

The original documents are located in Box 59, folder “1976/10/01 HR15068 Emergency Lease and Transfer of Tobacco Allotments” of the White House Records Office: Legislation Case Files at the Gerald R. Ford Presidential Library.

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THE WHITE HOUSE
WASHINGTON
10/1/76

MR PRESIDENT:

Max Friedersdorf is awaiting
news of the signing of this bill
in the Vice President's Office
on the Hill.

Jim Connor

APPROVED
OCT 1 - 1976

8/10/1/76

THE WHITE HOUSE

ACTION

WASHINGTON

Last Day: October 9

October 1, 1976

MEMORANDUM FOR

THE PRESIDENT

FROM:

JIM CANNON *Handwritten signature*

SUBJECT:

H.R. 15068 - Emergency Lease
and Transfer of Tobacco Allotments

Attached for your consideration is H.R. 15068, sponsored by Representative Mathis.

The enrolled bill would amend existing law to authorize the Secretary of Agriculture to allow the lease and transfer of tobacco allotments across county lines, for 1976 only, in South Carolina and Georgia where, as a result of a natural disaster, one of the counties involved has suffered a loss of 10% or more in the number of acres of tobacco planted or in the expected production for such acreage.

Additional information is provided in OMB's enrolled bill report at Tab A.

OMB, Max Friedersdorf, Bill Seidman, Counsel's Office (Kilberg) and I recommend approval of the enrolled bill.

In addition, attached at Tab B is a letter to you from Senator Thurmond in which he urges your signature as soon as possible.

RECOMMENDATION

That you sign H.R. 15068 at Tab C.



Posted
10/2/76

Archives
10/4/76



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

SEP 30 1976

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 15068 - Emergency
Lease and Transfer of Tobacco Allot-
ments
Sponsor - Rep. Mathis (D) Georgia

Last Day for Action

October 9, 1976 - Saturday

Purpose

Provides for emergency lease and transfer of tobacco allotments for 1976 in certain disaster areas in South Carolina and Georgia.

Agency Recommendations

Office of Management and Budget Approval

Department of Agriculture Approval

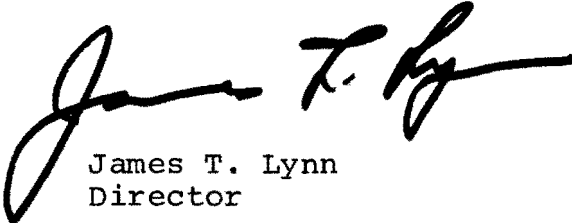
Discussion

Under present law, the Secretary of Agriculture may permit owners or operators of farms to lease and transfer acreage-poundage marketing quotas or allotments for certain types of tobacco to other farms in the same county which have a current tobacco allotment of the same type.

H.R. 15068 would amend existing law to authorize the Secretary to allow the lease and transfer of tobacco allotments across county lines, for 1976 only, in South Carolina and Georgia where,

as a result of a natural disaster, one of the counties involved has suffered a loss of 10 percent or more in the number of acres of tobacco planted or in the expected production from the planted acreage. The bill would apply only to the owners or operators of farms which individually have suffered a loss of 10 percent or more in the number of acres planted or in the expected production from such acreage. Transfers could be made of all or any part of an allotment, but could be made only to another farm in the same State having a current allotment for the same kind of tobacco. All transfers under the enrolled bill would be subject to a determination by the Secretary of Agriculture that they would not impair the effective operation of the tobacco marketing quota or price support program.

Similar emergency legislation was enacted in 1973 and 1974. In its enrolled bill letter, Agriculture reports that the bill would not result in any additional expenditures of administrative or Commodity Credit Corporation capital funds. Accordingly, the Department recommends approval of the enrolled bill.



James T. Lynn
Director

Enclosure



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

September 27, 1976

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

Dear Mr. Lynn:

In reply to the request of your office, the following report is submitted on the enrolled enactment H.R. 15068, "To provide for emergency allotment lease and transfer of tobacco allotments or quotas for 1976 in certain disaster areas in Georgia and South Carolina."

This Department recommends that the President approve the bill.

This bill is similar to Public Law 93-80 approved August 1, 1973, and Public Law 93-464 approved October 24, 1974. It authorizes for 1976 only, the lease of flue-cured tobacco acreage-poundage marketing quotas from counties in Georgia and South Carolina, and transfer to farms in other counties in the same State, provided two conditions are met. First, the bill would not apply unless the Secretary determines that as a result of drought, flood, damage due to excessive rain, hail, wind, tornado or other natural disaster, one of the counties has suffered a loss of 10 percent or more in the number of acres of tobacco planted (or expected production from the planted acreage). Secondly, that a lease will not impair the effective operation of the tobacco marketing quota or price support program.

Present legislation authorizes the lease of acreage-poundage marketing quotas for flue-cured tobacco and transfer to other farms in the same county. H.R. 15068 extends this authority to permit leasing of allotments and quotas from farms in Georgia and South Carolina and transfer to farms having a current tobacco allotment or quota in other counties within the same State under the above outlined conditions.

