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12/12 BUTZ MET W/ CATTLEMEN for 35 min
9:40 - 10:15

December 5, 1974

SUBJECT:

TEXAS CATTLEMEN DENIED
MEETING WITH PRESIDENT

A group called the Independent Cattlemen's Association yesterday refused to unveil a plan for easing some of the nation's farm problems because they could not meet with President Ford. According to the cattlemen, they arrived at the White House at 2 p.m., believing they were scheduled to see President Ford. Instead they were met by an official of the White House Domestic Council, Norm Ross, who said there had been a misunderstanding, and that he, not Ford, was to meet the cattlemen.

Why did the President not meet with the Texas-based Independent Cattlemen's Association yesterday?

GUIDANCE: Norm Ross, an Assistant Director of the Domestic Council, met with this Independent Cattlemen's Association for over an hour yesterday and discussed the problems facing the livestock industry.

As you know, the President said in Sioux Falls, South Dakota, on October 16, that he is very much aware of the cost price squeeze in which livestock producers and feeders find themselves. He asked at that time, the Council on Wage and Price Stability to check into disparity between costs of live animals and the price paid for meat at the retail level. On October 30, the President met for over one and a half hours with approximately 19 leaders of the dairy, beef cattle, hog, sheep and poultry industries. Several of the representatives at that meeting were from Texas.

As you are also aware, on the trip to the West prior to the election, the President stopped in Sioux City, Iowa, and made a major speech dealing with the cattle industry, and also met with cattlemen in Portland, Oregon, and with another group of cattlemen in Grand Junction, Colorado, on the return trip to Washington.

Therefore, I think you can readily realize that the President is very much aware of the cattlemen's problems and very concerned for their future.

THE WHITE HOUSE
WASHINGTON

Date

10/30

TO:

Ron

FROM:

John G. Carlson

Attached is summary
of cattle meeting.
Note that the
President's remarks
are circled in
red.

October 30, 1974

MEMORANDUM FOR:

RON NESSON

FROM:

JOHN G. CARLSON

SUBJECT:

PRESIDENT'S MEETING WITH THE
LIVESTOCK AND POULTRY GROWERS

The meeting with representatives of the livestock and poultry growers began at 2:10 p.m.

The President opened the meeting with brief remarks, stating that he was fully cognizant of the problems they face. The President remarked that Congressman Poage had been down to see him two or three weeks ago to discuss the dairy problems, and in Oklahoma City last week he had a meeting with the cattle and milk producers. Later this week he commented that in Portland, Oregon and Grand Junction, Colorado, he would be meeting with representatives of the cattle industry. He said he realized the cost price squeeze was very serious, and their products differed greatly from those of manufacturers.

The President did reiterate his comments previously made in Lincoln, Nebraska, that he had no intention to change the import quotas on dairy products. Before any change would be made, the dairy people would be given a full and complete hearing with the Secretary of Agriculture and the President. The President also mentioned that when he first went to Congress he represented an area high in poultry production. However, that portion of his district was later redistricted out of his district. The President then stated that it was much more important for him to listen to the participants and that he could be with them one hour. Then he would turn the meeting over to Earl Butz, a first-class Secretary of Agriculture, and Bill Seidman, the Executive Director of the Economic Policy Board. The meeting was then opened for each of the participants to express his views and recommendations.

Gordon Van Vleck, President, American National Cattleman Assn.

Deeply appreciate the opportunity to be included in this group and meet with you, Mr. President. Though I have a prepared statement, I will just highlight it at this time and leave the paper with you.

The cattle market is now the most depressed market in our lifetime. If not corrected, it will result in a reduced supply of beef in the future. At the present time, there is a large over supply of cattle. We applaud your efforts

Gordon Van Vleck (continued)

to control inflation. We are at the mercy of supply and demand.

The slaughter of cattle is at an all time high. 1972 was the previous high, with 1974 expected to equal or exceed 1972. We expect 1975 to be even higher. 1972, the average person in the U.S. consumed 116 pounds of beef per person. 1974, it will be 117 pounds, and 1975, it is expected to be 125 pounds per person.

The Government should consider:

--implementing the Import Act of 1964, thus imposing restrictions on meat imports. The U.S. should not become the dumping ground for excess meat of the world.

--must increase efforts to sell meat abroad by opening foreign markets.

--review tax policy which may close tax loopholes.

We're not asking for subsidies or handouts, but the Government could lend a helping hand.

Glenn Lake, President, National Milk Producers Federation

The milk producing industry has very severe problems. There will be no dairy profits this year. Pleased to hear that the President does not plan to change import quotas on dairy products. Believe that there should be a review of the support price levels of dairy products.

