchers emergency loans with a repayment schedule that allows the farmers to get on as sound a financial footing as possible before they are required to pay off the loans.

The amendment in the bill providing a "line of credit" to livestock farmers and ranchers up to \$250,000 will, in the opinion of the Committee, eliminate a certain amount of redtape and provide both the lender and the borrower with much needed flexibility in this program. The Department records indicate that as of January 1, 1975, 70 percent of the borrowers and 78 percent of the money loaned under the emergency livestock loan program involved the beef cattle business. Also, the testimony in the hearings indicated that the average loans to beef producers were running on the average about \$136,000. It makes sense to place these loans on a line-of-credit basis, where farmers and ranchers are constantly culling their herds and subsequently adding to them, such that where portions of loans are curtailed that borrowers need not go through the needless and time-consuming procedures of taking out new loans. Rural banks have traditionally handled their loans with implement dealers and others on this basis and, for purposes of efficient administration and flexibility, it appears advisable to place this program on a line-of-credit basis. The limit of \$250,000, which Congress approved when it passed the Emergency Act in 1974, remains intact in this bill.

The Department of Agriculture, as noted in its letter printed hereafter, supports this bill. The amendment to section 4 of Public Law 93-357, to which the Department originally objected, was changed in Committee markup so as to make it acceptable to the Department. While the Department has not commented on two other changes made during the Committee markup (the new section 11 report requirement provision, and the relatively minor amendment to the Consolidated Farm and Rural Development Act), it is understood that there is no objection to the inclusion of such amendments. The general position of the Department regarding changes in existing law was articulated by Assistant Secretary Erwin in the course of the Subcommittee hearings:

Some changes in the Emergency Livestock Credit Act of 1974 would have the support of the Administration, based upon the following two premises: (1) that the Emergency Livestock Program will continue as a guaranteed loan program, and (2) that loans will be made at interest rates agreed upon by the borrower and lender.

S. 1236, as amended and reported by the Committee, does nothing to infringe upon either of these two premises.

BRIEF EXPLANATION OF S. 1236 AS AMENDED BY THE HOUSE

The bill as reported by the Committee—

1. Amends the Emergency Livestock Credit Act of 1974 as follows:

(a) Permits the Secretary to use the Federal Financing Bank as a service agency to provide a secondary market for the guaranteed portions of emergency livestock loans. The purpose of it is to extend the availability of credit under this loan program.

(b) Increases the amount of principal and interest that the Secretary may guarantee from 80 percent to 90 percent.

(c) Changes the period of time for loan repayment—from not more than 3 years, with a renewal of not more than 2 additional years—to a period not in excess of 7 years.

(d) Changes the amount of loans which may be guaranteed under this Act from total loans not to exceed \$250,000 to a "line of credit," or total principal balance, not to exceed \$250,000.

(e) Extends the termination date of the Act from July 25, 1975 (plus a 6-month extension beyond that at the conditional discretion of the Secretary) to December 31, 1976, and provides that the amendments contained in this bill shall take effect on enactment.

(f) Broadens the authority of the Secretary, if he wishes to exercise his discretion in the matter, as to the amount and kind of collateral he may accept as adequate to protect the Government's interests.

(g) Permits the Secretary to utilize the Agricultural Credit Insurance Fund to pay the administrative expenses involved in carrying out the loan program authorized by the Act.

(h) Adds a requirement that the Secretary shall report to the Senate and House Agriculture Committees annually with respect to the effectiveness of the Act, and delineates certain information to be included in such report.

2. Amends Section 316 of the Consolidated Farm and Rural Development Act by providing that if two or more loans are consolidated and renewed, the renewal period shall be computed from the due date of the most recent loan that was obtained by the borrower.

COMMITTEE CONSIDERATION

The Subcommittee on Livestock and Grains sitting jointly with the Subcommittee on Conservation and Credit held a hearing on March 13, 1975, to receive testimony to consider changes in the Emergency Livestock Credit Program. In addition, the Subcommittee on Conservation and Credit held hearings on February 18, 1975, on H.R. 2127, and other related bills, to amend subtitle C of the Consolidated Farm and Rural Development Act to provide for emergency loans for farmers suffering natural disasters, etc. The latter hearing involved testimony concerning the general farm credit situation and the "arctic hurricane" which struck the Midwest in early January 1975, and resulted in considerable losses to livestock producers. There was also

considerable testimony before the Subcommittee on Livestock and Grains, on March 5, 1975, which received testimony on H.R. 48, wherein several witnesses among whom were livestock producers provided testimony on the dire economic straits of those in the beef cattle industry.

The witnesses who testified before the Subcommittees on the farm economic and credit situation, especially as it affected livestock producers, consisted of livestock producers, farm organizations, Department of Agriculture officials, and Members of Congress. Others, such as representatives of the American Bankers Association submitted a statement for the record.

The hearing record is replete with statements about the poor economic situation which livestock producers find themselves in and the critical credit needs of these producers that will not be met unless some changes are made in the Emergency Livestock Credit Act of 1974 so that lenders "of last resort" will be enabled to help the farmers avoid financial catastrophe. The need for additional credit relief is fully documented in the hearings. The fact that the use of the Emergency Livestock Loan Program is increasing is attested to by Departmental statistics, but its improvement as an emergency credit tool can be substantially enhanced by needed amendments to existing law. The number of borrowers under the program increased from about 1,600 on February 1, 1975, to 1,942 on March 21, 1975. However, out of \$2 billion in authorized loans, only \$232.5 million had been utilized by March 21, 1975.

The amendments to the Emergency Livestock Credit Act of 1974 provided for in this bill should provide a sound loan program, one that permits rural banks to maintain liquidity while also tiding the livestock producers over a grave financial crisis. It is also believed that it will benefit consumers by maintaining the livestock industry in a posture where it can produce an optimum amount of beef at prices that will provide an adequate return to producers and at reasonable retail prices.

On March 14, 1975, the Subcommittee on Livestock and Grains sitting jointly with the Subcommittee on Conservation and Credit met in open business meeting, a quorum being present, for the purpose of considering amendments to the Emergency Livestock Credit Act of 1974 and approved by voice vote a draft bill, amended in the meeting, which was introduced as H.R. 5235.

The full Committee met in an open business meeting on Wednesday, March 26, 1975, in the presence of a quorum, and considered H.R. 5235 and S. 1236, which had passed the Senate and had been referred to the Committee on March 21, 1975. The Committee by voice vote ordered S. 1236 favorably reported, as amended, by striking all after the enacting clause and by amending the title.

The Committee substitute makes the following main changes in S. 1236, as passed by the Senate:

First, it would not amend section 2(a) of the Emergency Livestock Credit Act, as does the Senate, so as to permit the extension of financial assistance to bona fide farmers and ranchers "who have substantial operations in" the breeding, raising, fattening, or marketing of livestock.

Second, subsection (b) of section (2) of the Emergency Livestock Act is amended, but by using different language, so as to permit the secondary financing of the guaranteed portion of livestock loans through the Federal Financing Bank.

Third, subsection (f) of section 2 of the Emergency Livestock Act is amended so as to permit loans for a period up to 7 years without renewal, whereas the Senate version would have also permitted a *renewal* for not more than 3 additional years.

Fourth, subsection (a) (3) of section 3 of the Emergency Livestock Act is amended so as to provide a line of credit up to \$250,000, in lieu of \$500,000 as provided in the Senate version.

Fifth, section 4 of the Emergency Livestock Act is amended to permit the Secretary to accept collateral which has depreciated in value owing to economic conditions and which in the opinion of the lender, together with the lender's confidence in the borrower's repayment ability, is adequate security for the loan. Senate version contains no such provision.

Sixth, a new section 11 is added to the Emergency Livestock Act, that requires the Secretary to report to the House Committee on Agriculture and the Senate Committee on Agriculture and Forestry on the effectiveness of the Act accompanied by recommendations on actions which might be taken to decrease the price spread and increase the consumption of beef. Senate version contains no such provision.

Seventh, it would not require, as does the Senate version, that loan applications be processed within 30 days.

Eighth, it would amend section 316 of the Consolidated Farm and Rural Development Act (75 Stat. 311, as amended, 82 Stat. 771) such that if two or more loans are consolidated, the renewal period shall be computed from the due date of the most recent loan. The Senate version contains no such provision.

Ninth, it would *not* amend section 344 of the Consolidated Farm and Rural Development Act (86 Stat. 667) regarding loan limitations as does the Senate version of the bill.

The Committee considered language that would have amended section 4 of the Emergency Livestock Act so that the lender, not the Secretary, determined whether the 90 percent loan guarantee of the Government was adequately protected, and also would have permitted the lender, not the Secretary, to accept collateral, which, though depreciated in value due to temporary economic conditions, when taken together with the confidence in the borrower to repay the loan, would provide adequate security for the loan. The Department of Agriculture opposed such a provision for reasons as is noted in the letter appearing hereinafter. The Committee resolved the matter, so as to overcome the Department's objection, by substituting the word "Secretary" immediately before and after the word "Provided" in subsection (f) of section 1 of the bill, as amended.

