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EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

APPROVED
SEP 3 - 1974

AUG 27 1974

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 6485 - Tobacco marketing quotas
Sponsor - Rep. Breckinridge (D) Kentucky and
4 others

Posted
9/3
To Archives
9/4

Last Day for Action

September 3, 1974 - Tuesday

Purpose

Discourages the production of types of tobacco which are not under price support and acreage or poundage quota programs from being grown in areas where tobacco farmers have chosen to comply with these programs.

Agency Recommendations

Office of Management and Budget Approval

Department of Agriculture Approval

Discussion

Under existing law, tobacco producers vote periodically on whether marketing quotas should be established or maintained for eight distinct types of tobacco. Marketing quotas are generally designed to limit tobacco production and are presently in effect for all tobacco types except for the Maryland and cigar-filler varieties.

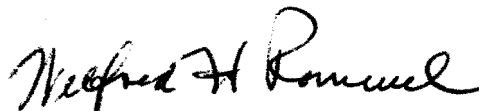
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in cigarettes and other products -- when grown in the same area and under similar conditions, Maryland and burley tobacco have many of the same distinguishing characteristics.

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In its enrolled bill letter, Agriculture noted that no additional funds would be needed to administer the provisions of the enrolled bill.



Assistant Director for
Legislative Reference

Enclosure



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

August 26, 1974

Honorable Roy L. Ash
Director, Office of Management
and Budget

Dear Mr. Ash:

In reply to the request of your office, the following report is submitted on the enrolled bill H.R. 6485, "To amend the tobacco marketing quota provisions of the Agricultural Adjustment Act of 1938." The bill provides that beginning with the 1975 crop any kind of tobacco for which marketing quotas are not in effect that is produced in an area where producers who are engaged in the production of a kind of tobacco traditionally produced in the area have approved marketing quotas shall be subject to the quota for the kind of tobacco traditionally produced in the area.

This Department recommends that the President approve the bill.

Marketing quotas are in effect for burley tobacco, which is grown in Kentucky and Tennessee and surrounding areas. Producers of Maryland tobacco (a similar light air-cured tobacco produced primarily in southern Maryland) have disapproved marketing quotas. In 1972, about 600 farms in the burley areas grew some 500 acres of Maryland tobacco. In 1973, some 2,470 farms grew 2,745 acres. In view of this significant increase, burley producers became concerned that the Maryland tobacco produced in the burley area would displace burley in the manufacture of cigarettes, and that some farmers would produce burley in excess of their farm poundage quotas and market it as Maryland tobacco.

No additional funds will be needed under this bill.

Sincerely,

A handwritten signature in black ink that reads "J. Phil Campbell".

J. Phil Campbell
Under Secretary

THE WHITE HOUSE
WASHINGTON

8/28/74

TO: WARREN HENDRIKS

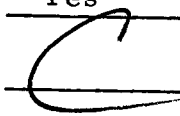
RDL
Robert D. Linder

THE WHITE HOUSE
WASHINGTON

ENROLLED BILL

SUBJECT: Enrolled Bill H.R. 6485 - Tobacco

Marketing Quotas

<u>Name</u>	<u>Approval</u>	<u>Date</u>
<u>James Cavanaugh</u>	<u>Yes</u>	<u> </u>
<u>Michael Duval</u>	<u>Yes</u>	<u> </u>
<u>Phil Buchen</u>	<u>Yes</u>	<u> </u>
<u>Bill Timmons</u>	<u>Yes</u>	<u> </u>
<u>Ken Cole</u>		<u> </u>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>

Comments:

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.: 546

Date: August 28, 1974

Time: 4:15 p. m.

FOR ACTION: ✓ James Cavanaugh
✓ Michael Duval
✓ Phil Buchen
✓ Bill Timmons

cc (for information): Warren K. Hendriks
Jerry Jones

FROM THE STAFF SECRETARY

DUE: Date: Friday, August 30, 1974

Time: 2:00 p. m.

SUBJECT: Enrolled Bill H. R. 6485 - Tobacco marketing quotas

ACTION REQUESTED:

___ For Necessary Action

XX For Your Recommendations

___ Prepare Agenda and Brief

___ Draft Reply

___ For Your Comments

___ Draft Remarks

REMARKS:

Please return to Kathy Tindle - 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.

