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November 29, 1974

STATEMENT BEING RELEASED BY SECRETARY ~~DUFF~~

It is unfortunate that a few remarks that I made at a news breakfast with 20 reporters last Wednesday morning were taken out of context in one account of that meeting and escalated in the news with an interpretation clearly not intended.

The one-hour discussion with the press group centered around the serious problem of the world population--food ratio now and in the years ahead.

I pointed out that the world population may well reach 6.5 to 7.0 billion people by the end of this century. I expressed my judgment that agriculture will be able to increase output enough so that the world will be able to feed that many people--even though it does mean doubling food production here and abroad in 25 year's time. However, at some point in time a continued growth of population at the present rate will result in widespread famine and starvation-related deaths.

In the discussion, I pointed out that any population, of people or anything else, that increases at an annual rate of 3 percent will in 100 years be 17 times larger than the starting number. Population has been increasing at about that rate in some countries. Everybody agrees that this is a problem which we cannot escape, for even now it is generally held that around 400 million people, mostly in areas of high population density, are already malnourished.

There was never any intention in any of the discussion or in any remark to impugn the motives or the integrity of any religious group, ethnic group, or religious leader.

I regret that some such interpretations have been made.



Cignatton

September 12, 1975

SUBJECT:

CROP REPORT FOR SEPTEMBER 1

	(Million metric tons)	
	<u>Wheat</u>	<u>Corn</u>
Carry over from 1974	8.7	7.3
Production 1975	58.1	144.5
Total supplies	66.8	151.8
Domestic Use	19.4	98-105.7
Carry over	11.4-15.5	13.1-15.7
Expected Exports	34	35.6

The September wheat report is a slight drop from August, but 19% higher than 1974.

The corn production report is 3% below August, but 22% higher than 1974.

September 15, 1975

SUBJECT: PRESIDENT'S MEETING WITH EXECUTIVE
COMMITTEE OF AMERICAN FARM BUREAU FED.

At 11 o'clock this morning, the President met with the Executive Committee of American Farm Bureau Federation (AFBF). Attending that meeting were: William J. Kuhfuss, President; Roger Fleming, Secretary-Treasurer; Allen Lauterbach, General Counsel. Attending from the Administration were: Secretaries Butz and Dunlop, Richard Bell, Assistant Secretary at USDA, and Bill Seidman.

In summary, the AFBF requested three things:

1. Lifting of the moratorium--they pointed out that at planting time last year, the President gave assurances of free access to all world markets. Russia is part of these world markets, therefore, the moratorium should be lifted.
2. Recognize that the greatest increase in the cost of food is not the raw material, but increased labor costs. They felt very strongly that here a labor leader (Meany) had moved in illegally and set policy for the State and Agriculture departments.
3. Stressed their firm opposition to international commodity agreements. They cited the recent UN speech whereby we agreed to sign the tin agreement.

The President stated that he appreciated their coming in today, and their frankness in their conversation. The President pointed out three major things:

1. There are going to be additional sales to the Soviet Union.
2. In this limited period while there is a moratorium or suspension, we hope to work out an agreement for long-term commitments which is in the best interest of agriculture and the country as a whole, and
3. There has been no basic change in the President's philosophy regarding agriculture. The President pointed out that he vetoed the Farm Bill and still believes in free open markets. However, we were in a dilemma and had to find a practical solution. The present situation requires a little practicality and a little patience.

The meeting adjourned at 12 o'clock noon.

JGC

September 25, 1975

SUBJECT: BUTZ AND CONGRESSMEN TO
MEET WITH PRESIDENT

At 5 o'clock this afternoon, Secretary Butz and a group of Congressmen will meet with the President to discuss the Tobacco Subsidy bill, H.R. #9497.

What is the President's position on increasing the tobacco subsidy?

GUIDANCE: The President has not yet made a decision on increasing the price support level for tobacco. It is my understanding that Secretary Butz has publicly stated that he will recommend that the President veto the bill. Also, I understand that the members of Congress who will be coming in this afternoon, favor the increased price support levels, and Secretary Butz just wanted the President to have the views from both sides on this bill.

Why is Secretary Butz opposed to this legislation?

GUIDANCE: It is my understanding that, assuming there is no change in the quota limits, this bill is \$75 million over the President's budget the first year and the five year cost will be in the neighborhood of \$250 million.

Which Congressmen will be coming in to meet with the President at

GUIDANCE: It is my understanding that the list is not yet finalized, but we will post the participants later this afternoon.

JGC

October 13, 1975

SUBJECT: SUMMARY OF CROP REPORT

Corn: .5.7 billion bushels (146 million metric tons)
--2% above previous '73 record
--23% above '74

Soybeans: 1.5 billion bushels (40 million metric tons)
--20% above '74

Wheat: 2.1 billion bushels
--19% above previous record

All Feed Grains: (Corn, oats, barley, grain, sorghum)

202 million tons
--23% above last year

Overall Crop: All time record
--1% above the previous record of '73.

JGC

The item reported in this morning's Washington Post regarding Secretary Butz and the South Carolina Club maintained by the Southern Railway Company has been reviewed by the Office of the General Counsel at the Department of Agriculture and a determination has been made to take corrective measures consistent with the applicable policies of the Department. All further questions should be referred to the Department.

NOTE: If asked, you may also indicate that the White House Counsel's Office (a member of Mr. Buchen's staff) was the recipient of this information from the Counsel's Office at Agriculture.