Another amendment considered, but not included in the bill as reported, was a provision that would have permitted claimant-creditors of American Beef Packing, Inc., to use claims certified by the trustee in bankruptcy as security for emergency livestock loans. Such a provision was not accepted by the Committee because it was considered that the language added to section 4 of the Emergency Live-

stock Credit Act by subsection (f) of section 1 of the bill would have the effect of liberalizing the collateral considerations of the Secretary to the extent possible given the language in the introductory part of section 4 which states that loans "shall be secured by collateral adequate to protect the Government's interests, as determined by the Secretary."

The intent of the Committee in drafting the language to amend section 4 of the Emergency Livestock Act, as reported, was to provide for "softer" loans under the Emergency Livestock Credit Act as it was to be amended. How "soft" those loans could be would rest in the discretion of the Secretary.

However, it should be clearly understood that the Committee does not intend that the Secretary accept as collateral commercial or other instruments evidencing a debt, financial obligation, or ownership in a legal entity, having no ascertainable value, or value of a speculative nature.

The full Committee ordered S. 1236 reported after striking everything after the enacting clause and substituting the House language therefore. The title was also amended.

ADMINISTRATION POSITION

The following letter forwarded to the Chairman by J. Phil Campbell, Acting Secretary, under date of March 25, 1975, sets forth the position of the Department of Agriculture on H.R. 5235, which was the bill the full Committee worked on in markup and the principal language of which was incorporated into S. 1236 as reported by the Committee:

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, D.C., March 25, 1975.

HON. THOMAS S. FOLEY,
House of Representatives,
Washington, D.C.

DEAR TOM: The Department of Agriculture supports H.R. 5235 with the exception of section (f), which amends section 4 of Public Law 93-357 to provide that the lender will determine the adequacy of security in Guaranteed Emergency Livestock loans.

The section says: "Loans guaranteed under this Act shall be secured by collateral adequate to protect the Government's interests, as determined by the lender: *Provided*, That the lender may accept collateral which has depreciated in value owing to temporary economic conditions and which, in the opinion of the lender, together with his confidence in the repayment ability of the borrower, is adequate security for the loan."

Exception to this section is based on these reasons:

1. The provision removes any government control over the security of the loan and leaves the Secretary no way in which to protect the interest of the Government. The lender has no real incentive to protect the Government's interest.

2. While the provision speaks to loss of value due to *temporary* economic conditions, in a loan program designed to meet such condi-

tions, it is especially important that the Secretary have responsibility for tailoring security requirements to those conditions so as to insure that the program does not become a give-away and undermine lender confidence in other Farmers Home Administration (FmHA) programs which require adequate collateral and repayment capability.

3. Under the proposed language of section 4, there is no practical way the Department can administer the program on a uniform basis as individual lenders will use their own method and judgment in determining adequacy of security.

Sincerely,

J. PHIL CAMPBELL,
Acting Secretary.

Assistant Secretary of Agriculture William W. Erwin read the following statement into the record at the Subcommittee hearings, which further sets forth the position of the Department on certain of the amendments of the Emergency Livestock Credit Act of 1974 that are contained in S. 1236 as reported by the Committee:

Chairman and Committee Members, I thank you for the opportunity to appear here to discuss a subject that is of concern to all of us, and one that has a direct and important effect on a major section of American agriculture.

Some changes in the Emergency Livestock Credit Act of 1974 would have the support of the Administration, based upon the following two premises: (1) that the Emergency Livestock Program will continue as a guaranteed loan program, and (2) that loans will be made at interest rates agreed upon by the borrower and the lender.

We are in accord with the benefits being provided to bona fide ranchers and farmers. In carrying out the intent of the Act, the Department has required that eligible borrowers be engaged in agricultural production with the funds being used for the purpose of raising, breeding, fattening or marketing livestock.

Our regulations reinforce this concept of helping the family farmer—the livestock producer whose access to credit sources may be limited.

The program has not been used as widely by farmers and ranchers as originally thought by some. We are pleased to report, however, that as of March 7, 1975, 1,811 borrowers have had \$218.1 million guaranteed under this program.

The number of loans increased by 200 between February 28 and March 7, so we may be entering a period of accelerated use of this program.

Farmers involved with beef cattle lead the list of borrowers. Statistics do not show whether a borrower is primarily interested in feedlots, cow-calf operations, or one of the many variations in breeding, growing, fattening and marketing beef animals.

We know that, as of January 31, 1975, 70 percent of the borrowers and 78 percent of the money involved the beef cattle business.

Next in line came dairy operations with 10 percent of the loans and 6 percent of the dollars, followed in descending order by swine and chickens. Combinations of one or more livestock enterprises involved 14 percent of the loans and 12 percent of the dollars.

Since the average loan is about \$123,000 and loans for beef producers running on the average about \$136,000, we do not believe it necessary to authorize a higher loan limit than the current \$250,000 maximum.

A number of specific suggestions have been made in proposed legislation. Here are changes which the Administration can support.

First among these would be an amendment to permit the Federal Financing Bank to participate in the program to the extent of being a holder of the guaranteed portion of such loans.

Presently the Bank is excluded by law. We would not favor changing the exclusion to allow the Federal Financing Bank to make loans directly to farmers and ranchers. The Federal Financing Bank's participation should be limited to purchasing and holding the guaranteed portion of loans made by other lenders.

Eliminating the exclusion as a holder could improve the basis for a secondary market for guaranteed loans and increase the funds available to rural banks for loans. We believe that this change could have a beneficial effect on this program.

However, we would expect that private lending institutions would be the primary purchasers of the guaranteed portion of the loans. I would like to make it clear that our support of this change with regard to the Federal Financing Bank does not in any way state or imply any commitment or obligation on the part of the Federal Financing Bank to participation in this program.

A change in the guarantee from 80 percent of any loss to up to 90 percent of the principal and interest of the total loan would be acceptable. We understand the intent is to guarantee a lender for up to 90 percent of principal and interest until such time as the loan is paid off.

This change would provide a procedure for the secondary market to operate. We would be opposed to a provision referring to 90 percent of payments due, because such a provision could have the effect of providing more than a 90 percent guarantee.

A third change we could support would be to institute a flexible repayment schedule for borrowers, by giving the Secretary authority to determine the length of the repayment period up to seven years, based on a case-by-case analysis of each borrower's repayment ability and the type of loan security.

Such a provision would also provide more latitude in working with the individual private lenders.

As to the fourth suggestion, the concept of a line of credit to a borrower is acceptable in principle. Such action would

allow borrowers a great deal more latitude in running their operations.

Since the results of the economic squeeze may cause credit problems there is a possibility that a borrower would need to return for an additional guaranteed loan. Thus, we would support amending the Act to provide that the total loans guaranteed under the Act for any applicant cannot exceed \$250,000 at any one time.

Finally, there has been interest in extending the period for which the Emergency Livestock Credit Act is in effect. The Administration can support an extension of the Act until December 31, 1976.

SECTION-BY-SECTION ANALYSIS

Section 1. Amendments to the Emergency Livestock Credit Act of 1974 (88 Stat. 392)

Section 1 extends and amends the Emergency Livestock Credit Act of 1974 as follows:

Subsection (a) amends subsection (b) of section 2 of the Act by striking everything following the word "Provided" and inserting in lieu thereof "That the term 'legally organized lending agency' shall be deemed to include the Federal Financing Bank only to the extent that such Bank may hold guaranteed portions of such loans." The addition of this language would permit the secondary financing of the guaranteed portions of livestock loans through the Federal Financing Bank.

Subsection (b) also amends section 2 of the Act by striking everything after the word "Secretary" and inserting the words "to guarantee more than 90 per centum of the principal and interest on said loan." Existing law provides that no contract guaranteeing loans by a lender shall require the Secretary to participate in "more than 80 per centum of any loss sustained thereon".

Subsection (c) also amends section 2 of the Act to read "Loans guaranteed under this Act may be payable over a period of time as determined by the Secretary, but not to exceed seven years." The law now provides that guaranteed loans must be payable in not more than three years, but may be renewed for not more than two additional years.

Subsection (d) amends subsection (a) (3) of section 3 of the Act by deleting everything after the words "Provided, That" and inserting in lieu thereof "the total principal balance outstanding at any one time on loans guaranteed under this Act for any borrower shall not exceed \$250,000." Under existing law, livestock loans are handled on a "one-time" guarantee basis with an overall credit limit of \$250,000.

Subsection (e) amends section 8 of the Act so as to legislatively extend the Act until December 31, 1976. Existing law provides for termination of the Act on July 25, 1975, unless the Secretary after making certain findings, extends the guarantee authority for a period not in excess of six months.

Subsection (f) amends section 4 of the Act to read as follows:

Loans guaranteed under this Act shall be secured by collateral adequate to protect the Government's interests, as determined by the Secretary: *Provided*, That the Secretary may accept collateral

which has depreciated in value owing to temporary economic conditions and which in the opinion of the lender, together with his confidence in the repayment ability of the borrower, is adequate security for the loan.