K. R. COLE, JR.
For the President

To
Harmon Henderson
8-28-74

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

AUG 27 1974

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 6485 - Tobacco marketing quotas
Sponsor - Rep. Breckinridge (D) Kentucky and
4 others

Last Day for Action

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Department of Agriculture	Approval

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(signed) Wilfred H. Rommel

Assistant Director for
Legislative Reference

Enclosure

THE WHITE HOUSE

WASHINGTON

August 30, 1974

MEMORANDUM FOR: MR. WARREN HENDRIKS
FROM: WILLIAM E. TIMMONS *WT*
SUBJECT: Action Memorandum - Log No. 546
Enrolled Bill H. R. 6485 - Tobacco
marketing quotas

The Office of Legislative Affairs concurs in the attached proposal and has no additional recommendations.

Attachment

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.: 546

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FOR ACTION: James Cavanaugh
 Michael Duval
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 Jerry Jones

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ACTION REQUESTED:

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

REMARKS:

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Warren K. Hendriks
 For the President

EXECUTIVE OFFICE OF THE PRESIDENT
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Department of Agriculture	Approval

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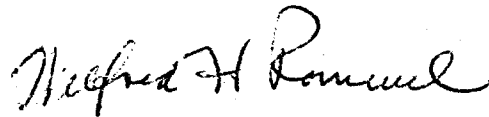
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Assistant Director for
Legislative Reference

Enclosure



DEPARTMENT OF AGRICULTURE
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WASHINGTON, D. C. 20250

August 26, 1974

Honorable Roy L. Ash
Director, Office of Management
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This Department recommends that the President approve the bill.

Marketing quotas are in effect for burley tobacco, which is grown in Kentucky and Tennessee and surrounding areas. Producers of Maryland tobacco (a similar light air-cured tobacco produced primarily in southern Maryland) have disapproved marketing quotas. In 1972, about 600 farms in the burley areas grew some 500 acres of Maryland tobacco. In 1973, some 2,470 farms grew 2,745 acres. In view of this significant increase, burley producers became concerned that the Maryland tobacco produced in the burley area would displace burley in the manufacture of cigarettes, and that some farmers would produce burley in excess of their farm poundage quotas and market it as Maryland tobacco.

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Sincerely,


J. Phil Campbell
Under Secretary

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REMARKS:

Please return to Kathy Tindle - West Wing

8/31
[Handwritten signature]
[Handwritten initials]

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Warren K. Hendriks
For the President

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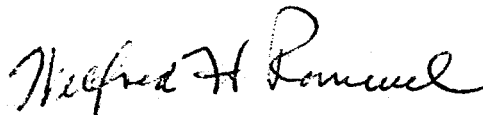
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REMARKS:

OK

Mike Duval

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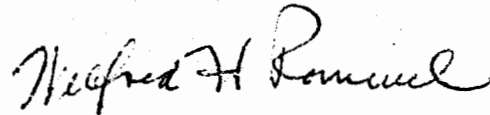
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*No objection**D.C.*PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

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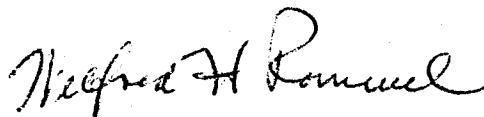
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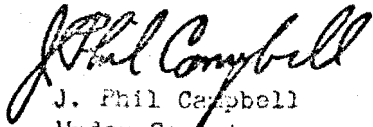
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Under Secretary

TOBACCO MARKETING QUOTA PROVISIONS

—————
AUGUST 19, 1974.—Ordered to be printed
—————

Mr. HUDDLESTON, from the Committee on Agriculture and Forestry, submitted the following

REPORT

[To accompany H.R. 6485]

The Committee on Agriculture and Forestry, to which was referred the bill (H.R. 6485) to amend the tobacco marketing quota provisions of the Agricultural Adjustment Act of 1938, having considered the same, reports favorably thereon without amendment and recommends that the bill do pass.