The enactment of this bill will not result in any additional expenditures of administrative or CCC capital funds.

Sincerely,

Richard E. Bell

RICHARD E. BELL
Assistant Secretary

JOHN C. STENNIS, MISS., CHAIRMAN

STUART SYMINGTON, MO.
HENRY M. JACKSON, WASH.
HOWARD W. CANNON, NEV.
THOMAS J. MCINTYRE, N.H.
HARRY F. BYRD, JR., VA.
SAM MUNN, GA.
JOHN C. CULVER, IOWA
GARY HART, COLO.
PATRICK J. LEAHY, VT.

STROM THURMOND, S.C.
JOHN TOWER, TEX.
BARRY GOLDWATER, ARIZ.
WILLIAM L. SCOTT, VA.
ROBERT TAFT, JR., OHIO
DEWEY F. BARTLETT, OKLA.

United States Senate

COMMITTEE ON ARMED SERVICES

WASHINGTON, D.C. 20510

T. EDWARD BRASWELL, JR., CHIEF COUNSEL AND STAFF DIRECTOR

September 28, 1976

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

It has come to my attention that you have just received H.R. 15068, an emergency bill allowing, for this year only, the cross-county leasing of tobacco quotas in areas adversely affected by weather conditions. Present projections are that the tobacco markets in South Carolina will close out by October 14.

Consequently, for the farmers in South Carolina to be able to take advantage of this emergency legislation this year, you need to sign the bill into law as soon as possible. I urge you to sign this bill at the earliest possible moment.

With kindest regards and best wishes,

Respectfully,



Strom Thurmond

ST/ed

THE WHITE HOUSE
WASHINGTON

September 29, 1976

MEMORANDUM FOR:

JIM CONNOR

FROM:

JACK MARSH

Jack

Would you please be certain that the attached letter from Senator Strom Thurmond to the President is included in the package of material which goes to the President for his review when he considers this legislation (H.R. 15068).

Many thanks.

JOHN C. STENNIS, MISS., CHAIRMAN

STUART SYMINGTON, MO.
HENRY M. JACKSON, WASH.
HOWARD W. CANNON, NEV.
THOMAS J. MCINTYRE, N.H.
HARRY F. BYRD, JR., VA.
SAM NUNN, GA.
JOHN C. CULVER, IOWA
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PATRICK J. LEAHY, VT.

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WASHINGTON, D.C. 20510

September 28, 1976

The President
The White House
Washington, D.C. 20500

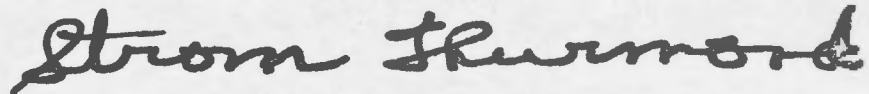
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Consequently, for the farmers in South Carolina to be able to take advantage of this emergency legislation this year, you need to sign the bill into law as soon as possible. I urge you to sign this bill at the earliest possible moment.

With kindest regards and best wishes,

Respectfully,



Strom Thurmond

ST/ed

THE WHITE HOUSE
WASHINGTON

September 29, 1976

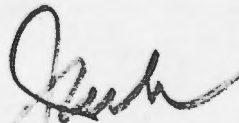
Dear Strom:

Many thanks for giving me a copy
of your letter to the President
concerning H. R. 15068.

I will see that this is personally
brought to his attention.

With kindest personal regards, I am

Sincerely,



John O. Marsh, Jr.
Counsellor to the President

The Honorable Strom Thurmond
United States Senate
Washington, D. C. 20510

LWS copy

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: October 1

Time: 130pm

FOR ACTION: Paul Leach
Max Friedersdorf
Bobbie Kilberg
Bill Seidman
Steve McConahey

cc (for information): Jack Marsh
Jim Connor
Ed Schmults

FROM THE STAFF SECRETARY

DUE: Date: October 1

Time: 500pm

SUBJECT:

H.R. 15068-Emergency Lease and Transfer of Tobacco
Allotments

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

APPROVE
RBP

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.

James M. Cannon
For the President

FOR THE PRESIDENT

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: October 1

Time: 130pm

FOR ACTION: Paul Leach
Max Friedersdorf
Bobbie Kilberg
Bill Seidman
Steve McConahey

cc (for information): Jack Marsh
Jim Connor
Ed Schmults

FROM THE STAFF SECRETARY

DUE: Date: October 1

Time: 500pm

SUBJECT:

H.R. 15068-Emergency Lease and Transfer of Tobacco Allotments

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

Bobbie Kilberg 10/1/76

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.

James M. Cannon
For the President

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

SEP 30 1976



To-
J. Johnston
10-1-76
12:15 P.M.

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 15068 - Emergency
Lease and Transfer of Tobacco Allot-
ments
Sponsor - Rep. Mathis (D) Georgia

Last Day for Action

October 9, 1976 - Saturday

Purpose

Provides for emergency lease and transfer of tobacco allotments for 1976 in certain disaster areas in South Carolina and Georgia.

