

The original documents are located in Box 20, folder “Packers Bonding Bill - H.R. 4070” of the Loen and Leppert Files at the Gerald R. Ford Presidential Library.

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August 1, 1975

Dear Chuck:

Thank you for your letter to the President of today's date concerning H.R. 4070, a packers' bonding bill.

I want to assure you that I shall make certain the President receives your letter and attachments as soon as he returns from Europe early next week.

With kindest regards,

Sincerely,

Vernon C. Loen
Deputy Assistant
to the President

The Honorable Charles E. Grassley
House of Representatives
Washington, D.C. 20515

bcc: w/incoming to Alan Kranowitz - for appropriate handling.
bcc: w/incoming to James Cannon - for appropriate handling

VCL:EF:VO:vo



THE WHITE HOUSE

WASHINGTON

August 1, 1975

VO.
fyi
(1st)

MEMORANDUM FOR: RON NESSEN
THROUGH: MAX FRIEDERSDORF
FROM: VERN LOEN *VL*
SUBJECT: Iowa State Fair Visit on August 18, 1975

When the President visits Des Moines he can expect press inquiries related to the attached.

I am informed by OMB that the President personally decided to oppose legislation that would require meat packing plants to comply with the bonding requirements in the Packers and Stockyards Act administered by USDA.

This is an inflammatory issue in the Midwest where many livestock producers have lost their shirts as a result of packer bankruptcies-- notably the foldup of American Beef Packers, Inc., of Iowa early this year. The President may not have known of this aspect of the problem.

This decision is consistent with the President's drive to lessen government regulations that increase costs to consumers; however, USDA and many of his friends on the Hill, such as Senator Curtis, believe this was a grave mistake. It is particularly sensitive for the only Republican member of the Iowa delegation, freshman Rep. Charles Grassley, who will be with the President at the State Fair. Grassley himself is the sponsor of a bill (HR-4070), introduced on March 3, to require packer bonding in connection with their livestock purchasing operations. It is likely that such legislation will be passed in this session of Congress.

We have just received a letter from Congressman Grassley asking the President directly if he would veto such legislation and, if not, requesting a statement of clarification. If the question arises, as it almost certainly will, perhaps the President would want to review the earlier decision in advance of the visit.

Attachment

cc: Jim Cannon
Paul Theis
Al Kranowitz
~~Robert DeLoach~~



CHARLES E. GRASSLEY

35 DISTRICT, IOWA

1213 LONGWORTH HOUSE OFFICE BUILDING
WASHINGTON, D.C. 20515
(202) 225-3301

COMMITTEES:
AGRICULTURE
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AND HOUSING
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Congress of the United States
House of Representatives
Washington, D.C. 20515

DISTRICT OFFICES:

210 WATERLOO BUILDING
531 COMMERCIAL STREET
WATERLOO, IOWA 50701
(319) 232-6657

309-311 POST OFFICE BUILDING
211 NORTH DELAWARE AVENUE
MASON CITY, IOWA 50401
(515) 424-3613

19½ WEST MAIN STREET
MARSHALLTOWN, IOWA 50158
(515) 753-3172

August 1, 1975

The President
The White House
Washington, D.C.

Dear Mr. President:

Enclosed you will find a copy of a story that appeared on the front page of the Des Moines Register on July 24. Also I have enclosed a copy of HR 4070, a packer bonding bill, which I introduced last March. This bill was written with the assistance of the Department of Agriculture.

Responsible people in the management of Packing Plants were consulted. Farm organizations were favorable. Certainly the hundreds of Iowa farm families who were holding, collectively, \$ 6.6 million worth of bad checks from one recent packer bankruptcy consider this responsible legislation.

My question to you, Mr. President, is; are you unalterably opposed to this sort of legislation? Would you veto this type of a bill if it came to your desk? If not, I think we should meet with the appropriate members of the Agriculture Department and issue a statement of clarification.

Thank you.

Sincerely,

Chuck

CHARLES E. GRASSLEY,
Member of Congress

CEG:s1

Enclosure



FORD OPPOSES PACKER BONDING; IOWANS IN CONGRESS SHOCKED

BEDELL AND
CLARK WANTS
TO PUSH BILL

Report USDA rift over decision

By CLARK MOLLENHOFF
and GEORGE ANTHAN

Of The Register's Washington Bureau

WASHINGTON, D.C. — Pres-

Presses Legislation

Meanwhile, Senator Dick Clark (Dem., Ia.) said he would continue to press for the legislation in the Senate.

