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

April 6, 1976

The President
The White House

Dear Mr. President:

This is to advise you that, pursuant to Section 2 of Public Law 88-482, I have made my second quarterly estimate of the aggregate quantity of fresh, chilled, or frozen cattle meat (TSUS 106.10) and fresh, chilled or frozen meat of goats and sheep, except lamb (TSUS 106.20) which would, in the absence of limitations under the Act, be imported during the 1976 calendar year.

The adjusted base quantity for the 1976 calendar year is estimated at 1,120.9 million pounds and the second quarterly estimate of imports during 1976 is 1,223 million pounds. This estimate takes into account information furnished by the Department of State that participating countries have agreed on essential elements of the export restraint program which will limit imports to 1,223 million pounds. Formal agreements with participating countries are expected to be concluded shortly.

Were it not for the expected voluntary agreements with supplying countries, the estimate would have exceeded 110 percent of the adjusted base quantity requiring you to impose limitations under the Act.

As required by the Act, I will advise you of changes in import prospects that may occur when the third quarterly estimate is made before July 1, 1976.

Respectfully,

A handwritten signature in cursive script that reads "Earl L. Butz".

Earl L. Butz
Secretary



cc: Luch

THE WHITE HOUSE
WASHINGTON

July 11, 1975

TO: JIM CAVANAUGH

FROM: PAUL LEACH *Paul*

Per your request.

THE WHITE HOUSE
WASHINGTON

July 11, 1975

MEMORANDUM FOR

THE PRESIDENT

FROM:

JIM CANNON *Jane*

SUBJECT:

Department of Agriculture
Letter Regarding Meat Import
Estimates

The attached letter from Phil Campbell, the Acting Secretary of Agriculture, advises you that estimated meat imports for calendar year 1975 are 1,180 million pounds. This is almost 2 million pounds below the amount which would require imposition of import limitations under law.



THE WHITE HOUSE
WASHINGTON

DATE: July 10, 1975

TO: PAUL LEACH

FROM: JIM CAVANAUGH

SUBJ: Phil Campbell Letter
(Acting Sec. of Agriculture)

FYI _____

Action x

Please prepare cover memo.

7/11



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

*For Mr. Ford
for cover memo.*

July 3 1975

The President
The White House

Dear Mr. President:

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The estimate is placed at 1,180 million pounds--the same as my second quarterly estimate made on March 31, 1975. This estimate takes into account voluntary restraint agreements with supplying countries negotiated by the Department of State. These agreements are virtually complete.

The estimate of 1,180 million pounds is roughly 2 million pounds less than the quantity that would require imposition of import limitations under the Act. Without the efforts of the State Department to negotiate voluntary export restraint agreements, the estimate would have exceeded 110 percent of the adjusted base quantity requiring you to impose limitations under the Act.

Sincerely,

J. Phil Campbell
Acting Secretary





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

July 3 1975

The President
The White House

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The estimate of 1,180 million pounds is roughly 2 million pounds less than the quantity that would require imposition of import limitations under the Act. Without the efforts of the State Department to negotiate voluntary export restraint agreements, the estimate would have exceeded 110 percent of the adjusted base quantity requiring you to impose limitations under the Act.

Sincerely,

J. Phil Campbell
Acting Secretary



THE WHITE HOUSE

WASHINGTON

April 14, 1976

MEMORANDUM FOR:

~~JIM CAVANAUGH~~

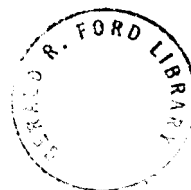
FROM:

JIM CANNON



Did you find out the name of the agriculture expert
we met in Cheney's office one day?

Bob Spitzer



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EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET

DATE: 5/7/76

TO: Mr. Seidman

FROM: Whitney Shoemaker-PA

Clip from Grand Rapids Press

Heath
ms *see me*



OMB FORM 38
REV AUG 73

Agric.

4-A The Grand Rapids Press, Thursday, April 29, 1976

Washington



State Congressmen Rebut U.S. Claims on PBB Bill

By Ron Cordray

Grand Rapids Press Bureau

WASHINGTON—Michigan congressmen took sharp exception Wednesday to statements made by administration officials that additional federal programs to handle PBB.

the first House action on the identical bill introduced by Rep. J. Bob Traxler, D-Mich.

Frank Naylor, associate administrator of the Farm Home Administration, said his agency would "do everything possible to help these farmers" but said the agency "has

this loan proposal would duplicate present programs, the fact is that no existing loans programs are of help to Michigan farmers."

Vander Veen said only two farmers affected by PBB have received aid under the emergency livestock

THE WHITE HOUSE
WASHINGTON

June 4, 1976

MEMORANDUM FOR:

THE PRESIDENT

FROM:

JIM CANNON *JC*

SUBJECT:

Requested Charts of Corn,
Wheat and Soybean Prices

Attached at Tab A are the charts of grain and soybean prices you requested.

Also, USDA Assistant Secretary Dick Bell has also sent a short commentary on these charts, which is included at Tab B.



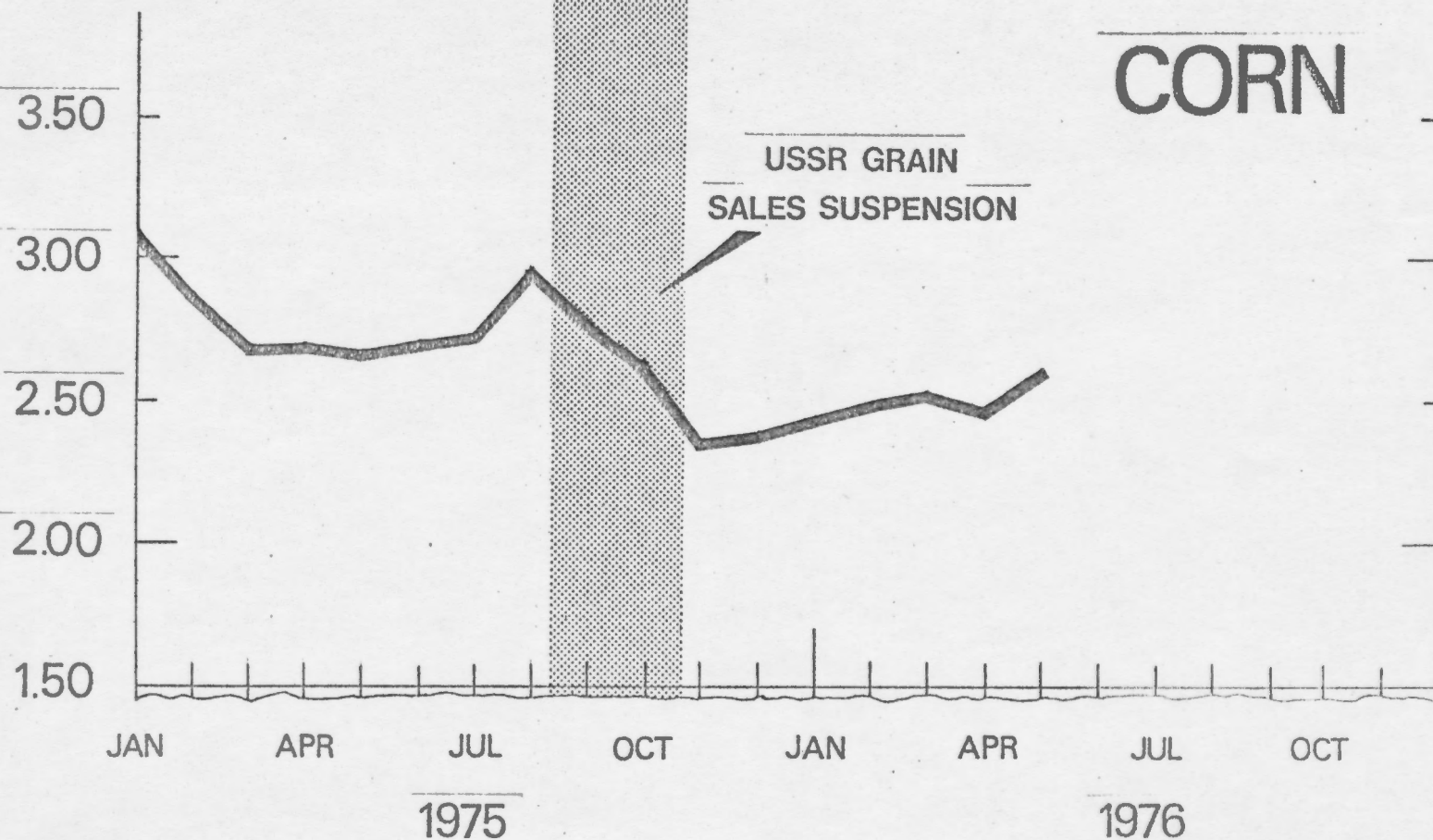
PRICES RECEIVED BY FARMERS



\$PER BU.

