

The original documents are located in Box 32, folder “Tobacco Price Support Bill” of the John Marsh Files at the Gerald R. Ford Presidential Library.

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THE WHITE HOUSE

WASHINGTON

September 18, 1975

MEMORANDUM TO:

JACK MARSH

FROM:

RUSS ROURKE *R*

In view of the attached strong expressions of interest on both sides of the tobacco bill question, I would recommend the approval of the requested meeting with the President, the meeting to include the interested Members of Congress and Secretary Butz.

*2 - may is
paying on*



THE WHITE HOUSE

WASHINGTON

September 17, 1975

MEMORANDUM TO: JACK MARSH

FROM: RUSS ROURKE *R*

Ken Frick (Department of Agriculture Congressional Liaison) called to give the "other side of the coin on the tobacco bill". Frick says the Committee "didn't pay any attention to what Agriculture sent up, ignored Agriculture's position totally, and we can't find a single redeeming feature in the legislation as it was enacted".

Naturally, Frick urged a Presidential veto.



To Mr. [illegible]
Date 9-16 Time 4:09

WHILE YOU WERE OUT

M. Robert J. Miller
of Agriculture
Phone 447-3465

Phone 747-510
Area Code Number Extension

TELEPHONED	PLEASE CALL
CALLED TO SEE YOU	WILL CALL AGAIN
WANTS TO SEE YOU	URGENT

RETURNED YOUR CALL

Message _____ FOR _____



Opener 16

EFFICIENCY® LINE NO. 4725 AN AMPAD PRODUCT

THE WHITE HOUSE

WASHINGTON

September 17, 1975

M

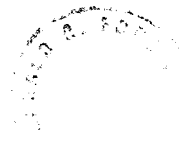
MEMORANDUM TO: JACK MARSH

FROM: RUSS ROURKE R

I returned your call from Senator Strom Thurmond. Thurmond vigorously supports the tobacco bill and urged the President to promptly sign it.

"I have the greatest respect for Secretary Butz, but he is dead wrong on this issue. This bill sailed through the Congress, and I am certain that the Congress would override a veto. The human and political angles on this matter are critically important."

cc: MFriedersdorf
BKendall



To Mr. Marshall
Date 9-16 Time 3:25

WHILE YOU WERE OUT
M Len Thurmond
of _____
Phone 824-5972
Area Code Number Extension

TELEPHONED	<input checked="" type="checkbox"/>	PLEASE CALL	<input checked="" type="checkbox"/>
CALLED TO SEE YOU	<input checked="" type="checkbox"/>	WILL CALL AGAIN	<input type="checkbox"/>
WANTS TO SEE YOU	<input checked="" type="checkbox"/>	URGENT	<input type="checkbox"/>

☒ RETURNED YOUR CALL ☐

Message OK 10:34
4
4
4
4
4

Operator _____

EFFICIENCY® LINE NO. 4725 AN AMPAD PRODUCT

THE WHITE HOUSE
WASHINGTON

M

September 17, 1975

MEMORANDUM TO: JACK MARSH
FROM: RUSS ROURKE R

I returned your call from Secretary Butz. He spoke violently in opposition to the tobacco bill, and urged the President to veto.

He indicated that trickery was used to get the bill passed in the House. The bill number was changed the day before it was brought up under unanimous consent while his watchdog, Peter Peyser, was in the Cloak Room making a phone call, the bill was passed with fewer than ten members on the floor. It passed the Senate with fewer than five Senators on the floor.

"This bill is very, very bad economics. It would kill the industry". He is aware that a number of House and Senate members have requested a meeting with the President on this issue. He requested that the President agree to such a meeting but strongly urges that he be invited to that same meeting. He was convinced that he could explain the bad economics inherent in this legislation to the members in question.

cc: MFriedersdorf



THE WHITE HOUSE

WASHINGTON

September 18, 1975

MEMORANDUM FOR: JACK MARSH
FROM: RUSS ROURKE *R*
SUBJECT: Representative Carl Perkins

I spoke with Carl Perkins concerning his support of the tobacco bill. He expressed the same basic arguments as Strom Thurmond, Tim Lee Carter and Walter Jones. Perkins also desires a meeting with the President.




THE WHITE HOUSE
WASHINGTON

RUSS - FYI - Jane (Wolthuis's Office) called last night re a meeting scheduled this Thursday re tobacco. I asked if Carter, Thurmond, Butz, etc. were invited, and she said she knew for sure Butz was but a list of Congressional types was not yet compiled.

cb

(meeting is in Cabinet Room
at 5:00 p.m.)

Connie



SEP 19 1975

THE WHITE HOUSE
WASHINGTON

September 19, 1975

Jack Marsh -

The original has gone
forward to the President. Copy for
your information.

Jim Connor



THE WHITE HOUSE
WASHINGTON

INFORMATION

September 18, 1975

MEMORANDUM FOR THE PRESIDENT

FROM: JIM CANNON 
SUBJECT: Tobacco Price Support Bill: H.R. 9497

This bill was passed by voice votes in both Houses. You will have to decide whether to sign or veto the bill within the next two weeks. It was moved through Congress with little debate. The method of passage through the House was particularly irregular: The bill number was changed just before being placed on the House calendar to avoid warning the potential opposition, and Representative Peter Peyser was deceptively called off the floor in order to prevent his raising a planned objection to consideration of the bill.

This bill makes a change in the method of computing the level of price support for tobacco. The bill, if approved, will increase the 1975 crop support 7 to 10 percent for the various kinds of tobacco. In 1976, crop supports would be raised 5 to 7 percent.

USDA estimates this increase would raise program outlays \$71 million for the remainder of the 1975 crop and an average of about \$48 million annually during fiscal 1976 and each of the four subsequent fiscal years (or a total of over \$300 million through fiscal 1980).

Many tobacco-state Representatives and Senators strongly support this revision in the tobacco legislation. This is particularly true with those Members from the major tobacco-growing states; i.e., Virginia, North and South Carolina, Tennessee, Georgia and Kentucky. For example, Senators Thurmond and Baker are strong supporters of the bill.

We will send you a decision paper on this legislation when this bill arrives and we have recommendations from your senior advisers.



THE WHITE HOUSE

WASHINGTON

September 20, 1975

MEETING WITH CONGRESSIONAL OPPONENTS OF TOBACCO BILL

Tuesday, September 30, 1975

12:00-12:30 p.m. (30 minutes)

The Cabinet Room

From: Max L. Friedersdorf *mlf.*

I. PURPOSE

To permit opponents of H.R. 9497, the bill increasing tobacco price supports to present their views to the President.

II. BACKGROUND, PARTICIPANTS AND PRESS PLAN

A. Background:

1. Both the House and Senate have passed without a recorded vote, a measure (H.R. 9497) increasing price supports for tobacco.
2. The President met last week with House Members supporting the bill and a number of Senators favoring the legislation could not attend the Presidential meeting due to Senate business.
3. Senators Brooke, Bellmon, Garn, Hatfield, Javits, Roth, Hugh Scott, Stafford, Percy, Case and Buckley wrote to the President, urging a veto based on Department of Agriculture estimates of a \$250 million cost over a 5-year period. (See Tab A)
4. Agriculture revised their estimate to \$55 million for the 5-year period. (See Tab B)
5. John Rhodes now recommends signing, based on the \$55 million figure and important linkage with the Turkish Aid vote.

B. Participants: See Tab C



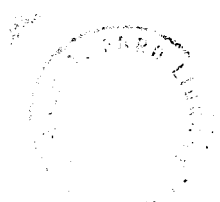
C. Press Plan:

Announce to the Press, White House photographer only.

III. AGENDA See Tab D

IV. TALKING POINTS

1. I am pleased to have the opportunity to discuss the tobacco bill with members of the House and Senate.
2. There are a number of Senators and Congressmen supporting the bill, and I met with a delegation of proponents last week.
3. I have until midnight, Wednesday, October 1, to act. Before that time I plan to study all the pros and cons of the legislation before making a decision.
4. Both Secretary Butz and OMB Director Jim Lynn are here today. I would like to have the Congressmen and Senators give me their views, and then perhaps Earl and Jim can express themselves.



975 SEP 19 PM 3 54

10064 GOVT NFWASHINGTON DC 203 09-19 324P EDT

PMS THE PRESIDENT

WHITE HOUSE DC

DEAR MR. PRESIDENT:

WE RESPECTFULLY REQUEST THAT YOU VETO H. R. 9497, THE BILL WHICH WOULD INCREASE TOBACCO PRICE SUPPORTS. THIS BILL, WHICH WAS RUSHED THROUGH THE SENATE WITHOUT A RECORD VOTE, WOULD COST THE TAX-PAYER \$240 MILLION MORE OVER THE NEXT FIVE YEARS THAN EVEN THE PRESEN

T
TOBACCO PRICE SUPPORT.

IT SETS A PRECEDENT WHICH IS DIRECTLY CONTRARY TO THE POLICY DIRECTIONS ESTABLISHED BY YOUR ADMINISTRATION. FIRST OF ALL, IT EXTENDS THE COSTLY FARM PRICE SUPPORT SYSTEM WE HAVE BEEN SEEKING TO CUT BACK.

SECOND, AND PERHAPS MORE IMPORTANT, IT CREATES A SUBSIDY FOR A DANGEROUS POLLUTANT AND CARCINOGEN. IT IS A NATIONAL GOAL TO REDUCE SMOKING AND TO ERADICATE CORONARY AND RESPIRATORY DISEASE AS WELL AS CANCER.

