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THE WHITE HOUSE

WASHINGTON

September 26, 1975

MEMORANDUM FOR THE PRESIDENT

FROM: L. WILLIAM SEIDMAN *LWS*

SUBJECT: Grain Sales to Eastern Europe and Soviet
Grain Purchases

Secretary Butz called this morning and informed me that U.S. grain companies have recently made the following sales to East European countries:

Poland	330,000 tons	Reported on September 15
East Germany	100,000 tons	Reported on September 23

The CIA also reports that the Soviets have purchased small lots of feed grains and wheat in the last few days totalling almost 3 million tons. The purchases from Canada, Argentina, Brazil, Spain and the European Community include amounts from last year's crop. They are in addition to rumored purchases from Argentina of 2 million tons from their November-December crop.

These purchases should take the Soviets total purchases this year to more than 20 million tons. In the next month, we may discover that the Soviets have worked the markets so that their demands on the U.S. beyond 15 million tons are being registered by other buyers.

cc: Donald Rumsfeld
Ron Nessen ✓

OFFICE OF THE WHITE HOUSE PRESS SECRETARY
(Sioux City, Iowa)*Sioux City
Remarks
P. 8*

THE WHITE HOUSE

REMARKS OF THE PRESIDENT
AT THE
SIOUX CITY MUNICIPAL AIRPORT

3:25 P.M. CST

Thank you very, very much, Wiley Mayne, Dave Stanley, Mayor Cole, my very good and old friend, former colleague in the House, Charlie Hoven, all of the wonderful people from the Sixth Congressional District.

It is just great to be here a third time, and I thank you so much for the warm and tremendous welcome. I am deeply indebted and very, very grateful. Thank you very much.

A few days ago I went to my hometown. We had a wonderful reception, but I can say without any reservation or qualification, the reception here is just as enthusiastic, just as warm, and I wish to pay a special tribute to all of you who have come out on this occasion to meet me and to pay tribute to your Congressman, Wiley Mayne, and your next Senator, Dave Stanley.

I think it is very appropriate that we are having this rally at the airport. I have flown in today on a wing and a prayer. I ask you to send me some good men to Congress who will praise the Lord and pass the legislation.

It is particularly nice to be here in Sioux City, the largest community in the Sixth Congressional District in Iowa, and particularly to pay tribute on this occasion to Wiley Mayne.

You know, I have always been taught this from my early childhood. When you have a good thing going for you, you ought to keep it. And in Wiley Mayne you have that kind of a Congressman, so you darn well better keep him in the House of Representatives.

I served with Wiley almost eight years in the House of Representatives. I have seen him on a day-to-day basis working. I have seen him work in those two great committees -- the House Committee on Agriculture and the House Committee on the Judiciary.

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And I can assure you from this very personal experience that he is a man of skill, a man of stature, a man who understands your problems, my problems, and is in a position, because of his seniority, to do something about it.

So I come here and speak with conviction when I urge you to see that Wiley is re-elected.

Since we are in the heartland of American agriculture, there is no better place to commend the production -- actually the production genius of the American farmer, and to say thanks to so many of you who are here, and thousands upon thousands of others who are not here, who have labored long and effectively in the fields of America.

We thank you for a job well done.

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At times over the past few years, farmers, in my judgment, have been unfairly criticized as in the case of high food prices. Now, as you well know, farmers are more likely -- as a matter of fact, they are probably, without doubt -- the victims of inflation more than its cause. By farmer efficiency and by American agriculture's increasing productivity, farmers are actually in the front-line troops, who are staving off what might well have been an even more serious round of inflation if it had not been for their efforts.

I am acutely aware of the problems that have beset agriculture in America and the very challenging problems that you face in the growing of your crops and the marketing of your efforts.

Now, some of these have been aggravated by unwise decisions by your Government. Others are the result of absolutely unusual weather problems. It was too wet in the spring, you had a drought in the summer, and you had unseasonably early frost in the fall. And all of this, of course, complicated by the great need of additional food throughout the world.

Now, because of the price incentive and provisions in our agricultural legislation and because of the encouragement by Government to expand planted acreage, farmers throughout the States of this great Union have responded magnificently, superbly, to boost the supply of feed grains and soybeans.

Thanks to the flexibility written into the 1973 Agriculture and Consumer Protection Act, farmers were able to move relatively smoothly from a limited to a full production program. And incidentally, great credit for the major provisions of the 1973 Act can and must be given to Wiley Mayne, the top ranking Republican of the important House Committee on Agriculture, Subcommittee on Livestock and Grain.

Let me give you a little insight or cloak-room story. While the 1973 Agricultural Act was being considered in committee, Wiley was being considered on the floor of the House of Representatives. I conferred very frequently with your Congressman, Wiley Mayne. I know from first-hand experience how hard he worked to help effect its enactment and to liberate farmers from the discredited income-restrictive programs of the past 40 years.

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So, I, as a former colleague of Wiley's, and one who worked with him as the Republican leader in the House, wish to express my deep gratitude and appreciation to Wiley for the fine job that you did on this vitally important legislation.

I think there is another area of concern -- corn and soybean production is falling short of our worldwide needs. Even so, the corn crop is, I think, the fifth largest in the history of the United States, the soybean crop is the third largest, and wheat and rice the largest ever in America.

We cannot, however, in fairness, ask our farmers to produce more from their soil and from their labor unless all of us are willing to share at least a part of the production risk.

And furthermore, there are certain things that we must do, and I will promise you that we will do. Fuel and fertilizer, especially fertilizer, adequate to supply farm needs, continues to be a very serious problem and as I stated before, I will ask authorities from the Congress to assure farmers all of the fertilizer that you need for your farm and I will make certain and positive that you will have all of the fuel that you need to do the job for all of us and consumers throughout the world.