Agency Recommendations

Office of Management and Budget	Approval
Department of Agriculture	Approval

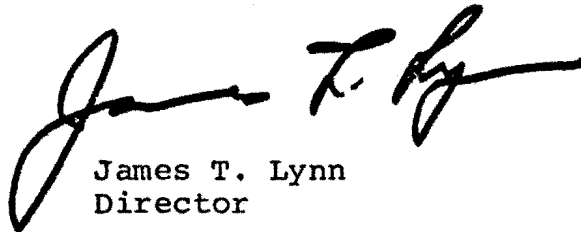
Discussion

Under present law, the Secretary of Agriculture may permit owners or operators of farms to lease and transfer acreage-poundage marketing quotas or allotments for certain types of tobacco to other farms in the same county which have a current tobacco allotment of the same type.

H.R. 15068 would amend existing law to authorize the Secretary to allow the lease and transfer of tobacco allotments across county lines, for 1976 only, in South Carolina and Georgia where,

as a result of a natural disaster, one of the counties involved has suffered a loss of 10 percent or more in the number of acres of tobacco planted or in the expected production from the planted acreage. The bill would apply only to the owners or operators of farms which individually have suffered a loss of 10 percent or more in the number of acres planted or in the expected production from such acreage. Transfers could be made of all or any part of an allotment, but could be made only to another farm in the same State having a current allotment for the same kind of tobacco. All transfers under the enrolled bill would be subject to a determination by the Secretary of Agriculture that they would not impair the effective operation of the tobacco marketing quota or price support program.

Similar emergency legislation was enacted in 1973 and 1974. In its enrolled bill letter, Agriculture reports that the bill would not result in any additional expenditures of administrative or Commodity Credit Corporation capital funds. Accordingly, the Department recommends approval of the enrolled bill.

A handwritten signature in black ink, appearing to read "James T. Lynn", with a long horizontal flourish extending to the right.

James T. Lynn
Director

Enclosure

THE WHITE HOUSE

~~ACTION~~ MEMORANDUM

WASHINGTON

LOG NO. 1

Date: October 1

Time: 130pm

FOR ACTION: Paul Leach
Max Friedersdorf
Bobbie Kilberg
Bill Seidman
Steve McConahey

cc (for information): Jack
Jim
Ed

OK RKW

FROM THE STAFF SECRETARY

DUE: Date: October 1

Time: 500pm

SUBJECT:

H.R. 15068-Emergency Lease and Transfer of Tobacco
Allotments

ACTION REQUESTED:

- | | |
|---|--|
| <input type="checkbox"/> For Necessary Action | <input type="checkbox"/> For Your Recommendation |
| <input type="checkbox"/> Prepare Agenda and Brief | <input type="checkbox"/> Draft Reply |
| <input checked="" type="checkbox"/> For Your Comments | <input type="checkbox"/> 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.

James M. Cannon
For the President

EMERGENCY LEASE AND TRANSFER OF TOBACCO ALLOTMENTS

AUGUST 23, 1976.—Committed to the Committee of the Whole House on the State
of the Union and ordered to be printed

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

REPORT

[Including the Congressional Budget Office Estimate]

[To accompany H.R. 15068]

The Committee on Agriculture, to whom was referred the bill (H.R. 15068) to provide for emergency allotment lease and transfer of tobacco allotments or quotas for 1976 in certain disaster areas in South Carolina, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

PURPOSE AND NEED

H.R. 15068 authorizes the Secretary of Agriculture to permit the lease and transfer of tobacco acreage allotments across county lines in 1976 in seven named counties in South Carolina and four named counties in Georgia, if he determines that as the result of a natural disaster one of the counties has suffered a loss of 10 percent or more in the number of acres planted and that the lease and transfer would not impair the effective operation of the tobacco marketing quota or price support program. The bill would apply only to owners and operators of a farm which has suffered a loss of 10 percent or more in the number of acres of tobacco planted. Under this provision, a farm would be considered as having suffered a loss of 10 percent or more in the number of acres planted if as the result of a disaster the yield of the farm is reduced by at least 10 percent below the expected production on the planted acres for the farm. Transfers could be made of all or any part of the allotment or quota and would have to be made to a farm in the same or any other county within the same State and to a farm having a current tobacco allotment or quota of the same kind of tobacco.

The counties covered by the bill are Clarendon, Colleton, Darlington, Horry, Williamsburg, Florence, and Marion Counties, South

Carolina; and Cook, Berrien, Lanier, and Lowndes Counties, Georgia.

Similar legislation has been adopted in 1973 and 1974. The bill is an emergency measure designed to assist producers of tobacco in the listed counties who has incurred damage to their tobacco crop from inclement weather or other natural disaster conditions. Under current legislation, there is a prohibition against the transfer of allotments across county lines. The bill would provide assistance to affected farmers in the listed counties for the 1976 crop only. The provision amends section 316 of the Agricultural Adjustment Act of 1938 and affects the lease and transfer for all kinds of tobacco except burley, cigar binder (types 54 and 55), dark air-cured, fire-cured, and Virginia sun-cured tobacco which are covered by other provisions of the Act.