Existing law provides that loans guaranteed under the Act "shall be secured by security adequate to protect the Government's interests, as determined by the Secretary." The added language would have the effect of liberalizing somewhat the collateral considerations of the Secretary.

Subsection (g) amends section 5 of the Act so as to permit the Secretary to utilize the Agricultural Credit Insurance Fund to pay the administrative expenses of the emergency livestock loan program. That fund may not be so utilized under existing law.

Subsection (h) amends the Act by adding a new section 11 which reads as follows:

SEC. 11. The Secretary shall report to the Committee on Agriculture, U.S. House of Representatives, and the Committee on Agriculture and Forestry, U.S. Senate, on or within one year of the date of the enactment of this section, and annually thereafter, with respect to the effectiveness of this Act. The Secretary shall be required, but not limited, to include in such report the number of loan applications submitted, the number and amount of loans approved, the financial situation facing cattlemen at the time of the report, the effect of this Act on the retail marketing of beef and on the farm-retail price spread of beef, and any recommendations he may have as to actions which can be taken to further decrease the price spread and to increase the consumption of beef.

There is no reporting requirement in existing law.

Section 2. Amendment to the Consolidated Farm and Rural Development Act

Section 2 amends section 316 of the Consolidated Farm and Rural Development Act to provide that if two or more farm operating loans are consolidated, the renewal period shall be computed from the due date of the most recent loan.

COST ESTIMATE

Pursuant to clause 7 of Rule XII of the Rules of the House of Representatives, the following is the Committee estimate of the costs which would be incurred in carrying out the provisions of this bill.

No formal estimate of costs has been received from the Department of Agriculture. However, all loans are to be guaranteed; and, therefore, no direct costs to the Treasury are anticipated at this time. It should also be noted that the Act will terminate December 31, 1976.

It is estimated that there will be no direct costs added to the administration of this program for fiscal year 1975. Moreover, it is not expected that the Secretary will incur any losses by reason of defaults on loans in fiscal year 1975. What loss experience is anticipated by the Department for future years is based on the experience of the Small Business Administration for similar loan programs, inasmuch as the emergency livestock loan program has not been in existence long

enough to provide the Department with a basis for making loss estimates. Whatever administrative expenses are expended from the Agricultural Credit Insurance Fund under the discretion of the Secretary, as provided in this bill, also cannot be determined at this time and will have to be budgeted for by the Department of Agriculture in future years.

INFLATIONARY IMPACT STATEMENT

Pursuant to clause 2(1)(4), Rule XI of the Rules of the House of Representatives, the Committee estimates that enactment of S. 1236 could possibly have some minor inflationary impact on consumer prices and costs of beef products; nonetheless, the Committee is convinced that this is more than offset by other beneficial effects of the legislation on the important national resource of a sound livestock industry and, in fact, is essential to offset the critical credit needs impacting on the livestock producers of the nation.

BUDGET ACT COMPLIANCE (SECTION 308 AND SECTION 403)

The provisions of clause (3)(B) and clause (1)(3)(C) of Rule X of the House of Representatives, and Section 308(a) and Section 403 of the Congressional Budget Act of 1974 (relating to estimates of new budget authority on new or increased tax expenditures and estimate in comparisons prepared by the Director of the Congressional Budget Office), are not considered applicable.

OVERSIGHT STATEMENT

No specific oversight activities, other than the hearings accompanying the Committee's consideration of S. 1236 (and H.R. 5235 and related bills), were made by the Committee, within the definition of clause 2(b)(1) of Rule X of the House.

No summary of oversight findings and recommendations made by the Committee on Government Operations under clause 2(b)(2) of Rule X of the Rules of the House of Representatives was available to the Committee with reference to the subject matter specifically addressed by S. 1236.

CHANGES IN EXISTING LAW

In compliance with clause 3 of Rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, and existing law in which no change is proposed is shown in roman):

EMERGENCY LIVESTOCK CREDIT ACT OF 1974

AN ACT To provide temporary emergency livestock financing through the establishment of a guaranteed loan program

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Emergency Livestock Credit Act of 1974".

SEC. 2. (a) The Secretary of Agriculture is authorized and directed to provide financial assistance to bona fide farmers and ranchers who are primarily and directly engaged in agricultural production for the purpose of breeding, raising, fattening, or marketing livestock. In the case of corporations or partnerships, such financial assistance shall be extended only when a majority interest in such corporations or partnerships is held by stockholders or partners who themselves are primarily and directly engaged in such agricultural production. For purposes of this Act, the term "livestock" shall mean beef cattle, dairy cattle, swine, sheep, goats, chickens, and turkeys.

(b) The Secretary shall guarantee loans, including both principal and interest, made by any legally organized lending agency which otherwise meet the purposes and conditions of this Act. As used herein, a guaranteed loan is one which is made, held, and serviced by a legally organized lending agency and which is guaranteed by the Secretary hereunder: *Provided*, [That the term "legally organized lending agency" shall not be deemed to include the Federal Financing Bank.] *That the term "legally organized lending agency" shall be deemed to include the Federal Financing Bank only to the extent that such Bank may hold the guaranteed portion of such loans.*

(c) No contract guaranteeing any such loan by a lender shall require the Secretary [to participate in more than 80 per centum of any loss sustained thereon.] *to guarantee more than 90 per centum of the principal and interest on such loan.*

(d) No fees or charges shall be assessed by the Secretary for any guarantee provided by him under this Act.

(e) Loans guaranteed under this Act shall bear interest at a rate to be agreed upon by the lender and borrower.

[(f) Loans guaranteed under this Act shall be payable in not more than three years, but may be renewed for not more than two additional years.]

(f) Loans guaranteed under this Act may be payable over a period of time as determined by the Secretary, but not to exceed seven years.

SEC. 3. As a condition of the Secretary's guaranteeing any loan under this Act—

(a) The lender shall certify that—

(1) the lender is unwilling to provide credit to the loan applicant in the absence of the guarantee authorized by this Act;

(2) the loan applicant is directly and in good faith engaged in agricultural production, and the financing to be furnished the loan applicant is to be used for purposes related to the breeding, raising, fattening, or marketing of livestock;

(3) the loan is for the purpose of maintaining the operations of the loan applicant, and the total loans made to the loan applicant do not exceed the amount necessary to permit the continuation of his livestock operations at a level equal to its highest level during the eighteen months immediately preceding the date of enactment of this Act: *Provided*, That [the total loans guaranteed under this Act for any loan applicant shall not exceed \$250,000;] *the total principal balance outstanding at any one time on loans guaranteed under this Act for any borrower shall not exceed \$250,000;*

(4) in the case of any loan to refinance the livestock operations of a loan applicant (i) the loan and refinancing are absolutely

essential in order for the loan applicant to remain in business, (ii) the lending agency would not refinance such loan in the absence of a guarantee, and (iii) the lending agency is not currently refinancing similar loans to others without such guarantees.

(b) The loan applicant shall certify that he will be unable to obtain financing in the absence of the guarantee authorized by this Act.

(c) The Secretary finds there is reasonable probability of accomplishing the objectives of the Act and repayment of the loan.

SEC. 4. [Loans guaranteed under this Act shall be secured by security adequate to protect the Government's interests, as determined by the Secretary.] *Loans guaranteed under this Act shall be secured by collateral adequate to protect the Government's interests, as determined by the Secretary: Provided, That the Secretary may accept collateral which has depreciated in value owing to temporary economic conditions and which in the opinion of the lender, together with his confidence in the repayment ability of the borrower, is adequate security for the loan.*

SEC. 5. Loan guarantees outstanding under this Act shall not exceed \$2,000,000,000 at any one time. Subject to the provisions of section 2(c) of this Act, the fund created in section 309 of the Consolidated Farm and Rural Development Act shall be used by the Secretary for the discharge of the obligations of the Secretary under contracts of guarantee made pursuant to this Act. *Such fund may also be utilized to pay administrative expenses of the Secretary necessary to carry out the provisions of this Act.*

SEC. 6. Contracts of guarantee under this Act shall not be included in the totals of the budget of the United States Government and shall be exempt from any general limitation imposed by statute on expenditures and net lending (budget outlays) of the United States.

SEC. 7. Any contract of guarantee executed by the Secretary under this Act shall be an obligation supported by the full faith and credit of the United States and incontestable except for fraud or misrepresentation of which the holder had actual knowledge at the time it became a holder.

SEC. 8. [The provisions of this Act shall become effective upon enactment, and the authority to make new guarantees under this Act shall terminate one year from the date of enactment of this Act, except that the Secretary of Agriculture may extend the guarantee authority provided in this Act for a period not to exceed six months if he (1) determines that such guarantees are necessary to the welfare of livestock producers and that adequate credit cannot be obtained without such guarantee by the Secretary, and (2) notifies the Committee on Agriculture and Forestry of the Senate and the Committee on Agriculture of the House of Representatives at least thirty days prior to the date on which he elects to extend the guarantee authority provided in the Act.] *The provisions of this Act shall become effective upon enactment, and the authority to make new guarantees under this Act shall terminate on December 31, 1976.*

SEC. 9. (a) The provisions of section 310B(d)(6) of the Consolidated Farm and Rural Development Act shall apply to loans guaranteed under this Act.