CORN

USSR GRAIN
SALES SUSPENSION



USDA

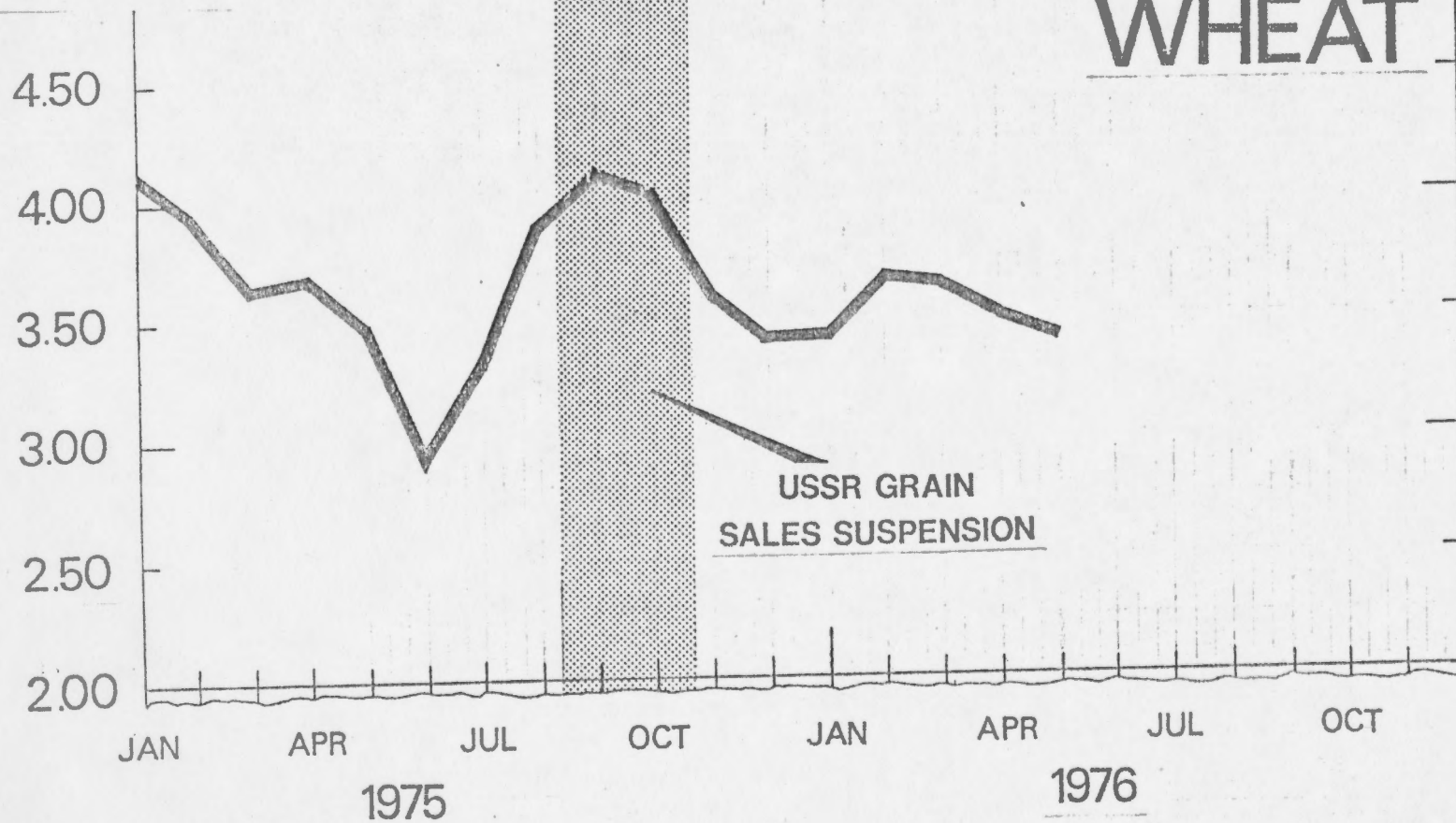
ECONOMIC RESEARCH SERVICE

PRICES RECEIVED BY FARMERS



\$PER BU.

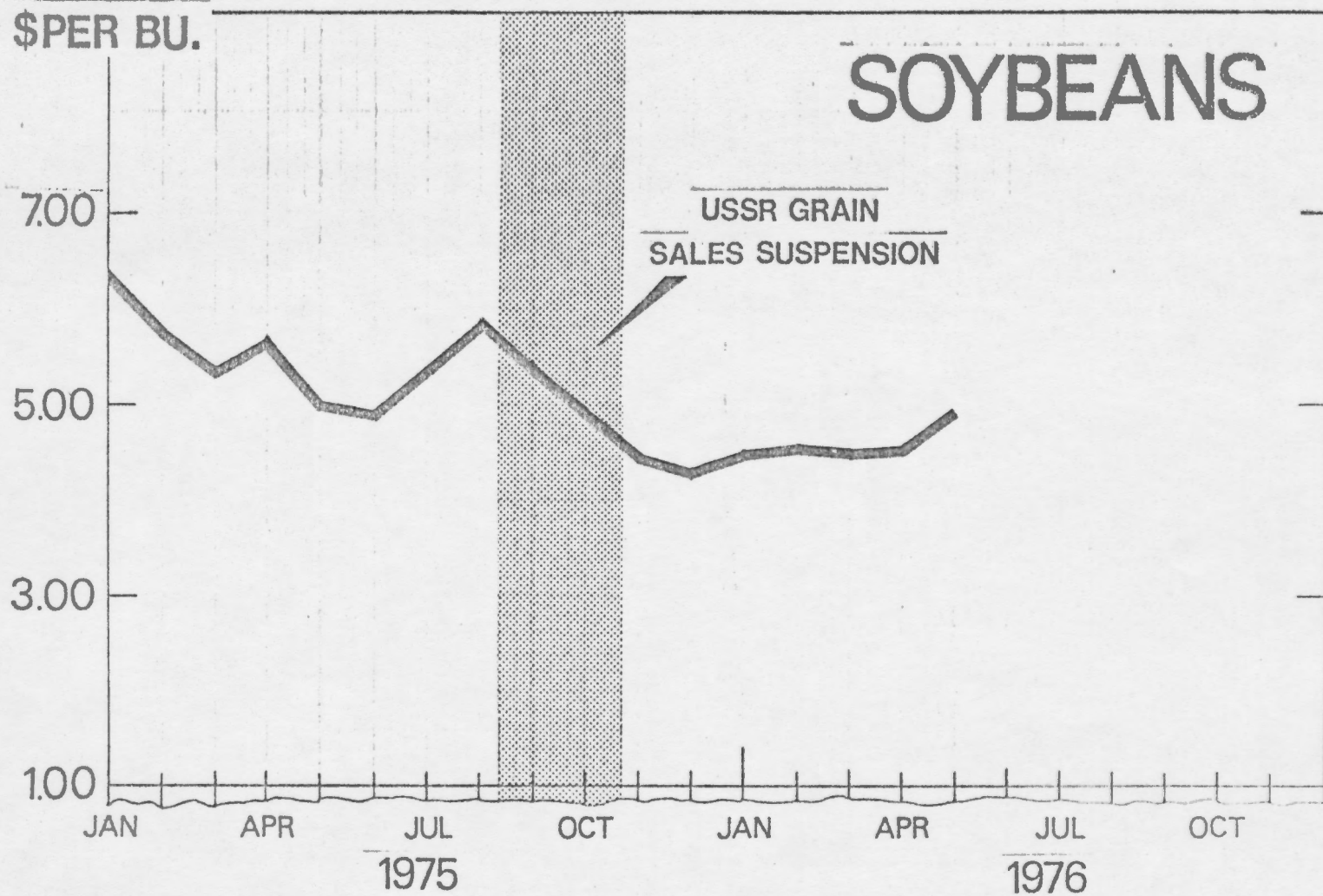
WHEAT



USDA

ECONOMIC RESEARCH SERVICE

PRICES RECEIVED BY FARMERS*



*AVERAGE PRICE RECEIVED BY FARMERS.