And may I repeat for emphasis, I will not ask Congress to increase gasoline taxes. That is one tax that is high enough, believe me.

I could not come to Sioux City, the heart of the slaughter and livestock industry, particularly the cattle feeding business, and not say a word about the production of meat. Livestock producers, particularly cattle feeders, have called to the attention of responsible officials in the Federal Government many, many times in the past year the financial wringer that they have been put through. Adjusting to higher feed costs and the increased supply of beef animals is a very painful process.

And so, today, despite a headline that I read in the newspaper here in Des Moines, not the one in Sioux City, but Des Moines -- I will make an announcement, not one, but two, and reaffirm a third, and perhaps give you some other information concerning farming in 1974.

I think these announcements will relieve some of the anxiety and possibly restore some of the confidence among producers so that this great part of agriculture, which is centered in Sioux City, can become again profitable.

First, this Administration intends to carry out precisely the intent of the meat import law.

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And let me be quite specific. If imports of meat, subject to the Meat Import Law, threaten to pick up markedly during the next year, and the Agricultural Department's estimate of 1975 imports exceeds the trigger level under the Meat Import Law, I will impose meat quotas or negotiate volunteer agreements with foreign suppliers.

Second, no action will be taken to change the present system of dairy import quotas which means that dairy quotas for imports will not be increased unless and until there has been a thorough review of the overall problem, and full opportunity for our dairy producers to be heard at that time.

There is no intention on my part to increase dairy imports into the United States.

Third, this Administration is not going to permit foreign dairy producers to compete against the American dairymen in the United States market with subsidized products. If the Europeans reinstitute their export subsidies on dairy products directed at this market, I will impose countervailing duties on their products.

And one final announcement, which I think rounds out a pattern of strong, effective action to help the cattle and dairy business -- and let me be quite specific.

In addition, I have asked the Secretary of Agriculture to investigate USDA purchases of ground beef for use in the national school lunch program. These purchases would provide a highly nutritious food to schools for, I think, proper use in the school lunch programs.

Let me add this, because it is not too well understood by many. These purchases will not be an additional cost to the Government, as the USDA is obligated by law to finance each school lunch program by ten cents, either in cash or in commodities.

So this report by the Secretary of Agriculture on prospective purchases should be in my hands in a relatively short period of time, and I hope his recommendation is favorable for these purchases.

Now, as I have in the past--as Republican leader in the House, as Vice President, and now as President -- as I look at the problems of agriculture, I will consult with Wiley Mayne for guidance, for help in the solving of agriculture's problems.

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I hope that I do not duplicate some of what Wiley has been telling you in these campaigns all over the Sixth District in the northwest corner of Iowa, but I want to remind you about the kind of service I know he has rendered to this district.

In a period when big corporate farms are taking over some of agriculture's production, Wiley has been in there fighting for the family farm and the family farmer.

Let me just quote, if I might, one precise example. Wiley has helped lead the fight in the House during the last three or four years to limit Government payments to the total of \$20,000 per farm. He did so because he was in contact on a person-to-person basis with the farmers in this district who advised him that these massive payments to big farms were discrediting your total farm program.

That is the kind of a Congressman, in my judgment, that this district deserves -- one who can listen to people -- the 460-some thousand who reside in this district -- one who can listen and respond to the legitimate problems, complaints, criticisms, suggestions.

And I might add a postscript. Dave Stanley, when he is elected to the United States Senate, will be the same kind of United States Senator that Wiley Mayne is as a Member of the House of Representatives.

Speaking of Dave Stanley, I was in Des Moines a week or so ago. I saw Dave, talked to him. He has been carrying on one of the most vigorous campaigns for the United States Senate. I applaud him for his efforts to meet you, talk to you, listen to you.

His experience in the State legislature, his experience as a campaigner, his fine background as a good Iowan, a good Hawkeye, in my opinion will help you and help me and help your State in the United States Senate.

Wiley says that I have been in this district three times. I have -- I have enjoyed every visit. And as Wiley said, the crowds are a little bigger this time, and maybe you are listening a little more, but let me say this -- and I say it with emphasis. When you have someone like Wiley Mayne representing you in the Sixth District, when you have somebody like him that stands up for you in the highest council of the Federal Government, then I hope you feel that it is time for you to stand up for him in return.

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I left Washington a little after noon. I am on the way to California, going to Oregon, to Utah, to Kansas, to -- well, a couple of other places in the next three days. But I stopped here because I wanted to convey a specific message.

I wanted to convey my deep conviction of how I feel about Wiley. I think you need him. I need him. The country needs him. And on a very personal and intimate basis, I respect his judgment and his integrity.

If Wiley is not returned to the Congress from this Congressional district, this important agricultural district will not only lose one of the finest men in the Congress, but it will lose a seniority on a committee that affects very vitally agriculture.

If Wiley is not in the next Congress, the potency of your representation on this great Committee of Agriculture will nosedive.

Now one of my old and very good friends, Charley Hoven, knows that better than anybody. Charlie Hoven, who represented this district for many, many years, was the senior Republican on the House Committee on Agriculture, and knows very well the impact of a high-ranking position on that committee, the potency of that representation as it affects all of you who are interested in agriculture -- whether it is on the farm or in the implement business or in the banking business or otherwise.

So I strongly urge just on this very, almost selfish ground, that you make certain that Wiley continues this representation.