THEREFORE, IT IS IRRATIONAL AND DANGEROUS TO INCREASE THE ANNUAL SUBSIDY THE PUBLIC GIVES THE TOBACCO INDUSTRY. LAST YEAR, \$962.3 MILLION OF TAX MONEY WAS SPENT TO ERADICATE THE DISEASES TO WHICH TOBACCO IS A MAJOR CONTRIBUTING FACTOR.

FOR THESE REASONS, WE HOPE YOU WILL SEE FIT TO VETO THE BILL.

WE IN TURN PLEDGE OUR BEST EFFORTS TO SUSTAINING THAT VETO.

SINCERELY

EDWARD W BROOKE

HENRY BELLMON

JAKE GARN

*Add Senators Case/Ruebly
per telephone call from
them*

MARK O HATFIELD

JACOB K JAVITS

WILLIAM V ROTH JR

HUGH SCOTT

ROBERT T STAFFORD

CHARLES H PERCY

NNNN



EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

MEMORANDUM FOR THE PRESIDENT

FROM: JAMES T. LYNN

SUBJECT: Agriculture's Revised Tobacco Estimates

Ag's lowered estimate of the increased costs attributed to H.R. 9497 result from the following:

1. Later and higher estimates of production for this year's crop:

<u>Original Estimate</u>	<u>Revised Estimate</u>
(Million Pounds) *	

2,061

2,205

2. A change in the assumptions under H.R. 9497. Earlier the Department assumed that for comparison purposes production would be the same under both present and proposed legislation. For the latest estimate USDA assumes that even tighter planting restrictions would be imposed, as follows:

<u>Fiscal Year</u>	<u>Original Estimate</u>	<u>Revised Estimate</u>
	(Million Pounds) *	

1976	2,061	2,205
1977	2,269	2,060
1978	2,268	2,050
1979	2,235	2,040
1980	2,218	2,040

* Flue-cured and burley only



3. With the reduced production, the amount of surplus and CCC loan outlays would decline:

Net Outlays

(Million Dollars)

<u>Fiscal Year</u>	<u>Original Estimate</u>			<u>Revised Estimate</u>		
	<u>Current Law</u>	<u>H.R. 9497</u>	<u>Difference</u>	<u>Current Law</u>	<u>H.R. 9497</u>	<u>Difference</u>
1976	39	110	71	319	442	123
TQ	----not computed ----			105	139	34
1977	60	109,	49	24	-34	-58
1978	66	99	33	5	-12	-17
1979	102	150.	48	-14	-34	-20
1980	68	106	38	-25	-31	-6

(5 yr. average
is \$48 mil.)

(5 yr. average
is \$11.2 mil.)

4. In thinking about the prospect of lowering the acreage/poundage allotments by the 10%-15% as in the revised estimates, one should keep in mind

- there may be some political pressure in the future against such decrease (although the pressure to date has all been for such a decrease)
- the consequent increase in price will further erode the U.S. position in the world market, and exports will continue to decline
- the imposition of further production restrictions is directly contrary to the Administration's "full production" policy underlying the Farm Bill veto earlier this year.



PARTICIPANTS

The President
Secretary Butz
Assistant Secretary Bell

SENATE

Ed Brooke
Henry Bellmon
Jake Garn
Mark Hatfield
Bob Stafford
Jim Buckley
Chuck Percy

HOUSE

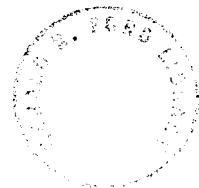
Pete Peyser
Al Quie

STAFF

Jack Marsh
Phil Buchen
Bill Seidman
Max Friedersdorf
Alan Greenspan
Jim Lynn
Jim Cannon
Ron Nessen
Dick Cheney
Vern Loen
Bill Kendall
Tom Loeffler
Jack Calkins

REGRETS

The Vice President
Sen. Javits
Sen. Roth
Sen. Hugh Scott
Sen. Case
Don Rumsfeld
Bob Hartmann



AGENDA

- 12:00-12:05 p.m.
(5 minutes) The President opens the meeting and introduces the subject of the tobacco bill.
- 12:05-12:20 p.m.
(15 minutes) The President requests comments from all opponents who wish to be heard.
- 12:20-12:25 p.m.
(5 minutes) The President requests Secretary Butz and OMB Director Lynn to state their views on the legislation.
- 12:25-12:30 p.m.
(5 minutes) The President sums up the meeting and thanks the Congressional delegation for their recommendations.
- 12:30 p.m. The President concludes the meeting.



SEP 24 1975

Cong Retaliation

September 23, 1975

MEMORANDUM FOR: WARREN RUSTAND
FROM: MAX FRIEDERSDORF
SUBJECT: Second Tobacco Meeting

Per our phone conversation this will confirm the President's expression to Jack Marsh and I this afternoon that he would like to have a second meeting on H.R. 9497, the bill to increase price supports for tobacco crops.

As you know, the President is meeting with proponents of the bill at 5 P.M. on Thursday in the Cabinet Room.

The President has approved a meeting to hear the opponents of the measure prior to October 1.

I recommend we hold this meeting here Monday or Tuesday.

The President suggested a meeting of no more than 45 minutes and I would recommend that we schedule it for 30 minutes only.

There will be no more than five and possibly as few as three Congressmen and Senators invited to the meeting.

✓
cc: Jack Marsh



THE WHITE HOUSE

WASHINGTON

September 25, 1975

MEETING WITH CONGRESSIONAL PROPONENTS OF TOBACCO BILL

Thursday, September 25, 1975

5:00-6:00 p.m. (60 minutes)

The Cabinet Room

From: Max L. Friedersdorf *ma. 6*

I. PURPOSE

To permit Congressional proponents of a bill increasing tobacco price supports to present their views to the President.

II. BACKGROUND, PARTICIPANTS AND PRESS PLAN

A. Background:

1. Both the House and Senate have passed without a recorded vote a measure (H.R. 9497) increasing price supports for tobacco.
2. A number of Congressmen and Senators, notably Strom Thurmond, Walter Jones, Carl Perkins and Tim Lee Carter, have phoned and written the White House urging the President to either sign the bill or allow it to become law without signature.
3. The appeals in behalf of the bill have been highly political in nature with dire predictions of election consequences if the bill is vetoed.
4. On the other side, the President has received a joint letter from Senators Brooke, Bellmon, Garn, Hatfield, Javits, Roth, Hugh Scott, Stafford, Percy, Case and Buckley urging a veto because of an alleged \$240 million cost over the next five years. (The President also plans to meet with a small representation from the opponents of the bill.)
5. Both Secretary Butz and Jim Lynn indicate they will recommend a veto. John Rhodes and Hugh Scott also recommend a veto on the grounds that it will stimulate new price support demands on dairy products, wheat, corn, soy beans, rice, etc.

B. Participants: See Tab A



C. Press Plan:

Press Office to announce the meeting; White House photographers only.

III. AGENDA See Tab B

IV. TALKING POINTS See Tab C

(Arguments against the bill supplied by the Department of Agriculture and Domestic Council)

1. I am pleased to have the opportunity to discuss the tobacco bill with members of the House and Senate.
2. There are a number of Senators and Congressmen opposed to the bill and I will be meeting with a delegation of this group before I take action on the measure because I want to have both sides presented.
3. I have until midnight, Wednesday, October 1, to act. Before that time I plan to study all the pros and cons of the legislation before making a decision.
4. Both Secretary Butz and OMB Director Jim Lynn are here today. I would like to have the Congressmen and Senators give me their views and then perhaps Earl and Jim can express themselves.
5. Tom Foley, Chairman of the House Agriculture Committee, is here. Why don't we lead off with Tom, and then hear from the others. Tom.....



PARTICIPANTS

The President
The Vice President
Secretary Butz

SENATE

Walter Huddleston
Wendell Ford
Howard Baker
Jesse Helms
Bob Morgan
Strom Thurmond
Fritz Hollings
Sam Nunn
Dick Stone
Bob Dole

Herm Talmadge

HOUSE

Walter Jones
Tim Lee Carter
Bill Wampler
Tom Foley
Carl Perkins
~~Bob Poage~~
John Breckinridge
Bill Natcher

STAFF

Don Rumsfeld
Jack Marsh
Phil Buchen
Bill Seidman
Alan Greenspan
Max Friedersdorf
Jim Lynn
Jim Cannon
Dick Cheney
Vern Loen
Bill Kendall
John Carlson
Jack Calkins

REGRETS

Sen. Harry Byrd
Sen. Bill Scott
Sen. Brock
~~Sen. Talmadge~~
Sen. Chiles

Poage
Natcher



AGENDA

5:00-5:05 p.m.
(5 minutes)

The President opens the meeting and introduces the subject of the tobacco bill.

5:05-5:45 p.m.
(40 minutes)

The President requests comments from all Congressional proponents who wish to be heard.

5:45-5:50 p.m.
(5 minutes)

The President requests Secretary Butz to state his views on the legislation.

5:50-5:55 p.m.
(5 minutes)

The President requests Jim Lynn to indicate his views.

5:55-6:00 p.m.
(5 minutes)

The President sums up the meeting and thanks the Congressional delegation for their recommendations.

6:00 p.m.

The President concludes the meeting.