USDA

ECONOMIC RESEARCH SERVICE





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

June 2, 1976

To: Paul Leach
Associate Director
Domestic Council

Attached are the charts you requested earlier today.

I want to point out there is a seasonal decline in corn and soybean prices which occurs nearly every summer. Corn prices usually decline about 7 percent during the August-November period. The decline was 14 percent in 1975. In the case of soybeans, the decline is usually about 10 percent. In 1975 it was 23 percent. The seasonal decline for wheat is in the spring since the wheat harvest is underway by mid-June in the southern Great Plains.

On July 24, 1975, the USDA first asked exporters to advise the Department before beginning negotiations for new sales of U.S. grain to the USSR. The suspension of sales, however, did not begin technically until after the August 10 crop report was issued. At that time, Secretary Butz asked exporters to suspend further sales to the USSR until the September crop report would be available. The suspension was lifted when the long-term grain agreement with the USSR was signed on October 20.

Rich Bell

Richard E. Bell
Assistant Secretary

Attachments



MEETING BETWEEN THE PRESIDENT AND THE
NATIONAL COUNCIL OF FARMER COOPERATIVES

Thursday, June 10, 1976

2:45 p.m. (15 minutes)

The Rose Garden

From: William J. Baroody, Jr.

I. PURPOSE

Greeting and brief remarks.

II. BACKGROUND, PARTICIPANTS AND PRESS PLAN

A. Background: The 50-member Board of Directors of this organization is coming to Washington on June 9 and 10 for a semi-annual business session. They have been invited to the White House for a briefing which will cover two topics of great interest to them: the Administration's approach on environmental matters and future negotiations involving international trade. John Quarles of EPA and Clayton Yeutter, a Deputy Special Representative for Trade Negotiations, will conduct the briefing. The President's appearance will occur between their respective presentations.

B. Participants: Members of the Board, the National Council of Farmer Cooperatives. (See attached list.)

C. Press Plan: White House photos.

III. TALKING POINTS

1. I am pleased to meet with the leaders of an organization which has contributed so much to American agriculture. Cooperatives such as yours have chalked up a solid record of service to farmers, consumers and the country.



2. Dating back to 1929, the National Council of Farmers Cooperatives has played an important role in helping farmers to protect their right to organize marketing and supply organizations; to create and maintain a favorable political and economic climate for cooperatives and to help farmers obtain legislation necessary to carry on their business.

3. Since virtually every farmer and rancher belongs to one or more of the local cooperatives in this country, it is clear that co-ops have penetrated to the very roots of agriculture in this country. The \$25 billion annual volume of business of co-ops is indicative of the clout you carry in the marketplace.

4. I am pleased, too, with the role cooperatives have played in the new full-food production policy of this administration. If all this sounds like I'm a supporter of the concept of cooperatives, you're right. I am well acquainted with the job done by the 160 local co-operatives in my home state of Michigan.



✓

Leach

THE WHITE HOUSE
WASHINGTON

June 3, 1976

MEMORANDUM FOR: WILLIAM BAROODY
JAMES CANNON

FROM: WILLIAM W. NICHOLSON *WWN*
SUBJECT: Approved Presidential Activity

Please take the necessary steps to implement the following and confirm with Mrs. Nell Yates, ext. 2699. The appropriate briefing paper should be submitted to Dr. David Hoopes by 4:00 p.m. of the preceding day.

Meeting: With Farm Cooperatives Leaders

Date: Thurs., June 10, '76 Time: 2:45 p.m. Duration: 10 mins.

Location: Rose Garden

Press Coverage:

Purpose: Greeting and Remarks.

cc: Mr. Cheney
Mr. Hartmann
Mr. Marsh
Dr. Connor
Dr. Hoopes
Mr. Nessen
Mr. Jones
Mr. Smith
Mr. O'Donnell
Mrs. Yates
Col. Riley
Mr. Keiser
Dr. Cavanaugh
Mr. Vickerman
Mr. Leach
Mrs. Gemmell



THE WHITE HOUSE

WASHINGTON

July 3, 1976

Agric.

MEETING WITH 1975 FARM FAMILY OF THE YEAR

Tuesday, July 13, 1976
12:00 noon (10 minutes)
The Oval Office

From: Jim Cannon

I. PURPOSE

To greet the Wilmer Powell family of Louisiana
--- the "1975 National Farm Family of the Year".

II. BACKGROUND, PARTICIPANTS AND PRESS PLAN

- A. Background: The Wilmer Powell family is here on an award trip. This is the culmination of a national contest sponsored by the Farmers Home Administration in which there were thousands of contestants from 31 states.

The Powells conduct a diversified farm program. Besides having a dairy herd of 75 cows, they grow soybeans, cotton and corn. The family is also active in church affairs. Mr. Powell serves as a deacon, First Baptist Church of Coushatta, Louisiana. They are also active in 4-H and Future Farmers of America activities. The two daughters, Diane and Suzanne, are presently attending college. Diane did not make the trip to Washington.

B. Participants:

Wilmer L. Powell
Jean Powell
Suzanne Powell
Earl Butz, Secretary of Agriculture
Dr. James E. Bostic, Deputy Assistant Secretary
of Agriculture for Rural Development
Frank W. Naylor, Jr., Associate Administrator,
Farmers Home Administration
Thomas J. Dewey, Jr., State Farmers Home
Administration Director
Jim Cannon
Paul Leach



THE WHITE HOUSE
WASHINGTON

July 26, 1976

Agree.
Wick -
Murphy
Just

MEMORANDUM FOR:

CHARLES LEPPERT

FROM:

PAUL LEACH *Paul*

SUBJECT:

Congressman Gilman and the
Issue of Disaster Relief
for Onion Growers in Orange
County, New York

As I mentioned to you on the phone last week, I have reviewed the materials you sent on this matter and have reviewed and discussed the issue with OMB and USDA. I concur with Jim Mitchell that USDA has gone out of its way on this and that there is nothing more which can be done legally --- in fact we may have gotten too deeply into a sensitive loan delinquency question already.

I understand that Mitchell has recently forwarded you a draft letter which tells Gilman that the situation has been reviewed once again and that nothing more can be done, at least until the loan delinquencies are cleaned up.

I concur that this letter should be sent, either by you or USDA. However, since Jack Knebel and Earl Butz have already told Gilman this in their identical letters of June 2 and 11 of this year, it might be best for you to do it.

If I can do anything else on this, please let me know.

cc: ~~Jim~~ Cannon
Jim Mitchell

Attachment A - Materials from Leppert
Attachment B - Mitchell Memo to Leppert



A



THE WHITE HOUSE

WASHINGTON

June 15, 1976

MEMORANDUM TO: JIM CANNON

FROM: JACK MARSH *Jack*

Jim, I agree with the suggestion set forth in the final paragraph of Charlie Leppert's memo.

Unless you have any thoughts to the contrary, would you be good enough to have an appropriate member of the Domestic Council staff pull together a meeting to include representatives from OMB and the Department of Agriculture. I am sure that Charlie Leppert will want to be present at such a meeting.

Many thanks.

cc: CLeppert

THE WHITE HOUSE

WASHINGTON

June 9, 1976

MEMORANDUM FOR:

JACK MARSH

THRU:

MAX FRIEDERSDORF *MF*

FROM:

CHARLES LEPPERT, JR. *CLJ*

SUBJECT:

Rep. Ben Gilman (R. - N. Y.)

At your request, I took the Congressional Hour on Tuesday, June 8. The only scheduled appointment for the Congressional Hour was Rep. Ben Gilman.

Rep. Gilman's problem relates to the need for disaster relief financing for a substantial number of onion growers in Orange County, New York. The facts as I understand them are as follows.

In June 1972, as a result of Hurricane Agnes, the onion farmers of Orange County suffered severe financial losses. In 1973, the Department of Agriculture made production loans for a period of five years and loans to cover actual losses at one to five percent interest to enable these farmers to return to the financial condition they occupied in 1972. In 1974, these farmers asked the Department of Agriculture for further production loans. At that time, the Agriculture Department refused the request on the basis that Public Law 93-237 changed the rules for obtaining loans and said that that law was applicable retroactively to the period prior to the Hurricane Agnes disaster and therefore the farmers could not get production loans. However, the Department of Agriculture, I am told, subsequently relented because of the short notice of the new law and provided production loans for 1974.