COMMITTEE CONSIDERATION

On Tuesday, August 10, 1976, the Committee on Agriculture held a business meeting at which time it heard testimony in support of the bill by its sponsor, Congressman Dawson Mathis. The Committee then ordered the bill reported to the House with a recommendation that it do pass by a voice vote in the presence of a quorum.

ADMINISTRATION POSITION

The Committee received the following report on the proposed legislation from the Department of Agriculture:

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, D.C., August 19, 1976.

HON. THOMAS S. FOLEY,
Chairman, Committee on Agriculture,
House of Representatives.

DEAR MR. CHAIRMAN: This is in response to your request of August 11 for a report on H.R. 15068, a bill to provide for emergency lease and transfer of tobacco allotments or quotas for 1976 in certain disaster areas in Georgia and South Carolina.

The Department does not oppose passage of the bill.

In August 1973, P.L. 93-80 authorized disaster transfers of 1973 flue-cured tobacco allotments and quotas for specified counties in Georgia and South Carolina. Similar legislation was enacted in October 1974, for specified counties in North Carolina. In light of this experience, it would appear more appropriate to enact legislation authorizing cross-county transfers under specified disaster conditions, if disaster conditions are determined to be necessary, and not specify counties, States and crop years.

Although not tied to disaster conditions, S. 700, which is presently before the Subcommittee on Tobacco of the House Committee on Agriculture, would substantially achieve this result if it were amended to apply to all States and the referendum requirement were deleted. We believe this would be a better solution to this problem.

As the aforementioned enacted legislation has been interpreted, the language in H.R. 15068 referring to "a loss of 10 per centum or more in the number of acres of tobacco planted" would also be interpreted to

mean "a loss of 10 percent of the acres of tobacco planted or expected production from the planted acreage".

The enactment of this bill will require only minimal, if any, additional expenditures.

The quality of the environment will not be affected by the adoption of this proposal.

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 objectives.

Sincerely,

RICHARD L. FELTNER, *Acting 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 that enactment of H.R. 15068 would not result in any additional cost to the Federal Government. This is consistent with the estimate received from the Congressional Budget Office.

INFLATIONARY IMPACT STATEMENT

Pursuant to clause 2(1)(4) of Rule XI of the Rules of the House of Representatives, the Committee estimates that enactment of H.R. 15068 will have no inflationary impact on the national economy.

BUDGET ACT COMPLIANCE (SECTION 308 AND SECTION 403)

The statement and the estimate and comparison prepared by the Director of the Congressional Budget Office under clauses 2(1)(3)(B) and (C) of Rule XI of the Rules of the House of Representatives and sections 308(a) and 403 of the Congressional Budget Act of 1974 submitted to the Committee prior to the filing of this report are as follows:

CONGRESS OF THE UNITED STATES,
CONGRESSIONAL BUDGET OFFICE,
Washington, D.C., August 11, 1976.

HON. THOMAS S. FOLEY,
Chairman, Committee on Agriculture, U.S. House of Representatives,
Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to sections 308(a) and 403 of the Congressional Budget Act of 1974, the Congressional Budget Office has reviewed H.R. 15068, a bill to provide for emergency allotment lease and transfer of tobacco allotments or quotas for 1976 in certain disaster areas in South Carolina.

Based on this review, it appears that no additional cost to the government would be incurred as a result of enactment of this bill.

Sincerely,

ALICE M. RIVLIN, *Director.*

OVERSIGHT STATEMENT

No summary of oversight findings and recommendations made by the Committee on Government Operations under clause 2(b)(2) of

Rule X of the Rules of the House of Representatives was available to the Committee with reference to the subject matter specifically addressed by H.R. 15068.

No specific oversight activities are conducted by the Committee within the definition of clause 2(b)(1) of Rule X of the Rules of the House of Representatives.

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

* * * * *

LEASE AND TRANSFER OF ACREAGE ALLOTMENTS

SEC. 316. (a) Notwithstanding any other provision of law, the Secretary, if he determines that it will not impair the effective operation of the tobacco marketing quota or price support program, may permit the owner and operator of any farm for which a tobacco acreage allotment (other than a Burley, dark air-cured, fire-cured, Virginia sun-cured and cigar-binder, type 54 or 55 tobacco acreage allotment) is established under this Act to lease all or any part of such allotment or quota to any other owner or operator of a farm in the same county for use in such county on a farm having a current tobacco allotment or quota of the same kind.

(b) Any lease may be made for such term of years not to exceed five as the parties thereto agree, and on such other terms and conditions, except as otherwise provided in this section, as the parties thereto agree.