Tobacco Legislation -- Political Connotations

1. Congressmen from the six major tobacco States (Virginia, North Carolina, South Carolina, Georgia, Kentucky, Tennessee) have supported the President 46 percent of the time in attempted veto overrides.
2. These Congressmen are essentially conservative, would probably support the President regardless of the President's action on this bill.
3. This bill would raise prices received by farmers on tobacco sold from the date of enactment forward benefited only about 50 percent of the farmers in that half the tobacco has already been sold. It would seem you could have one mad bunch--those that had already sold.
4. Senator Huddleston's AA reports that Kentucky has 165,000 tobacco growers and that 35 percent of the farm income depends on tobacco sales. Congressman Perkins (Ky.) has 20,000 tobacco growers in his district and it is reported to be one of the poorest in the country from a farming standpoint.
5. Health enthusiasts have been mysteriously silent in commenting on the manner in which this bill was passed through both Houses. In an open debate, such as attempting an override, they will probably be quite vocal. They will applaud a veto.
6. Senate has cancelled hearings on proposed rice legislation reportedly holding rice in hostage for Presidential approval of tobacco legislation. They will likely change this posture if and when the tobacco bill is disapproved.
7. The great majority of tobacco farmers also raise other crops, and have good incomes for the total season.
8. The bill could never have passed either House on a record vote. If vetoed, it is highly unlikely that a vote to override will occur. The issue will quickly subside.

Tobacco Legislation

Factors to be considered regarding current tobacco legislation:

Farm Policy - This legislation which makes no change in the tobacco program except to increase prices is totally inconsistent with the Administration's farm policy. In the long run, it is a far worse piece of legislation than the Agriculture and Consumer Act of 1975 which was summarily vetoed.

Economic - It would adversely affect three significant economic areas --

1. Government expenditures - The bill would require added government outlays for the loan program this year to the tune of an estimated \$70 million. Over a five year period, the cumulative increased outlay would be an estimated \$250 million.
2. Balance of Trade - It would reduce U.S. tobacco exports and increase tobacco imports. The U.S. is now the world's largest tobacco exporter and the third largest importer. This bill could reverse these roles to third largest exporter and largest importer. U.S. tobacco exports in fiscal year 1975 were \$1.2 billion and imports something over \$200 million.
3. Producer Income - This bill would sacrifice long time producer income for short time gain. The trend of dropping consumption and exports would be accelerated by this legislation. Subsequent increased loan stocks under price support would force a sharp reduction in tobacco quotas and production. This would adversely affect producer income in the years ahead.

Attitude of Affected Groups

1. Buyers - This group is already reacting to U.S. tobacco prices by turning to cheaper imported tobacco. However, one major U.S. company is reported to support the legislation.
2. Exporters - This group views the legislation as an increasing threat to their business which has not kept pace with the increase in world tobacco trade.
3. Warehousemen - This group has a certain self-interest in that they receive a 3 percent commission on sales.
4. Producers - In contrast to other segments of agriculture, tobacco producers do not object to reduced production. If they fully understood the impact of this legislation, they might be less inclined to support it, however their leadership which does favor it, is in a position to shut off effective communications.

Conclusion - The fate of this bill should be decided on the basis of agriculture as a whole and not solely on the basis of the tobacco segment.

Talking Points and Questions

1. IS THE PRESENT SYSTEM OF PRICE SUPPORT SUFFICIENT?

Present legislation provides substantial price support for tobacco: Under the support price computation formula already in effect, the level of price support for the 1975 crop is 12 percent higher than in 1974 and support levels in the next few years will continue to rise substantially.

2. WHAT WILL BE THE EFFECT OF THIS LEGISLATION ON TOBACCO EXPORTS AND IMPORTS?

The U.S. leads the world in tobacco exports, and ranks third in tobacco imports under the present program. During fiscal year 1975, our net tobacco exports were valued at \$1 billion. However, the present system of price support has already resulted in a decline in the U.S. share of the world export market from 35 percent in the 1965-1969 period to 24 percent in 1974. USDA argues that approval of H.R. 9497 would stimulate the production of tobacco in foreign countries, reduce our tobacco exports and increase our tobacco imports.

3. WILL THIS LEGISLATION INCREASE OR DECREASE THE INCOMES OF TOBACCO FARMERS?

To keep market prices above the higher support prices and to prevent excessive accumulations of tobacco by the U.S. Government, USDA and OMB argue that marketing quotas (i.e., the acres of tobacco under cultivation) in 1976 and subsequent years would have to be reduced. Despite increases in prices, USDA feels that these required reductions in quotas would result in lower incomes for tobacco farmers.

4. DOES THIS LEGISLATION PROVIDE EQUAL BENEFITS TO ALL TOBACCO FARMERS THIS YEAR?

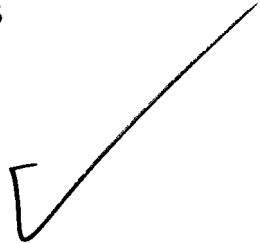
Since almost 50 percent of all flue-cured tobacco produced in 1975 has already been marketed, H.R. 9497 discriminates against some tobacco producers who would not benefit from this change in the support price system because they have already sold their 1975 crop.

5. WHICH INTEREST GROUPS OPPOSE THIS LEGISLATION?

Groups, such as consumerists, environmentalists, and health interests, do not favor the legislation, but the intensity of the opposition probably does not equal the intensity of support.

THE WHITE HOUSE
WASHINGTON

September 26, 1975



Jack:

Don Rumsfeld/Jim Lynn had a brief discussion at the senior staff meeting this morning concerning some mis-information re the dollar factors referred to in the tobacco bill. . . This was apparently part of the Butz, President, Tobacco State M/Cs meeting yesterday. Lynn and Company are pursuing the matter to an accurate conclusion.


Russ



ACTION MEMORANDUM

THE WHITE HOUSE

WASHINGTON

LOG NO.: 372

SEP 25 1975

Date: September 25

Time: 130pm

FOR ACTION: Paul Leach
Bill Seidman
Max Friedersdorf
Ken Lazarus
Paul Theis

~~cc (for information): Jim Cavanaugh
Jack Marsh~~

RAR

FROM THE STAFF SECRETARY

DUE: Date: September 26

Time: 400pm

SUBJECT:

H.R. 9497 - Increase tobacco price support

ACTION REQUESTED:

☐ For Necessary Action☐ For Your Recommendations☐ Prepare Agenda and Brief☐ Draft Reply☒ For Your Comments☐ Draft Remarks

REMARKS:

Please return to Judy Johnston, Ground Floor West Wing

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a
delay in submitting the required material, please
telephone the Staff Secretary immediately.



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

SEP 25 1975

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 9497 - Increase tobacco
price support
Sponsors - Rep. Jones (D) North Carolina,
Rep. Wampler (R) Virginia and Rep. Rose (D)
North Carolina

Last Day for Action

October 1, 1975 - Wednesday

Purpose

Amends the formula used for calculating the level of price support for tobacco in a manner that could increase Federal outlays an estimated total of \$240 million over the next 5 years.

Agency Recommendations

Office of Management and Budget

Disapproval (Veto
Message attached)

Department of Agriculture

Disapproval (Veto
Message attached)

Council of Economic Advisers

Disapproval

Discussion

Under existing law, the Secretary of Agriculture proclaims marketing quotas on an acreage or poundage basis for each tobacco crop in order to balance supply and demand. If two-thirds of the tobacco growers endorse the Secretary's quota in a referendum prior to the normal planting time, then that specific type of tobacco qualifies for Federal price support. The level of price support is calculated by multiplying the appropriate 1959 tobacco crop support level by the ratio of (a) the average index of prices paid by farmers



for the preceding three calendar years (numerator) and (b) the average index of prices paid by farmers in 1959 (denominator).

Largely in response to growing foreign demand for American tobacco, Agriculture has raised tobacco marketing quotas by 10, 10, and 15 percent, respectively, for the 1973, 1974, and 1975 marketing years. However, worldwide recession, the Communist takeover in Southeast Asia, and the imposition of significantly higher import duties by Britain (usually our largest foreign consumer of flue-cured tobacco) have all combined to seriously inhibit the strong growth in foreign demand and thus put downward pressure on prices. Furthermore, poor weather in key tobacco growing States has yielded an inferior-quality crop, depressing prices even more.

H.R.9497 would revise the tobacco price support formula explained above by stipulating that the price index numerator use the three preceding marketing years instead of calendar years. Since the marketing year is (a) July 1 - June 30 for flue-cured tobacco and (b) October 1 - September 30 for other kinds of tobacco, the effect of the enrolled bill would be to push the escalator deeper into a period of higher costs. With respect to the 1975 crop, this translates into increases in the price support level (a) of 7 percent for flue-cured tobacco (from 93.2 to 99.3 cents/lb.) and (b) of 10 percent for other kinds of tobacco (from 96.1 to 105.8 cents/lb.).

Agriculture estimates that H.R.9497 would increase Federal outlays (a) by \$71 million in fiscal year 1976 and (b) by about a total of \$240 million for the 5 years ending in 1979 (this assumes no reduction in marketing quotas).

In reporting to the House Agriculture Committee on a substantively identical bill (H.R.9000), Agriculture opposed enactment of the legislation on the basis that it would: (a) reduce our competitive position in world markets and thus endanger a net trade surplus of some \$1 billion in tobacco products; (b) require lower marketing quotas in future years, thereby reducing tobacco growers' income; (c) increase Federal outlays significantly; and, (d) be inequitable because nearly 50 percent of all flue-cured tobacco has already been marketed and the increase in price could not benefit those growers who have already sold their crop.