(b) Contracts of guarantee executed pursuant to the provisions of this Act shall be fully assignable.

SEC. 10. The Secretary is authorized to issue such regulations as he determines necessary to carry out this Act. The proposed regulations shall be issued as soon as possible, but in no event later than thirty days from the date of enactment of this Act.

SEC. 11. *The Secretary shall report to the Committee on Agriculture, U.S. House of Representatives, and the Committee on Agriculture and Forestry, U.S. Senate, on or within one year of the date of the enactment of this section, and annually thereafter, with respect to the effectiveness of this Act. The Secretary shall be required, but not limited, to include in such report the number of loan applications submitted, the number and amount of loans approved, the financial situation facing cattlemen at the time of the report, the effect of this Act on the retail marketing of beef and on the farm-retail price spread of beef, and any recommendations he may have as to actions which can be taken to further decrease the price spread and to increase the consumption of beef.*

CONSOLIDATED FARM AND RURAL DEVELOPMENT ACT

* * * * *

SEC. 316. The Secretary shall make all loans under this subchapter upon the full personal liability of the borrower and upon such security as the Secretary may prescribe. Such loans shall be payable in not more than seven years, but may be renewed for not more than five additional years[.], *except that if two or more loans are consolidated the renewal period shall be computed from the due date of the most recent loan.* Loans made under this subchapter shall bear interest at a rate determined by the Secretary of the Treasury taking into consideration the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the average maturities of such loans, adjusted to the nearest one-eighth of 1 per centum, plus not to exceed 1 per centum per annum as determined by the Secretary.

○

94TH CONGRESS
1ST SESSION

S. 1236

[Report No. 94-125]

IN THE HOUSE OF REPRESENTATIVES

MARCH 21, 1975

Referred to the Committee on Agriculture

APRIL 7, 1975

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italic]

AN ACT

To extend and amend the Emergency Livestock Credit Act of 1974, and for other purposes.

- 1 *Be it enacted by the Senate and House of Representa-*
- 2 *tives of the United States of America in Congress assembled,*
- 3 *That the Emergency Livestock Credit Act of 1974 (88 Stat.*

4 *301) is amended as follows:*

5 *(a) Section 2 is amended—*

6 *(1) By striking “for the purpose of” in the first*
7 *sentence of subsection (a) and inserting in lieu thereof*
8 *the following: “and who have substantial operations in”.*

9 *(2) By changing the colon after the word “here-*
10 *under” in subsection (b) to a period and striking the*
11 *remainder of subsection (b).*



(3) By striking all of subsection (e) after the word "Secretary" and inserting the following in lieu thereof: "to guarantee more than 90 per centum of the principal and interest on such loan."

(4) By changing subsection (f) to read as follows:

"(f) Loans guaranteed under this Act shall be for the period reasonably required by the needs of the borrower, taking into consideration the security the borrower has available, but not exceeding an original term of seven years. Loans may be renewed for not more than three additional years."

(b) Section 3 is amended by striking all of paragraph (3) of subsection (a) after the words "Provided, That" and inserting in lieu thereof the following: "the total principal balance outstanding at any one time on loans guaranteed under this Act for any borrower shall not exceed \$500,000;"

(c) Section 5 is amended by adding at the end thereof the following new sentence: "In the administration of this Act, the Secretary may utilize any funds available, including the Agricultural Credit Insurance Fund, to pay for administrative expenses notwithstanding any limitations imposed for budgetary reasons."

(d) Section 8 is amended to read as follows:

"Sec. 8. The provisions of this Act shall become effective

upon enactment, and the authority to make new guarantees shall terminate on December 31, 1976."

(e) Section 10 is amended by adding at the end thereof the following new sentence: "Insofar as practicable, the Secretary shall complete action on each loan application within thirty days after its receipt."

SEC. 2. Section 344 of the Consolidated Farm and Rural Development Act (86 Stat. 667) is amended by changing the last sentence thereof to read as follows: "No contract guaranteeing any such loan by such other lender shall require the Secretary to guarantee more than 90 per centum of the principal and interest on such loan."

That the Emergency Livestock Credit Act of 1974 is amended as follows:

(a) Subsection (b) of section 2 of said Act is amended by striking everything following the word "Provided" and inserting in lieu thereof "That the term 'legally organized lending agency' shall be deemed to include the Federal Financing Bank only to the extent that such Bank may hold the guaranteed portion of such loans."

(b) Subsection (c) of section 2 of said Act is amended by striking everything after the word "Secretary" and inserting "to guarantee more than 90 per centum of the principal and interest on said loan."

(c) Subsection (f) of section 2 of said Act is amended

1 to read: "Loans guaranteed under this Act may be payable
2 over a period of time as determined by the Secretary, but
3 not to exceed seven years."

4 (d) Subsection (a)(3) of section 3 of said Act is
5 amended by deleting everything after the words "Provided,
6 That" and inserting in lieu thereof "the total principal bal-
7 ance outstanding at any one time on loans guaranteed under
8 this Act for any borrower shall not exceed \$25,000;"

9 (e) Section 8 of said Act is amended to read as follows:
10 "The provisions of this Act shall become effective upon enact-
11 ment, and the authority to make new guarantees under this
12 Act shall terminate on December 31, 1976."

13 (f) Section 4 of said Act is amended to read as follows:
14 "Loans guaranteed under this Act shall be secured by col-
15 lateral adequate to protect the Government's interests, as de-
16 termined by the Secretary: Provided, That the Secretary
17 may accept collateral which has depreciated in value owing
18 to temporary economic conditions and which in the opinion
19 of the lender, together with his confidence in the repayment
20 ability of the borrower, is adequate security for the loan."

21 (g) Section 5 of said Act is amended by adding a new
22 sentence at the end thereof stating, "Such fund may also be

1 utilized to pay administrative expenses of the Secretary neces-
2 sary to carry out the provisions of this Act."

3 (h) Said Act is amended by adding at the end thereof the
4 following new section 11:

5 "SEC. 11. The Secretary shall report to the Committee
6 on Agriculture, United States House of Representatives, and
7 the Committee on Agriculture and Forestry, United States
8 Senate, on or within one year of the date of the enactment of
9 this section, and annually thereafter, with respect to the effec-
10 tiveness of this Act. The Secretary shall be required, but not
11 limited, to include in such report the number of loan applica-
12 tions submitted, the number and amount of loans approved, the
13 financial situation facing cattlemen at the time of the report,
14 the effect of this Act on the retail marketing of beef and on the
15 farm-retail price spread of beef, and any recommendations
16 he may have as to actions which can be taken to further de-
17 crease the price spread and to increase the consumption of
18 beef."

19 SEC. 2. Section 316 of the Consolidated Farm and
20 Rural Development Act is amended by striking the period at
21 the end of the first sentence and inserting after the words
22 "additional years" the following: "except that if two or more

- 1 *loans are consolidated the renewal period shall be computed*
 2 *from the due date of the most recent loan."*

Amend the title so as to read: "An Act to amend the
 Emergency Livestock Credit Act of 1974 and section 316
 of the Consolidated Farm and Rural Development Act."

Passed the Senate March 20 (legislative day, March 12),
 1975.

Attest:

FRANCIS R. VALEO,

Secretary.

Reported with amendments, committed to the Com-
 mittee of the Whole House on the State of the
 Union, and ordered to be printed
 April 7, 1975
 Referred to the Committee on Agriculture
 March 31, 1975
 Credit Act of 1974 and for other purposes
 To extend and amend the Emergency Livestock
 Credit Act of 1974 and for other purposes
 AN ACT
 [Report No. 94-132]
 1st Session
 94th CONGRESS
 2. 1536
 Union Calendar No. 53

94TH CONGRESS
1ST SESSION

S. 1236

[Report No. 94-125]

AN ACT

To extend and amend the Emergency Livestock
Credit Act of 1974, and for other purposes.

MARCH 21, 1975

Referred to the Committee on Agriculture

APRIL 7, 1975

Reported with amendments, committed to the Com-
mittee of the Whole House on the State of the
Union, and ordered to be printed

THE WHITE HOUSE

WASHINGTON

Charlie --

Hyde Murray called with the following message re the Farm Bill and veto threat --

Chairman Foley is very surprised and disappointed. "We believe we acted with moderation and responsibility in consideration and passage of this bill.

"Notwithstanding this threat of a veto it is our intention to go to conference Monday and iron out differences in this legislation. "

Neta
4/11/75

Judy Johnston
D R A F T

April 30, 1975 - 7:00 a.m.

OK / 6/25

To the House of Representatives:

I am returning without my approval H.R. 4296, referred to as the Emergency Agricultural Act of 1975. Although the aim of this bill is laudable, its results would be costly to consumers and taxpayers, ~~and damaging to~~ ^{*it would damage*} America's economic recovery and world market position.

Approval of this bill ~~would~~ ^{*would*} therefore, not be in the public interest.