SHORT EXPLANATION

This bill provides that any kind of tobacco for which marketing quotas are not in effect—that is produced in an area where producers who are engaged in the production of a kind of tobacco traditionally produced in the area have approved marketing quotas—shall be subject to the quota for the kind of tobacco traditionally produced in the area.

The provisions of the bill would become effective with the 1975 crop.

BACKGROUND AND NEED

The purpose of this bill is to preserve the effectiveness of the tobacco program by discouraging the production of types of tobacco which are not under the price support and acreage or pondage quota programs from being grown in areas where tobacco farmers have chosen to comply with these programs. The bill primarily affects the growing of Maryland Type 32 tobacco in burley and flue-cured areas.

Present law, the Agricultural Adjustment Act of 1938, as amended, defines "Tobacco" as each one of the kinds of tobacco listed below comprising the types specified as classified in Service and Regulatory

Announcement Numbered 118 of the Bureau of Agricultural Economics of the Department:

- Flue-cured tobacco, comprising types 11, 12, 13, and 14;
- Fire-cured, comprising types 21, 22, 23, and 24;
- Dark air-cured tobacco, comprising types 35 and 36;
- Virginia sun-cured tobacco, comprising type 37;
- Burley tobacco, comprising type 31;
- Maryland tobacco, comprising type 32;
- Cigar-filler and cigar-binder tobacco, comprising types 42, 43, 44, 45, 46, 51, 52, 53, 54, and 55;
- Cigar-filler tobacco, comprising type 41.

The Act provides for the proclamation of marketing quotas and the holding of producer referendums, at three year intervals, for each of these eight kinds of tobacco. In the most recent referendums, producers of six kinds of tobacco—flue-cured, fire-cured, dark air-cured, Virginia sun-cured, burley, and cigar-filled and cigar-binder tobacco—approved marketing quotas. Maryland tobacco producers approved marketing quotas for the 1960–65 crops, but disapproved quotas for the 1966–76 crops. Cigar-filler tobacco producers have never approved quotas.

In 1972, approximately 850,000 pounds of tobacco reportedly produced from Maryland tobacco seed were produced in the burley areas of Kentucky, Tennessee, and Virginia. In 1973 this production rose to an estimated level of approximately 5 million pounds primarily in those States.

In 1972, the Department estimates there were 608 farms growing only 505 acres of Maryland Type 32 tobacco. In 1973, this had grown to 2,470 farms producing this tobacco on 2,745 acres. 1974 figures are not yet available, but the trend toward greater production of Maryland Type 32 tobacco in quota areas is clear. The production and marketing of tobacco represented as being Maryland tobacco in the burley areas has caused great concern among burley producers, warehousemen, and others. Maryland tobacco is similar to burley tobacco, especially when grown on the same type soil under the same cultural practices. Both are light air-cured and are used primarily in the manufacture of cigarettes.

Under H.R. 6485, any kind of tobacco for which marketing quotas are not in effect is produced in an area where a quota kind of tobacco is traditionally produced would be subject to quotas if the nonquota tobacco possesses any of the distinguishable characteristics of the quota tobacco. Under the bill, the standards of the quota tobacco would be used in making the determination as to whether the nonquota tobacco possesses any of the distinguishable characteristics of the quota tobacco traditionally produced in the area. Since Maryland, U.S. Type 32, tobacco, when grown and processed under the same cultural practices and method of curing, has many of the distinguishable characteristics of the quota tobacco traditionally produced in the burley tobacco production area, we would expect that such Maryland tobacco produced in the burley area, when inspected under the burley tobacco standards, would be subject to the burley quota program. Since most tobacco produced in the same area, under the same cultural practices, and same method of curing tends to develop similar characteristics, we

would expect the same result in other quota tobacco production areas.

H.R. 6485 was amended by the House Committee on Agriculture in line with the recommendations of the Department of Agriculture as contained in the following letter to the Honorable Frank A. Stubblefield, Chairman of the House Subcommittee on Tobacco.

DEPARTMENTAL VIEWS

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, D.C., June 17, 1974.