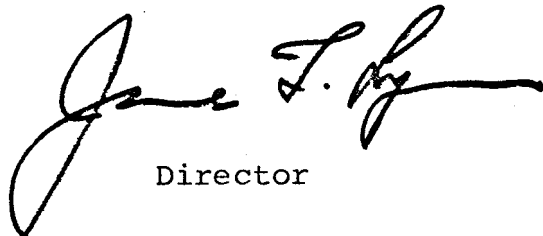
The Congress did not respond to Agriculture's concerns, as the enrolled bill was passed in both the House and Senate on a voice vote without being reported out of committee in either body. In fact, the Senate did not even hold hearings on H.R. 9497 or any related bills.

Agency views

Both Agriculture and the Council of Economic Advisers strongly recommend veto. Agriculture reiterates the concerns it expressed in reporting to the House Agriculture Committee while CEA notes that the enrolled bill "would move us away from this Administration's goal of a more market-oriented agricultural sector of the economy."

We concur in Agriculture's analysis and veto recommendation. The adverse impact on our tobacco exports, the reduction in tobacco growers' income over the long term, the increase in outlays, and the discriminatory nature of the enrolled bill are all objectionable features. In addition, and probably most important of all, approval of H.R. 9497 would be inconsistent with your veto of the farm commodity price support bill (H.R. 4296) in May, and would very likely lead to new congressional attempts to increase other farm commodity price supports. In this regard, there are already indications that milk price support legislation is beginning to move in the Senate.

We have prepared, for your consideration, a veto message representing a revision of the draft message submitted by Agriculture.


Director



TO THE HOUSE OF REPRESENTATIVES

I return herewith, without my approval, H.R. 9497, an Act "To amend the computation of the level of price support for tobacco."

Although I fully appreciate that many U.S. tobacco growers have encountered hardships this year due to sub-par weather and lower than expected export markets, I am also mindful that government price supports for the 1975 crop are already 12% higher than in the previous year. H.R. 9497 would not only serve to raise this differential to about 20%, but would result in higher price support levels in subsequent years.

The interests of the grower and, ultimately, the American people will be best served by a vigorous domestic tobacco sector which can compete successfully in international markets. Unfortunately, H.R. 9497 does not contribute to, but conversely would be counter-productive to achievement of this objective:

- In the face of slackening world demand for U.S. tobacco, higher prices would make our tobacco less competitive, thus endangering the \$1 billion net trade surplus we enjoy in that commodity.

- In subsequent years, growers' income could very well be reduced by the combination of higher support prices and shrinking export opportunities which would force the government to impose stringent marketing quotas on growers to keep supply from exceeding demand. A higher price per pound does not help a grower when he sells less and less tobacco.
- Many growers would not benefit from higher support prices even in the short-run since they have already sold their 1975 crop. For example, over 50% of this year's crop of flue-cured tobacco has already been purchased.
- At a time when we are attempting to reduce inflationary pressures in the economy by restraining the size of the Federal budget deficits, H.R. 9497 would increase government outlays by an estimated \$71 million this fiscal year, and by as much as nearly a quarter of a billion dollars over the next five years.

In summary, I am not prepared to accept a bill that would adversely affect our tobacco exports, lower farm income in the long run, create serious inequities between growers, and increase Federal spending at such a critical time in our economic recovery. Accordingly, I have withheld my approval of H.R. 9497.



DEPARTMENT OF AGRICULTURE

OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20250

SEP 18 3 51 PM '75
OFFICE OF
MANAGEMENT & BUDGET

September 18, 1975

Honorable James T. Lynn
Director, Office of
Management and Budget:

Dear Mr. Lynn:

In response to the request of your office, the following report is submitted on the enrolled enactment H.R. 9497, "To amend the computation of the level of price support for tobacco." The bill provides for the use of the preceding three marketing years instead of the preceding three calendar years in computing the level of price support for tobacco.

This Department recommends that the President disapprove the bill.

Over 50 percent of the entire 1975 flue-cured tobacco has already been marketed. Therefore, many growers who have already sold their crop will not get the benefit of this price increase.

Present legislation provides that the level of price support for any crop of tobacco (for which producers have not disapproved marketing quotas) shall be the 1959 crop support level multiplied by the ratio of (1) the average of the index of prices paid by farmers for the preceding three calendar years and (2) the average index of prices paid by farmers in 1959. The bill provides for the use of the three preceding marketing years instead of calendar years. The marketing year for flue-cured tobacco is July 1-June 30, and for other kinds of tobacco October 1-September 30. By changing from calendar years to marketing years, the bill increases the level of support for the 1975 crop of flue-cured tobacco by seven percent and ten percent for other kinds of tobacco.

The United States leads the world in tobacco exports, and ranks third in tobacco imports under the present program. During fiscal year 1975, our tobacco exports were valued at \$1.2 billion and our imports at \$.2 billion.

The approval of H.R. 9497 would stimulate the production of tobacco in foreign countries, would reduce our tobacco exports, and increase our tobacco imports. Under the marketing quota program which is in effect for most U.S. tobacco, reduced exports and increased imports would necessitate reductions in marketing quotas in subsequent years.



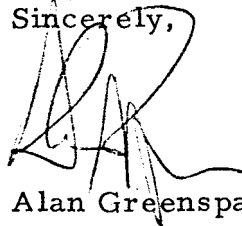
THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

September 18, 1975

Dear Mr. Frey:

This is in response to your request for our views on Enrolled Bill H.R. 9497, an amendment to the Agricultural Act of 1949. We recommend that the President veto this legislation. The bill would have the effect of increasing the price support level for tobacco, requiring either that the government buy more of the crop to clear the market at the higher support price or that tobacco quotas be reduced to restrict supply at the higher price. In either case, enactment of the bill would move us away from this Administration's goal of a more market-oriented agricultural sector of the economy.

Sincerely,



Alan Greenspan

Mr. James Frey
Assistant Director for Legislative Reference
Office of Management and Budget
Washington, D. C. 20503



SEP 26 1975

September 26, 1975

MEMORANDUM FOR THE PRESIDENT

FROM: MAX FRIEDERSDORF

SUBJECT: Tobacco Bill

Because of Senate business yesterday evening, the 10 Senators scheduled to meet with you on the Tobacco Bill missed the meeting.

Rather than reschedule a second meeting for these Senate proponents of the bill, the matter can be handled by phone.

Senator Thurmond and Senator Huddleston would like the opportunity to phone at your convenience to present their views.

This would suffice in lieu of another meeting.

Approve _____ Disapprove _____

bcc: Jack Marsh



SEP 26 1975

September 26, 1975

MEMORANDUM FOR: JIM LYNN
JIM CANNON

FROM: MAX FRIEDERSDORF

I have your memorandum re enrolled bill, H.R. 9497, to increase tobacco price supports.

As we discussed, late yesterday we were advised by the Department of Agriculture that the five-year budget impact on this bill is \$55 million rather than \$240 million.

This, of course, will make it much more difficult to justify a veto and I have been advised by John Rhodes that he has changed his recommendation from veto to signing because of the difference in amounts.

Secretary Butz advises me that despite the discrepancy in the budget figure, he still recommends a veto and would do so even without any additional budget expense because of the program objections.

The recommended veto message should be redrafted with more emphasis on the programmatic objections and the deletion of one of the major points concerning the erroneous quarter of a billion dollar outlay over the next five years. We have now scheduled a meeting for the opponents of the bill with the President at 12 noon on Tuesday in the Cabinet Room and would appreciate your attendance.

✓ cc: Jack Marsh



SEP 26 1975

September 26, 1975

MEMORANDUM FOR THE PRESIDENT

FROM: MAX FRIEDERSDORF

SUBJECT: Tobacco Bill

Walter Jones now advises that Neal and Hefner would definitely switch over on Turkish Aid if the Tobacco Bill is signed.

This would mean a total switch of five votes from North Carolina.
(Rose, Andrews, Hefner, Neal and Taylor)

✓cc: Jack Marsh



SEP 26 1975

THE WHITE HOUSE
WASHINGTON

September 26, 1975

MEMORANDUM FOR THE PRESIDENT

FROM: MAX FRIEDERSDORF *M.F.*
SUBJECT: Tobacco Bill/Turkish Aid

Per your request I am listing below how the Congressional delegation whom you visited with yesterday on the tobacco bill voted on the most recent Turkish Aid vote of July 24, 1975:

House

Walter Jones -- Voted OK
Tim Lee Carter -- Absent, but has voted with us on this issue
on past occasions and has indicated he will be
with us next week.
Tom Foley -- Voted wrong
Bill Wampler -- Voted OK
Carl Perkins -- Voted OK
Bob Poage -- Voted OK
John Breckinridge -- Voted OK

Senate

Huddleston -- Voted OK
Ford -- Voted OK
Baker -- Voted OK
Helms -- Voted OK
Morgan -- Voted wrong
Thurmond -- Voted OK
Hollings -- Voted wrong
Nunn -- Voted OK
Stone -- Voted wrong
Dole -- Voted OK



With regard to Walter Jones' report to you on pick ups in the North Carolina delegation, he gives me the following run down.

Walter Jones -- OK before and will be with us again.

Fountain -- OK before and will be with us again.

Henderson -- OK before and will be with us again.

Ike Andrews -- Voted wrong and will definitely switch to vote OK.

Neal -- Voted wrong and now a strong possibility of a switch.

Preyer -- OK before and still with us.

Rose -- Voted wrong before and phoned from Copenhagen to advise that if the President signs the Tobacco Bill he will switch his vote on Turkish Aid.

Hefner -- Voted wrong and now is slight possibility to switch.

Jim Martin -- Voted wrong and still a lost cause.

Jim Broyhill -- Voted OK and still with us.