In the conduct of the Government's fiscal affairs, a line must be drawn against excesses. I drew that line in my address to the Nation on March 29. I promised all Americans that, except where ~~long-range~~ ^{*REQUIREMENTS*} national security interests, energy ~~matters~~ ^{*or*} urgent humanitarian needs were involved, I would ~~take action~~ to hold our fiscal year 1976 deficit to no more than \$60 billion.

New spending programs which the Congress is considering could easily raise the Federal deficit to an intolerable level of \$100 billion. This must not happen.

H.R. 4296 is an example of increased ^{*non-essential*} spending ~~which is not essential~~. In fiscal year 1976, it could add an estimated \$1.8 billion to the Federal deficit. If used as a point of departure for longer-term legislation -- as was strongly



OK
2nd
4/30/75

during its consideration
indicated ~~during its consideration~~ -- it could lead to an escalation of farm program subsidies in succeeding years.

Approval of this bill would undermine the successful market-oriented farm policy adopted by this Administration and the Congress. It is a step backward toward ~~totally~~ *previously* discredited policies.

Prospects for farmers, it is true, are not as bright this year as in the recent past. Farm production costs have been pushed upward by the same inflationary pressures that ~~have~~ affected other industries. ~~At the same time,~~ *simultaneously* demand for certain farm products *has* slackened because of the recession.

The ~~This~~ Administration recognizes *that* farmers have financial difficulties due to this cost-price squeeze *it* and has taken a number of positive steps to assist farmers. The 1976 wheat acreage allotment was recently increased by 8 million acres to 61.6 million acres. This action provides wheat producers with additional target price and disaster protection. *I* We have also increased the 1975 crop cotton price support loan rate by 9 cents a pound. And we recently announced an increase in the price support level for milk, which, combined with easing feed prices, *be helpful to* ~~assist~~ dairy producers.



Within the past several days, we have completed negotiations with the European Community to remove the export subsidies on industrial cheese coming here -- a step that ensures that surplus dairy products will not be sold in the U.S. market at cut-rate prices. At the same time, we have worked out arrangements which enable the Europeans to continue selling us high-quality table cheese. This solution has enabled us to keep on mutually agreeable trading terms with our best customers for American farm exports.

The Administration has
~~We have~~ also taken action to protect our cattle producers against a potential flood of beef imports from abroad. The Department of State is completing negotiations with 12 countries limiting their 1975 exports of beef to this country. These voluntary export restraint agreements are intended to keep imports subject to the Meat Import Law to less than ^{1.18} ~~1.18~~ million pounds.

In addition, if unforeseen price deterioration requires action on my part, I will direct the Secretary of Agriculture to make adjustments in price support loan rates for wheat, corn, soybeans, and other feed grains. But it is our expectation, that market prices for grains will remain well above loan rates and target prices in the coming year.



Most farmers have already made their plans and bought their seed. Many are well into their planting season. These plans have obviously been completed without any dependence on the provisions of H.R. 4296.

In the long haul, this bill ultimately would lead to constraints on production ^{AND} resulting in loss of jobs in food-related industries. It would induce farmers to grow more cotton -- already in surplus -- and less soybeans ~~be~~ needed for food. The bill would jeopardize the competitive position of our cotton in world markets.

American farms ^{ERS} have responded magnificently during the past several years to produce food and fiber for this Nation and the world. This has made agriculture our leading source of foreign exchange. This year, despite very trying circumstances, most farmers are again ^{making full} ~~going for all-out~~ production. They have my support for a vigorous export policy for their products. I recognize that agricultural exports have been restrained twice in the past two years. We have ^{now} eliminated all restrictions on exports and we are determined not to ^{in 1966} ~~have~~ them again.

Our farm products must have unfettered access to world markets.

This Administration will act to ^{protect American} ~~ensure~~ the farmer's ^{and} ~~his~~ ^{best interests.} ~~fair share.~~ It will not act to distort his market. We must



hold the budget line if we are all to enjoy the benefit
of a prosperous, stable, non-inflationary economy.

[In all these reasons,

I cannot approve this act. ~~I return it herewith.~~

[Signature]



EMBARGOED FOR RELEASE

MAY 1, 1975

UNTIL 6:00 P.M. (EDT)

Office of the White House Press Secretary

THE WHITE HOUSE

TO THE HOUSE OF REPRESENTATIVES:

I am returning without my approval H.R. 4296, referred to as the Emergency Agricultural Act of 1975. Although the aim of this bill is laudable, its results would be costly not only to consumers and taxpayers but to American farmers in the long run. It would damage our international market position which is so essential to American agriculture's long-term interests.

Approval of this bill, therefore, would not be in the public interest.

In the conduct of the Government's fiscal affairs, a line must be drawn against excesses. I drew that line in my address to the Nation on March 29. I promised all Americans that, except where national security interests, energy requirements, or urgent humanitarian needs were involved, I would act to hold our fiscal year 1976 deficit to no more than \$60 billion.

New spending programs which the Congress is considering could easily raise the Federal deficit to an intolerable level of \$100 billion. This must not happen.

H.R. 4296 is an example of increased non-essential spending. In fiscal year 1976, it could add an estimated \$1.8 billion to the Federal deficit. If used as a point of departure for longer-term legislation -- as was strongly indicated during its consideration -- it could lead to an escalation of farm program subsidies in succeeding years.

Approval of this bill would undermine the successful market-oriented farm policy adopted by this Administration and the Congress. It is a step backward toward previously discredited policies.

Prospects for farmers, it is true, are not as bright this year as in the recent past. Farm production costs have been pushed upward by the same inflationary pressures that affect other industries. Demand for certain farm products has simultaneously slackened because of the recession. Prices paid by farmers are currently 11 percent above year-ago levels. In contrast, the index of prices received by farmers is now 7 percent below levels of a year ago. Fortunately, the latest index, released Wednesday, shows that the 5-month decline in prices received by farmers has been reversed and was 4 percent above a month earlier.

The Administration recognizes that some farmers have experienced financial difficulties due to this cost-price squeeze. It has taken a number of positive steps to assist farmers. The 1976 wheat acreage allotment was recently increased by 8 million acres to 61.6 million acres. This action provides wheat producers with additional target price and disaster protection.

more

We have also increased the 1975 crop cotton price support loan rate by 9 cents a pound. And we recently announced an increase in the price support level for milk, which, combined with easing feed prices, should be helpful to dairy producers.

Within the past several days, we have completed negotiations with the European Community to remove the export subsidies on industrial cheese coming here -- a step that ensures that surplus dairy products will not be sold in the U.S. market at cut-rate prices. At the same time, we have worked out arrangements which enable the Europeans to continue selling us high-quality table cheese. This solution has enabled us to keep on mutually agreeable trading terms with our best customers for American farm exports.

The Administration has also taken action to protect our cattle producers against a potential flood of beef imports from abroad. The Department of State is completing agreements with 12 countries limiting their 1975 exports of beef to this country. These voluntary export restraint agreements are intended to keep imports subject to the Meat Import Law to less than 1,182 million pounds.

If unforeseen price deterioration requires action on my part, I will direct the Secretary of Agriculture to make adjustments in price support loan rates for wheat, corn, soybeans, and other feed grains. But it is our expectation that market prices for grains will remain well above loan rates and target prices in the coming year.

Most farmers have already made their plans and bought their seed. Many are well into their planting season. These plans have obviously been completed without any dependence on the provisions of H.R. 4296.

In the long haul, this bill would lead to constraints on production and result in loss of jobs in food-related industries. It would induce farmers to grow more cotton -- already in surplus -- and less soybeans needed for food. The bill would jeopardize the competitive position of our cotton in world markets.

American farmers have responded magnificently during the past several years to produce food and fiber for this Nation and the world. This has made agriculture our leading source of foreign exchange. This year, despite very trying circumstances, most farmers are again seeking full production. They have my support for a vigorous export policy for their products. I recognize that agricultural exports have been restrained twice in the past two years. We have now eliminated all restrictions on exports and we are determined to do everything possible to avoid imposing them again. Our farm products must have unfettered access to world markets.

more

This Administration is determined to act in support of the American farmer and his best interests. It will not act to distort his market. We must hold the budget line if we are all to enjoy the benefits of a prosperous, stable, non-inflationary economy.

For all these reasons, I cannot approve this act.

GERALD R. FORD

THE WHITE HOUSE,

May 1, 1975.

#

The price of corn would increase approximately 46 percent with a U.S. acreage reduction of 9% and exports and domestic use were to remain unchanged, an Iowa State University computer study showed.

The point being that without increased price supports many farmers would reduce their planting.

Moreover, the Christian Science Monitor stated in an editorial on April 17, 1975, that—

If President Ford wants farmers to produce up to their maximum as he urges, to help moderate food prices at home and help feed the hungry abroad, he should sign the farm-price bill. Passage would reduce the risk of the kind of price whiplash that has hurt farmers and consumers in recent years.

Finally, Mr. Speaker, the inability to recognize the importance of this legislation and the necessity of its passage can result only in furthering the frustrations of both the farmer and the consumer and the imposition of additional financial burdens on each group.