"The Senate Agriculture Committee is going to have the opportunity to press administration spokesmen on this Friday during hearings on the bonding bill Senator Carl Curtis and I have introduced, and I can assure that they will be pressed," Clark said.

"If the administration doesn't think a problem exists, they should come out and talk to the producers in western Iowa and eastern Nebraska who are currently holding bad checks

Bedell: 'Farmers entitled to some protection'

PACKERS

Continued from Page One

enacted as proposed, would total about \$800,000 annually."

"Fiscal Restraint"

"While this is not a large amount compared to other budget items, it is additional spending," Damgard said. "If larger budget deficits are to be avoided now and in the future, every agency, including the Department of Agriculture, must

the Office of Management Budget, the Justice Department and the Federal Trade Commission.

McClain had "no comment" on Wednesday's developments.

Phoned Ford

It was reported by reliable sources that Secretary was on the telephone to White House as late as morning Wednesday trying to get the President to change

CHARLES E. GRASSLEY
3D DISTRICT, IOWA

WASHINGTON OFFICE:
1213 LONGWORTH HOUSE OFFICE BUILDING

Congress of the United States
House of Representatives
Washington, D.C. 20515

August 5, 1975

Mr. Charles Lippert, Jr.
Special Assistant to the President
The White House
Washington, D. C.

Dear Mr. Lippert:

Please include the enclosed editorial on the packer bonding issue with the information I sent you yesterday for the President's attention. This further indicates the widespread interest in this matter.

Thank you for your assistance.

Sincerely,



JAMES B. (PETE) CONROY
Administrative Assistant

P:jmb
Enclosure

CHARLES E. GRASSLEY

3D DISTRICT, IOWA

1213 LONGWORTH HOUSE OFFICE BUILDING
WASHINGTON, D.C. 20515
(202) 225-3301

COMMITTEES:
AGRICULTURE
BANKING, CURRENCY
AND HOUSING
SELECT COMMITTEE ON AGING

Congress of the United States
House of Representatives
Washington, D.C. 20515

August 4, 1975

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DISTRICT OFFICES:

210 WATERLOO BUILDING
531 COMMERCIAL STREET
WATERLOO, IOWA 50701
(319) 232-6657

309-311 POST OFFICE BUILDING
211 NORTH DELAWARE AVENUE
MASON CITY, IOWA 50401
(515) 424-3613

19½ WEST MAIN STREET
MARSHALLTOWN, IOWA 50158
(515) 753-3172

Mr. Charles Lippert, Jr.
Special Assistant to the President
The White House
Washington, D. C.

Dear Mr. Lippert:

Last Friday the Congressman had delivered to the White House the enclosed letter. Because of the sensitive nature of this issue in Iowa, the Congressman wants to make sure the President himself reads the letter and the material enclosed prior to his (the President's) visit to Iowa on the 18th of August.

Could you let me know if this can be done so that in my next telephone conversation with the Congressman I can give him the word.

Following up my conversation with Vern Loen concerning the possibility of the Congressman riding from Colorado to Iowa with the President, there is a strong possibility that the Congressman may be able to be near Colorado and avail himself if the opportunity is there. If this is not possible, please let me know what arrangements you people are making to have the Congressman ride with the President from the airport.

I am sure you can understand why these things should be arranged now so that all will go smoothly on the 18th.

Looking forward to your early response.

Sincerely,



JAMES B. (PETE) CONROY
Administrative Assistant

P:jmb
Enclosure

August 1, 1975

The President
The White House
Washington, D. C.

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Thank you.

Sincerely,

CHARLES E. GRASSLEY,
Member of Congress

CEG:s1
Enclosure



How inexperienced advisers urged Ford to oppose packer bonding

By CLARK MOLLENHOFF

The Register's Washington Bureau Chief

WASHINGTON, D.C. — Robert D. Stewart, a 1974 graduate of the University of Iowa Law School, was the chief architect of the Justice Department memorandum in opposition to the bonding of meat packing

culture Department were a direct reaction, and I might say an overreaction, to the American Beef Packers bankruptcy," Stewart said.

Stewart said that "although the figures indicate that there



to the Justice Department "to straighten them out" on the reasons why it was vital that packers be bonded to restore the credibility of the packing industry in the wake of the American Beef disaster.

"They were pretty upset

of the Packers and Stockyards Act and explained why changes in marketing patterns have left nearly 85 per cent of the beef sales to packers unprotected.