I do not mean to infer that Wiley Mayne rubber stamps everything I suggest, either as President or as I did as Vice President, or even as Republican leader of the House. He does not. He is an independent guy who gets your ideas and translates them into legislative action.

But even in those areas where we disagree, one thing that I particularly like about Wiley is the fact that we can disagree without being disagreeable, and that is a pretty darn good trait in any American.

MORE

And let me give you one illustration. Just recently, Wiley let me know very candidly, very forcefully, that he protested the action that I took on a certain Saturday to suspend -- and I say suspend -- certain sales of corn and wheat to the Soviet Union.

It did not take Wiley Mayne very long to get from Capitol Hill down to the White House to let me explain to him the justification for the action, and to inform him that what I did was not a permanent one, involving this sale to the Soviet Union.

I assured Wiley at that time that my action on that particular occasion was not to limit exports on a permanent basis, but to make certain that no single nation cornered either the corn or wheat market.

Forty million bushels of corn, forty million bushels of wheat, have already been released since that time to the Soviet Union.

But the point I wanted to make, and make most emphatically, was that Wiley Mayne was on the firing line protecting your interest and your concern, and I congratulate you for it, Wiley.

MORE

One other area of great concern to you as citizens -- and here is an area where both Wiley and Dave, I think, agree with me without any question -- and this is the determination by them and by me to stop the rising cost of living, to do something effectively as far as our Government is concerned about inflation.

The principal cause of rising prices is the fact that our Government has been spending more than it takes in. Wiley Mayne has voted to cut spending and to balance the Federal budget in the past and I can assure you he can be counted upon to do so in the future.

That is why I am here personally asking each of you, the people of the Sixth District, to send Wiley Mayne back to Congress on election day next Tuesday.

I can reemphasize, it really matters. America needs his very strong and his very reliable vote in the House of Representatives to help us keep back rising prices and the problems of inflation.

I want to also use this occasion, with your indulgence, to put some myths to rest here in Sioux City. I have seen some very interesting reports in this campaign here and I consider a very superb coincidence that we can bury these political hobgoblins on Halloween eve.

I have seen some reports around the country that some candidates of the other party are laying claim to being fiscal watchdogs. I have seen some reports that they are even accusing the Republican Party for high spending.

Now, you and I know what causes inflation. It is not the Republican Party. The facts are that it is largely due to the Government spending more money than it should. And I will tell you flatly and categorically the votes to break the budget did not come from Wiley Mayne or from those on his side of the political aisle.

Let's take a look at the record. Some great politicians in the past have said, "Let's look at what the record shows." And this is something I would like to call to your particular attention, to many people in this audience today. As I look around I see there are a number between the ages of 20 and 42. This is an interesting fact often forgotten or not known. If you are in this age group, from 20 to 42, the Congress of the United States has been in control of one political party 85 percent of the time in your lifetime.

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That means that 85 percent of your life has been lived under the legislative control of a single political party and this is the party which has to be held accountable for so many of the problems that we face in this country today, including inflation -- especially inflation, which is the biggest legacy of this period of monolithic Federal control.

Now, next Tuesday it is a day that we cannot forget. I cannot believe there is voter apathy in the great State of Iowa. I do not believe there is voter apathy in the other 49 States. The issues are critical. The problems are serious. So, let's all make up our minds that we do not go down the same road again that has given us control by one party in 38 out of the last 42 years.

They have done a bad job and they ought to be replaced.

Now, if you send Wiley Mayne -- you send him back to the House of Representatives, and you send Dave Stanley to the United States Senate, and if you re-elect Bob Ray, your great Governor, then the ticket -- the Republican ticket -- will be a great help in meeting the problems here in Iowa and helping to meet the challenges of those problems we face, both at home and abroad and the Nation's capital.

I repeat, I need Wiley and Dave -- you need them in Washington, you need Bob Ray in Des Moines, and if you go out and do the job that you can do with your friends, your neighbors, your relatives, Independents, Democrats and others, then I am confident that you will achieve something good for yourself, your community, your State and our great Nation.

Thank you very, very much.

END (AT 4:00 P.M. CST)

CHICAGO
Press
CONFERENCE
7/12/75
P. 8 & 9

PRESS CONFERENCE NO. 17
of the
PRESIDENT OF THE UNITED STATES

11:30 A.M. CDT
July 12, 1975
Saturday

In the Adams Room
At the Palmer House
Chicago, Illinois

THE PRESIDENT: Good morning. Won't you all please sit down.

I have one short announcement, a very important announcement.

I am deeply relieved at the report of the safe release of Colonel Morgan. Since his abduction on the 29th of June, the United States Government, with the close cooperation of the Government of Lebanon, has been trying to secure Colonel Morgan's return, and we are extremely glad to report that that has occurred.

At the same time, the United States is greatly appreciative of the extraordinary efforts of the Government of Lebanon in obtaining Colonel Morgan's release, and for the assistance of others who have worked toward this end.

At this point, I would be glad to recognize Mr. Neil Mehler of the Chicago Tribune.

QUESTION: Mr. President, the Republican leaders with whom you met for breakfast say you talked to them of your campaign and of unity of the party here. How can you insure that there won't be a reoccurrence of the 1972 situation, in which the Presidential campaign was competing for dollars in Illinois and competing for resources, especially when the party is at a low ebb here now?

THE PRESIDENT: The meeting we held this morning brought in all elements of the party in Illinois, and I outlined to them how my own personal campaign will work closely, not with a part, but all elements of the Republican Party in the State of Illinois.

We had this understanding at the outset, and I think it will improve rather than deteriorate. Under no circumstances will we have a repetition of the unfortunate developments in 1972.

Yes, Mr. Leubsdorf?