In 1975, the Department of Agriculture served notice on the farmers that no further production loans would be forthcoming. As a result of the notice by the Department of Agriculture, the farmers stopped



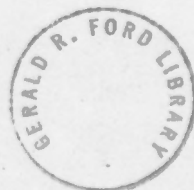
payment on prior loans. The Department of Agriculture now contends that the farmers have been uncooperative and are in default of the loan agreements. At the request of Rep. Gilman, the Farmers Home Administration has reviewed this matter and by letter from Jack Knebel the Department has informed the farmers that the Department of Agriculture would pursue legal action against the farmers as of June 1, 1976. Appeal was made for an extension during the first part of May 1976 as a result of a meeting between Secretary Butz, Rep. Gilman, and his constituents. Secretary Butz agreed to a thirty-day extension, to expire June 10. It is apparent that if the Department of Agriculture's legal actions against the farmers are to be stayed by any further consideration at our request, time is of the essence. I am further advised that a further request for an extension on this matter was requested of the Department of Agriculture by Rep. Gilman on June 9, 1976.

In order to compromise this situation, Rep. Gilman suggests a proposal for consideration by Secretary Butz and the Department of Agriculture which would spread out the payment of the debt over a five-year period at the interest rate which was in effect at the time the loans were initially made. The Department of Agriculture has preliminarily refused this proposal, which has resulted in the Orange County Farmers Co-Op bringing legal action against the Department of Agriculture.

Attached is Rep. Gilman's letter to Max Friedersdorf, a letter dated May 5, 1976, from Rep. Gilman to Secretary Butz, a letter dated June 2, 1976, to Rep. Gilman from John A. Knebel, Acting Secretary, and a bound copy of Rep. Gilman's file on this matter, which includes the legal opinion of the American Law Division of the Library of Congress which, according to Rep. Gilman, is contrary to the legal basis of the decision of the Department of Agriculture in this matter.

I suggest that the Domestic Council, the Office of Management and Budget, and the Department of Agriculture be brought together at the earliest opportunity for a meeting to determine what relief, if any, can be afforded to Rep. Gilman's constituents.

cc: Jim Cannon
Paul O'Neill



Congress of the United States

House of Representatives

Washington, D.C. 20515

June 8, 1976

Honorable Max Friedersdorf
White House
Washington, D. C.

Dear Max:

I wish to bring to your attention that the plight of the vegetable growers of Orange County, New York whose dilemma and need for disaster relief financing cries out for an immediate and equitable resolution.

Briefly, (for the detailed facts please refer to the attached May 5 letter to Secretary Butz), the current impasse is due to the recent intransigence of the Department of Agriculture in either not extending or refinancing disaster loan assistance to muckland farmers in my district following the economic disaster inflicted by Hurricane Agnes in 1972. These farmers were driven to a position where they are now unable to substantially reduce their outstanding EM loan indebtedness in order to qualify for further FmHA loans. In addition, a number of these growers have received notices in writing that, as of June 1st, 1976, the Department of Agriculture intends to institute foreclosure procedures against those growers who have not substantially reduced their EM loan delinquencies by that date.

A personal appeal to Secretary Butz for appropriate relief has been rejected, pursuant to his latest letter dated June 2, 1976, wherein he refused to offer any meaningful relief to the vegetable growers and instead, threatened dire legal consequences should the growers fail to meet their repayment schedules.

Since these growers have now exhausted their administrative remedies, it is the intent of the Orange County Vegetable Improvement Cooperation Association to institute litigation against the Department of Agriculture for appropriate relief.

The Orange County region of New York is the third largest onion-growing region in the country and produces the largest vegetable crop on the entire East Coast. The collapse of this farm economy, which is inevitable should the Administration fail to act in its behalf, will undoubtedly generate serious economic dislocation in the eastern produce market, causing considerable embarrassment to the present Administration.

I am confident that once you have had the opportunity to review the entire situation you will be in agreement that these growers are entitled and deserving of either additional EM loans and/or refinancing

PLEASE REPLY TO:

☐ WASHINGTON OFFICE:
1226 LONGWORTH BUILDING
WASHINGTON, D.C. 20515
TELEPHONE: (202) 225-3776

☐ DISTRICT OFFICE:
24 ROBERTS STREET
MIDDLETOWN, NEW YORK 10940
TELEPHONE: (914) 343-6666

☐ DISTRICT OFFICE:
POST OFFICE BUILDING
217 LIBERTY STREET
NEWBURGH, NEW YORK 12550
TELEPHONE: (914) 565-6400

☐ DISTRICT OFFICE:
POST OFFICE BUILDING
48 SOUTH BROADWAY
NYACK, NEW YORK 10960
TELEPHONE: (914) 358-6661




June 8, 1976

of existing EM loan indebtedness.

I hope that we can meet in the near future to discuss this situation in depth.

With best wishes,

Sincerely,



BENJAMIN A. GILMAN
Member of Congress

BAG:bbv

May 5, 1976

The Honorable Earl L. Butz
Secretary of Agriculture
Department of Agriculture
14th Street
Washington, D.C.

Dear Secretary Butz:

Thank you once again for taking the time to meet with my constituents and I to discuss the financial dilemma confronting the vegetable growers in my Congressional district.

It has been a little over a year since our last meeting on this particular subject, April 23, 1975 to be precise; and I wish I could report to you now that this situation has been resolved to everyone's satisfaction. But, regrettably, I cannot.

Let me briefly review the facts leading up to the current impasse.

In June of 1972, Hurricane Agnes dealt a crippling blow to the farming industry of Orange County, New York, causing most of the anticipated production to be lost in the fields.

In the winter of 1972-1973, vegetable growers were urged to apply to the Small Business Administration (SBA) for emergency loans that would provide low (1%) interest, long-term (20 to 30 years) loans covering the economic disaster loss of the farm business.

In the spring of 1973, FmHA took over the farm loan application program from SBA, with the knowledge that the FmHA regulations that were in effect at the time did not permit FmHA to offer any long-term refinancing loans to applicants whose total real estate indebtedness exceeded \$300,000 after the FmHA emergency loan was made. Additionally, at least 50 percent of the \$300,000 indebtedness had to be provided by other creditors, thereby reducing the FmHA real loan aid at the low (1%) interest rate to no more than \$150,000. Furthermore, all loan funds provided EM borrowers that were used for annual production

PLEASE REPLY TO:

☐ WASHINGTON OFFICE
1225 LONGWORTH BUILDING
WASHINGTON, D.C. 20515
TELEPHONE: (202) 225-3776

☐ DISTRICT OFFICE
24 REEDS STREET
MIDDLETOWN, NEW YORK 10940
TELEPHONE: (914) 343-6756

☐ DISTRICT OFFICE
POST OFFICE BUILDING
217 LIBERTY STREET
NEW YORK, NEW YORK 10038
TELEPHONE: (516) 515-6100

☐ DISTRICT OFFICE
POST OFFICE BUILDING
48 SOUTH FREDERICK STREET
NYACK, NEW YORK 10959
TELEPHONE: (514) 515-6100

expenses were to be repaid in one year. Only those portions of EM loans that were used for other purposes, such as the payment to other lenders for delinquent interest and depreciation, were to be repaid over a five-year repayment term. But this too, Mr. Secretary, is misleading since the greatest portion of these EM loans were scheduled to be repaid within a period of eighteen months.

Despite these restrictive terms, the Orange County vegetable growers, for the most part, met the repayment schedule during crop years producing very limited farm income with accumulating bills.

In 1973, the Orange County vegetable growers suffered another -- this time undeclared -- disaster to their onion crop due to season-long adverse weather resulting in poorer crop yields than the prior year (attested to by the USDA Crop Reporting Service). The emergency loan program in 1973 that required a stricken family farm business to repay five year loans almost completely within eighteen months, in addition to an attempt to schedule repayment of private creditors connected with earlier disaster losses; would have been most difficult in a good crop year, but virtually impossible for those in a bad year with especially heavy indebtedness. The disastrous crop year for the growers in 1973 pointed up the impossible conditions of the EM loan program that did not provide for long-term loans. In addition, the "credit elsewhere" refusals required of borrowers and the imposed constraints that followed for approved-loans, placed farms acknowledged to be in desperate straits in further financial jeopardy. Had adequate long-term refinancing been originally provided, these family farms would have been able to recover, since crop loans and prior debt loans would not have fallen due together as short-term credit.