(c) The lease and transfer of any allotment shall not be effective until a copy of such lease is filed with and determined by the county committee of the county in which the farms involved are located to be in compliance with provisions of this section. Any lease of flue-cured tobacco acreage-poundage marketing quotas from any farm with an acreage-poundage marketing quota in excess of 2,000 pounds filed on or after June 15 in any year shall not be effective unless the acreage planted on both the lessor and the lessee farms during the current marketing year was as much as 50 percentum of the farm acreage allotment in effect for such year. If the normal yield established by the county committee for the farm to which the allotment is transferred does not exceed the normal yield established by the county committee for the farm from which the allotment is transferred by more than 10 per centum, the lease and transfer shall be approved acre for acre. If the normal yield for the farm to which the allotment is transferred exceeds the normal yield for the farm from which the allotment is transferred by more than 10 per centum, the county com-

mittee shall make a downward adjustment in the amount of the acreage allotment transferred by multiplying the normal yield established for the farm from which the allotment is transferred by the acreage being transferred and dividing the result by the normal yield established by the farm to which the allotment is transferred.

(d) The lease and transfer of any part of a tobacco acreage allotment determined for a farm shall not affect the allotment for the farm from which such acreage allotment is transferred or the farm to which it is transferred, except with respect to the crop year specified in the lease. The amount of acreage allotment which is leased from a farm shall be considered for purpose of determining future allotments to have been planted to tobacco on the farm from which such allotment is transferred and the production pursuant to the lease and transfer shall not be taken into account in establishing allotments for subsequent years for the farm to which such allotment is transferred. The lessor shall be considered to have been engaged in the production of tobacco for the purpose of eligibility to vote in the referendum.

(e) The total acreage allotted to any farm after the transfer by lease of tobacco acreage allotment to the farm under the provisions of this section shall not exceed 50 per centum of the acreage of cropland in the farm: *Provided*, That in the case of cigar-filler tobacco types 42, 43, or 44, not more than 10 acres of allotment may be leased and transferred to any farm.

(f) The Secretary shall prescribe such regulations as he considers necessary for carrying out the provisions of this section.

(g) Notwithstanding any provision of this section, when as a result of flood, hail, wind, tornado, or other natural disaster the Secretary determines (1) that one of the counties hereinafter listed has suffered a loss of 10 per centum or more in the number of acres of tobacco planted and (2) that a lease of such tobacco allotment or quota will not impair the effective operation of the tobacco marketing quota or price support program, he may permit the owner and operator of any farm within Atkinson, Bacon, Berrien, Clinch, Cook, Lanier, Lowndes, or Ware Counties, Georgia, or Clarendon, Lee, Sumter, or Williamsburg Counties, South Carolina, which has suffered a loss of 30 per centum or more in the number of acres of tobacco planted of such crop to lease all or any part of such allotment or quota to any other, owners or operators in the same county, or nearby counties within the same State, for use in such counties for the year 1973 on a farm or farms having a current tobacco allotment or quota of the same kind. In the case of a lease and transfer to an owner or operator in another country pursuant to this subsection, the lease and transfer shall not be effective until a copy of the lease is filed with and determined by the county committee of the county to which the transfer is made to be in compliance with the provisions of this subsection.

(h) Notwithstanding any provision of this section, when as a result of drought, flood, damage due to excessive rain, hail, wind, tornado, or other natural disaster, the Secretary determines (1) that one of the counties herein after listed has suffered a loss of 10 per centum or more in the number of acres of tobacco planted, and (2) that a lease of such tobacco allotment or quota will not impair the effective operation of the tobacco marketing quota or price support program, he may permit

the owner and operator of any farm within Craven, Carteret and Jones Counties, North Carolina, which has suffered a loss of 10 per centum or more in the number of acres of tobacco planted of such crop to lease all or any part of such allotment or quota to any other owners or operators in the same county, or nearby counties within the same State, for use in such counties for the year 1974 on a farm or farms having a current tobacco allotment or quota of the same kind. In the case of a lease and transfer to an owner or operator in another county pursuant to this subsection, the lease and transfer shall not be effective until a copy of the lease is filed with and determined by the county committee to the county to which the transfer is made to be in compliance with the provisions of this subsection.

(i) Notwithstanding any provision of this section, when as a result of drought, flood, damage due to excessive rain, hail, wind, tornado, or other natural disaster, the Secretary determines (1) that one of the counties hereinafter listed has suffered a loss of 10 per centum or more in the number of acres of tobacco planted, and (2) that a lease of such tobacco allotment or quota will not impair the effective operation of the tobacco marketing quota or price support program, he may permit the owner and operator of any farm within Clarendon, Colleton, Darlington, Horry, Williamsburg, Florence, and Marion Counties, South Carolina, and Cook, Berrien, Lanier, and Lowndes Counties, Georgia, which has suffered a loss of 10 per centum or more in the number of acres of tobacco planted of such crop to lease all or any part of such allotment or quota to any other owners or operators in the same county, or other counties within the same State, for use in such counties for the year 1976 on a farm or farms having a current tobacco allotment or quota of the same kind. In the case of a lease and transfer to an owner or operator in another county pursuant to this subsection, the lease and transfer shall not be effective until a copy of the lease is filed with and determined by the county committee of the county to which the transfer is made to be in compliance with this subsection.