Mr. FOLEY. Mr. Speaker, I yield myself the remaining time.

(Mr. FOLEY asked and was given permission to revise and extend his remarks.)

Mr. FOLEY. Mr. Speaker, this is a bill that has been written in the House of Representatives. It was written by a bipartisan majority of the Committee on Agriculture. It was supported by a bipartisan majority in this House and in the other body, and sustained in the conference report by a bipartisan majority. This is not a partisan bill. It is the work of the best judgment of the Members of this Congress, and if I may be excused in saying so, the best informed and most concerned Members who know agriculture from both sides of the aisle have supported this bill enthusiastically.

It will not raise the prices to consumers. It will provide protection for full production and it will, in my judgment, be a step forward to assuring this country and all the world that depends upon our productive capacity that there will not be shortages of vital food or fiber we need to provide the life support for our millions of citizens and for the hundreds of millions around the world who depend upon us.

I urge my colleagues in the House to join me in voting to override the President's veto of H.R. 4296, the Emergency Agricultural Act of 1975. The President's veto message tells us why we need the additional safeguards provided by H.R. 4296. As he stated, farm production costs have been pushed upward. Demand for certain farm products has simultaneously slackened because of the recession. Prices paid by farmers are currently 11 percent above year-ago levels. In contrast, the index of prices received by farmers is now far below levels of a year ago. The Secretary of Agriculture and the land grant universities agree that the current production costs for wheat, feed grains and cotton are higher than the current target prices. These target prices and loan levels were established in 1973 before inflation saddled our farmers with these marked increases in costs.

Let me summarize briefly the provisions of H.R. 4296. The bill would revise

upward target and loan rates so that they would be within the range of the cost of producing the commodities covered by the bill according to data supplied by land-grant universities around the country.

Target prices under H.R. 4296 are for cotton, 45 cents a pound, wheat, \$3.10 a bushel, and corn, \$2.25 a bushel. Target prices are used as a basis for making deficiency and disaster payments to producers.

Loan rates under H.R. 4296 are for cotton, 38 cents a pound, wheat, \$2.50 a bushel, and corn, \$1.87 a bushel. The bill also provides a mandatory loan program for soybeans with support at \$3.94 a bushel—last year USDA abandoned the loan program for this important commodity.

Support for milk is established at 80 percent of parity with quarterly adjustments to reflect changes in production costs. The 80-percent level is the level at which milk was supported last year but the requirement for quarterly adjustments provides farmers important protection from the erosion that can occur in the support level from inflationary increases in production costs.

The purpose of the target prices and loan levels is to lend stability to the markets for farm products. If our farmers are going to produce the food and fiber needed at home and abroad, if we are going to rebuild our reserves to avoid the short supply situation that has plagued the country in the recent past, then our farmers need the price assurances and income protection provided by this farm bill. The bill is more than just a stabilization of farm income. It places the Nation's food and fiber supply in a more secure and stable position. Without it, there is a clear and present danger farmers would cut back production for fear of glutting the market and causing a precipitous drop in farm prices. The bill gives farmers the kind of assurance needed to push for the largest possible production.

The President claims that H.R. 4296 could add an estimated \$1.8 billion to the Federal deficit. This is predicated on the assumption that commodities put under loan represent a dead loss to the Government. This is hardly the case. Government loan stocks represent another form of bank account. If the bill achieves its objective of keeping prices at stable levels, there may be little if any commodities taken in under the loan program. Farmers who may need immediate cash may pledge their crops to the Government but during the season would redeem the commodity and repay the loan with interest. If prices should fall, then the Government would acquire title to these inventories but with proper management could dispose of these stocks as it has in the recent past at a profit or with little if any cost to the Government. The only net costs to the Government of the program would be from the deficiency and disaster payments. Net outlays under the bill could amount to approximately \$230 million if there were to be no recovery in prices received by farmers, particularly cotton farmers. The low price of cotton today is the re-

sult of the economic recession we are now experiencing. This price will also recover and payments may not be necessary. Already, there is a tendency to this effect.

The bill would have minimal effects on consumer prices. According to USDA estimates, the consumer price of milk would increase only about 1 cent a gallon, and cheese, 1 cent a pound. The price of wheat in a loaf of bread is but a fraction of the cost of the loaf—less than 5 cents per pound loaf. More importantly, if this bill were enacted, farmers would react in a positive fashion and provide consumers abundant supplies at fair and reasonable prices.

I strongly urge my colleagues to join with me in overriding the President's veto.

Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is, Will the House, on reconsideration, pass the bill, the objections of the President to the contrary notwithstanding?

Under the Constitution, this vote must be determined by the yeas and nays.

The vote was taken by electronic device, and there were—yeas 245, nays 182, not voting 6, as follows:

[Roll-No. 201]

YEAS—245

Abdnor	Edgar	LaFalce
Alexander	Edwards, Calif.	Latta
Andrews, N.C.	Ellberg	Leggett
Andrews, N. Dak.	English	Lehman
Annunzio	Evans, Colo.	Litton
Ashley	Evins, Tenn.	Lloyd, Tenn.
Aspin	Fisher	Long, La.
AuCoin	Flithian	Lott
Badillo	Flood	McCollister
Baldus	Florio	McCormack
Barrett	Flowers	McDade
Baucus	Flynt	McEwen
Beard, R.I.	Foley	McFall
Beard, Tenn.	Ford, Tenn.	McHugh
Bedell	Fountain	McKay
Bergland	Fraser	Mahon
Bevill	Fulton	Mann
Biester	Fugua	Mathis
Bingham	Gaydos	Matunaga
Blouin	Gialmo	Meeds
Boggs	Gibbons	Meicher
Boiling	Ginn	Meyner
Bonker	Gonzalez	Mezvinisky
Bowen	Grassley	Miller, Calif.
Brademas	Green	Mills
Breaux	Hagedorn	Mineta
Breckinridge	Hall	Mink
Brinkley	Hamilton	Mitchell, Md.
Brodhead	Hanley	Moakley
Brooks	Hannaford	Moffett
Brown, Calif.	Harkin	Montgomery
Broyhill	Hawkins	Moore
Burke, Calif.	Hayes, Ind.	Moorhead, Pa.
Burke, Mass.	Hays, Ohio	Morgan
Burleson, Tex.	Hefner	Moss
Burlison, Mo.	Henderson	Murphy, Ill.
Burton, John	Hicks	Murtha
Burton, Phillip	Hightower	Myers, Ind.
Carney	Hillis	Natcher
Carr	Holland	Neal
Carter	Howard	Nedzi
Casey	Howe	Nichols
Chappell	Hubbard	Nix
Chisholm	Hughes	Nolan
Clay	Hungate	Nowak
Cochran	Ichord	Oberstar
Corman	Jefferts	Obey
Cornell	Jenrette	O'Neill
D'Amours	Johnson, Calif.	Otinger
Danielson	Jones, Ala.	Passman
Davis	Jones, N.C.	Patman
de la Garza	Jones, Okla.	Patterson, Calif.
Dellums	Jones, Tenn.	Pattison, N.Y.
Dent	Jordan	Perkins
Derrick	Karth	Pickle
Diggs	Kasten	Poage
Dingell	Kastenmeier	Preiser
Dodd	Kazen	Preyer
Duncan, Oreg.	Keys	Price
Eckhardt	Krebs	Quie
	Krueger	Randall

U.S. HOUSE OF REPRESENTATIVES
JULY 13, 1975

Rangel
Reuss
Richmond
Riegle
Risenhoover
Roberts
Roncallo
Rose
Roush
Runnels
Ryan
Schroeder
Sebelius
Seiberling
Sharp
Shipley
Shriver
Sikes
Simon
Sisk
Skubitz
Slack

Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spence
Staggers
Stanton
James V.
Stark
Steed
Steiger, Wis.
Stephens
Stokes
Stuckey
Sullivan
Symington
Taylor, Mo.
Taylor, N.C.
Teague
Thompson
Thone
Thornton

Traxler
Treen
Tsongas
Udall
Ullman
Vander Veen
Vigorito
Waggonner
Wampler
Waxman
Weaver
White
Whitten
Wilson,
Charles, Tex.
Winn
Wirth
Wright
Young, Ga.
Young, Tex.
Zablocki

NAYS—182

Abzug
Addabbo
Ambro
Anderson,
Calif.
Anderson, Ill.
Archer
Armstrong
Ashbrook
Bafalis
Bauman
Bell
Bennett
Biaggi
Blanchard
Boland
Broomfield
Brown, Mich.
Brown, Ohio
Buchanan
Burgener
Burke, Fla.
Butler
Byron
Cederberg
Clancy
Clausen,
Don H.
Clawson, Del.
Cleveland
Cohen
Collins, Ill.
Collins, Tex.
Conable
Conlan
Conte
Conyers
Cotter
Coughlin
Crane
Daniel, Dan
Daniel, Robert
W., Jr.
Daniels
Dominick V.
Delaney
Derwinski
Devine
Dickinson
Downey, N.Y.
Downing, Va.
Drinan
Duncan, Tenn.
du Pont
Early
Edwards, Ala.
Emery
Erlenborn
Esch
Eshleman
Fascell
Fenwick
Findley
Fish