Because of the 1973 crop disaster, application was made to FmHA to renew and extend operating loans for the 1974 crop year. Nevertheless, FmHA did not grant any renewals or extensions for 1974. Instead, FmHA applicants were given subsequent production loans for 1974, at a five percent interest rate, that were to be repaid with interest within one year. When the subsequent loans were approved for 1974, each borrower was notified in writing that, because of FmHA's own interpretation of P.L. 93-237, FmHA would not be able to provide annual production financing for them in 1975. Since then, the Orange County vegetable growers have not been able to receive any subsequent operational loans from FmHA.

This interpretation of P.L. 93-237 was based principally upon a departmental opinion letter that stated, "After careful consideration of P.L. 93-237 and its legislative history, this office concludes that, as a matter of law, the maximum size emergency (EM) loan is limited to the amount of the actual loss resulting from a designated disaster."

As you know, Mr. Secretary, prior to the enactment of P.L. 93-237, it was the policy of FmHA to make EM loans for operating expenses for up to five years; following a given natural disaster, where an applicant was unable to obtain credit from normal credit sources. Based solely upon the legal analysis of the USDA's Office of General Counsel, FmHA reversed its former loan policy and now grants loans only up to the amount of actual loss flowing from a given disaster. Moreover, FmHA made this revised policy retroactive to the period prior to the effective date of P.L. 93-237, thereby vitiating any prior commitments made to applicants.

It is the opinion and the consensus of the American Law Division of the Library of Congress, the counsel for the Orange County Vegetable Improvement Cooperative Association, and myself and my staff, that this opinion is incorrect. It is our opinion that (1) P.L. 93-237 does not have any retroactive effect; and, therefore, FmHA cannot arbitrarily rescind subsequent EM loan agreements with the Orange County vegetable growers that existed prior to the enactment of P.L. 93-237; and (2) that P.L. 93-237 does not preclude future one-year renewals of subsequent EM loans for operational needs under the authority of P.L. 93-234.

Mr. Secretary, the Orange County Vegetable Improvement Cooperative Association, believing as they do in the essential correctness of their position on P.L. 93-237, have indicated to me their determination to continue their suit against USDA (Orange County Vegetable Improvement Cooperative Association v. The Department of Agriculture et al.) should they not be accorded appropriate administrative relief by the Department of Agriculture.

Because my constituents have not received subsequent production loans since 1974, I vigorously fought for the enactment of P.L. 94-68, which provides that emergency production loans above the amount of actual loss may be applied for up to five successive years on a one-year repayment basis if the



borrower can meet the "credit elsewhere" test. The benefits of this provision would be available to a borrower even though the initial emergency loan might have been obtained prior to the effective date of this Act.

During the mark-up and floor debate of S.555 (P.L. 94-68), I sought and was given repeated assurance that the benefits flowing from this legislation would indeed be made available to my constituents. A copy of the floor debate is attached for your perusal.

To be frank, Mr. Secretary, this legislation was a lot less than we had hoped for. But, recognizing the reality of the legislative process and thinking that some relief was soon to be accorded to constituents who were in urgent and desperate need of some relief, we went along. However, to my consternation, when the Orange County vegetable growers applied for loans under P.L. 94-68, a number of them were told by representatives from FmHA that they did not qualify. For those growers who did otherwise qualify for annual production loans under the provisions of P.L. 94-68 and current FmHA regulations, FmHA is unwilling to consider them for operational loans until the applicant reduces his present delinquent EM balance by twenty percent, until he has sufficient collateral available to satisfy FmHA security requirements, and until he can project a feasible plan of operation to carry his present debtload plus any new indebtedness he plans to incur. Furthermore, FmHA appears unwilling to approve these additional loans (even if the growers are able to meet these unrealistic conditions) until litigation involving the growers and private creditors are brought to a conclusion, with a "clear resolution of the claims and counter-claims."

Mr. Secretary, it has been alleged that the Orange County vegetable growers failed to pay a fair part of their 1975 crop proceeds toward reducing their present indebtedness. An investigation will show that most FmHA loan repayment schedules were in good standing until it became apparent in 1975 that FmHA's policy toward them was a negative one and then the survival of the involved family farm business naturally became the top priority by the borrower.

Since continuing to produce a crop is a farmer's only hope for recovery, most growers realistically place a very high priority on taking all measures necessary to insure adequate.

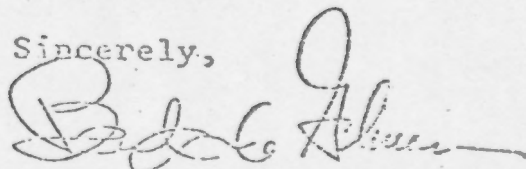
operating finances for the 1976 crop in the hope of being able to repay FmHA and all other creditors.

It has long been apparent that FmHA has felt uncomfortable in servicing large, complex produce farms in the emergency loan program. Their loan policy, resulting from internally developed rules and regulations which require complex farm produce operations to recoup disaster losses and to continue to pay on annual operating loans, all with short-term credit, indicates a basic lack of understanding of this type of farming. It is further apparent that over the past three years, that as each emergency farm loan legislation has been enacted since 1972, that FmHA's self-imposed loan limitations interpreted retroactively, have consistently served to abrogate legislative intent and to diminish meaningful loan benefits already previously extended to injured family operated farms.

The present intent of the FmHA indicates their plans to foreclose on equipment chattels after June 1st of this year unless an adequate loan repayment (20%) is made by each borrower. Such action will obviously take away the grower's tools to produce a season's crop, already largely planted, and would place the FmHA loan money, already extended, in serious jeopardy. As a matter of fact, if the vegetable growers of Orange County are not allowed to produce a crop this year, it is doubtful if any creditor will receive full satisfaction.

Mr. Secretary, with this perspective, we now meet with you today in hope that together we may find an appropriate solution to this problem and allow our vegetable growers to get along with their true business -- feeding the citizens of this country and the world.

Sincerely,



BENJAMIN A. GILMAN
Member of Congress

EAG:jbs
Enclosure



JUN 2 1975

Honorable Benjamin A. Gilman
House of Representatives
Washington, DC

Dear Mr. Gilman:

This is in further reply to your letter of May 5, 1976, concerning the financial situation of several Orange County vegetable growers in your Congressional District who are indebted to the Farmers Home Administration (FmHA) for emergency (EM) loans received in 1973 and 1974.

The EM loan regulation that was published in Volume 40, Number 178, of the Federal Register dated September 12, 1975, on pages 42320 - 42337, contains the current administrative policies, procedures, and authorizations for the emergency loan program and reflects changes made in the program by Public Law 94-68, enacted on August 5, 1975. Section 1832.20(b) of this regulation authorizes additional EM loans to borrowers indebted for EM loans to finance their annual farm operating expenses when the credit needed is not available from other sources and they can otherwise qualify. These loans may be made for six full crop (calendar) years after the disaster to permit borrowers to return to their normal credit sources. The first EM loans following Hurricane Agnes were made to Orange County vegetable growers for 1973 operating expenses. Therefore, it might be possible for FmHA to make additional annual loans for 1976, 1977, and 1978 crop year expenses to those growers who cannot obtain the needed credit from other sources, provided they can meet security requirements and show reasonable repayment ability.

Section 1832.22(f) of the regulation authorizes an extension of EM loan notes under certain conditions. When an EM loan has been scheduled for repayment over a period not longer than 7 years, it may be extended once for up to 5 additional years when it is determined that the scheduled installments cannot be met. An extension will be granted only after review and determination by the FmHA County Committee and approval of an official that FmHA's experience with the borrower has been satisfactory; the borrower has paid in accordance with his ability; the remaining EM balance can be adequately secured; there is a reasonable chance for the borrower to return to conventional credit within the extended period; and this action is not being taken in lieu of foreclosure.

Extensions of EM loans made for actual loss purposes will be at 5 percent interest. EM loan advances for other than actual losses will be at the market rate established semiannually by the Secretary of Agriculture. Currently, this rate is 9 percent.

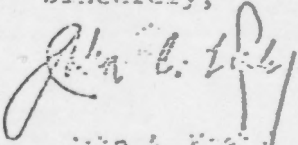


FmHA has historically limited its assistance to borrowers who, for reasons beyond their control, are unable to meet scheduled installments when they have been cooperative with FmHA. This policy, considered along with the extension authority set forth above, gives EM loan borrowers an opportunity to overcome adversities when they (1) have the potential to work out of their delinquency in a reasonable length of time, (2) continue to cooperate with FmHA, and (3) make progress toward accomplishing the loan objective.