Roy Taylor -- Voted wrong but has switched and will definitely be with

This means we have picked up two definite switches (Andrews and Taylor); one strong possibility (Neal); one slight possibility (Hefner); and one definite switch if you sign the Tobacco Bill (Rose).

As the deadline for signing the Tobacco Bill comes on mid-night October 1, the same day the Turkish Aid Bill will be on the House floor, we could probably definitely wrap up Neal and Hefner if you decide to sign the bill. Walter Jones said to also tell you that if you decide to veto it he would urge that no mention of the Parliamentary procedure be used in your veto statement and I assured him that I felt certain this would not be done.

And as I mentioned to you and Dr. Kissinger, Walter said another big help would be to allow the sale of tobacco to Egypt which wants to buy 14.9 million pounds according to Congressman Jones.



about Laramians, one of the Safesman in Europe, buffeted on the right and the left? What is the albatross around his neck? Cyprus and its fate are we going to do to bring about a settlement in that area so the Turks will withdraw their forces from Cyprus, so that the independence of Cyprus, which is composed of two parts, even at this time, really within that the refugees can be taken care of? What are we going to do if we give some assistance at this time, so much to maintain our bases in Cyprus, important though they be, but the Cypriots, to help the Greeks? Are we going to be helped, they have helped from the outside, and the country not a signatory to the independence and the independence of Cyprus, any country in a position to do so, when the opportunity, is the United States of America.

I say I hope that this motion to put this bill to the Committee on Foreign Relations will fail.

I could hope that we would be aware of the fact that the House of Representatives is still in session, and three attempts to adjourn it tonight beginning around 8 o'clock have failed.

What is the House of Representatives doing for? Hopefully for action by the Senate.

Look at Turkey. If the Senators do think it is not an important country, one of the thousand-mile frontier with the Soviet Union; think of the fact that it is a Moslem country, which has through the years adopted a hands-off policy as far as the Middle East is concerned.

Where are they going to get their oil—in Western Europe, in Eastern Europe, or in the Soviet Union?

Noticed by the ticker that the Soviets are contemplating sending Helicopters to the Gulf at the present time. I would be a coup for them.

Where are the Turks going to get the oil—from the Arab countries? And where are the Turks going to become more interested—in the Middle East, a cockpit if ever there was one.

I hope, may I say to our colleagues, they will take all these factors into consideration, because the President is going to bring about a settlement of it. He needs support. If our colleagues do to do something for Cyprus, if they do to do something for Greece, I say against the motion to commit and to pass the resolution reported out by the Committee on Foreign Relations. I yield back the remainder of my time.

SEVERAL SENATORS. Vote! Vote!

THE PRESIDING OFFICER. Is all time decided back?

All time having been yielded back, the motion is on agreeing to the motion to omit.

MR. SPARKMAN. Mr. President, have yeas and nays been ordered?

THE PRESIDING OFFICER. The yeas and nays were ordered.

The clerk will call the roll.

The legislative clerk called the roll.

MR. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. BENT-

SEN), the Senator from Mississippi (MR. EASTLAND), the Senator from Wyoming (MR. MCGEE), the Senator from Montana (MR. METCALF), and the Senator from Georgia (MR. TALMADGE) are necessarily absent.

MR. GRIFFIN. I announce that the Senator from New York (MR. BUCKLEY), and the Senator from Arizona (MR. GOLDWATER) are necessarily absent.

The result was announced—yeas 43, nays 49, as follows:

[Rollcall Vote No. 372 Leg.]

YEAS—43

Abourezk	Hartke	Muskie
Bayh	Haskell	Pastore
Beall	Hollings	Pell
Biden	Humphrey	Percy
Brooke	Jackson	Proxmire
Burdick	Javits	Ribicoff
Byrd	Kennedy	Roth
Harry F., Jr.	Laxalt	Schweiker
Cannon	Leahy	Scott
Church	Magnuson	William L.
Cranston	McGovern	Stevenson
Culver	McIntyre	Stone
Eagleton	Mondale	Tunney
Gravel	Montoya	Welcker
Hart, Gary W.	Moss	Williams

NAYS—49

Allen	Glenn	Nelson
Baker	Griffin	Nunn
Bartlett	Hansen	Packwood
Bellmon	Hart, Philip A.	Pearson
Brock	Hatfield	Randolph
Bumpers	Hathaway	Scott, Hugh
Byrd, Robert C.	Helms	Sparkman
Case	Hruska	Stefford
Chiles	Huddleston	Stennis
Clark	Inouye	Stevens
Curtis	Johnston	Symington
Dole	Long	Taft
Domenici	Mansfield	Thurmond
Fannin	Mathias	Tower
Fong	McClellan	Young
Ford	McClure	
Garn	Morgan	

NOT VOTING—7

Bentsen	Goldwater	Talmadge
Buckley	McGee	
Eastland	Metcalf	

So the motion to commit the bill to the Committee on Foreign Relations was rejected.

MR. SPARKMAN. Mr. President, I move to reconsider the vote by which the motion was rejected.

MR. CASE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

THE VICE PRESIDENT. The bill is open to amendment.

If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

THE VICE PRESIDENT. The bill having been read the third time, the question is, Shall it pass?

MR. SPARKMAN. Mr. President, I ask for the yeas and nays.

THE VICE PRESIDENT. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

THE VICE PRESIDENT. The clerk will call the roll.

MR. JOHNSTON. Mr. President, I ask unanimous consent that there be a 10-minute rollcall.

THE VICE PRESIDENT. Without objection, it is so ordered.

MR. EAGLETON. Mr. President, I ask

unanimous consent that the order for the yeas and nays be negated. I do not see any reason to have them.

MR. DOLE. I see no objection to that.

MR. WILLIAM L. SCOTT. I object, Mr. President.

THE VICE PRESIDENT. The objection is heard. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

MR. CASE. Mr. President, may we have order?

THE VICE PRESIDENT. Let us have order in the Chamber, please.

MR. SPARKMAN. And in the galleries, Mr. President.

THE VICE PRESIDENT. And the galleries as well. The clerk will not proceed until order is restored.

MR. ROBERT C. BYRD. Mr. President, no debate is allowed on a rollcall, but there may be further votes tonight, for the information of the Senate.

THE VICE PRESIDENT. The clerk may proceed to call the roll.

The second assistant legislative clerk resumed the call of the roll.

MR. CASE. Mr. President, I ask for the regular order.

MR. HUGH SCOTT. Mr. President, a Senator who has not voted is coming to the floor. He is entitled to that courtesy. The point was made last Tuesday.

MR. CASE. I withdraw the request.

The second assistant legislative clerk resumed and concluded the call of the roll.

MR. ROBERT C. BYRD. I announce that the Senator from Texas (MR. BENTSEN), the Senator from Mississippi (MR. EASTLAND), the Senator from Wyoming (MR. MCGEE), and the Senator from Georgia (MR. TALMADGE) are necessarily absent.

MR. GRIFFIN. I announce that the Senator from New York (MR. BUCKLEY) and the Senator from Arizona (MR. GOLDWATER) are necessarily absent.

The result was announced—yeas 47, nays 46, as follows:

[Rollcall Vote No. 373 Leg.]

YEAS—47

Baker	Glenn	Metcalf
Bartlett	Griffin	Nunn
Bellmon	Hansen	Packwood
Brock	Hart, Philip A.	Pearson
Bumpers	Hatfield	Randolph
Byrd, Robert C.	Hathaway	Scott, Hugh
Case	Helms	Sparkman
Chiles	Hruska	Stefford
Clark	Huddleston	Stennis
Curtis	Inouye	Stevens
Dole	Johnston	Symington
Domenici	Long	Taft
Fannin	Mansfield	Thurmond
Fong	Mathias	Tower
Ford	McClellan	Young
Garn	McClure	

NAYS—46

Abourezk	Hartke	Muskie
Allen	Haskell	Nelson
Bayh	Hollings	Pastore
Beall	Humphrey	Pell
Biden	Jackson	Percy
Brooke	Javits	Proxmire
Burdick	Kennedy	Ribicoff
Byrd	Laxalt	Roth
Harry F., Jr.	Leahy	Schweiker
Cannon	Magnuson	Scott
Church	McGovern	William L.
Cranston	McIntyre	Stevenson
Culver	Mondale	Stone
Eagleton	Montoya	Tunney
Gravel	Morgan	Welcker
Hart, Gary W.	Moss	Williams



NOT VOTING—6

Beatsen Eastland McGee
Buckley Goldwater Talmadge

So the bill (S. 2230) was passed, as follows:

S. 2230

To authorize appropriations for the Board for International Broadcasting for fiscal year 1976; and to promote improved relations between the United States, Greece, and Turkey, to assist in the solution of the refugee problem on Cyprus, and to otherwise strengthen the North Atlantic Alliance

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 8(a) of the Board for International Broadcasting Act of 1973 (22 U.S.C. 2877(a)) is amended—

(1) by striking out "\$49,990,000 for fiscal year 1975, of which not less than \$75,000 shall be available solely to initiate broadcasts in the Estonian language and not less than \$75,000 shall be available solely to initiate broadcasts in the Latvian language" in the first sentence and inserting in lieu thereof "\$65,640,000 for fiscal year 1976"; and

(2) by striking out "fiscal year 1975" on the second sentence and inserting in lieu thereof "fiscal year 1976".

Sec. 2. (a)(1) The Congress reaffirms the policy of the United States to seek to improve and harmonize relations among the allies of the United States and between the United States and its allies, in the interest of mutual defense and national security. In particular, the Congress recognizes the special contribution to the North Atlantic Alliance of Greece and Turkey by virtue of their geographic position on the southeastern flank of Europe and is prepared to assist in the modernization and strengthening of their respective armed forces.