HON. FRANK A. STUBBLEFIELD,
*Chairman, Subcommittee on Tobacco, Committee on Agriculture,
House of Representatives.*

DEAR MR. CHAIRMAN: This is in reply to your letter of April 3, 1973, requesting the Department's comments on a Subcommittee amendment to H.R. 6485, a bill "To amend tobacco marketing quota provisions of the Agricultural Adjustment Act of 1938."

This Department has no objection to the Subcommittee amendment, if the modifications as outlined herein are adopted.

In its report on the original bill, the Department pointed out that the bill provides that any kind of tobacco for which marketing quotas are not in effect that is produced in an area where it has not been traditionally produced and where producers who are engaged in the production of a kind of tobacco traditionally produced in the area have approved marketing quotas shall be subject to the quotas for the kind of tobacco traditionally produced in the area. If more than one kind of quota tobacco is traditionally produced in an area, the non-quota tobacco will be subject to quotas for the kind of tobacco having the highest price support. The Subcommittee's amendment makes this provision inapplicable if the nonquota tobacco is readily and distinguishably different from any quota tobacco under the Department's standards of inspection and identification of quota types and the tobacco does not possess any of the distinguishable characteristics of a quota type.

Testimony presented at the Subcommittee's hearing on April 12, 1973, indicated that burley tobacco producers, warehousemen and others are concerned that the production and marketing of tobacco in the burley tobacco producing area represented as being Maryland tobacco would displace burley tobacco in cigarettes and other products. Concern was expressed also that burley tobacco produced in excess of farm poundage quotas would be marketed as Maryland tobacco.

If H.R. 6485 as amended by the Subcommittee is enacted, any kind of tobacco for which marketing quotas are not in effect that is produced in an area where a quota kind of tobacco is traditionally produced would be subject to quotas if the nonquota tobacco possesses any of the distinguishable characteristics of the quota tobacco. Under the Subcommittee amendment, the standards of the quota tobacco would be used in making the determination as to whether the nonquota tobacco possesses any of the distinguishable characteristics of the quota tobacco traditionally produced in the area. Since Maryland, U.S. Type 32, tobacco, when grown and processed under the same

cultural practices and method of curing, has many of the distinguishable characteristics of the quota tobacco traditionally produced in the burley tobacco production area, we would expect that such Maryland tobacco produced in the burley area, when inspected under the burley tobacco standards, would be subject to the burley quota program. Since most tobacco produced in the same area, under the same cultural practices, and same method of curing tends to develop similar characteristics, we would expect the same result in other quota tobacco production areas.

In H.R. 6485, in lines 7 and 8, we suggest that the words, "where it has not been traditionally produced and", be deleted. Also, on page 2, line 3, the words, "not traditionally", should also be deleted. The Department in administering the legislation must necessarily define these terms. This would be a difficult task since some nonquota type tobacco is presently being grown in many of the quota tobacco production areas and has been so grown in such areas for varying periods of time. We feel that whatever definitions of these terms are developed by the Department would be subject to considerable controversy and, ultimately, litigation by affected elements of the industry. We suggest that the deletion of these terms would obviate such difficulties without changing the intent or purpose of the legislation.

We further suggest that H.R. 6485 not apply to the 1974 crop year since the planting season has already begun.

Under the above circumstances and with the proposed deletions, we do not anticipate any significant problems in administering the new authority proposed by the legislation.

The Office of Management and Budget advises that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely,

J. PHIL CAMPBELL,
Under Secretary.

ESTIMATED COST

In accordance with section 252 of the Legislative Reorganization Act of 1970, the Committee believes that the bill would result in no additional cost to the Federal Government. The bill provides only for greater flexibility to the Secretary to administer the program. This same estimate was furnished the House Committee on Agriculture by the Department of Agriculture.