As pointed out above, and in previous correspondence, FmHA may make additional EM loans for operating expenses and extend delinquent EM loan notes for those borrowers who qualify. However, FmHA cannot condone the uncooperative action by some EM loan borrowers which has placed their loan accounts in jeopardy. FmHA has shown patience and has been tolerant due to the nature of the situation in Orange County, but is not in position to excuse those borrowers who have deliberately failed to make payments on their EM loan accounts. Accordingly, FmHA intends to follow through with its plans to move against those borrowers, who were given notice in writing, if they fail to substantially reduce their EM loan delinquencies by June 1, 1976. Also, FmHA does not intend to consider additional EM loans and/or extensions of existing EM loans for those borrowers whose loan status is in litigation or foreclosure, regardless of whether the action was instigated by FmHA or by other creditors.

We appreciate your concern and regret that it was not possible to reply more favorably.

Sincerely,


John A. Kneale
Acting Secretary

B

June 23 , 1976

MEMORANDUM FOR CHARLES LEPPERT

FROM: JAMES L. MITCHELL /S/
SUBJECT: Disaster Relief for Onion Growers in
Orange County, N.Y.

Please note attached materials.

It's hard to tell what Gilman wants us to do that we could legally do. Tab 3 shows progress with all but one of the debtors. I think USDA has really gone out of its way on this. I don't think a meeting is appropriate.

Attachments

CC:

Mr. O'Neill

Mr. Mitchell

Mr. Kranowitz

Mr. Glozer/Mr. Robinson

(Ken has copy)

JLMitchell/fr

June 23, 1976

Memo from Charles Leppert (White House) to Jack Marsh
(Attachment #1)

RE .. Disaster Relief for Onion Growers in Orange County, New York
.. Mr. Mitchell

At your request to "check out" the contents of subject memo, I have visited with Deputy Assistant Secretary (Rural Development) Jim Bostic and Assistant Administrator (FARMA) for farm programs Jack Sprague and discussed in detail the situation surrounding the "Gilman" problem. During those discussions I have viewed a voluminous file which essentially corroborates the details of the Leppert memo.

Since March of 1975 the Secretary or his staff (i.e., Assistant Secretary Walker, Deputy Assistant Secretary Bostic, and various officials of FARMA and the Office of General Counsel) have met with Congressman Gilman on approximately five occasions. In addition there has been a series of correspondence between Congressman Gilman and these same officials.

Attachment #2 is a chronology of selected events which will indicate the extent to which USDA officials have labored in their attempts to reach a favorable resolution to the problem. Following is a brief summary:

1. USDA made 1% emergency loans to a number of onion farmers in Orange County, N.Y. who suffered losses from Hurricane Agnes.
 - The amounts of the loan covering production costs were to be repaid in one year.
 - The balance (the bulk of the loan) was scheduled for repayment over 5 years.
2. The producers suffered further losses and requested an extension of the payment period.



3. USDA contended that because of laws passed subsequent to the making of the loans it could only extend a portion of the loans. It offered to:
 - renegotiate the production part of the loan at 1%, and
 - subordinate its lien on the balance so that producers could obtain private financing.
4. This was unacceptable to the producers; they refused to make additional payments and threatened to file suit against USDA (at this time it's still a threat).
5. USDA has advised the producers that because of enactment of P.L. 94-68 in August 1975 it can no longer renegotiate any part of the loan at 1%; further, while it has shown patience and tolerance because of the nature of the situation in Orange County, it is not in a position to excuse those borrowers who have deliberately failed to make payments on their EM loan accounts. Also, it does not intend to consider additional EM loans and/or extensions of existing loans for those borrowers whose loan status is in litigation or foreclosure.

Attachment #3 shows the amount owed by each producer, and the status of the loan. In those cases where an agreement has been worked out with, and entered into by the producers and FAMA, the prospect for liquidation seems to be good at this time.

It is our belief after reviewing all of the correspondence, etc., relating to this case that there is not much, if anything, the White House can do in terms of reaching a more satisfactory solution to this problem.

13

E. Franklin Warner
Agriculture Branch
Energy and Food Division

cc:
OFCL File - Ag. Br. Mr. Landis



THE WHITE HOUSE
WASHINGTON

June 9, 1976

MEMORANDUM FOR:

JACK MARSH

THRU:

MAX FRIEDERSDORF

FROM:

CHARLES LEPPERT, JR.

SUBJECT:

Rep. Ben Gilman (R. - N. Y.)

At your request, I took the Congressional Hour on Tuesday, June 8. The only scheduled appointment for the Congressional Hour was Rep. Ben Gilman.

Rep. Gilman's problem relates to the need for disaster relief financing for a substantial number of onion growers in Orange County, New York. The facts as I understand them are as follows.

In June 1972, as a result of Hurricane Agnes, the onion farmers of Orange County suffered severe financial losses. In 1973, the Department of Agriculture made production loans for a period of five years and loans to cover actual losses at one to five percent interest to enable these farmers to return to the financial condition they occupied in 1972. In 1974, these farmers asked the Department of Agriculture for further production loans. At that time, the Agriculture Department refused the request on the basis that Public Law 93-237 changed the rules for obtaining loans and said that that law was applicable retroactively to the period prior to the Hurricane Agnes disaster and therefore the farmers could not get production loans. However, the Department of Agriculture, I am told, subsequently relented because of the short notice of the new law and provided production loans for 1974.

In 1975, the Department of Agriculture served notice on the farmers that no further production loans would be forthcoming. As a result of the notice by the Department of Agriculture, the farmers stopped

payment on prior loans. The Department of Agriculture now contends that the farmers have been uncooperative and are in default of the loan agreements. At the request of Rep. Gilman, the Farmers Home Administration has reviewed this matter and by letter from Jack Knebel the Department has informed the farmers that the Department of Agriculture would pursue legal action against the farmers as of June 1, 1976. Appeal was made for an extension during the first part of May 1976 as a result of a meeting between Secretary Butz, Rep. Gilman, and his constituents. Secretary Butz agreed to a thirty-day extension, to expire June 10. It is apparent that if the Department of Agriculture's legal actions against the farmers are to be stayed by any further consideration at our request, time is of the essence. I am further advised that a further request for an extension on this matter was requested of the Department of Agriculture by Rep. Gilman on June 9, 1976.

In order to compromise this situation, Rep. Gilman suggests a proposal for consideration by Secretary Butz and the Department of Agriculture which would spread out the payment of the debt over a five-year period at the interest rate which was in effect at the time the loans were initially made. The Department of Agriculture has preliminarily refused this proposal, which has resulted in the Orange County Farmers Co-Op bringing legal action against the Department of Agriculture.

Attached is Rep. Gilman's letter to Max Friedersdorf, a letter dated May 5, 1976, from Rep. Gilman to Secretary Butz, a letter dated June 2, 1976, to Rep. Gilman from John A. Knebel, Acting Secretary, and a bound copy of Rep. Gilman's file on this matter, which includes the legal opinion of the American Law Division of the Library of Congress which, according to Rep. Gilman, is contrary to the legal basis of the decision of the Department of Agriculture in this matter.

I suggest that the Domestic Council, the Office of Management and Budget, and the Department of Agriculture be brought together at the earliest opportunity for a meeting to determine what relief, if any, can be afforded to Rep. Gilman's constituents.

cc: Jim Cannon
Paul O'Neill ✓



Chronology of Events Relating to the Situation Surrounding
the Orange County Onion Producers

Background

In June 1972 Hurricane Agnes caused considerable loss to the onion farmers in Orange County.

FmHA made emergency loans to the producers at 1% interest rates. The amount of the loan covering production costs was to be repaid in one year; the balance was scheduled for repayment over a five year period.

Subsequently, the growers suffered an additional bad year because of adverse weather and requested the FmHA to renew and extend the loans for the 1974 crop year. The Department, however, was not in a position to routinely extend these loans because:

- P.L. 93-24, enacted in April 1973, raised the interest rate on emergency loans to 5%.
- P.L. 93-237, enacted in January 1974, limited emergency loans to losses incurred.

It thus turned down the request.

December 20, 1974

Congressman Gilman wrote FmHA requesting a reconsideration of that decision. He argued that P.L. 95-237 did not apply to these loans.

March 3, 1975

The American Law Division of the Congressional Research Service in its report to Congressman Gilman substantiated his belief that the provisions of P.L. 93-237 would not apply to loans to these farmers.

March 19, 1975

At Congressman Gilman's request, Assistant Secretary Erwin, Deputy Assistant Secretary Bostic, USDA General Counsel Knebel, and other USDA officials met with Congressman Gilman and Congressman Peyser along with Hyde Murray of the House Agriculture Committee and various other Congressional staff to discuss this situation.