(2) The Congress further reaffirms the policy of the United States to alleviate the suffering of refugees and other victims of armed conflict and to foster and promote international efforts to ameliorate the conditions which prevent such persons from resuming normal and productive lives. The Congress, therefore, calls upon the President to encourage and to cooperate in the implementation of multilateral programs, under the auspices of the Secretary General of the United Nations, the United Nations High Commissioner for Refugees, or other appropriate international agencies, for the relief of and assistance to refugees and other persons disadvantaged by the hostilities on Cyprus pending a final settlement of the Cyprus refugee situation in the spirit of Security Council Resolution 361.

(b)(1) In order that the purpose of this Act may be carried out without awaiting the enactment of foreign assistance legislation for fiscal year 1976 programs—

(A) the President is authorized, notwithstanding section 620 of the Foreign Assistance Act of 1961, to furnish to the Government of Turkey those defense articles and defense services with respect to which contracts of sale were signed under section 21 or section 22 of the Foreign Military Sales Act on or before February 5, 1975, and to issue licenses for the transportation to the Government of Turkey of arms, ammunition, and implements of war (including technical data relating thereto): *Provided*, That such authorization shall be effective only while Turkey shall observe the cease-fire and shall neither increase its forces on Cyprus nor transfer to Cyprus any United States supplied implements of war: *Provided further*, That the authorities contained in this section shall not become effective unless and until the President determines and certifies to the Congress that the furnishing of defense articles and defense services, and the issuance of licenses for the transportation of implements of war,

arms and ammunition under this section are important to the national security interests of the United States; and

(B) the President is requested to initiate discussions with the Government of Greece to determine the most urgent needs of Greece for economic and military assistance.

(2) The President is directed to submit to the Speaker of the House of Representatives and to the Foreign Relations and Appropriations Committees of the Senate within sixty days after the enactment of this Act a report on discussions conducted under subsection (b)(1)(B), together with his recommendations for economic and military assistance to Greece for the fiscal year 1976.

(c)(1) Section 620(x) of the Foreign Assistance Act of 1961 is amended by striking out all after the word "Provided," and inserting in lieu thereof the following: "That the President is authorized to suspend the provisions of this section and of section 3(c) of the Foreign Military Sales Act only with respect to sales, credits, and guaranties under the Foreign Military Sales Act, as amended, for the procurement of such defense articles and defense services as the President determines and certifies to the Congress are necessary in order to enable Turkey to fulfill her defense responsibilities as a member of the North Atlantic Treaty Organization. Any such suspension shall be effective only while Turkey shall observe the cease-fire and shall neither increase its forces on Cyprus nor transfer to Cyprus any United States supplied arms, ammunition, and implements of war."

(3) Section 620(x) of the Foreign Assistance Act of 1961 is further amended by designating the present subsection as paragraph (1) and by adding at the end thereof the following new paragraph:

"(2) The President shall submit to the Congress within sixty days after the enactment of this paragraph, and at the end of each succeeding sixty-day period, a report on progress made during such period toward the conclusion of a negotiated solution of the Cyprus conflict."

(3) Nothing in this section shall be construed as authorizing (A) military assistance to Turkey under chapter 2 of part II of the Foreign Assistance Act of 1961, or (B) sales, credits, or guaranties to or on behalf of Turkey under the Foreign Military Sales Act for the procurement of defense articles or defense services not determined by the President to be needed for the fulfillment of Turkey's North Atlantic Treaty Organization responsibilities.

(4) Pursuant to the provisions of this section, in the case of any letter of offer to sell any defense article or defense service pursuant to the Foreign Military Sales Act for \$25,000,000 or more, the President shall submit to the Speaker of the House of Representatives and to the chairman of the Committee on Foreign Relations of the Senate a statement containing (A) a brief description of the defense article or defense service to be offered, (B) the dollar amount of the proposed sale, (C) the United States Armed Force which is making the sale, and (D) the date on which any letter of offer to sell is to be issued. The letter of offer shall not be issued if the Congress, within twenty calendar days after receiving any such statement, adopts a concurrent resolution stating in effect that it objects to such proposed sale.

(5) This subsection shall become effective only upon enactment of foreign assistance legislation authorizing sales, credits, and guaranties under the Foreign Military Sales Act for fiscal year 1976.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the remainder of the order be abrogated.

The VICE PRESIDENT. Without objection, it is so ordered.

MESSAGE FROM THE HOUSE

ENROLLED BILLS SIGNED

A message from the House of Representatives delivered by Mr. one of its reading clerks, announcing the Speaker has signed the enrolled bills:

H.R. 2559. An act to amend United States Code, to apply to States Postal Service certain provisions of law providing for Federal agency programs and responsibilities, to provide cost-of-living adjustments of Federal salaries, and for other purposes.

H.R. 8597. An act making appropriations for the Treasury Department, States Postal Service, the Executive of the President, and certain Agencies, for the fiscal year ending 1976, and the period ending September 1976, and for other purposes.

H.R. 8714. An act to amend road Unemployment Insurance, to increase employment and sickness and for other purposes.

The enrolled bills were signed by the Vice President.

EXECUTIVE REPORT OF COMMITTEE

As in executive session, the executive report of a committee submitted:

By Mr. MAGNUSON, from the on Commerce: John Holladay of Mississippi, to be a member of the Federal Power Commission.

(The above nomination was with the recommendation of the committee, subject to the nomination to respond to request and testify before any duly committee of the Senate.)

NATIONAL PRODUCTIVITY QUALITY OF WORKING OF 1975

Mr. ROBERT C. BYRD. Mr. I ask unanimous consent that we proceed to the consideration of H.R. 2195, with the understanding that there be a 6-minute limitation for 6 minutes to Mr. NUNY and Mr. PERCY, and that there be—

Mr. WILLIAM L. SCOTT the right to object—

Mr. ROBERT C. BYRD. Mr. I ask unanimous consent that we proceed to the consideration of H.R. 2195, with the understanding that there be a 6-minute limitation for 6 minutes to Mr. NUNY and Mr. PERCY, and that there be—

The VICE PRESIDENT. I object?

Mr. WILLIAM L. SCOTT the right to object, I would like to know why can't we do this tomorrow? It is 15 minutes and I see no purpose in voting on any matter that we can do tomorrow.



PARTICIPANTS

The President
The Vice President
Secretary Butz

SENATE

Walter Huddleston O.K.
Wendell Ford O.K.
Howard Baker O.K.
Jesse Helms O.K.
Bob Morgan NO
Strom Thurmond O.K.
Fritz Hollings NO
Sam Nunn O.K.
Dick Stone NO
Bob Dole O.K.

HOUSE

Walter Jones - voted O.K.
Tim Lee Carter - absent
Bill Wampler - voted O.K.
Tom Foley - voted wrong
Carl Perkins - voted O.K.
Bob Poage - " " "
John Breckinridge voted O.K.

STAFF

Don Rumsfeld
Jack Marsh
Phil Buchen
Bill Seidman
Alan Greenspan
Max Friedersdorf
Jim Lynn
Jim Cannon
Dick Cheney
Vern Loen
Bill Kendall
John Carlson
Jack Calkins

REGRETS

Sen. Harry Byrd
Sen. Bill Scott
Sen. Brock
Sen. Talmadge
Sen. Chiles

North Carolina

Walter Jones - O.K.
Fountain - O.K.
Nunderson - O.K.
④ Ike Andrews - NO
+ Neal - NO
Pruitt - O.K.
+ Rose - NO
+ Neff - NO

Jim Martin - NO
Jim Brayhill - O.K.
④ Ray Taylor - NO



[Roll No. 429]

YEAS—206

Abdnor
Alexander
Anderson, Ill.
Andrews,
N. Dak.
Archer
Armstrong
Ashley
Baidus
Beard, Tenn.
Bell
Bevill
Biester
Bingham
Bolling
Bowen
Breaux
Breckinridge
Brinkley
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burleson, Tex.
Burison, Mo.
Butler
Casey
Cederberg
Chappell
Clausen,
Don H.
Cleveland
Cochran
Cohen
Collins, Tex.
Conable
Daniel, Dan.
Daniel, R. W.
de la Garza
Dent
Devine
Dickinson
Duncan, Oreg.
Edwards, Ala.
English
Erlenborn
Esleman
Evans, Colo.
Evins, Tenn.
Fenwick
Findley
Fish
Flowers
Flynt
Forsythe
Fountain
Fraser
Frenzel
Frey
Fuqua
Gibbons
Gillman
Goldwater
Gonzales
Goodling
Gradison
Grassley
Guyer

NAYS—223

Abzug
Adams
Addabbo
Ambo
Anderson,
Calif.
Andrews, N.C.
Annunzio
Ashbrook
Aspin
AuCoin
Badio
Bafalis
Barratt
Baucus
Bauman
Beard, R.I.
Bedell
Bennett
Bergland
Biaggi
Blanchard
Blouin
Boags
Boland
Bonker
Brademas
Brodhead
Brooks
Brown, Calif.
Burke, Calif.

