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REPUBLICAN LEADERSHIP MEETING

Tuesday, May 6, 1975

8:00 - 9:30 a.m. (90 minutes)

The Cabinet Room

THE WHITE HOUSE

WASHINGTON

May 5, 1975

MEETING WITH REPUBLICAN CONGRESSIONAL LEADERS

Tuesday, May 6, 1975

8:00-9:30 a.m. (90 minutes)

The Cabinet Room

From: Max L. Friedersdorf *M.L.F.*

I. PURPOSE

To encourage leadership support and assistance for sustaining the President's veto of the Farm Bill, and to urge early passage of the Migration and Refugee Assistance Act of 1975.

II. BACKGROUND, PARTICIPANTS AND PRESS PLAN

A. Background:

1. The House will vote on Tuesday, May 13, on an override attempt of the President's veto of the Farm Bill.
2. A total of 166 votes were cast against the conference report on the Farm Bill in the House, including 70 Democrats.
3. The House Democratic leadership and its labor allies will make a strong effort to have these 70 Democrats vote to override.
4. In the Senate, the Farm Bill originally passed by a vote of 57 - 25; the conference report later passed by a voice vote.
5. New draft legislation calling for \$507 million (Migration and Refugee Assistance Act of 1975) has been submitted to enable the United States to render assistance to the South Vietnamese refugees.
6. Dean Brown testified Monday before the House Judiciary Immigration Subcommittee in support of the legislation (Ham Fish is ranking Minority Member on the Subcommittee and is supportive).
7. Secretary Butz will attend today's meeting to address the Farm Bill veto. Secretary Kissinger, Dean Brown and Dan Parker will be present to speak on the refugee situation.

B. Participants: See Tab A

C. Press Plan:

Announce to the Press as a regular Republican Leadership meeting; Kennerly photographs only.

III. AGENDA

See Tab B

IV. TALKING POINTS

1. We have two matters of importance to discuss today, the Farm Bill veto vote, and the South Vietnamese migration and refugee situation.
2. Secretary Butz is here today to discuss the Farm Bill veto now scheduled for next Tuesday (May 13). Perhaps we could also have a report on the vote situation from Bob Michel and Bob Griffin. (See Tab C)
3. Secretary Kissinger, Dan Parker and Dean Brown (AID) are also here to discuss the situation involving resettlement of South Vietnamese refugees and to answer your questions. (See Tab D)
4. First, we will hear from Earl Butz on the Farm Bill veto situation.....

PARTICIPANTS

The President
The Vice President

SENATE

Hugh Scott
Bob Griffin
Bob Stafford
John Tower
Cliff Case

HOUSE

John Rhodes
Bob Michel
John Anderson
Sam Devine
Jack Edwards
Barber Conable
Jim Quillen
Guy Vander Jagt
Bill Broomfield
Ed Hutchinson
Ham Fish
Bill Wampler

Al Cederberg

STAFF

Secretary of State Kissinger
Secretary of Agriculture Butz
Don Rumsfeld
Bob Hartmann
Jack Marsh
Phil Buchen
Jim Cannon
Max Friedersdorf
Bill Seidman
Alan Greenspan
Ron Nessen
Jim Lynn
AID Administrator Parker
FEA Administrator Zarb
Dean Brown
Dick Cheney
Vern Loen
Bill Kendall

REGRETS

Rep. Lou Frey
Sen. Carl Curtis
Sen. Ted Stevens
Sen. Bob Dole
Sen. Milt Young

MAY 1, 1975

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.

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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 1,132 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. 4295.

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.

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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.

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FARM BILL VETO

Question:

Why did you veto the emergency farm bill when farmers are experiencing financial difficulties?

Answer:

I recognize that some farmers have experienced financial difficulties due to a cost-price squeeze. The aim of the bill I vetoed is laudable, however its results would be costly not only to consumers and taxpayers but to American farmers in the long run.

Approval of that 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. If used as a point of departure for longer-term legislation, it could lead an escalation of farm program subsidies in succeeding years.

The Administration has taken a number of positive steps to assist farmers. 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.

Background:

On May 1, 1975, you vetoed H.R. 4296, referred to as the Emergency Agricultural Act of 1975. In your veto message you state that the Administration 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.

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.

REFUGEE ASSISTANCE

TALKING POINTS

- I want you to know how strongly I feel about our responsibility to help the Vietnamese refugee.
We have a great moral obligation to these people and I am very disturbed by the cold and callous remarks I have heard against their coming into this country.
- I cannot believe that the traditional compassion of this great country is dead and that we Americans will no longer welcome those whom we encouraged to defend themselves and now seek to live in freedom.
- Despite the initial critical reactions, I believe the American people will respond generously, and I want the American government to do everything possible to speed the resettlement process.
- We urgently need legislation to provide immediate care and resettlement funds. We are now expecting a total of 130,000 refugees to enter the U.S. while another 20,000 will be accepted by other countries.
- At this point, let me ask Henry Kissinger to give us the latest figures on our refugee efforts. How many Vietnamese did we evacuate, how many have fled on their own? [After Secretary Kissinger's remarks]
- We now estimate it will require \$507 million to transport, feed, house, resettle and provide some vocational and language training for these people over the next year.
- We have already diverted nearly \$100 million from Foreign Assistance funds to cover initial evacuation costs, but we will run out of money by the end of the week. We need the additional funding quickly so people will not be stranded in the staging areas.

- A new, clean bill is probably the best way to proceed. We have provided some draft legislation. It also appears that the Javits/Pell Bill is close to our thinking. I would like to hear your ideas on how we can move most expeditiously.

- Now that the evacuation has ended, I hope we can set aside for now the controversy over the authority to use troops or possible assistance to the current regimes in Cambodia and Vietnam. Can we concentrate on a bill to provide help quickly to these homeless and destitute refugees.