April 10, 1975

Congressman Gilman wrote Secretary Butz requesting that the Secretary meet with him to further discuss a possible solution to the problem. That meeting was held a few days later.

April 17, 1975

Acting Secretary Campbell wrote to Congressman Gilman informing him that he had asked the OGC to once again review the situation surrounding the onion farmer's loss relating to Hurrican Agnes.

In that letter Acting Secretary Campbell wrote that he was of the same opinion as the OGC and informed the Congressman that:

"Loans for operating needs are available, however, through a separate FmHA program to qualified applicants. Moreover, FmHA advises me that they are willing to consider the feasibility of subordinating existing FmHA liens in order to facilitate obtaining specific amounts of 1975 operating credits from private financial institutions for Gurda Farms, Inc.; G.&U., Inc.; Raymond Myruski; Shuback Farms, Inc.; WKW Farms, Inc.; Sam Palermo; and Franjo Farms, Inc. To date, only Raymond Myruski has contacted the local FmHA representative regarding such subordination.

"I trust that the operating loan program or the subordination alternative available under existing statutory authority will help serve the needs of your constituents."

April 23, 1975

Congressman Gilman wrote Secretary Butz requesting that:

1. ".... there be a further review by the Secretary of the OGC's legal opinion relating to the provisions of P.L. 93-237, preventing subsequent emergency loans.

2. The Secretary "....further explore alternative means of alleviating the financial burdens that your Department has imposed upon our farmers."
3. The Secretary support his (Gilman's) bill (H.R. 1854) which would "....seek to help the farmers by providing a method for long-term refinancing of disaster loans and by providing short-term production loans.

May 2, 1975

The Secretary wrote Congressman Gilman that additional staff review has taken place in connection with the Orange County borrowers and it has been determined that the following assistance may be considered on an individual basis:

1. "FmHA representatives will consider the feasibility of subordinating existing FmHA liens in order to facilitate obtaining specific amounts of 1975 operating credit from private financial institutions for Gurda Farms, Inc.; G.&U., Inc.; Raymond Myruski; Shuback Farms, Inc.; WKW Farms, Inc., Sam Palermo, and Franjo Farms, Inc. The information available shows that Gurda Farms' and WKW Farms' applications for additional funds from the Springfield Farm Credit Administration Regional Office are being considered at this time. In addition, we understand that a representative of G.&U., Inc., has contacted the Florida National Bank with respect to obtaining funds through a subordination.
2. "With respect to accounts that are delinquent, the FmHA is willing to review each case and will consider delaying further collection action at this time for those borrowers who have reasonable prospects of accomplishing the loan objectives, who properly maintain and account for loan security, and otherwise meet the loan obligations.
3. "FmHA representatives will review the accounts of each of the borrowers who received loans on a one-year term for production purposes and consider extending the terms of such loans for a longer period not to exceed five years. The extension will

be predicated upon the borrower's ability to repay and protection of the Government's security interest. The production loan accounts that can be extended will bear the same rate of interest that was previously shown in the note under which the loan was obtained."

May 6, 1975

Congressman Gilman wrote to Secretary Butz that "while each of the points set forth in your letter is a step in the right direction, there remain only two alternatives. Either we grant the farmers subsequent production loans for 1975 or guarantee loans obtained from local institutions."

May 19, 1975

The Secretary wrote to Congressman Gilman explaining that the FmHA is without authority to honor that request.

August 5, 1975

P.L. 94-68 was signed into law which among other things precluded FmHA from renegotiating old loans at the 1% rate.

Fall of 1975

The growers ceased payment on the outstanding loans on the grounds that to continue to do so without the additional loans would place their operations in jeopardy.

March 4, 1976

Congressman Gilman wrote Secretary Butz that the Orange County Improvement Cooperative Association is planning to file a damage suit against USDA "on the grounds that existing regulations, which have been promulgated to their detriment, are based on an erroneous interpretation of current law."

March 16, 1976

Assistant Secretary Walker wrote to Congressman Gilman that:

"FmHA representatives did review all of the delinquent accounts for consideration in giving them 5-year extensions on their annual EM loan balances. However, it was decided

such extensions would not be granted because of the borrowers' uncooperative attitudes in providing FmHA with proper accounting for their previous years' crop proceeds, and their failure to apply a fair share of those proceeds to their FmHA accounts. FmHA regulations provide for up to 5-year extensions on delinquent EM loans. In some cases such extensions might still be granted if the requested reductions (20 percent) of their past due balance are forthcoming. The interest rates for extended or renewed loans are presently controlled by Public Law 94-68. There is no authority to extend any EM balances at 1 percent, the rate at which these growers' initial loans were made.

"Public Law 94-68 and FmHA regulations also provide for EM borrowers to receive annual production loans for up to "six full crop years after the disaster," if they are otherwise eligible. This means they must come to terms with FmHA regarding the 20 percent reduction on their present delinquent EM balances, have sufficient collateral available to satisfy FmHA security requirements, and project a feasible plan of operation to carry their present debtload plus any new indebtedness they plan to incur.

"A number of these Orange County vegetable growers are involved in litigation with other creditors. Until these litigations are brought to a conclusion with a clear resolution of the claims and counter-claims, FmHA cannot approve any additional loans to growers so involved."

Assistant Secretary Walker and Deputy Assistant Secretary Bostic met with Congressman Gilman in his office to discuss what further help could be given these farmers.

April 7, 1976

Assistant Secretary Bostic wrote to Congressman Gilman a long letter (copy attached) recapping the whole situation and the Department's position.

May 4, 1976

Deputy Assistant Secretary Bostic wrote the Secretary a memorandum concerning his upcoming May 5 meeting with Congressman Gilman. Mr. Bostic wrote "there is really not much we can do to help these farmers. I suggest we just listen to Congressman Gilman."



May 5, 1976

Congressman Gilman wrote a five page letter (which he apparently handed to the Secretary) reviewing the whole situation as he saw it and indicating that it was his hope that an administrative solution to the problem would be brought about.

The Secretary and staff met with Congressman Gilman.

June 2, 1976

Acting Secretary Knebel wrote Congressman Gilman a long letter in reply to the May 5 letter and meeting, laying out the position of USDA. The final paragraph of which is as follows:

"As pointed out above, and in previous correspondence, FmHA may make additional EM loans for operating expenses and extend delinquent EM loan notes for those borrowers who qualify. However, FmHA cannot condone the uncooperative action by some EM loan borrowers which has placed their loan accounts in jeopardy. FmHA has shown patience and has been tolerant due to the nature of the situation in Orange County, but is not in a position to excuse those borrowers who have deliberately failed to make payments on their EM loan accounts. Accordingly, FmHA intends to follow through with its plans to move against those borrowers, who were given notice in writing, if they fail to substantially reduce their EM loan delinquencies by June 1, 1976. Also, FmHA does not intend to consider additional EM loans and/or extensions of existing EM loans for those borrowers whose loan status is in litigation or foreclosure, regardless of whether the action was instigated by FmHA or other creditors."

Congressman Gilman subsequently advised FmHA that he would not accept the provisions of the letter as a statement of USDA policy unless the letter was signed by the Secretary.

June 11, 1976

The same letter was sent to Congressman Gilman signed by the Secretary.

TRUE COPY

Honorable Benjamin A. Gilman
Housing of Representatives
Washington, DC

Dear Mr. Gilman:

This is in response to the questions you raised during our meeting in your office on March 16, 1976, regarding the emergency (EM) loan program administered by the Farmers Home Administration (FmHA) since June 1972 when Hurricane Agnes occurred.

FmHA has no authority to declare a moratorium on the payment of interest or principal due for emergency loans. There is authority in our regulations, however, to defer principal payments for up to the first three annual installments at the time the repayment schedule on the promissory note is established. We have no program authority to refinance existing EM debts that were originally written at 1 percent interest, unless those debts are renewed at a current market rate of interest which presently is 9 percent.

Your question as to why production loans made to the Orange County growers increased from 1 percent for 1973 to 5 percent in 1974 is related to Public Law 93-24, which was enacted on April 20, 1973, and increased the interest rates on EM loans to 5 percent.

The difference in the Small Business Administration (SBA) regulations on its disaster loans as compared to FmHA's disaster loans, is related to the different legislation under which each Agency administers its programs.