* * * * *

○

Calendar No. 1165

94TH CONGRESS }
2d Session }

SENATE }

REPORT
No. 94-1228

EMERGENCY TOBACCO ALLOTMENT TRANSFERS

SEPTEMBER 10, 1976.—Ordered to be printed

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

REPORT

[To accompany H.R. 15068]

The Committee on Agriculture and Forestry, to which was referred the bill (H.R. 15068) to provide for emergency allotment lease and transfer of tobacco allotments or quotas for 1976 in certain disaster areas in South Carolina and Georgia, having considered the same, reports favorably thereon with an amendment and recommends that the bill as amended do pass.

SHORT EXPLANATION

H.R. 15068 provides for emergency lease and transfer of tobacco allotments or quotas for 1976 in disaster areas in South Carolina and Georgia. It would—

(1) Authorize the Secretary of Agriculture to permit the lease and transfer of tobacco acreage allotments or quotas across county lines in 1976 in South Carolina and Georgia, if he determines that as the result of a natural disaster one of the counties has suffered a loss of 10 percent or more in the number of acres planted or expected production from the planted acreage and that the lease and transfer would not impair the effective operation of the tobacco marketing quota or price support program;

(2) Apply only to an owner and operator of a farm which has suffered a loss of 10 percent or more in the number of acres of tobacco planted or expected production from the planted acreage.

(1)

COMMITTEE AMENDMENT

As passed by the House of Representatives, H.R. 15068 applied to seven specified counties in South Carolina and four specified counties in Georgia.

The Committee on Agriculture and Forestry amended the bill to apply to any county in South Carolina and Georgia.

This change was made because the Committee had before it a request to add an additional eight counties in South Carolina to those specified in the bill. The Committee felt that, inasmuch as an amendment to the bill was required, it was better to go the State route and, therefore, assure that no counties were inadvertently omitted.

The Committee further amended the bill to clarify the phrase "a loss of 10 per centum or more in the number of acres of tobacco planted" by including the phrase "or expected production from the planted acreage". This clarification was suggested by the United States Department of Agriculture.

BACKGROUND AND NEED FOR LEGISLATION

H.R. 15068 authorizes the Secretary of Agriculture to permit the lease and transfer of tobacco acreage allotments across county lines in 1976 in any county in South Carolina and Georgia, if he determines that as the result of a natural disaster one of the counties has suffered a loss of 10 percent or more in the number of acres of tobacco planted or expected production from the planted acreage and that the lease and transfer would not impair the effective operation of the tobacco marketing quota or price support program. The bill would apply only to owners and operators of a farm which has suffered a loss of 10 percent or more in the number of acres planted. A farm would be considered as having suffered a loss of 10 percent or more in the number of acres planted if, as the result of a disaster, the yield of the farm is reduced by at least 10 percent below the expected production on the planted acres for the farm. Transfers could be made of all or any part of the allotment or quota and would have to be made to a farm in the same or any other county within the same State and to a farm having a current tobacco allotment or quota of the same kind of tobacco.

The States covered by the Senate amendment are South Carolina and Georgia.

Similar legislation has been adopted in 1973 and 1974. The bill is an emergency measure designed to assist producers of tobacco in any county who have incurred damage to their tobacco crop from inclement weather or other natural disaster conditions. Under current legislation, there is a prohibition against the transfer of allotments across county lines. The bill would provide assistance to affected farmers in the listed States for the 1976 crop only. The provision amends section 316 of the Agricultural Adjustment Act of 1938 and affects the lease and transfer for all kinds of tobacco except burley, cigar binder (types 54 and 55), dark air-cured, fire-cured, and Virginia sun-cured tobacco which are covered by other provisions of the Act.

ADMINISTRATION VIEWS

The Department of Agriculture made the following report on H.R. 15068 and on a similar bill, S. 3729. Those reports follow:

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, D.C., August 19, 1976.

HON. THOMAS S. FOLEY,
*Chairman, Committee on Agriculture,
House of Representatives.*

DEAR MR. CHAIRMAN: This is in response to your request of August 11 for a report on H.R. 15068, a bill to provide for emergency lease and transfer of tobacco allotments or quotas for 1976 in certain disaster areas in Georgia and South Carolina.

The Department does not oppose passage of the bill.

In August 1973, P.L. 93-80 authorized disaster transfers of 1973 fire-cured tobacco allotments and quotas for specified counties in Georgia and South Carolina. Similar legislation was enacted in October 1974, for specified counties in North Carolina. In light of this experience, it would appear more appropriate to enact legislation authorizing cross-county transfers under specified disaster conditions, if disaster conditions are determined to be necessary, and not specify counties, States and crop years.

Although not tied to disaster conditions, S. 700, which is presently before the Subcommittee on Tobacco of the House Committee on Agriculture, would substantially achieve this result if it were amended to apply to all States and the referendum requirement were deleted. We believe this would be a better solution to this problem.

As the aforementioned enacted legislation has been interpreted, the language in H.R. 15068 referring to "a loss of 10 per centum or more in the number of acres of tobacco planted" would also be interpreted to mean "a loss of 10 percent of the acres of tobacco planted or expected production from the planted acreage".

The enactment of this bill will require only minimal, if any, additional expenditures.

