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

September 17, 1974

To: Congressman Dave Martin

From: Ken Hagerty, OMB Congressional Relations *al* 

Subject: Administration Position on HR 15263 the Rice Act of 1974

*file*

To clarify the position we sent you yesterday, The Administration supports a rule by the House Rules Committee which would permit the House to debate and amend the bill. It would support the bill if it were amended to:

1. Reduce the target price from \$11 to \$7 per cwt.
2. Eliminate the provision extending disaster payment coverage to rice.

The Administration will oppose the bill if these changes cannot be made.

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September 16, 1974

TO: Congressman Dave Martin

From: Ken Hagerty, OMB Congressional Relations *OH*

Subject: Administration Views on HR 15263 the Rice Act of 1974

The Administration opposes passage of HR 15263, the Rice Act of 1974. While it favors many of the program concepts embodied in the Act, the target price has been set at a level that is so high as to guarantee large direct payments to rice producers every year and so far out of line with the targets for other commodities as to encourage attempts to raise those targets, and, hence, farm program costs. The bill also extends disaster protection to rice producers - an expensive fillip which the Administration opposes in principle.