The FmHA regulations that were in effect following Hurricane Agnes did not permit FmHA to offer long-term refinancing loans to applicants whose total real estate indebtedness would exceed \$300,000 after the FmHA emergency loan was made. Furthermore, at least 50 percent of the \$300,000 indebtedness had to be provided by other creditors, thereby enabling FmHA to extend refinancing long-term loans of up to \$150,000 at a 1 percent interest rate.

Loan funds which were provided EM borrowers and used for annual production expenses were to be repaid in 1 year. However, those portions of EM loans that were used for other purposes, such as the payment to other lenders for delinquent interest and depreciation, were spread over a 5-year repayment term. In some cases, that was a substantial portion of the total loan. We recognized, at the time, that some larger growers were in need of long-term refinancing, but we also recognized that FmHA had no authority to extend that type of financing to them.

Concerning subordination of FmHA security, we are able and have induced other lenders to provide operating credit for the Orange County growers. This authority is still available to growers who have complied reasonably with the terms and conditions of their existing loans, i.e., accounted for security property and proceeds from the sale of crops upon which FmHA hold a first lien.

It is our opinion that FmHA has not been unreasonable in its position since the Agency has carried many of these accounts delinquent for over 3 years. Any current action being taken is based primarily on the fact that these borrowers did not pay FmHA a fair share of their 1975 crop proceeds after experiencing a relatively good year in 1975.

Presently indebted EM loan borrowers, who are unable to obtain their credit needs for the 1976 growing year may be considered for such financing from FmHA provided they make the proper accounting for security property that is securing their present EM balances, they present a sound plan of operation for the coming year, and they otherwise qualify under existing regulations implementing Public Law 94-68.

Referring to Secretary Butz' assurance that emergency operating loans would be available for up to 5 years, this statement was based on legislation which was in effect at the time the Secretary's letter was written. Since that date, Public Law 94-68 has provided for emergency loans to be made at 5 percent interest for actual loss loans and the market rate, currently 9 percent interest, for all other types of emergency loans. We are unable to deviate from these interest rates.

The Department is concerned that the \$8 million loaned to the Orange county muck growers has not achieved success for all of the growers. We are doing everything possible under the FmHA authorizations and procedures to provide the best available solutions for these producers of agricultural commodities.

Sincerely,

JAMES E. BOSTIC, JR.
Acting Assistant Secretary
for Rural Development

Outstanding Balance^{1/}
(approximately) as of
6/1/76
(\$'s in K)

Name

Status

Gunda Farms, Inc.	1,407.5	Working agreement in progress, being worked out among FmHA, PCA ^{2/} and borrowers, which would require a 20% reduction of outstanding balances before additional loans can be made.
Shuback Farms, Inc.	257.9	
G&U	390.5	Have paid 20% (as agreed) - no foreclosure anticipated at this time.
W.K.W.	127.1	
Ingrassia & La Scala	707.7	Borrowers cooperating with FmHA in settling indebtedness.
George Pnochazka	464.7	
Raymond Mynuski	300.6	Has not paid, nor has he demonstrated any intention to cooperate. USDA has issued notice of debt acceleration which declares all amounts owed become due and payable 5 days after issue (6/21/76) and that after expiration of such 5 day time period, an attempt will be made to take possession of lien property.
Zygmund Ragowski		Paid in full.
P.Z. Island Farms	118.2	Filed for Bankruptcy under Chapter 11.

^{1/} Principal only. (There is a considerable amount of unpaid interest on these loans).

^{2/} Production Credit Association (Farm Credit Administration).

THE WHITE HOUSE
WASHINGTON

2
[ca. Aug -1976]

Dear Mr. Secretary:

The Congress is now evaluating Section 404 of the Federal Water Pollution Control Act under which the Army Corps of Engineers regulates dredge and fill activities. I have directed a 60-day delay in any expansion of Corps permit jurisdiction to accommodate this Congressional review.

In promulgating the regulations under this authority, we have sought -- to the maximum extent permissible under existing law -- to exempt agricultural and forestry activities. To the same end, we shall urge the Congress, in reconsidering this program, to provide an exemption for all lands currently used for farming, ranching and forestry as long as such use continues.

I believe such an exemption provides an appropriate balance between the need to protect the Nation's waters and wetlands and the need for production of food, fiber and forest products. Accordingly, I ask that you, as the Administration's spokesman for producers of these essential commodities, join with the Secretary of the Army and the Administrator of the Environmental Protection Agency in urging the Congress to enact such an exemption.

Sincerely,

The Honorable Earl L. Butz
Secretary of Agriculture
Washington, D.C. 20250



Agriculture
Commerce

THE WHITE HOUSE
WASHINGTON

August 11, 1976

MEETING WITH SENATOR CARL CURTIS (R-Neb.) and
CONGRESSWOMAN VIRGINIA SMITH (R-Neb.) and Four
NEBRASKA & KANSAS CATTLEMEN

Thursday, August 12, 1976
2:30-2:50 P.M. (20 Minutes)
The Cabinet Room

From: Max Friedersdorf

M.6.

I. Purpose

To accommodate a request by Senators Curtis and Bob Dole for a meeting on lagging beef cattle prices.

II. Background, Participants & Press Plan

A. Background:

1. Senators Curtis and Dole requested the President meet with a small group of cattle producer constituents to discuss current problems in the cattle industry.
2. Senator Dole is unable to attend because of the convention, and Senator Curtis indicated he would bring Congresswoman Virginia Smith (R-Neb.) who represents a large cattle-producing District.
3. Curtis also requested Secretary Butz attend and he will be present.

B. Participants: See Tab A.

C. Press Plan: Press Office to announce meeting as request of Senator Curtis to have constituents meet President; White House photos only.

III. Talking Points (See Tab B)



Participants

The President

Senator Carl Curtis
Congresswoman Virginia Smith

Richard Pringle, Yates Center, Kansas
Floyd Fairleigh, Scott City, Kansas
Tom Baxter, Grand Island, Nebraska
Wayne Hendrickson, Kearney, Nebraska

Staff

Jim Cannon
Jack Marsh
Max Friedersdorf



File - Agriculture

August 12, 1976

MEMORANDUM FOR: JIM CANNON
FROM: JIM FIELD
SUBJECT: Attached

Although I am in Kansas City, my secretary received this telegram today to the President. I would greatly appreciate you or someone in your office calling him directly.

Mr. George L. Rogers
P.O. Drawer 967
Billing, South Carolina 29536

803-774-2867 (h), 803-774-4381 (b)

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Butz
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Richard Feltner
Aug 22

President
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Room 1317

Delegate

My Mark 1812

The White House
Washington

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10 PMS PRESIDENT GERARD FORD, DLR
11
12 WHITE HOUSE
13 WASHINGTON DC
14 IT IS BEING WIDELY REPORTED BY THE NEWS MEDIA THAT AN INCREASE IN
15 PRECENTAGE OF FLU CURED TOBACCO WOULD BE SOLD IN SOUTH CAROLINA
16 DURING THE WEEK OF AUGUST 16. THIS WAS A RESULT OF DELEGATE LEE
17 BLACKBURN'S VISIT WITH YOU LAST FRIDAY. MR BLACKBURN CONFIRMS THIS.
18 I SELL TOBACCO ON THE DILLON SOUTH CAROLINA MARKET AND WE DON'T EVEN
19 HAVE A SALE THE WEEK OF THE REPUBLICAN NATIONAL CONVENTION. THIS
20 MEANS THAT THE FARMERS IN THIS AREA WILL BE BLAMING REPUBLICANS AND
21 MR BUTZ FOR NOT BEING ABLE TO SELL ANY TOBACCO THE WEEK OF AUGUST 16
22 WHILE WE MEET IN KANSAS CITY. WE WOULD APPRECIATE SOME HELP IN THIS
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1976 Aug 12

WHITE HOUSE
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EAST WASHINGTON ST DILTON SC 59226

Agriculture

THE WHITE HOUSE

WASHINGTON

August 31, 1976

MEMORANDUM FOR:

JIM CANNON

THRU:

JACK MARSH
MAX FRIEDERSDORF

FROM:

CHARLES LEPPERT, JR.

SUBJECT:

Rep. Robert Bauman (R. - Md.)

Rep. Bauman called to state that his office has received word that the Department of Agriculture was recommending to OMB a rescission of \$150 million under the Agricultural Stabilization and Conservation Service programs.

Bauman says such action by the Department of Agriculture and the Administration will do nothing but enrage the farmers against President Ford.

Paul

Can we get a brief report on this?

A.