Nichols
Obey
Passman
Perkins
Pettis
Pickle
Poage
Preyer
Pritchard
Quile
Quillen
Rallsback
Randall
Rees
Rhodes
Risenhoover
Roberts
Robinson
Rogers
Ruppe
Ryan
Satterfield
Schneebeil
Schulze
Sebelius
Shriver
Shuster
Sikes
Slisk
Skubitz
Slack
Smith, Nebr.
Snyder
Solars
Staggers
Stanton
J. William
Littton
Lloyd, Calif.
Long, La.
Lott
McClory
McCloskey
McCollister
McCormack
McDonald
McEwen
McFall
McKay
Madigan
Mahon
Mann
Mathis
Matsumaga
Mazzoli
Meeds
Meicher
Meyner
Michel
Milford
Mills
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Pa.
Morgan
Mosher
Murtha
Myers, Ind.
Myers, Pa.

Harrington
Harris
Hawkins
Hayes, Ind.
Hechler, W. Va.
Heckler, Mass.
Hefner
Helstoski
Holland
Holt
Holtzman
Howard
Howe
Hughes
Hyde
Jacobs
Jennette
Johnson, Calif.
Jordan
Kastenmeier
Kelly
Keys
Koch
Krebe
LaPalme
Lehman
Lent
Levitas
Lloyd, Tenn.
Long, Md.
Lujan
McDade
McHugh
McKinney
Macdonald
Madden
Maguire
Martin
Metcalfe
Mezvisky
Milva
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mink
Mitchell, Md.
Moakley
Moffett
Molloy
Moorhead,
Calif.
Moss
Mortl
Murphy, Ill.
Murphy, N.Y.
Natcher
Neal
Nedzi
Nix
Nolan
Nowak
Oberstar
O'Brien
O'Hara
O'Neill
Ottinger
Palman, Tex.
Patten, N.J.
Patterson,
Calif.
Partison, N.Y.
Pepper
Peyser
Pike
Pressler
Price
Rangel
Regula
Reuss
Richmond
Riegle
Rinaldo
Rodino
Roe
Roucalio
Rooney
Rose
Rosenthal
Rostenkowski

NOT VOTING—5

Carter
Danielson
Fulton
Heinz
Hinshaw

So the bill was not passed.

The Clerk announced the following pairs.

Mr. Danielson with Mr. Heinz.

Mr. Fulton with Mr. Carter.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. MORGAN. Mr. Speaker, I ask unanimous consent that all Members desiring to do so may have 5 legislative days in which to revise and extend their remarks in the course of the consideration of the Senate bill, S. 846, which was just defeated.

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

There was no objection.

PERSONAL EXPLANATION

(Mr. ANDREWS of North Carolina asked and was given permission to extend his remarks at this point in the Record.)

Mr. ANDREWS of North Carolina. Mr. Speaker, today I have voted in opposition to S. 846 fully cognizant of the serious implications which this legislation poses for the United States. My review of the legal and foreign policy aspects of the problem indicate that each of the conflicting positions has considerable merit. This is an extremely complicated measure reflective of the events which have taken place in a region of complexity involving two of our Nation's

most valued allies. I am continuing my study of this matter with a view to developing a more thorough and comprehensive understanding of these issues.

AMENDMENTS TO NATIONAL ADVISORY COMMITTEE ON OCEANS AND ATMOSPHERE

Mr. MURPHY of New York. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 5447) to amend the act of August 18, 1971, as amended, which established the National Advisory Committee on Oceans and Atmosphere, to increase and extend the appropriation authorization thereunder, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill. The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the Senate amendments, as follows:

Page 2, line 1, strike out "two" and insert: "2".

Page 2, lines 4 and 5, strike out "each of".

Page 2, line 5, strike out "years" and insert: "year".

Page 2, line 5, strike out "1977, and 1978," and insert: "1977.".

Page 2, after line 5, insert:

Sec. 2. Section 4 of such Act (33 U.S.C. 857-9) is amended—

(1) by inserting after "review of" and before "the progress" the following: "national ocean policy, coastal zone management, and"; and

(2) striking out "the President" at the end of the second sentence thereof and inserting in lieu thereof "the President and the Congress".

Amend the title so as to read: "An Act to amend the Act of August 18, 1971, as amended, which established the National Advisory Committee on Oceans and Atmosphere, to increase and extend the appropriation authorization thereunder, and for other purposes".

Mr. MOSHER. Mr. Speaker, I agree with my subcommittee chairman, Mr. MURPHY, in supporting the conference report on H.R. 5447, a bill to extend the authorizations for the National Advisory Committee on Oceans and Atmosphere. I agree with only a minor reservation.

Our Committee on Merchant Marine and Fisheries approved H.R. 5447 on May 16 of this year. The House subsequently considered and approved this authorization on May 19. The bill as passed by the House would have increased the level of authorizations from \$400,000 to \$445,000 for the fiscal years to and including 1978.

The other body has considered this legislation and has passed favorably upon it with the addition of three amendments. These Senate changes to our original bill would accomplish the following:

First. It would extend authorization for NACOA for 2 years as opposed to our suggested 3 years;

Second. Instead of requiring NACOA to be exclusively responsive to direct requests by the President, it would add a section to require that the Advisory Committee would have to respond to requests from the Congress and the President.

SEP 29 1975

September 29, 1975

MEMORANDUM FOR THE PRESIDENT

FROM: MAX L. FRIEDERSDORF

SUBJECT: Tobacco Bill

Representative Walter Jones (D-N.C.) requests some news, if at all possible, by Wednesday morning on the President's decision on the Tobacco Bill.

Both Walter Jones and Carl Perkins imply quite openly that if they have some favorable news before noon on Wednesday, they will beat the bushes for us on Turkish Aid.

bcc: Don Rumsfeld
Jack Marsh



THE WHITE HOUSE

WASHINGTON

September 26, 1975

MEMORANDUM FOR THE PRESIDENT

FROM: MAX FRIEDERSDORF *M.F.*

SUBJECT: Tobacco Bill

Walter Jones now advises that Neal and Hefner would definitely switch over on Turkish Aid if the Tobacco Bill is signed.

This would mean a total switch of five votes from North Carolina.
(Rose, Andrews, Hefner, Neal and Taylor)



OX5-4221

Green

Taylor +

Cyprus

French

Statute

PTIAB

Murphy / FSL / TT
intg

THE WHITE HOUSE
WASHINGTON

September 30, 1975

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR: JACK MARSH ✓
MAX FRIEDERSDORF

FROM: RUSS ROURKE R

SUBJECT: Conversation with Rep. Walter Jones
re: Tobacco Bill

If the President signs the bill, Jones says the following Members will vote right on the Turkish Aid bill: Ike Andrews (N.C.), Bill Hefner (N.C.), Roy Taylor (N.C.), Steve Neal (N.C.)(?), John Jenrette (S.C.), Marilyn Lloyd (Tenn.), and Bob Bergland (Minn.)

The following Members are possibles Bill Whitehurst (Va.) and Tom Downing (Va.).

Bo Ginn (Ga.) has agreed to be absent during the vote.

As a result of all of his checks and personal phone calls, Jones figures we are approximately 14-16 votes ahead. If the President vetoes the tobacco support bill, however, we might well be back at the danger level. Jones was very helpful, not threatening, and even indicated that, should the President sign the bill, he would still vote with us on Turkish Aid.

He said that "Butz's PL480 proposal just wouldn't sell with the farmers, whereas the support price bill would."



Tobacco Bill

SEP 30 1975

THE WHITE HOUSE
WASHINGTON

September 30, 1975

MEMORANDUM FOR:

~~JACK MARSH~~
DONALD RUMSFELD
JIM LYNN
RON NESSEN

FROM:

MAX FRIEDERSDORF *m. C.*

Jim Cannon asked me to offer some rationalization if the President signs the tobacco bill and I am passing these thoughts along to you.



THE WHITE HOUSE
WASHINGTON

September 30, 1975

MEMORANDUM FOR: JIM CANNON
FROM: MAX FRIEDERSDORF *M:6*
SUBJECT: Tobacco Bill

Arguments for a Signing Statement on the Tobacco Bill

Tobacco is one of our major export crops, ranking third or fourth in fiscal 1975 with a \$1.2 billion income from overseas exports.

The program brought in more than \$6 billion in local state and federal taxes during the past fiscal year.

The legislation will not increase tobacco production because USDA plans to reduce acreage by 10 or 15% in the near future whether it is signed or not.

But the bill will insure a stable income for several hundred thousand tobacco growers in at least six major tobacco growing states.

This crop is one of the major reasons for our favorable balance of trade.

The present formula has been in effect since 1956 and the tobacco industry through mechanization and a changing labor supply has outgrown this formula established 19 years ago.

For those who oppose the production of ~~that~~ tobacco per se as a health menace, it should be realized that removal of controls would result in the production of even more tobacco if the crop was ~~restricted~~ *not controlled by allotment.*

The major arguments are: 1. Favorable exports, 2. The big revenue from taxation and the need for updating the 19 year old formula.



In addition it can be argued that the program has cost very little over the years compared to any other crops.

These arguments can be verified with Joe Todd at the USDA and all figures, of course, should be thoroughly checked for the final draft of any signing statement.

The other commodities that will be watching action on this bill have had several updates in their formulas, I am told, in recent years and we could argue that we are bringing tobacco up to date with other commodities to attain equity for the tobacco farmers.

cc: Jack Marsh
Donald Rumsfeld
Jim Lynn
Ron Nessen



THE WHITE HOUSE

WASHINGTON

October 2, 1975

JACK - FYI

~~SECRET~~ (when with attachments)

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM TO: MAX FRIEDERSDORF

FROM: RUSS ROURKE

Max, as per your request, I am attaching pertinent materials re the matter involving PL 480, tobacco for Egypt.