The quality of the environment will not be affected by the adoption of this proposal.

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 objectives.

Sincerely,

RICHARD L. FELTNER,
Acting Secretary.

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, D.C., August 25, 1976.

HON. HERMAN E. TALMADGE,
Chairman, Committee on Agriculture and Forestry,
U.S. Senate.

DEAR MR. CHAIRMAN: This is in response to your request of August 10 for a report on S. 3729, a bill "To provide for emergency allotment lease and transfer of tobacco allotments or quotas for 1976 in certain disaster areas in South Carolina."

The Department does not oppose passage of the bill.

In August 1973, P.L. 93-80 authorized disaster transfers of 1973 flue-cured tobacco allotments and quotas for specified counties in Georgia and South Carolina. Similar legislation was enacted in October 1974, for specified counties in North Carolina. In light of this experience, it would appear more appropriate to enact legislation authorizing cross-county transfers under specified disaster conditions, if disaster conditions are determined to be necessary, and not specify counties, States and crop years.

Although not tied to disaster conditions, S. 700, which has passed the Senate and is presently before the Subcommittee on Tobacco of the House Committee on Agriculture, would substantially achieve this result if it were amended to apply to all States and the referendum requirement were deleted. We believe this would be a better solution to this problem.

As the aforementioned enacted legislation has been interpreted, the language in S. 3729 referring to "a loss of 10 per centum or more in the number of acres of tobacco planted" would also be interpreted to mean "a loss of ten percent of the acres of tobacco planted or expected production from the planted acreage".

The enactment of the bill will require only minimal, if any, additional expenditures.

The quality of the environment will not be affected by the adoption of this proposal.

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 objectives.

Sincerely,

JOHN A. KNEBEL,
Under Secretary.

COST ESTIMATE

In accordance with section 252 of the Legislative Reorganization Act of 1970, the Committee agrees with the Departmental estimate that this bill will require only minimal, if any, additional expenditures.

The Congressional Budget Office also wrote the Chairman of the House Committee that the bill would require no additional expenditures. That letter follows:

CONGRESS OF THE UNITED STATES,
CONGRESSIONAL BUDGET OFFICE,
Washington, D.C., August 11, 1976.

HON. THOMAS S. FOLEY,
Chairman, Committee on Agriculture, U.S. House of Representatives,
Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to sections 308(a) and 403 of the Congressional Budget Act of 1974, the Congressional Budget Office has reviewed H.R. 15068, a bill to provide for emergency allotment lease and transfer of tobacco allotments or quotas for 1976 in certain disaster areas in South Carolina.

Based on this review, it appears that no additional cost to the government would be incurred as a result of enactment of this bill.

Sincerely,

ALICE M. RIVLIN, Director.

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

* * * * *

LEASE AND TRANSFER OF ACREAGE ALLOTMENTS

SEC. 316. (a) Notwithstanding any other provision of law, the Secretary, if he determines that it will not impair the effective operation of the tobacco marketing quota or price support program, may permit the owner and operator of any farm for which a tobacco acreage allotment (other than a Burley, dark air-cured, fire-cured, Virginia sun-cured and cigar-binder, type 54 or 55 tobacco acreage allotment) is established under this Act to lease all or any part of such allotment or quota to any other owner or operator of a farm in the same county for use in such county on a farm having a current tobacco allotment or quota of the same kind.

(b) Any lease may be made for such term of years not to exceed five as the parties thereto agree, and on such other terms and conditions, except as otherwise provided in this section, as the parties thereto agree.

(c) The lease and transfer of any allotment shall not be effective until a copy of such lease is filed with and determined by the county committee of the county in which the farms involved are located to be in compliance with provisions of this section. Any lease of flue-cured tobacco acreage-poundage marketing quotas from any farm with an acreage-pounding marketing quota in excess of 2,000

pounds filed on or after June 15 in any year shall not be effective unless the acreage planted on both the lessor and the lessee farms during the current marketing year was as much as 50 percentum of the farm acreage allotment in effect for such year. If the normal yield established by the county committee for the farm to which the allotment is transferred does not exceed the normal yield established by the county committee for the farm from which the allotment is transferred by more than 10 per centum, the lease and transfer shall be approved acre for acre. If the normal yield for the farm to which the allotment is transferred exceeds the normal yield for the farm from which the allotment is transferred by more than 10 per centum, the county committee shall make a downward adjustment in the amount of the acreage allotment transferred by multiplying the normal yield established for the farm from which the allotment is transferred by the acreage being transferred and dividing the result by the normal yield established by the farm to which the allotment is transferred.

(d) The lease and transfer of any part of a tobacco acreage allotment determined for a farm shall not affect the allotment for the farm from which such acreage allotment is transferred or the farm to which it is transferred, except with respect to the crop year specified in the lease. The amount of acreage allotment which is leased from a farm shall be considered for purpose of determining future allotments to have been planted to tobacco on the farm from which such allotment is transferred and the production pursuant to the lease and transfer shall not be taken into account in establishing allotments for subsequent years for the farm to which such allotment is transferred. The lessor shall be considered to have been engaged in the production of tobacco for the purpose of eligibility to vote in the referendum.