PWB 2/6/76

BUTZ WORLD TRIP

Q: Secretary Butz is now on a round-the-world trip at government expense. Why is it necessary for the Secretary of Agriculture to go around the world?

A: A very significant portion of American agricultural production is exported. These are important markets for American agriculture and food products. It is in the US interest, as a major world supplier, to maintain periodic high level contact with the purchasers of American agricultural products. This is the purpose of Secretary Butz' trips.

SUBJECT: FREEZE ON CROP SALE

USDA reported yesterday that, based on conditions as of August 1st, the 1975 corn crop would be 5,850,000 ^{billion} bushels, down by 196 million bushels (5 million tons) from the July report. Because of the decline in the corn crop, Secretary Butz has asked the American ~~Export~~ Grain Companies to suspend further sales to Russia.

Is the President concerned, based on the corn crop figures yesterday, that we have sold too much grain to Russia and that we should impose export controls.

GUIDANCE: First of all I think we should all recognize that this years crop will be an all time record, 26% above last years crop and 3% above the record set in 1973.

As you know, Secretary Butz has asked the American Grain Companies and Soviet officials to suspend further negotiations at this time until we have more complete figures on our final crop size. This is to be on the 'safe side'. The Soviet Union can only unload 2 million tones of grain per week, and they have already purchased 14 million tons, so they are already backed ;up at least seven weeks, so delaying negotiations here for another few weeks should cause no problems.

When would you expect negotiations to resume, or do you expect future sales to Russia?

GUIDANCE: Right now there is an informal understanding that until we get a better, more complete figures on our crop size, negotiations should be suspended. However, we do expect and hope to sell additional grain to the Russians, the only question is when, and how much.

Secretary Butz has shied away from predicting when negotiations might resume, but it is my understanding that Sept. 11 the next crop rept will be out, with the crop conditions as of Sept. 1st. This should give us a much better, more accurate, and complete picture as to the ~~crop~~ corn crop.

How much have we already sold the Russians?

GUIDANCE: 4.5 million metric tons (177 million bushels) of corn
1.1 million metric tons (50 million bushels) of barley
4.2 million metric tons (154 million bushels) of wheat
9.8 million metric tons of feed grains and wheat TOTAL

ROM J.G.

THE WHITE HOUSE
WASHINGTON

For
STATEMENT ~~BY~~ RON NESSEN

~~After receiving reports from~~

James Malone

After receiving ^{reports} ~~reports~~ from Senator Robert Packwood and others, the President some weeks ago directed that the Secretary of Agriculture Earl Butz and other Administration officials undertake an intensive study of critical fertilizer shortages.

As a result of that study, and at the request of Senator Packwood, Secretary Simon today has granted a limited waiver of the Jones Act to permit a foreign flag vessel to bring critical fertilizer components from Alaska to the Northwestern United States.

BACKGROUND:

A private company (Collier Carbon & Chemical, a sub of Union Oil) ships liquified ammonia from Kenai, Alaska to Oregon by Barge. The ammonia is used to produce fertilizer for Oregon, Washington, Idaho and Montana.

On October 16th the ~~only~~ U.S. built barge sunk in Alaskan waters. This has resulted in a one third reduction in fertilizer for this region. Because nitrogen fertilizer is in extremely short supply nationwide, there is no way to replace this loss. This will result, unless corrective action is taken, in a critical reduction in crop output, especially feed grains which are produced in this region, mostly for export abroad.

The effect of the Jones Act waiver will be to permit this country to use a foreign flag vessel while a replacement is being built in the United States.

The waiver contains the following limitations:

1. only ammonia may be carried
2. the route is limited ^{from} to Kenai, Alaska to Rivergate, Oregon
3. the waiver expires in December 31, 1975.

Jones Act, estab. in 1920
waiver provision passed in 1950

- Q. Why did the President wait until today to accept Secretary Butz's resignation?
- A. Secretary Butz met with the President this morning and told the President that he wanted to resign.
- Q. Will the Secretary's resignation hurt the President in farm states?
- A. No. Campaign considerations were not a factor in the President's decision. The farm policies of this Administration are the President's policies, and the farmers know that.
- Q. What happened over the weekend to change the President's mind about Secretary Butz?
- A. The President didn't change his mind. Secretary Butz came to the conclusion that he had to resign.
- Q. Will Secretary Butz continue to have a role in the campaign?
- A. Secretary Butz has offered to assist the President's campaign, and we are sure the campaign committee will call upon him.
- Q. Who is the replacement?
- A. Jack Knebel, Under Secretary of Agriculture, will serve as Acting Secretary until the President appoints a new Secretary.
- Q. Did the President or Dick Cheney talk to Secretary Butz over the weekend?
- A. The President did not talk to Secretary Butz over the weekend. The Secretary did call Dick Cheney on Sunday and asked to see the President on Monday. Dick Cheney set up that meeting, which was held at 12:30 today.

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Mr PS, could you stop Re typing?

That was like waking up in a nightmare

GUIDANCE ON COSTS OF REVISION IN ESTATE TAXES
ANNOUNCED IN SPRINGFIELD FARM SPEECH

It will take five years for the full effect of this revision to be phased in.

After it is fully phased in, the revision will result in an annual loss of revenue of \$1.1 billion.

During FY 77 the revision loss will be less than \$100 million.