I was advised this morning by Malcolm Butler (NSC staff) that Brent Scowcroft has agreed to reinstitute the \$14.9 million tobacco bill "if we need it in connection with the Turkish aid vote". I am advised that Henry Kissinger did promise Sadat 1 million tons of wheat. The reinstatement of the tobacco allocation would result in a reduction of 100,000 tons of wheat for fiscal 1976.

Obviously, NSC feels that, since this is likely to cause some difficulty with the Egyptians, we should be certain that the reinstatement of the \$14.9 million tobacco item will, in fact, get us Turkish aid votes that we did not otherwise have.



Janka

THE WHITE HOUSE
WASHINGTON

Buty was told

\$14.9 million sale of

tobacco -

Yes or No

#2 memo in

State Dept. -

State is trying to substitute
weed for tobacco -

THE WHITE HOUSE
WASHINGTON

September 30, 1975

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR: JACK MARSH
MAX FRIEDERSDORF

FROM: RUSS ROURKE *R*

SUBJECT: Conversation with Rep. Walter Jones
re: Tobacco Bill

If the President signs the bill, Jones says the following Members will vote right on the Turkish Aid bill: Ike Andrews (N.C.), Bill Hefner (N.C.), Roy Taylor (N.C.), Steve Neal (N.C.)(?), John Jenrette (S.C.), Marilyn Lloyd (Tenn.), and Bob Bergland (Minn.)

The following Members are possibles Bill Whitehurst (Va.) and Tom Downing (Va.).

Bo Ginn (Ga.) has agreed to be absent during the vote.

As a result of all of his checks and personal phone calls, Jones figures we are approximately 14-16 votes ahead. If the President vetoes the tobacco support bill, however, we might well be back at the danger level. Jones was very helpful, not threatening, and even indicated that, should the President sign the bill, he would still vote with us on Turkish Aid.

He said that "Butz's PL480 proposal just wouldn't sell with the farmers, whereas the support price bill would."



THE WHITE HOUSE
WASHINGTON

September 17, 1975

M

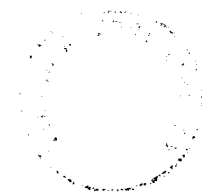
~~SECRET~~ (When With Attachments)

MEMORANDUM FOR: JACK MARSH
FROM: RUSS ROURKE R
SUBJECT: Congressman Walter Jones--
P. L. 480 Tobacco for Egypt

As per Brent Scowcroft's suggestion, I mentioned to Walter Jones today only those items referred to at the bottom of page 1 and the top of page 2 of the attached memo.

Jones appreciated the information and asked to be remembered to "my old friend Jack."

~~SECRET~~ (When With Attachments)



MEMORANDUM

THE WHITE HOUSE
WASHINGTONSEP 18 1975
INFORMATION
6216~~SECRET~~ (GDS)

September 16, 1975

MEMORANDUM FOR: RUSS ROURKE

FROM: GENERAL SCOWCROFT *B*

SUBJECT: Congressman Walter Jones on
PL 480 Tobacco for Egypt

Congressman Jones has requested information from you on why the Administration has held up a PL 480 sale of \$14.9 million of tobacco for Egypt.

For your personal information, the facts of the matter are as follows: In formulating our PL 480 allocation for the Middle East, an early decision had been made to provide Egypt with 500,000 tons of wheat and \$14.9 million of tobacco in Fiscal 1976. Recently, however, the President decided to increase the wheat allocation to 1,000,000 tons. Because of this and related budgetary constraints, the planned tobacco allocation for Egypt was dropped. While this represents our latest thinking on PL 480 sales to Egypt during the coming fiscal year, it is not immutable and the program may be revised again before final decisions are made. Thus there is an outside possibility that tobacco could be included.

At the moment, Congress has not been informed of our total FY 76 foreign assistance request for the Middle East. When this request is sent forward--and current planning is for this to occur in early October--PL 480 figures for Egypt will also be made available. Prior to that point, it would be inadvisable to inform individual Congressmen about specific aspects of our planning. Senator Humphrey, as you know, is particularly sensitive on this issue.

I therefore suggest that the following points be used in discussing this matter with Congressman Jones:

--Our planning for Egypt's PL 480 program for the coming fiscal year is still being developed and final decisions have not been reached on specific commodities, including tobacco. PL 480 sales for all Middle East countries have been delayed, pending a final determination on the size and breakdown of the PL 480 program for the entire area.

~~SECRET~~ (GDS)

Classified by Brent Scowcroft
DNO, 1/17/86



~~SECRET~~ (GDS)

- 2 -

--We are conscious of the Congressman's concerns regarding the tobacco allocation. We are making a special effort to accommodate Egypt's food commodity needs, however, and these must take priority.

--The overall Middle East assistance request, including PL 480, will be placed before Congress in about three or four weeks, and it will be possible then to view the allocations for Egypt and their budgetary aspects in perspective.

~~SECRET~~ (GDS)



SEP 16 1975

THE WHITE HOUSE

WASHINGTON

M

September 16, 1975

MEMORANDUM FOR:

JACK MARSH

FROM:

MAX FRIEDERSDORF

M. G.

SUBJECT:

Rep. Walter JONES (D-N.C.)

I have discussed this matter personally with Walter and he appreciates having the status report and background information.

Walter also reminded me of his strong support for the new tobacco price support bill now on the way to the White House.

He believes, of course, the President should sign the bill despite protestations by Secretary Butz.



THE WHITE HOUSE
WASHINGTON

September 15, 1975

MEMORANDUM FOR: BRENT SCOWCROFT
FROM: RUSS ROURKE *R*
SUBJECT: Congressman Walter Jones

Congressman Walter Jones called me this afternoon regarding his deep concern over "the Administration holdup on a P. L. -480 sale of \$14.9 million worth of tobacco to Egypt." Jones indicated that both he and other tobacco Members of Congress are under extreme pressure from the tobacco industry to get the Administration to permit the consummation of this sale.

Jones requested an immediate inquiry and response. I told him we would get back to him with some kind of report by Tuesday morning.

I would deeply appreciate your assistance.

cc: Max Friedersdorf
Vern Loen
✓ Jack Marsh



THE WHITE HOUSE

WASHINGTON

September 13, 1975

MEMORANDUM FOR: MAX FRIEDERSDORF

FROM: JACK MARSH 

Could you handle the attached personally with Walter Jones?

Walter brought this to my attention.

Thanks.

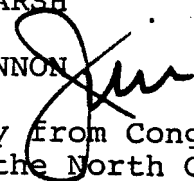


SEP 11 1975

THE WHITE HOUSE

WASHINGTON

September 5, 1975

MEMORANDUM FOR: JACK MARSH
FROM: JIM CANNON 
SUBJECT: Inquiry from Congressman Walter Jones
about the North Carolina School of
Veterinary Medicine.

This is in response to your request for information on the School of Veterinary Medicine in North Carolina.

BACKGROUND

As you mentioned, the State of North Carolina and HEW are in disagreement about the location of the proposed School of Veterinary Medicine. This issue is part of a larger one - a court order to desegregate the higher education system in North Carolina and eight or so other states. For Civil rights reasons HEW has said that the school should be at A&T College in Greensboro rather than at North Carolina State.

The issue is a very real and emotional one with all sides having publicly staked out their positions. Secretary Mathews has been personally involved in negotiating an agreement with Governor Holhouser. At the Secretary's request HEW will take no action before completing review of plans recently submitted by the Governor.

CURRENT SITUATION

After HEW reviews the plan which arrived a few days ago, senior officials of the Civil Rights Office will meet with the Governor's office to discuss it. Until that time there will be no public discussion of the plan or of HEW's reaction to it.

COMMENT

I feel that any White House involvement at this time would be inappropriate since HEW and the State are in negotiation. I am sure that the Secretary wants to resolve this to the best interest of all concerned.



THE WHITE HOUSE
WASHINGTON

September 8, 1975

M

JACK,

The attached matter was handled by Art Quern. Jim Cannon, however, is expected to sign a proposed letter to Cong. Jones. This letter to Jones was sent to Cannon today.

RUSS 



Charles Jones

JIM CANNON

JACK MARSH

Congressman Walter Jones

The State Legislature authorized the establishment of a School of Veterinarian Medicine and provided that it was to be constructed at North Carolina State. The decision that placed it at North Carolina State was one that the Legislature passed upon and was based on what they felt was the best school to provide the support for that School of Veterinarian Medicine. However, Jones states that HEW is now threatening to cut off all funds unless the School of Veterinarian Medicine is placed at A&T College at Greensboro.

He asked that we specifically find out what the story is and do whatever we can to see that this restriction is lifted. He is asking for a report back to him just as quickly as possible.

I would be grateful if you could have ~~an~~ member of your staff ascertain what the situation is and what might be done in reference to the request of Congressman Jones and others.

cc: ~~The Honorable Walter Jones~~ Max Friedersdorf
 bcc: Russ Bourke

10M/21

THE WHITE HOUSE

WASHINGTON

September 15, 1975

MEMORANDUM FOR: JACK MARSH
FROM: RUSS ROURKE R
SUBJECT: Congressman Walter Jones

Representative Walter Jones called today to caution the President against any veto of H. R. 9497 (changes the formula under which the Secretary of Agriculture figures the price support for tobacco). This legislation, "despite the opposition of Secretary Butz, sailed through the House and Senate."

Jones, sensing a veto recommendation to the President by Butz, stated there was unanimity of opinion by both Republican and Democratic tobacco state Members of Congress on this subject. Both substantively and politically, Jones said, it would be a mistake for the President to veto this bill.

He asked that his views be conveyed directly to the President.

cc: Max Friedersdorf
Vern Loen