Forsythe
Frenzel
Frey
Gillman
Goldwater
Goodling
Gradison
Gude
Guyer
Haley
Hammer
Schmidt
Hansen
Harrington
Harris
Harsha
Hastings
Hébert
Heckler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Holt
Holtzman
Horton
Hutchinson
Hyde
Jacobs
Jarman
Johnson, Colo.
Johnson, Pa.
Kelly
Kemp
Ketchum
Kindness
Koch
Lagomarsino
Landrum
Lent
Levitas
Lloyd, Calif.
Long, Md.
Lujan
McClory
McCloskey
McDonald
McKinney
Macdonald
Madden
Madigan
Maguire
Martin
Mazzoli
Metcalfe
Michel
Mikva
Milford
Miller, Ohio
Minish
Mitchell, N.Y.
Moorhead,
Calif.
Mosher
Mottl

Murphy, N.Y.
Myers, Pa.
O'Brien
O'Hara
Patten
Pepper
Pettis
Peyser
Pike
Fritchard
Quillen
Rallsback
Rees
Regula
Rhodes
Rinaldo
Robinson
Rodino
Roe
Rogers
Rooney
Rosenthal
Roussetot
Roybal
Ruppe
Russo
St Germain
Santini
Sarasin
Sarbanes
Satterfield
Scheuer
Schneebeli
Schulze
Shuster
Spellman
Stanton
J. William
Steelman
Steiger, Ariz.
Stratton
Studds
Symms
Talcott
Van Deerlin
Vander Jagt
Vanik
Walsh
Whalen
Whitehurst
Wiggins
Wilson, Bob
Wilson,
Charles H.,
Calif.
Wolff
Wylder
Wyllie
Yates
Yatron
Young, Alaska
Young, Fla.
Zeferetti

NOT VOTING—6

Adams
Evans, Ind.

Ford, Mich.
Hinshaw

Mollohan
Rostenkowski

So, two-thirds not having voted in favor thereof, the veto of the President was sustained, and the bill was rejected.

The Clerk announced the following pairs:

Mr. Evans of Indiana with Mr. Adams.
Mr. Ford of Michigan with Mr. Hinshaw.
Mr. Rostenkowski with Mr. Mollohan.

The result of the vote was announced as above recorded.

The SPEAKER. The Clerk will notify the Senate of the action of the House.

GENERAL LEAVE

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the veto message just under consideration.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

PERMISSION FOR COMMITTEE ON RULES TO FILE CERTAIN PRIVILEGED REPORTS

Mr. MATSUNAGA. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain privileged reports.

The SPEAKER. Is there objection to the request of the gentleman from Hawaii?

There was no objection.

PERMISSION FOR COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT TO SIT DURING GENERAL DEBATE AND DURING THE 5-MINUTE RULE TOMORROW

Mr. FLYNT. Mr. Speaker, I ask unanimous consent that the Committee on Standards of Official Conduct may sit during general debate and during the 5-minute rule on tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

AUTHORIZING APPROPRIATIONS FOR TOURIST TRAVEL PROMOTION

Mr. MATSUNAGA. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 445 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. Res. 445

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5357) to authorize appropriations to the Secretary of Commerce for the promotion of tourist travel. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER. The gentleman from Hawaii (Mr. MATSUNAGA) is recognized for 1 hour.

(Mr. MATSUNAGA asked and was given permission to revise and extend his remarks.)

Mr. MATSUNAGA. Mr. Speaker, I yield 30 minutes to the gentleman from California (Mr. DEL CLAWSON), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 445 provides for consideration of H.R. 5357, which, as reported by our Committee on Interstate and Foreign Commerce, would authorize appropriations to the Secretary of Commerce to promote tourist travel within the United States, and also to promote international travel by foreign residents to the United States. The resolution provides an open rule with 1 hour of general debate, with the time being equally divided and controlled by the chairman and ranking minority members of the Committee on Interstate and Foreign Commerce.

After general debate, the bill would be read for amendment under the 5-minute rule. At the conclusion of the consideration of H.R. 5357 for amendment, the committee will rise and report the bill to the House with such amendments as may have been adopted, and the previous question will be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. Speaker, tourism is recognized as big business in the United States. In 46 States, tourism ranks among the top three industries, and in three of these States, including my own State of Hawaii, it is the leading industry. Tourism as an industry generates annual revenues in the total amount of \$61 billion, and provides over 4 million jobs to Americans. In view of the current depressed state of our economy, it is particularly noteworthy that tourism increases Federal, State, or local tax receipts.

Despite this seemingly rosy picture, the tourism industry is actually operating considerably below capacity level. For example, it has been reported that U.S. hotels and motels are presently operating at only 30 percent of capacity. Furthermore, from an estimated 85 million persons throughout the world who have the means to travel to the United States, we have, over a period of years, managed to induce only a relatively small number to visit this country.

The U.S. Travel Service, which as established in the Department of Commerce by Congress in 1961 and given broader responsibilities in 1970, reports that the U.S. net balance-of-payment deficit from international tourism in 1974 was slightly under \$3 billion, an improvement over the \$3.1 billion deficit recorded in 1973. This momentum toward a more favorable net balance of payments can, and should, be maintained. Experience has shown that it is an undertaking that can be successful only through the continued partnership of the Federal Government and private industry in promoting the United States as an international travel destination.



Remarks by Rep. Charles Rose
U. S. House of Representatives
June 18, 1975

RURAL DEVELOPMENT: BROKEN PROMISES

Mr. Speaker, the Subcommittee on Family Farms and Rural Development of the Committee on Agriculture has just finished two exhaustive days of oversight into the administration of -- and expenditures under -- the Rural Development Act of 1972.

As Chairman of this Subcommittee, I was astounded and saddened to learn that the Department of Agriculture has used precious little of the authority given it under this legislation to improve the quality of life in rural America.

For the past two days, we have made a section-by-section analysis of the statute and asked Department officials for detailed responses on how they have implemented the specific mandates of the Act. Time after time we were told that some particular authority had not been implemented because some other agency within USDA or some other department or agency of the government was providing similar service.

After numerous such responses, I observed that if the officials of the Rural Development Service had been around two centuries ago when the Bill of Rights was being considered, they might have said it was a good idea. But why bother, since we already have the Ten Commandments?

Mr. Speaker, the Rural Development Act -- duly enacted by the Congress

Page two

and signed into law by the President -- says that the Secretary of Agriculture "shall assume responsibility for coordinating a nationwide rural development program. . ." The Act further directs him to "utilize to the maximum extent practicable" each of the offices within his Department "to enhance rural development."

This has not been done.

Specifically, the assistance to the small cities and towns of this country envisioned in this law has not been carried out.

Expanded grant and loan programs for water and sewer construction in rural America have not been implemented.

The mandate of Congress for adequate rural housing through rent supplements and other programs has been ignored.

Title IV of the Act providing a program of rural community fire protection has been totally neglected. The President even attempted to rescind the funds forced on the Department by the Appropriations Committee. Only after Congress rejected this effort did the money begin flowing to State forestry officials.

Minimal funding of Title V, which provides research and education monies, produced some spectacular success stories of dying towns given new life through self-help motivation. Yet, the Administration does not recommend that these efforts be continued, but argues instead that the Agricultural Research Stations or the Extension Service could do the job as well.

Page three

Hardly a protest was made when the Office of Management and Budget arbitrarily eliminated "Rural Development" as a functional category within the Federal Budget -- yet the Secretary is charged with providing "leadership and coordination within the Executive Branch" by this law.

It is one thing, Mr. Speaker, to fight the good fight and lose. But not to fight at all is to betray the hopes and dreams of those millions of citizens who still have faith in rural America.

The facts presented at these hearings show that every time rural development comes up for funding, the Administration has consistently refused to request that funding. In addition, the Administration has shown a continuing disregard for the intent of the Act by transferring funds, ignoring mandates of the various titles of the Act and switching funding sources.

When the Congress passed the Rural Development Act, the directive to the Department of Agriculture was that this legislation was the vehicle to channel the tax dollars of rural America back to their communities.

From what we have seen during these hearings, the Department is laughing in the faces of rural America -- laughter that I and other Members of the Subcommittee strongly resent.

In the past, as OMB has gone, so have gone the Members of Congress who were thoroughly intimidated by the awesome power of the Budget and the arm-twisting tactics of the Executive Branch.

Page four

But now, Mr. Speaker, there is new blood here -- a new Congress, with a new Agriculture Committee and a new Budget Committee.

I told the Assistant Secretary of Agriculture for Rural Development, Mr. William W. Erwin, and a dozen of his associates responsible for administering this Act, that our Subcommittee was prepared to give them a little transfusion of courage so that they can fight for full funding for rural America.

Mr. Speaker, the New York Times this week headlined the results of new projections by the Census Bureau indicating the rural areas of the country are growing faster than urban areas.

People are moving out of urban areas at a greater rate than others are moving in. This trend is without precedent. Since 1790, our young agrarian nation has moved toward an urban society.