MORE

QUESTION: Mr. President, the United States is apparently prepared to approve negotiations of a multi-term wheat and grain sale with the Soviet Union. Other countries are facing drought and may ask for sales, too.

My questions are: How much can we sell without dipping in too much into our harvest this year, and won't this increase costs of bread and food later this year to our consumers?

THE PRESIDENT: First, we should thank the farmers of this country for their tremendous productivity. We are fortunate in America to be the breadbasket of the world. Our farmers do a tremendous job in the production of food for us and for the world as a whole.

We are anticipating the largest corn crop, the largest wheat crop in the history of the United States, but there are some uncertainties.

We hope that there will be a sale to the Soviet Union. It will be helpful to the American farmer and will be a reward for his productivity. We hope that there will be ample supplies of corn, and wheat, and feed grains so that we can help other nations around the world through our Food For Peace program.

And if there is this sizeable crop in the variety of areas, it will mean that we can expand our Food For Peace program and act in a humanitarian way to the less fortunate.

I have no idea at this point what the amount will be of the sale to the Soviet Union, if it does materialize.

But I think the fact that we can make one is a blessing, and I hope we do make one, but I want to assure you, as I do the American consumer, that we are alert to the danger of too big a sale or too much shipment overseas because the American consumer has a stake in this problem as well.

So we have to find a careful line to tread, of selling all we can, but protecting the rights of the American consumer and utilizing the productivity of the American farmer to help our balance of payments, to improve our humanitarian efforts overseas and to indirectly help us in our relations with other countries.

MORE

QUESTION: But a sale of any substantial size would mean some increase in a loaf of bread here, wouldn't it?

THE PRESIDENT: I don't think I am in a position-- or anyone else is in a position--to define what a substantial sale is. A big sale with big wheat and feed grain and corn production would have a minimal effect on consumer prices in the United States.

I can only assure you and the American people that we are watching all aspects of this problem, and we will keep alert to any pitfalls or dangers that might result.

QUESTION: Mr. President, the Equal Rights Amendment has had an extraordinarily difficult time getting passed here in Illinois. At one time, your wife made several calls here. In the next session of the legislature, would you get on the phone and call some local Republicans, asking, urging them to pass the ERA?

THE PRESIDENT: I think Betty does a fine job in this effort. I, of course, voted for the Equal Rights Amendment when I was in the Congress. My record is clear.

She is an effective spokesman, and I see no decrease in her enthusiasm for this. So, come next year, I suspect she can speak for both of us.

QUESTION: A follow up. What about your own personal effort, and just how important is the issue of sex discrimination going to be in terms of your campaign?

THE PRESIDENT: Well, I have appointed to the Executive Branch of the Government a number of outstanding women to serve in positions of great responsibility.

We have a member of my Cabinet, Mrs. Carla Hills, who is Secretary of HUD. The head of the National Labor Relations Board is a woman, and an outstanding person in that area of great responsibility.

We will continue to recognize women of talent and experience because they have and will contribute significantly in the Executive Branch of the Government.

Obviously, in our campaign you will see a lot of fine, attractive, able, articulate women out there selling the candidacy.

MORE

July 12, 1975

Jackson praises new grain sale



U.S. Sen. Henry Jackson, D-Washington, left, was the featured speaker Friday at a fund-raising dinner for Secretary of State Michael Howlett. Approximately 2,100 persons attended the dinner at the St. Nicholas Hotel, possibly the largest political dinner ever held in the famous hotel. Jackson is a candidate for the Democratic Presidential nomination. (Staff Photo)

by Al Manning

U.S. Sen. Henry Jackson, a strong critic of the 1972 Russian wheat deal, Friday refused to criticize Agriculture Secretary Earl Butz' management of another pending grain sale to the Soviet Union.

Instead, Jackson praised the sale as a boom to farmers.

Speaking at a fund-raising dinner for Illinois Secretary of State Michael Howlett at the St. Nicholas Hotel, the senator said:

"Confirmation of Soviet intentions to buy as much as 14 million tons of grain will result in earning for American farmers millions of dollars they would otherwise have lost had the Russian grain shopping spree been kept quiet."

"Farmers, encouraged by our government to produce large harvests, must now be assured that they will be fairly rewarded for their work by getting the highest possible price for their products."

In Washington, Butz told the Senate Agriculture Committee the sale will have only minimal effects on U.S. food prices.

The Russians bought 19 million tons of American grain in a controversial 1972 deal which later forced up food prices in the United States.

Jackson described the previous sale as "the great grain robbery of 1972 when the Soviets got our wheat and American consumers and many farmers — including Illinois farmers — got the chaff."

Jackson, a candidate for the Democratic Presidential nomination, took partial credit for the transaction based on reforms he helped enact since the 1972 deal.

Early this week, the senator said he directed the staff of the Permanent Subcommittee on Investigations to look into reports of the sale because he was concerned Russians might quietly set up major acquisitions when American grain prices were low.

He asked the grain exporters Thursday to voluntarily disclose their anticipated transactions so the economic impact could be assessed.

"They did just that," Jackson said, "and I commend them for the actions."

The Washington senator was the featured speaker at Howlett's dinner, described by a Howlett spokesman as the largest political dinner ever held at the politically famous hotel. Approximately 3,000 tickets were sold, the spokesman said, and 2,100 persons were fed. Tickets were \$50.

Although he has made no formal announcement, Howlett has said he plans to seek re-election as secretary of state in 1976.

Jackson flew to Springfield at the conclusion of Friday's Senate session, and he stayed overnight. Jackson was the second Democratic contender in town this week. Former U.S. Sen. Fred Harris of Oklahoma campaigned here Tuesday.

