The original documents are located in Box D29, folder "Michigan Junior Hereford Association, Cannonsburg, MI, July 11, 1970" of the Ford Congressional Papers: Press Secretary and Speech File at the Gerald R. Ford Presidential Library.

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A SPEECH BY REP. GERALD R. FORD, R-MICH.
REPUBLICAN LEADER, U.S. HOUSE OF REPRESENTATIVES
BEFORE THE MICHIGAN JUNIOR HEREFORD ASSOCIATION
AT CANNONSBURG, MICHIGAN
SATURDAY, JULY 11, 1970

FOR RELEASE ON DELIVERY

You are rich. Every one of you is rich, even if you own only one head of cattle. You are rich because you own what is generally recognized as one of the finest beef animals ever produced.

In the Bible the psalmist sang: "Every beast of the forest is mine, and the cattle upon a thousand hills."

He was boasting. He was bragging about numbers. You can be forgiven if you boast, too, in terms of quality if not quantity.

You are young, and so you are lucky. Your entire lives lie before you.
You can make of them what you will.

It was Winston Churchill who said that the world "was made to be wooed and won by youth."

He was speaking of the tremendous fire that lives inside young people, the great drive, the fierce energy, the determination to persevere in the face of failure, the burning urge to succeed.

And so it is a most enjoyable occasion for me to be here with you today—because the enthusiasm of youth is contagious. It is a pleasure for me to appear before this group which epitomizes the American private initiative system. It is an experience to which a congressman is not exposed often enough in this age of violent emotions and movements.

I look upon you as a group which asks only for an equal opportunity to produce an item that consumers most desire--and that is refreshing.

So many people in our nation today are insisting upon instant solutions for all of the problems which have gone unsolved for more than a decade. And the price tags they attach to these instant solutions are astronomical, with each special interest contending that their particular program have instant priority.

(more)

I am not inferring that members of this association should be wholly content with the position agriculture now holds in the nation. We all know that the family farm, while probably the most efficient single segment of our economy, is threatened today as never before.

As Hereford breeders you do not think in terms of instant solutions to your problems. Research, of course, is a key to improvements in your cattle. But sudden windfalls of millions of research dollars would not produce that ideal animal instantly. That takes years of selection—and this past decade has already seen phenomenal changes in the wonderful beef animal you are presenting to the consumer.

Here we are in 1970, and the American Hereford Association has moved into an entirely new program, placing still more emphasis on genetics, nutrition and management in order to produce an even greater animal in the years ahead.

Beef producers in this country have built a truly fantastic production record. Our people now are able to enjoy lll pounds of beef for every man, woman and child compared with about half that amount a generation ago.

If the consumer finds it a little difficult to compliment producers when she puts that beef into her shopping cart it is because she does not know that prices at the farm level have risen very little. She does not know that the widening price spread has come between the feed lot and the supermarket display case. She does not know that marketing costs have mounted as inflation dictated higher wages, compounding the problem year by year.

The beef producer should be free from attack, but such is not the case. Instead we hear all kinds of talk about "high" meat prices.

Meantime the meat producer in this country has reason to be concerned about the prices paid to $\underline{\text{him}}$.

We have had a sudden increase of 2.5 million cows in this country. Hog production is up. Broilers are in greater supply. And we have more beef in cold storage than at any other time in recent history.

Fortunately, the demand for beef remains high and no sharp drop in cattle has occurred.

It is important that the cattle industry be healthy in America--important , not only to the producer but to the consumer as well.

Rather than backing ideas that could destroy the cattle industry, the consumer should be concerned about maintaining a viable meat production capacity in this country. Labor, too, should be equally concerned because hundreds of thousands of jobs depend on it.

Let me tell you that the Administration in Washington is concerned and is determined that the cattle industry in this country shall be healthy and growing.

That is why the Administration recently acted to keep beef imports at pretty much the level of the previous year.

Importers were given an additional 40 million pounds; over and above the 25 million or so that had been trans-shipped through Canada in the first six months of 1970. The level of imports I have just cited is based on estimates for the year made on June 30, as required by the 1964 meat import law.

Under the Meat Import Act of 1964, every additional pound of domestic beef or lamb eaten by American consumers gives other countries an extra slice of the U.S. market.

The 1964 Act provides for an import quota which totals 6.7 per cent of domestic production, plus a 10 per cent over-ride of the total import base. This is a realistic sharing of American consumers' income with our friends throughout the world.

As for the trans-shipment of beef through Canada, we have no quota agreement with our neighbor to the North. In fact, we have a nice balance of trade with Canada on meats. But when Canada brought in a million pounds of beef per week from other countries and trans-shipped it to the United States, we stopped it. We halted the trans-shipment practice as of last July 1.