(e) The total acreage allotted to any farm after the transfer by lease of tobacco acreage allotment to the farm under the provisions of this section shall not exceed 50 per centum of the acreage of cropland in the farm: *Provided*, That in the case of cigar-filler tobacco types 42, 43, or 44, not more than 10 acres of allotment may be leased and transferred to any farm.

(f) The Secretary shall prescribe such regulations as he considers necessary for carrying out the provisions of this section.

(g) Notwithstanding any provision of this section, when as a result of flood, hail, wind, tornado, or other natural disaster the Secretary determines (1) that one of the counties hereinafter listed has suffered a loss of 10 per centum or more in the number of acres of tobacco planted and (2) that a lease of such tobacco allotment or quota will not impair the effective operation of the tobacco marketing quota or price support program, he may permit the owner and operator of any farm within Atkinson, Bacon, Berrien, Clinch, Cook, Lanier, Lowndes, or Ware Counties, Georgia, or Clarendon, Lee, Sumter, or Williamsburg Counties, South Carolina, which has suffered a loss of 30 per centum or more in the number of acres of tobacco planted of such crop to lease all or any part of such allotment or quota to any other, owners or operators in the same county, or nearby counties within the same State, for use in such counties for the year 1973 on

a farm or farms having a current tobacco allotment or quota of the same kind. In the case of a lease and transfer to an owner or operator in another county pursuant to this subsection, the lease and transfer shall not be effective until a copy of the lease is filed with and determined by the county committee of the county to which the transfer is made to be in compliance with the provisions of this subsection.

(h) Notwithstanding any provision of this section, when as a result of drought, flood, damage due to excessive rain, hail, wind, tornado, or other natural disaster, the Secretary determines (1) that one of the counties herein after listed has suffered a loss of 10 per centum or more in the number of acres of tobacco planted, and (2) that a lease of such tobacco allotment or quota will not impair the effective operation of the tobacco marketing quota or price support program, he may permit the owner and operator of any farm within Craven, Carteret and Jones Counties, North Carolina, which has suffered a loss of 10 per centum or more in the number of acres of tobacco planted of such crop to lease all or any part of such allotment or quota to any other owners or operators in the same county, or nearby counties within the same State, for use in such counties for the year 1974 on a farm or farms having a current tobacco allotment or quota of the same kind. In the case of a lease and transfer to an owner or operator in another county pursuant to this subsection, the lease and transfer shall not be effective until a copy of the lease is filed with and determined by the county committee to the county to which the transfer is made to be in compliance with the provisions of this subsection.

“(i) Notwithstanding any provision of this section, when as a result of drought, flood, damage due to excessive rain, hail, wind, tornado, or other natural disaster, the Secretary determines (1) that one of the counties in South Carolina or Georgia has suffered a loss of 10 per centum or more in the number of acres of tobacco planted (or expected production from the planted acreage), and (2) that a lease of such tobacco allotment or quota will not impair the effective operation of the tobacco marketing quota or price support program, he may permit the owner and operator of any farm within a designated county which has suffered a loss of 10 per centum or more in the number of acres of tobacco planted (or expected production from the planted acreage) of such crop to lease all or any part of such allotment or quota to any other owners or operators in the same county, or other counties within the same State, for use in such counties for the year 1976 on a farm or farms having a current tobacco allotment or quota of the same kind. In the case of a lease and transfer to an owner or operator in another county pursuant to this subsection, the lease and transfer shall not be effective until a copy of the lease is filed with and determined by the county committee of the county to which the transfer is made to be in compliance with the provisions of the subsection.”.

* * * * *



Ninety-fourth Congress of the United States of America

AT THE SECOND SESSION

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

An Act

To provide for emergency allotment lease and transfer of tobacco allotments or quotas for 1976 in certain disaster areas in South Carolina and Georgia.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 316 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1314b) is amended by adding at the end thereof the following new subsection (i) :

“(i) Notwithstanding any provision of this section, when as a result of drought, flood, damage due to excessive rain, hail, wind, tornado, or other natural disaster, the Secretary determines (1) that one of the counties in South Carolina or Georgia has suffered a loss of 10 per centum or more in the number of acres of tobacco planted (or expected production from the planted acreage), and (2) that a lease of such tobacco allotment or quota will not impair the effective operation of the tobacco marketing quota or price support program, he may permit the owner and operator of any farm within a designated county which has suffered a loss of 10 per centum or more in the number of acres of tobacco planted (or expected production from the planted acreage) of such crop to lease all or any part of such allotment or quota to any other owners or operators in the same county, or other counties within the same State, for use in such counties for the year 1976 on a farm or farms having a current tobacco allotment or quota of the same kind. In the case of a lease and transfer to an owner or operator in another county pursuant to this subsection, the lease and transfer shall not be effective until a copy of the lease is filed with and determined by the county committee of the county to which the transfer is made to be in compliance with the provisions of the subsection.”.

Speaker of the House of Representatives.

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