An old farmer in my District had a very profound comment about all the city folks moving into the rural areas: "Whatever it is they're trying to get away from, they're bringing it with them."

These problems -- health, housing, pollution of water and air, transportation -- are the problems caused by people. And these are the very problems the Rural Development Act is designed to confront.

The promise of a better life is still vivid for most of rural America. The Congress has given the Department of Agriculture the mandate and authority to make that promise come true. They must act to see that it does.

#

July 10, 1975

Dear Congressman Archer:

As we discussed, attached is a breakdown of the Department of Agriculture offices in the State of Maryland.

Most of these are local county offices, however, some are large installations in the Baltimore, Beltsville, and College Park areas.

If I can be of any further assistance, please feel free to call upon me.

Sincerely,

Thomas G. Loeffler
Special Assistant for
Legislative Affairs

Honorable Bill Archer
House of Representatives
Washington, D. C. 20515

Enclosure

TGL:nd





DEPARTMENT OF AGRICULTURE
OFFICE OF THE SECRETARY
WASHINGTON, D. C. 20250

July 9, 1975

MEMORANDUM TO: Tom Loeffler
Special Assistant for
Congressional Relations
The White House

FROM: John Foltz
Deputy Under Secretary
for Legislative Affairs

A handwritten signature in dark ink, appearing to read "J. Foltz", is written over the typed name "John Foltz" in the "FROM:" line.

Attached is a rundown on the Department's offices in the State of Maryland. Most of these are local County offices, but some -- as you can see -- are larger installations in Baltimore, Beltsville, and College Park.

****Agricultural Stabilization and Conservation Service (ASCS)**
Extension Service(ES)
Soil Conservation Service(SCS)
Agricultural Marketing Service(AMS)
Animal and Plant Health Inspection Service(APHIS)
Agricultural Research Service(ARS)
National Agricultural Library(NAL)
Food and Nutrition Service(FNS)
Farmers Home Administration(FmHA)
Statistical Reporting Service(SRS)
Federal Crop Insurance Corporation(FCIC)
Office of Investigation(OI)



USDA OFFICES IN MARYLAND

ANNAPOLIS

**ASCS, ES, SCS

BALTIMORE

AMS 103 S. Gray Street
 APHIS 103 S. Gray Street
 Dundalk Marine Terminal
 Friendship Airport.

ES

BEL AIR

ASCS, APHIS, ES, SCS

BELTSVILLE

APHIS 5026 Herzel Place
 ARS Agricultural Research Center
 SCS Plant Material Center
 NAL

CAMBRIDGE

ASCS, ES

CENTREVILLE

ASCS, FNS, ES, SCS

CHESTERTOWN

ASCS, ES, FmHA, SCS


COCKEYSVILLE

ASCS, ES, SCS

COLLEGE PARK

APHIS
 ASCS State Office
 4321 Hartwick Road
 SCS State Office
 4321 Hartwick Road
 SRS University of Maryland
 Symons Hall

CUMBERLAND	ASCS, ES, FmHA, FNS, SCS
DENTON	ASCS, ES, FmHA, SCS
EASTON	AMS, ASCS, ES, FmHA, SCS
ELKTON	ASCS, ES, SCS
ELLCOTT CITY	ASCS, ES, SCS
FREDERICK	ASCS, ES, FmHA, FNS, SCS
GAITHERSBURG	ASCS, ES, SCS
GLENN DALE	ARS Plant Introduction Station
HAGERSTOWN	ASCS, ES, FmHA, FNS, SCS
HANCOCK	APHIS
HUGHESVILLE	FCIC
HYATTSVILLE	OI, APHIS
LA PLATA	FNS, ES, FmHA, SCS
LEONARDTOWN	ASCS, ES, FmHA
NORTH EAST	FmHA
OAKLAND	ASCS, ES, FmHA, SCS
PRINCE FREDERICK	ASCS, ES, FmHA, SCS
PRINCE ANNE	ASCS, ES, SCS



ROCKVILLE	ASCS, ES, SCS
SALISBURY	APHIS, ASCS, ES, FmHA, FNS, SCS, SRS
SNOW HILL	ASCS, ES, FmHA, SCS
UPPER MARLBORO	ASCS, ES, SCS
WALDORF	ASCS
WEST FRIENDSHIP	AMS
WESTMINSTER	ASCS, ES, FmHA, SCS
WHITE PLAINS	ES

Total Number USDA offices in Maryland - 114



RED TAG

Five

THE WHITE HOUSE
WASHINGTON

July 15, 1975

MEMORANDUM FOR:

~~MAX FRIEDERSDORF~~

THRU:

VERN LOEN VL

FROM:

CHARLES LEPPERT, JR. CLP.

SUBJECT:

Rep. Wayne Hays (D-Ohio)

Attached is the copy of the letter you requested that I pick up from Rep. Wayne Hays' office.

CL - we already have
this - I am tracking
w/ ASDA
VL



June 25, 1975

Mr. Hays:

Maynard Buck applied for a \$1.8 million economic development loan from the Farmers Home Administration. The purpose of the loan was to purchase Carrollton Graphics, a company which is failing at present but which he believes has substantial potential.

Mr. Buck invested 10% of the amount (\$180,000). The Farmers Home offered to guarantee 90%. The bank offered to put up the remainder but asked Mr. Buck to make a personal guarantee for the amount carried by the bank. Mr. Buck felt that his investment was substantial and, therefore, he should not be obliged to make the kind of guarantee which would risk his home and personal property. The bank accepted the loan on this basis and the Farmers Home office in Columbus forwarded the application to Washington.

The Washington office of the Farmers Home indicated that the loan looks sound based on their evaluation of the company's chances and Buck's experience and demonstrated business competence. The only problem which might arise would be that Buck was not making a personal guarantee commensurate with the guarantee being provided by the Farmers Home. I advised that we believe this to be an important project for the development of the area, that it would continue many jobs that will undoubtedly be lost otherwise and that you also have great faith in Mr. Buck's business acumen.

PAA



RED TAG

THE WHITE HOUSE
WASHINGTON

August 18, 1975

MEMORANDUM FOR: VERN LOEN
FROM: CHARLES LEPPERT, JR.
SUBJECT: Rep. Tom Hagedorn (R-Minn.)

Hagedorn called last week on the grain situation and the dispute over whether the longshoremen would load the grain. States that the grain sale and federal control of farm exports is a serious issue in Minnesota.

Doesn't like the idea that the longshoremen can affect international trade policy by refusing to load grain on ships and such actions affect the domestic market price of grain. Minnesota has experienced a severe draught cutting the wheat crop in half and the people feel the government is working against them by contracting the foreign markets. There is no reason to ban the sale of wheat or soybeans. There may be reason to hold down corn sales to protect domestic livestock but not the others.

Says the President and Butz are going back on what they said when they vetoed the farm bill if they now want to again control agricultural exports. Feels the President should make a statement in Minnesota to the affect that "he will not permit one segment of our society (the longshoremen) to dictate our international trade policy.

Vern, do you think you should call Paul Theis on this in Vail to get something like this in the President's speech in Iowa or Minnesota?

cc: Max Friedersdorf



(not read after being typed)

THE WHITE HOUSE
WASHINGTON

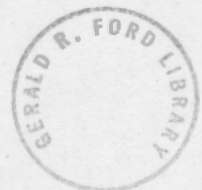
July 16, 1975

MEMORANDUM FOR: MAX FRIEDERSDORF
THROUGH: VERN LOEN *VL*
FROM: TOM LOEFFLER *AL*
SUBJECT: Conversation with Congressman
Joe Waggoner (D. -La.)

On several occasions Congressman Waggoner has expressed his sincere concern over the prospective sale of grain to the Soviet Union. It is his opinion that because the last grain sale was poorly handled, the Administration and specifically the Department of Agriculture should make all facts known about the sale before it is finally consummated.

During House consideration of the Agriculture Appropriations Bill on July 14, the House rejected by voice vote an amendment that sought to prohibit funds to provide credit or other subsidies for purchases of United States agricultural commodities by the Soviet Union without prior congressional approval. Congressman Waggoner feels that this amendment, as well as the editorial such as appeared in the Washington Post on July 15 (attached), serve as a prelude to future criticism which may be levied against President Ford should such sales not be handled in a responsible, open and forthright manner. I believe that the congressman's concern merits strong consideration.

Attachment



Some items in this folder were not digitized because it contains copyrighted materials. Please contact the Gerald R. Ford Presidential Library for access to these materials.

The Washington Post

AN INDEPENDENT NEWSPAPER

The Next Russian Wheat Deal

ONCE AGAIN the Russians are apparently preparing to buy large quantities of American grain. Once again the U.S. government says it has no precise information on the Russians' intentions. Once again the Department of Agriculture seems to have become aware of the prospective sale mainly through accidental and in-

If he is wrong, grain prices will go up substantially. As the past several years have shown, the direct effects on the consumer are not the important ones. Even a heavy increase in the price of wheat has only a modest effect on the cost of a loaf of bread, since there is only a few cents' worth of wheat in a loaf that sells for half