At that appearance, Harris said it should be the legally enforceable right of every American to hold a job. Jackson termed that "over simplistic," but he said "every able-bodied person should have the right to employment."

On other subjects, he said:

• The Ford administration closed its eyes while the big oil companies boosted gasoline prices over the Fourth of

Turn to page 2, col. 2

Jackson

from page 1

July holiday. The administration and seven major oil companies have been called to testify next week before a special Senate panel chaired by himself and Sen. Adlai Stevenson, D-Ill.:

- The economy is the overriding issue in the 1976 campaign, the "big rip-off by the big-guy and the mistreatment of the little fellow;"

- He is confident of obtaining 1,504 votes at the national nominating convention — the number needed to win. When asked if though he was the front-runner for the nomination, he said he preferred the tag "steady-runner;"

- The Central Intelligence Agency should not be abolished because the nation needs an intelligence organization, but it should be renovated and controlled by a joint House-Senate committee.



Drop-by Great Plains Wheat, Inc. and

Western Wheat Associates

Joint Meeting

The Vail Holiday Inn

Colorado

Wednesday, August 20, 1975

Depart: 10:15 a. m.

Background

The above two associations are organized to promote the export of wheat. They are nonprofit marketing organizations with offices in a dozen foreign countries. The group will consist of about 40 members and their families in a very informal setting. Suggest you sit on the small head table, give them a bit of your Des Moines speech, and take a few questions.

Senators Dole, Pearson, Curtis and Hruska requested the drop-by.

Both organizations have contracts with the Department of Agriculture to cooperate with the Department in the Wheat Export Effort. Great Plains Wheat is made up of the Great Plains States wheat producers and has been very friendly to the President, the Secretary and the Administration agricultural

policy. Western Wheat is made up of Pacific Northwest producers and is less supportive, primarily because of Senator Jackson's influence.

The major concerns of both are (1) the Longshoreman boycott, and (2) the U. S. Government's temporary restraint on exports to the U. S. S. R.

These organizations say that since 80% of the U. S. wheat crop is in the bins already, they can more accurately predict the size of their crop (as opposed to other grain growers -- corn, etc.) and therefore the temporary restraint on sale of wheat to U. S. S. R. is not necessary.

They also hope to seek your support in obtaining an injunction through the NLRB against the Longshoreman's boycott on exports of wheat to the U. S. S. R. They want assurances that the expected level of exports, and the price of wheat, will be maintained.

Attached is their news release.

~~CONFIDENTIAL~~

THE WHITE HOUSE

WASHINGTON

September 9, 1975

MEETING WITH GEORGE MEANY AND LABOR LEADERS

September 9, 1975

3:30 p. m.

Cabinet Room

From: L. William Seidman

I. PURPOSE

To discuss with Mr. Meany and other labor leaders your decisions regarding grain sales to the Soviet Union and related U.S. maritime policy.

II. BACKGROUND, PARTICIPANTS, AND PRESS PLAN

A. Background: On August 26 you met with Mr. Meany and other labor leaders and discussed their views on the price effects of additional grain sales to the Soviet Union, arrangements for any sales of grain to the Soviet Union, and related U.S. maritime policy. At that meeting Mr. Meany expressed his concern over the uncertainty and volatility of Soviet grain purchases and the disruptive effect this had on our market and the international market. He urged you to seek a solution to this problem.

At yesterday's economic and energy meeting you approved a document prepared by Secretary Dunlop outlining an interim program for grain sales to the Soviet Union, subject to clearance with the Soviet Union by Secretary Kissinger of their agreement to commence negotiations for a long-term grain agreement. Clearance with the Soviets is currently underway.

Secretary Dunlop has shown a text of the "Program for Grain" to Mr. Meany and other labor leaders who have informed Secretary Dunlop that they are prepared to advise their members to load grain on vessels for shipment to the Soviet Union if the contents of the document are made public.

DECLASSIFIED

E.O. 12958, Sec. 3.5

NSC Memo, 11/24/98, State Dept. Guidelines
By W/H/m, NARA, Date 11/30/00

Mr. Meany has informed Secretary Dunlop that he does not want to come to the meeting unless the document can be released. Release of the document is dependent upon agreement by the Soviets, which hopefully will be obtained by early afternoon.

I have reviewed the document, "Program for Grain," (Tab A) with Secretary Dunlop. Section (3) of the document includes the following: "The country must have a new procedure for the sale of feed grains and wheat to such a large bulk purchaser as the Soviet Union. I am sending representatives to the Soviet Union at once. I am also establishing a Food Committee of the Economic Policy Board/National Security Council in my office to monitor these developments." Secretary Dunlop indicated that his view, and his impression of Mr. Meany's view, of this section was that it recognized the need for some change in the present system of grain sales to the Soviet Union. The new procedures could involve government-to-government determination of overall amounts and a long-term agreement. It also recognizes that beyond a certain level of sales the national interest, broadly defined, should govern the sale of grain to the U.S.S.R. He was equally clear that this language should not be interpreted as our commitment either to establishment of an entity similar to the Canadian Wheat Board or to government sales of grain.

Secretary Dunlop envisions the EPB/NSC Food Committee as responsible, under your direction, for: (1) clearing negotiating instructions for a long-term grain sale to the Soviet Union; (2) determining the amount of additional sales of grain to the Soviet Union during the 1975-76 crop year; (3) considering the issue of shipping freight rates and any revision of the proportion of tonnage carried in U.S. vessels of grain shipments to the Soviet Union; and (4) the development and maintenance of data on grain production and exports. Members of the Committee would include representatives of the Departments of State, Treasury, Labor and Agriculture, the Office of Management and Budget, the Council of Economic Advisers, the Assistant to the President for Economic Affairs, and the Assistant to the President for National Security. The EPB Food Deputies Group would serve as staff to the Food Committee.