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman) :

AGRICULTURAL ADJUSTMENT ACT OF 1938, AS AMENDED

* * * * *

SUBTITLE B—MARKETING QUOTAS

PART 1—MARKETING QUOTAS—TOBACCO

* * * * *

Sec. 320. Notwithstanding any other provision of law, beginning with the 1975 crop, any kind of tobacco for which marketing quotas are not in effect that is produced in an area where producers who are engaged in the production of a kind of tobacco traditionally produced in the area have approved marketing quotas under this Act shall be subject to the quota for the kind of tobacco traditionally produced in the area: Provided, however, That this section shall not apply in any case in which the Secretary or his designee finds any such nonquota tobacco is readily and distinguishably different from any kind of tobacco produced under quota, because of seed variety, cultural practices, method of curing and other factors affecting its physical characteristics, as determined through the application of the Federal Standards of Inspection and Identification of quota types and the tobacco does not possess any of the distinguishable characteristics of a quota type. If marketing quotas are in effect for more than one kind of tobacco in an area, any nonquota tobacco produced in the area shall be subject to quotas for the kind of tobacco traditionally produced in the area having the highest price support under the Agricultural Act of 1949.

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TOBACCO MARKETING QUOTA PROVISIONS

JUNE 20, 1974.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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

REPORT

[To accompany H.R. 6485]

The Committee on Agriculture, to whom was referred the bill (H.R. 6485) to amend the tobacco marketing quota provisions of the Agricultural Adjustment Act of 1938, having considered the same, reports favorably thereon with amendments and recommends that the bill do pass.

The amendments are as follows:

Page 1, line 5, after the word "law," insert the following: "beginning with the 1975 crop,".

Page 1, lines 7 and 8, strike out the words "where it has not been traditionally produced and".

Page 2, line 1, strike the period after the word "area" and insert the following:

" : *Provided, however,* That this section shall not apply in any case in which the Secretary or his designee finds any such nonquota tobacco is readily and distinguishably different from any kind of tobacco produced under quota, because of seed variety, cultural practices, method of curing and other factors affecting its physical characteristics, as determined through the application of the Federal Standards of Inspection and Identification of quota types and the tobacco does not possess any of the distinguishable characteristics of a quota type."

Page 2, line 3, strike out the words "not traditionally".

PURPOSE

The purpose of this bill is to preserve the effectiveness of the tobacco program by discouraging the production of types of tobacco which are not under the price support and acreage or poundage quota programs from being grown in areas where tobacco farmers have

chosen to comply with these programs. The bill primarily affects the growing of Maryland Type 32 tobacco in burley and flue-cured areas.

Present law, the Agricultural Adjustment Act of 1938, as amended, defines "Tobacco" as each one of the kinds of tobacco listed below comprising the types specified as classified in Service and Regulatory Announcement Numbered 118 of the Bureau of Agricultural Economics of the Department:

- Flue-cured tobacco, comprising types 11, 12, 13, and 14;
- Fire-cured, comprising types 21, 22, 23, and 24;
- Dark air-cured tobacco, comprising types 35 and 36;
- Virginia sun-cured tobacco, comprising type 37;
- Burley tobacco, comprising type 31;
- Maryland tobacco, comprising type 32;
- Cigar-filler and cigar-binder tobacco, comprising types 42, 43, 44, 45, 46, 51, 52, 53, 54, and 55;
- Cigar-filler tobacco, comprising type 41.

The Act provides for the proclamation of marketing quotas and the holding of producer referendums, at three year intervals, for each of these eight kinds of tobacco. In the most recent referendums, producers of six kinds of tobacco—flue-cured, fire-cured, dark air-cured, Virginia sun-cured, burley, and cigar-filler and cigar-binder tobacco—approved marketing quotas. Maryland tobacco producers approved marketing quotas for the 1960-65 crops, but disapproved quotas for the 1966-76 crops. Cigar-filler tobacco producers have never approved quotas.

In 1972, approximately 850,000 pounds of tobacco reportedly produced from Maryland tobacco seed were produced in the burley areas of Kentucky, Tennessee, and Virginia. In 1973 this production rose to an estimated level of approximately 5 million pounds primarily in those States.

In 1972, the Department estimates there were 608 farms growing only 505 acres of Maryland Type 32 tobacco. In 1973, this had grown to 2,470 farms producing this tobacco on 2,745 acres. 1974 figures are not yet available, but the trend toward greater production of Maryland Type 32 tobacco in quota areas is clear. The production and marketing of tobacco represented as being Maryland tobacco in the burley areas has caused great concern among burley producers, warehousemen, and others. Maryland tobacco is similar to burley tobacco, especially when grown on the same type soil under the same cultural practices. Both are light air-cured and are used primarily in the manufacture of cigarettes.