This is concrete evidence of the Administration's concern about the beef producer in this country. As you can see, we are determined to keep the cattle industry healthy.

There are, however, no quotas on the importation of prepared meats.

We are going to import more than 1.1 billion pounds of fresh-frozen meat this year, plus many millions of pounds in processed or canned meats which have unlimited access to our market.

Some people try to tell us that lean imported beef does not compate with American-fed beef because we do not market enough hamburger-type animals. What we are <u>not</u> told is that the importers get a real break by buying excess fats which they obtain at a few pennies a pound to mix with the lean imported beef. This is ε 20 per cent mix which affords the importer a profit far greater than our domestic producers and processors can get.

It is interesting to note that the countries which export meat to the United States have not increased their own consumption to any marked degree. Yet they are demanding more of the U.S. market.

Perhaps there is good reason why they fail to eat much of their own product. They do not have access to the tasty, juicy and tender beef that we enjoy. The importers have to take the surplus fat from American-fed beef to bring the imported product up to a standard which American consumers will accept in their hamburgers.

About 22 per cent of every carcass from American-fed cattle goes into hamburger. The finish given our cattle is a costly process and cannot in any way compete with the low-cost production of other countries.

For example, in Argentina the price of market-age grass-fed steers is frozen at 12 cents a pound on the hoof. In the United States this steer would have to bring 22 to 24 cents a pound for the producer to break even. Add 140 days or so of concentrated feeding to this animal and the choice price must be up around 30 cents to the packer.

Argentina cannot ship fresh beef to our shores because of the prevalence of hoof-and-mouth disease there. But Argentina does ship millions of pounds of beef to us canned or preserved, using labor which represents a fraction of the hourly costs in the United States.

Most of the exporting countries also have little or no direct taxes on cattle, as opposed to five or six dollars a head in the United States. And this of course does not take into account the high taxes on land paid by American producers and the income taxes they must pay, other items that make up some of the difference between the production costs of American producers and those of their foreign competition.

Apart from lack of consumer understanding about what goes into beef prices, the American beef producer has a good image.

I am happy to have seen the disappearance of the adverse publicity given one segment of the meat industry not many months ago.

I checked into the enforcement of our meat inspection laws and I found that Americans need have no doubts about the adequacy of our sanitation standards.

More has been done this past year to correct unsanitary conditions than ever before.

Many plants having sanitation problems have been closed. One whole state was taken over by the U. S. Department of Agriculture when the state service was found wanting. Deadlines given to plant management for the correction of deficiencies tripled (more)

during the past year. Temporary withholding of inspection from entire plants or individual operations within plants showed a marked increase. Plants in which such actions were taken averaged 99 a month during the first five months of 1969. These climbed to 342 a month during the following 10 months.

Our inspection service now is at the highest level ever attained. There can be no doubt that we are providing the consumer with the best product at every level--from the farm to the retail store.

Americans today believe they have a right to a clean environment—and I feel sure that farmers are of a like mind. Certainly cattlemen are in the forefront of a drive to clean up and correct some of the abuses that may have added to our national problems in the past. For instance, in many states feed lot operators have asked for state laws setting standards for drainage and waste disposal. Farmers generally have recognized the need to provide proper waste disposal because their own water supplies were affected.

Young people are taking the lead in the campaign for a clean environment, and I know that is true in farming communities as well as in urban areas.

It is because America's young people are so forward-looking, too, that the United States will always far outdistance the other nations of the world in food production. It is one reason the United States is a country of super-abundance, fed by only 5 per cent of the population, while the Soviet Union has 45 per cent of its people engaged in farming and yet experiences periodic food shortages.

Young people $\underline{\text{are}}$ forward-looking, and I would like to look down the road with you for a moment.

As I do so, I see no reason why farming should not at long last take its rightful place in America along with other segments of our economy.

Consider the fact that the next decade will see tremendous demands for food production--production needed to put food into millions of new mouths.

There will be an accompanying 70 to 80 per cent more money in circulation with which to buy foodstuffs.

There is no question that the future can be bright for agriculture. All the ingredients are present to make it so. That future, however, will depend on how each of you and your association plan and move shead in the decade of the Seventies.

For my part, I have the greatest confidence you will achieve your goals. In addition to having a great product, you have another precious ingredient of success—the enthusiasm of youth.

As Ralph Waldo Emerson said, "Nothing great was ever achieved without enthusiasm."

You, fortunately, <u>have</u> enthusiasm, and as long as you have it nothing great can be denied to you.

So bend to the task. Never be content with things as they are. Accept your responsibilities. Push ever forward.

You are young. You are living in a great country. The future lies before you. It is yours if you will but take it. And so, good luck and God bless you.

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