Long-Time Policy

"In the end, we did not feel

President Ford reverse himself and support packer bonding legislation to protect the livestock producers.

"I told Secretary Butz that the President was firm in his opposition, and that the decision has been concurred in by

members, including Senator Dick Clark (Dem., Ia.) and Representative Berkley Bedell (Dem., Ia.), were appalled at Wilson's errors and lack of knowledge of the livestock marketing industry.

Wilson was sent up to appear

were favorable. Certainly the hundreds of Iowa farm families who are holding, collectively \$6.6 million worth of bad checks from one recent packer bankruptcy consider this responsible legislation."

"My question to you, Mr.

U.S. House of Representatives
WASHINGTON, D.C. 20515
PUBLIC DOCUMENT
OFFICIAL BUSINESS

Chuck Grassley
M.C.

Mr. Leppert—

If you want any of these
items "fleshed" out, our press
aide will do what you think
best—
Thank you
Pete Corrao

IOWA.

Measures supported by Rep. Chuck Grassley, Iowa's only Republican legislator in Congress

- 1) Co-sponsor of H.R. 8123, a bill to authorize emergency assistance to stimulate the production of needed housing and to help defray mortgage payments on homes by persons temporarily unemployed or underemployed. This is the measure President Ford finally signed, after vetoing the original H.R. 4485. Mr. Grassley voted against this measure.
- 2) Sponsor of H.R. 144, a bill calling for a balanced Federal budget. Mr. Grassley has been a firm and consistent advocate of limiting the growth of government, and holding down the level of Federal spending.
- 3) Sponsor of H.R. 4070, a bill to clarify the authority of the Secretary of Agriculture to require reasonable bonds from packers in connection with their livestock purchasing operations.
- 4) Co-sponsor of a Welfare Reform and a Food Stamp Reform measure. The former increase accountability of recipients regarding registration for work and reporting of earned income, and the latter would eliminate exemptions which result in the entitlement to Food Stamps of those who are not in true need.
- 5) Mr. Grassley opposed H.R. 6676, the Credit Reporting bill which would have essentially allowed the Congress to tell banks where their loan money would have to be placed. This bill, if passed - it was defeated in the House - would have been the first step toward credit allocation.
- 6) Author of an amendment to the Truth-in-Leasing bill which would exempt agricultural equipment from the provisions of the bill. Farmers constantly exchange equipment for short periods of time in informal leasing-type arrangements. Without this sort of amendment, they would be subjected to a lot of paperwork and wasted time. The amendment was accepted in subcommittee and is now part of the full bill to be taken up by the full Banking, Housing, and Currency committee.
- 7) Sponsor of H.R. 7818, to increase allowable outside income for Social Security recipients from \$2520 per year to \$7500 a year.
- 8) Co-sponsor of H.R. 7474, a bill designed to permit Federal credit unions to operate more efficiently via a reorganization of the National Credit Union Administration and via the creation



of a Central Liquidity facility.

9) Co-sponsor of H.R. 6178, to amend the Internal Revenue Code of 1954 to increase the exemption for purposes of the Federal estate tax, to increase the estate tax marital deduction, etc. This is of particular importance to young farmers who inherit a farm but must often sell it just to pay estate taxes, and to widows.

10) Mr. Grassley is actively interested in the needs of the elderly. He arranged for the Select Committee on Aging to hold hearings in his district, the Third, to hear just what the elderly, and representatives of the elderly, have to say.

11) In September, Mr. Grassley will sponsor a discussion at the Waterloo Cattle Congress on the potential impact of OSHA regulations on the farmer. Mr. Grassley has been a constant advocate of as little government regulation as possible, and is eager to hear from farmers, farm manufacturers and dealers, and representatives from OSHA regarding proposed regulations for equipment noise levels, roll-over protective shields, etc.

12) Mr. Grassley is sponsor of H.R. 3308 which calls for a 10% reduction in the salaries of Congressmen and Senators and recently voted against the Congressional pay increase authorized by Congress. The Congressman has also come out in opposition to increases in fringe benefits for Congressmen, and is co-sponsor of a measure which would forbid them from flying first-class at the expense of the taxpayer.

13) Mr. Grassley is co-sponsor of a reasonable emergency employment appropriation as mandated by H.R. 7559. This bill appropriates funds for Community Service Employment for Older Americans, for work-study programs, and for the Work Incentive program.

14) Mr. Grassley is one of only twenty-two members of Congress who, in this session, has not missed a single vote or a quorum call.