The committee recognizes the concern of these burley producers and after considering the problem thoroughly, recommended the enactment of this legislation.

COMMITTEE CONSIDERATION

The Tobacco Subcommittee held public hearings on H.R. 6485 on April 12, 1973, and approved it at an open business meeting on March 6, 1974. The full committee considered this bill on March 28, 1974, but referred it back to the subcommittee. Accordingly, the subcommittee met on April 3, 1974, and approved the bill with an amendment. On

June 11, 1974, the full committee adopted the subcommittee amendment and two additional amendments suggested by the U.S. Department of Agriculture and ordered the bill favorably reported to the House by a voice vote in the presence of a quorum.

COMMITTEE AMENDMENTS

The bill contains three committee amendments.

The first amendment, recommended by the Department, postpones the effective date of the legislation until the 1975 crop. The committee concurred that it is now too late to impose changes on growers planting tobacco in 1974.

The second amendment, also recommended by the Department, clarifies and simplifies the Secretary's authority to administer the provisions of this bill. The Department pointed out that it would be very difficult to define what types of tobacco were "not traditionally grown" in an area, and the committee concurred.

The third amendment was developed by the subcommittee, and it is designed to give the Secretary latitude to permit the growing of tobacco which is "readily and distinguishably different" from the quota type tobacco traditionally grown in an area.

The committee, however, concurs with the Department's interpretation of the amendment as expressed in its letter to Mr. Stubblefield, the Chairman of the Tobacco Subcommittee, with respect to the application of this provision to Type 32 Maryland tobacco being grown in burley areas. [The Department's letter is set forth later in this report.]

ADMINISTRATION POSITION

The Department of Agriculture originally recommended the enactment of H.R. 6485 as introduced.

The Department later indicated that it had no objection to the subcommittee amendment and suggested two further modifications, both of which the committee adopted.

The Department's letter to Mr. Stubblefield is as follows:

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, D.C., June 17, 1974.

HON. FRANK A. STUBBLEFIELD,
*Chairman, Subcommittee on Tobacco, Committee on Agriculture,
House of Representatives.*

DEAR MR. CHAIRMAN: This is in reply to your letter of April 3, 1974, requesting the Department's comments on a Subcommittee amendment to H.R. 6485, a bill "To amend tobacco marketing quota provisions of the Agricultural Adjustment Act of 1938."

This Department has no objection to the Subcommittee amendment, if the modifications as outlined herein are adopted.

In its report on the original bill, the Department pointed out that the bill provides that any kind of tobacco for which marketing quotas are not in effect that is produced in an area where it has not been traditionally produced and where producers who are engaged in the production of a kind of tobacco traditionally produced in the area

have approved marketing quotas shall be subject to the quota for the kind of tobacco traditionally produced in the area. If more than one kind of quota tobacco is traditionally produced in an area, the non-quota tobacco will be subject to quotas for the kind of tobacco having the highest price support. The Subcommittee's amendment makes this provision inapplicable if the nonquota tobacco is readily and distinguishably different from any quota tobacco under the Department's standards of inspection and identification of quota types and the tobacco does not possess any of the distinguishable characteristics of a quota type.

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If H.R. 6485 as amended by the Subcommittee is enacted, any kind of tobacco for which marketing quotas are not in effect that is produced in an area where a quota kind of tobacco is traditionally produced would be subject to quotas if the nonquota tobacco possesses any of the distinguishable characteristics of the quota tobacco. Under the Subcommittee amendment, the standards of the quota tobacco would be used in making the determination as to whether the nonquota tobacco possesses any of the distinguishable characteristics of the quota tobacco traditionally produced in the area. Since Maryland, U.S. Type 32, tobacco, when grown and processed under the same cultural practices and method of curing, has many of the distinguishable characteristics of the quota tobacco traditionally produced in the burley tobacco production area, we would expect that such Maryland tobacco produced in the burley area, when inspected under the burley tobacco standards, would be subject to the burley quota program. Since most tobacco produced in the same area, under the same cultural practices, and same method of curing tends to develop similar characteristics, we would expect the same result in other quota tobacco production areas.