I will be discussing these matters with Under Secretary Robinson and Brent Scowcroft this morning.

Secretary Dunlop recommends that you propose establishment of a short-term, top level committee to assess U.S. maritime policy at the conclusion of your meeting with Mr. Meany. Secretary Dunlop's memorandum is attached at Tab B.

- Pres. AFL-CIO* *Secy-Treas AFL-CIO* *Pres. Seafarers.*
- B. Participants: George Meany, Lane Kirkland, Paul Hall, Jessie Calhoun, Teddie Gleason, Shannon Wall, John Dunlop, ~~Jim Lynn~~, William Seidman, ~~Paul MacAvoy~~
Long Shoreman (?)
- C. Press Plan: White House photographer.

III. TALKING POINTS

- A. Introduction: At our last meeting, George, you presented me with a problem -- the way in which the United States deals with the Soviet Union in handling grain sales.

You correctly pointed out the uncertainty and volatility of their grain purchases in recent years and the disruptive effect this has had on our market and on international markets. You urged that we seek a solution to this problem.

We have worked hard on solutions during the past two weeks, and while we don't have a final solution, we do have an interim program that we believe provides a good foundation for a successful resolution of this problem.

- B. Review of the "Program on Grain": Secretary Dunlop suggests that you read the document "Program on Grain" and then get Mr. Meany's reaction to it.
- C. Maritime Committee

If you approve Secretary Dunlop's recommendation of the establishment of a Maritime Committee (Secretary Dunlop's memorandum is attached at Tab B), he suggests that you simply indicate this at the close of the meeting and that the formation of this Committee would not be part of the public release of the "Program on Grain."

Program for Grain

- (1) The purchase by the Soviet Union of wheat and feed grains in the United States has been highly erratic over the years. The following table shows these purchases for recent years, including purchases to date for the 1975-76 season.

<u>Years</u>	<u>Feed Grains</u> (in millions of metric tons)	<u>Wheat</u>	<u>Total</u>
1971-72	2.8	0.0	2.8
1972-73	3.5	9.4	12.9
1973-74	4.1	2.7	6.8
1974-75	1.2	1.0	2.2
1975-76 (to date)	5.6	4.2	9.8

The considerable variation in large bulk purchases by a single ^{TRADING COMPANY} state contrasts with the more steady purchases of these grains by such customers as commercial enterprises in Japan and Western Europe. Because these purchases are highly variable and uncertain, American farmers have not been able to count on this market in their planting intentions to the extent they have on other foreign purchasers. Moreover, highly volatile and unpredictable purchases emerging ^{AFTER} ~~from~~ the crop planting tend to contribute to price instability.

- (2) It would contribute materially to the interests of the American farmer, workers in the transportation industries and American consumers, as well as be in the interests of our customers abroad, if we could develop a longer term and more certain purchase understanding with the Soviet Union, providing among other features for certain minimum purchases.

- (3) It will take some time to explore the possibilities of a long-term agreement. The country must have a new procedure for the sale of feed grains and wheat to such a large ~~bulk~~ ^{STATE} purchaser as the Soviet Union. I am sending representatives to the Soviet Union at once. I am also establishing a Food Committee of the Economic Policy Board ^{NAT SEC. COUNCIL} in my office to monitor these developments.

- (4) We have already sold a volume of wheat and feed grains which will take ~~at least~~ ^{-SIV} four months to ship at maximum rates of transportation operations. Accordingly, there is no immediate necessity to decide about further future sales at this time, and I am extending the present moratorium on sales ^{TO THE SOVIET UNION} until mid-October when additional information on world supplies and demands is available. This extended period should provide the opportunity to negotiate ~~for~~ a long-term agreement with the Soviet Union.

- (5) Under these circumstances, I am requesting the longshoremen to resume voluntarily the shipping of American grain while these discussions go forward and the matter can be reassessed in the middle of October.
- (6) It will be necessary to complete the negotiations over shipping rates in order to make it possible for American ships to carry wheat and to assure that at least one-third of the tonnage is carried in American ships, as provided by the agreement with the Soviet Union which expires on December 31, 1975, which is also under renegotiation.

U. S. DEPARTMENT OF LABOR

OFFICE OF THE SECRETARY

WASHINGTON

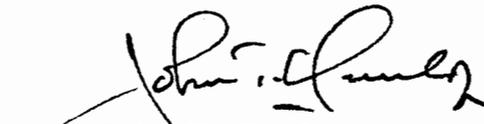
September 8, 1975

MEMORANDUM FOR THE PRESIDENT

The draft of the Program for Grain which was presented to you at the meeting this afternoon, and which you approved, did not include one matter which I had been discussing with the maritime unions apart from discussions with Mr. Meany. The reason this point was not mentioned in the six points in the Program for Grain is that the point relates exclusively to the maritime unions.

I propose that at the end of the meeting on maritime matters now scheduled for Tuesday, September 9, at 3:15 PM, you might say:

"In the period until the middle of October, there shall be appointed a top-level small committee to assess American maritime policy and to consider the establishment of a formal mechanism representative of labor, management and top government officials to review and to recommend an active maritime policy for the United States."