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We further suggest that H.R. 6485 not apply to the 1974 crop year since the planting season has already begun.

Under the above circumstances and with the proposed deletions, we do not anticipate any significant problems in administering the new authority proposed by the legislation.

The Office of Management and Budget advises that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely,

J. PHIL CAMPBELL,
Under Secretary.

CURRENT AND FIVE SUBSEQUENT FISCAL YEAR COST ESTIMATE

Pursuant to clause 7 of rule XIII of the Rules of the House of Representatives, the committee estimates no additional cost to be incurred by the Federal Government during the current and the five subsequent fiscal years as a result of the enactment of this legislation. The bill merely gives the Secretary additional flexibility to administer the tobacco program.

The same estimate was furnished to the committee by the Department of Agriculture.

CHANGES IN EXISTING LAW

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

AGRICULTURAL ADJUSTMENT ACT OF 1938, AS AMENDED

* * * * *

SUBTITLE B—MARKETING QUOTAS

PART 1—MARKETING QUOTAS—TOBACCO

* * * * *

SEC. 320. Notwithstanding any other provision of law, beginning with the 1975 crop, any kind of tobacco for which marketing quotas are not in effect that is produced in an area where producers who are engaged in the production of a kind of tobacco traditionally produced in the area have approved marketing quotas under this Act shall be subject to the quota for the kind of tobacco traditionally produced in the area: Provided, however, That this section shall not apply in any case in which the Secretary or his designee finds any such nonquota tobacco is readily and distinguishably different from any kind of tobacco produced under quota, because of seed variety, cultural practices, method of curing and other factors affecting its physical characteristics, as determined through the application of the Federal Standards of Inspection and Identification of quota types and the tobacco does not possess any of the distinguishable characteristics of a quota type. If marketing quotas are in effect for more than one kind of tobacco in an area, any nonquota tobacco produced in the area shall be subject to quotas for the kind of tobacco traditionally produced in the area having the highest price support under the Agricultural Act of 1949.

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Ninety-third Congress of the United States of America

AT THE SECOND SESSION

*Begun and held at the City of Washington on Monday, the twenty-first day of January,
one thousand nine hundred and seventy-four*

An Act

To amend the tobacco marketing quota provisions of the Agricultural Adjustment Act of 1938.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Agricultural Adjustment Act of 1938 is amended by inserting after section 319 the following new section:

"Sec. 320. Notwithstanding any other provision of law, beginning with the 1975 crop, any kind of tobacco for which marketing quotas are not in effect that is produced in an area where producers who are engaged in the production of a kind of tobacco traditionally produced in the area have approved marketing quotas under this Act shall be subject to the quota for the kind of tobacco traditionally produced in the area: *Provided, however,* That this section shall not apply in any case in which the Secretary or his designee finds any such nonquota tobacco is readily and distinguishably different from any kind of tobacco produced under quota, because of seed variety, cultural practices, method of curing and other factors affecting its physical characteristics, as determined through the application of the Federal Standards of Inspection and Identification of quota types and the tobacco does not possess any of the distinguishable characteristics of a quota type. If marketing quotas are in effect for more than one kind of tobacco in an area, any nonquota tobacco produced in the area shall be subject to quotas for the kind of tobacco traditionally produced in the area having the highest price support under the Agricultural Act of 1949."

Speaker of the House of Representatives.

*Vice President of the United States and
President of the Senate.*

August 22, 1974

Dear Mr. Director:

The following bills were received at the White House on August 22nd:

S. 1871	H.R. 14402
S. 3703	H.R. 14920
H.R. 6485	H.R. 15205
H.R. 11864	H.R. 15842

Please let the President have reports and recommendations as to the approval of these bills as soon as possible.

Sincerely,

Robert D. Linder
Chief Executive Clerk

The Honorable Roy L. Ash
Director
Office of Management and Budget
Washington, D. C.