John T. Dunlop

Office of the White House Press Secretary

THE WHITE HOUSE

STATEMENT BY THE PRESIDENT

The purchase by the Soviet Union of wheat and feed grains in the United States has been highly erratic over the years. The following table shows these purchases for recent years, including purchases to date for the 1975-76 season:

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1973-74	3.4	2.7	6.1
1974-75	.8	1.0	1.8
1975-76 (to date)	5.8	4.4	10.2

The considerable variation in large bulk purchases by a single state trading company contrasts with the more steady purchases of these grains by such customers as commercial enterprises in Japan and Western Europe. Because these purchases are highly variable and uncertain, American farmers have not been able to count on this market in their planting intentions to the extent they have on other foreign purchasers. Moreover, highly volatile and unpredictable purchases emerging after the crop planting tend to contribute to price instability.

It would contribute materially to the interests of the American farmer, workers in the transportation industries and American consumers, as well as be in the interests of our customers abroad, if we could develop a longer-term and more certain purchase understanding with the Soviet Union, providing among other features for certain minimum purchases.

It will take some time to explore the possibilities of a long-term agreement. The country must have a new procedure for the sale of feed grains and wheat to such a large state purchaser as the Soviet Union. I am sending representatives to the Soviet Union at once. I am also establishing a Food Committee of the Economic Policy Board/National Security Council in my office to monitor these developments.

(MORE)

We have already sold a volume of wheat and feed grains which will take four to six months to ship at maximum rates of transportation operations. Accordingly, there is no immediate necessity to decide about further future sales at this time, and I am extending the present moratorium on sales to the Soviet Union until mid-October when additional information on world supplies and demands is available. This extended period should provide the opportunity to negotiate for a long-term agreement with the Soviet Union.

Under these circumstances, I am requesting the longshoremen to resume voluntarily the shipping of American grain while these discussions go forward, and the matter can be reassessed in the middle of October.

It will be necessary to complete the negotiations over shipping rates in order to make it possible for American ships to carry wheat and to assure that at least one-third of the tonnage is carried in American ships, as provided by the agreement with the Soviet Union which expires on December 31, 1975, which is also under renegotiation.

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September 10, 1975

SUBJECT:

FOLLOW-UP ON SOVIET GRAIN QUESTIONS

The President announced yesterday that he was establishing a Food Committee of the EPB/NSC. Why is there a need for another Food Committee when you already have two or three other Food Committees?

GUIDANCE: As you mentioned, the President did yesterday establish a new Food Committee, to be comprised of personnel from EPB and NSC. The purpose of this Committee is to develop new procedures for long term agreements and sales of feed grains and wheat to large purchasers, such as the Soviet Union. As the President said, regular purchases would be beneficial to the American farmer, the transportation industry and the American consumer, as well as in the interest of our customers abroad.

There is an International Food Review Group, chaired by Dr. Kissinger. This Group was established following the World Food Conference and their job is to follow-up on World Food Conference issues. At the present time, their main focus of attention is on the issue of world grain reserves. This Group is interested in one main issue. Other members of this Group are Lynn, Simon, Butz, Seidman, Greenspan, etc.

There is also a Food Deputies Group, chaired by Paul McAvoy. This membership is made up of the second level people from the various Departments and Agencies, and their main purpose is to review all agricultural policy, so they have a very broad function. The Food Deputies Group will act as the staff for this new Food Committee.

Delegation to the Soviet Union will
leave this afternoon:

Charles Robinson - Under Secy of STATE
for Econ. Policy

Dean Hinton - formerly served as Amb. to ZAIRE

Donald J. Novotny - Director, GRAIN & Feed ~~Div.~~
Commodity Analysis Div. - Foreign Ag. Service

Oct 20

STATEMENT BY THE PRESIDENT

The American people -- our many grain farming communities, our workers, our farmers, and our consumers -- will benefit from the agreement signed in Moscow today providing for regular and orderly sales of wheat and corn to the Soviet Union during the next five years. Under this agreement, the Soviet Union has committed to purchase 6 million metric tons of grain per year, representing \$1 billion in annual export earnings. Accordingly, I am ^{file press is} ~~am~~ *today* terminating the temporary suspension of sales of grain to the Soviet Union.

The benefits to the American economy are that we have:

- obtained a stable, longterm foreign market.
- assured a more stable flow of payments from abroad.
- assured the American farmer that the Soviet Union will be a regular buyer for grain at market prices.
- increased incentives for full production by the farmer.
- facilitated the hiring of labor, the purchase of new farming machinery, and the general stimulation of agriculture and business.

(MORE)

-- neutralized a great destabilizing factor in recent years.

-- provided jobs for American transportation workers and seamen.

The United States during this harvest season can rejoice over the best crop in years.

The favorable economic implications are obvious. We have obtained Soviet commitment that additional purchase of grain in the current crop year will not be so large as to disrupt the U. S. market. ^{The President} I have directed the Department of Agriculture to continue to monitor closely export sales and the Economic Policy Board/National Security Council Food Committee to follow closely grain market price trends and related matters.

The longterm agreement signed in Moscow today promotes American economic stability. It represents a positive step in our relations with the Soviet Union. In this constructive spirit, the two governments have also committed themselves to

begin detailed negotiations on mutually beneficial terms
for a five-year agreement for the purchase of Soviet oil.

Negotiations will start this month.

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Earl Butz - Secretary of Agriculture

William L. Seidman - Assistant to the President for Economic
Affairs

Frank Zarb - Federal Energy Administrator

Dean Hinton - Ambassador and Deputy to Under Secretary Robinson

Office of the White House Press Secretary

THE WHITE HOUSE

STATEMENT BY THE PRESIDENT

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AGREEMENT BETWEEN
THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND
THE GOVERNMENT OF THE UNION OF SOVIET SOCIALIST REPUBLICS
ON THE SUPPLY OF GRAIN

The Government of the United States of America ("USA") and the Government of the Union of Soviet Socialist Republics ("USSR");

Recalling the "Basic Principles of Relations Between the United States of America and the Union of Soviet Socialist Republics" of May 29, 1972;

Desiring to strengthen long-term cooperation between the two countries on the basis of mutual benefit and equality;

Mindful of the importance which the production of food, particularly grain, has for the peoples of both countries;

Recognizing the need to stabilize trade in grain between the two countries;

Affirming their conviction that cooperation in the field of trade will contribute to overall improvement of relations between the two countries;

Have agreed as follows:

ARTICLE I

The Government of the USA and the Government of the USSR hereby enter into an Agreement for the purchase and sale of wheat and corn for supply to the USSR. To this end, during the period that this Agreement is in force, except as otherwise agreed by the Parties, (i) the foreign trade organizations of the USSR shall purchase from private commercial sources, for shipment in each twelve month period beginning October 1, 1976, six million metric tons of wheat and corn, in approximately equal proportions, grown in the USA; and (ii) the Government of the USA shall employ its good offices to facilitate and encourage such sales by private commercial sources.

The foreign trade organizations of the USSR may increase this quantity without consultations by up to two million metric tons in any twelve month period, beginning October 1, 1976 unless the Government of the USA determines that the USA has a grain supply of less than 225 million metric tons as defined in Article V.

Purchases/sales of wheat and corn under this Agreement will be made at the market price prevailing for these products at the time of purchase/sale and in accordance with normal commercial terms.

ARTICLE II

During the term of this Agreement, except as otherwise agreed by the Parties, the Government of the USA shall not exercise any discretionary authority available to it under United States law to control exports of wheat and corn purchased for supply to the USSR in accordance with Article I.

ARTICLE III

In carrying out their obligations under this Agreement, the foreign trade organizations of the USSR shall endeavor to space their purchases in the USA and shipments to the USSR as evenly as possible over each 12-month period.

ARTICLE IV

The Government of the USSR shall assure that, except as the Parties may otherwise agree, all wheat and corn grown in the USA and purchased by foreign trade organizations of the USSR shall be supplied for consumption in the USSR.

ARTICLE V

In any year this Agreement is in force when the total grain supply in the USA, defined as the official United States Department of Agriculture estimates of the carry-in stocks of grain plus the official United States Department of Agriculture forward crop

estimates for the coming crop year, falls below 225 million metric tons of all grains, the Government of the USA may reduce the quantity of wheat and corn available for purchase by foreign trade organizations of the USSR under Article I(i).

ARTICLE VI

Whenever the Government of the USSR wishes the foreign trade organizations of the USSR to be able to purchase more wheat or corn grown in the USA than the amounts specified in Article I, it shall immediately notify the Government of the USA.

Whenever the Government of the USA wishes private commercial sources to be able to sell more wheat or corn grown in the USA than the amounts specified in Article I, it shall immediately notify the Government of the USSR.

In both instances, the Parties will consult as soon as possible in order to reach agreement on possible quantities of grain to be supplied to the USSR prior to purchase/sale or conclusion of contracts for the purchase/sale of grain in amounts above those specified in Article I.

ARTICLE VII

It is understood that the shipment of wheat and corn from the USA to the USSR under this Agreement shall be in accord with the provisions of the American-Soviet Agreement on Maritime Matters which is in force during the period of shipments hereunder.

ARTICLE VIII

The Parties shall hold consultations concerning the implementation of this Agreement and related matters at intervals of six months beginning six months after the date of entry into force of this Agreement, and at any other time at the request of either Party.

ARTICLE IX

This Agreement shall enter into force on execution and shall remain in force until September 30, 1981 unless extended for a mutually agreed period.

DONE at Moscow, this day of October, 1975,
in duplicate, in the English and Russian languages, both texts
being equally authentic.

FOR THE GOVERNMENT OF THE
UNITED STATES OF AMERICA:

FOR THE GOVERNMENT OF THE UNION
OF SOVIET SOCIALIST REPUBLICS:

His Excellency
N. S. Patolichev
Minister of Foreign Trade
Moscow, U.S.S.R.

Dear Mr. Minister:

This is to confirm the understanding arising out of our discussions that our two Governments intend to commence negotiation promptly to conclude an Agreement concerning the purchase and shipment of Soviet oil. This Agreement will provide for the following:

(1) The Government of the Union of Soviet Socialist Republics will, for a period of five years, offer for sale annually ten million metric tons of crude oil and petroleum products.

(2) The Government of the United States may purchase the crude oil and petroleum products for its own use or, by the agreement of the Parties, the purchase of crude oil and petroleum products may be made by United States' firms.

(3) About 70 percent of the total quantity offered for sale will be crude oil. The remainder may be petroleum products, in particular diesel oil and naphtha.

(4) Some portion of the crude oil or petroleum products will be shipped to the United States, partly in tankers used to transport grain from the United States to the Soviet Union.

(5) Some portion of the crude oil or petroleum products may be delivered to Europe or other agreed marketing areas.

(6) Prices for crude oil and petroleum products will be mutually agreed at a level which will assure the interests of both the Government of the United States and the Government of the Union of Soviet Socialist Republics.

In addition it is further understood that both Governments will work for the extension and expansion of the cooperative efforts already underway in the field of energy. Such efforts will be particularly

directed toward the fuller application of the technological capability of both countries in increasing energy output from existing sources and in developing new sources of energy.

Sincerely yours,

Charles W. Robinson
Under Secretary of State
for Economic Affairs