Marvin Garner, Executive Vice President, National Pork Producers

We don't oppose imports. However, our concern is the importing of inferior products from Canada. Also concerned about the Europeans and their non-tariff barriers. Also feel we should have continued research to increase production and should export protein meats rather than just grain products.

Roger Fleming, Secretary-Treasurer, American Farm Bureau Federation

There are three ways to cope with inflation--1/ reduce demand; 2/ increase production; and 3/ a combination of the first two. We don't want wage and price controls because these play havoc with production.

The President reemphasized that he had no intention of asking Congress for authority to impose wage and price controls and it was his understanding that Congress would not be taking this approach on their own initiative. The President also stated that he believes that we have submitted a good program to Congress which will fight the battle against inflation and also stabilize the economy. You must look at the whole package.

Milton Brown, President, National Livestock Feeders Assn.

This has been a disastrous year to the beef industry. Pleased with Saxbe's vow to determine if there is any illegal action with the food distributors. Also agreed that import controls should be reimposed.

Glenn Deen, President, Texas Cattle Feeders Assn.

Our industry problems are twofold--there is an excess number of cattle, and the lenders who have loaned money to cattle operators must have confidence that the loans will be repaid.

Gordon Leith, Chairman, National Council of Farmer Cooperatives

Prior to coming up here, called several feed lots and found that the loss on each head of cattle is between \$10 and \$90 per head. This is one of the worst years for the turkey business. People should realize that food prices are not going to come down, but need to insure that Americans understand why; must consider costs such as labor, interest, fertilizer, etc. The corn and soybean crops may be a little better than we initially expected.

In addition, the new beef grading proposal that has been published in the Federal Register is good and should be put into effect as soon as possible. You must continually look at retail prices as they relate to live animal prices, the archaic transportation practices, Government regulations, deadheading, etc., the import situation, etc.

Also very pleased to hear the President give a vote of confidence to the Secretary of Agriculture.

The President then stated that it bothered him that Japan and Canada and Western Europe have some forms of limitation or barriers on cattle imports. If the situation is not settled by the time I go to Japan, this will be very high on my agenda for discussion. This must be a two way street, and it now appears to be a one way street. Japan doesn't want us to impose import controls, but they go ahead and impose them. In addition, the Trade Bill will allow the President to lower tariffs or impose higher tariffs. This will be a great asset in negotiations and would like to see the Trade Bill passed before adjournment in December.

George Watts, President, National Broiler Council

The Administration must adopt a clear policy on export of feed grain. We must insure that we have adequate supplies for domestic use.

Also believe that the Government is over-regulating. EPA has just proposed a requirement that all trucks have new tires and exhaust systems to reduce the noise level. This adds greatly to cost.

The President then stated that he did not know about the EPA proposal. One of his 31 programs was a directive that there be an inflation impact statement on any new legislation or proposal. Hope Congress also will do this. Not sure that this new EPA proposal is justified. (Mr. Watts remarked that was still in a proposal stage and something could be done about it.)

Harvey Ebert, Executive Vice President, Land O'Lakes Inc.

Land O'Lakes has a reputation for being very efficient. 1973 they received a 4.6% return on investment. 1974 for the first eight months, there is a negative return of 1.1%. This is due to market decline, inventory decline, and higher costs. The costs have increased with no increase in production. \$1 million was spent on air and water pollution devises. Inspection costs have increased. The dairy industry is still feeling the effects of imports from years ago. Cheese produced last spring still is not off the market. Non-fat dry milk imported last year has still not been cleared off the market. The Government must take corrective action, including an immediate increase in the price supports.

Edward Anderson, National Grange

Food is high priced, but compared to what. We must give a clearer picture to the consumer. Also, must have continued Federal funding for production research in our land grant colleges. Also disappointed that there has been no request for Labor to increase their production. Feel that Labor should be requested to increase their production per hour.

The President then remarked that at his request, Congress has established the Council on Wage and Price Stability, and this includes five or six Labor members who will be monitoring wages. Also, Congress has reestablished the Productivity Council which will not only work nationally, but will be working at the local level. Think this will work, trying to set a voluntary response and cooperation. Also must increase productivity of the Government.

Following the presentation by Mr. Anderson, President Ford departed the Cabinet Room at 3:35 p.m.

Sam Washburn, President, National Lamb Feeders Assn.

Because of marketing difficulties, public land use policies, cost of adequate labor, and coyotes, the sheep industry is experiencing the lowest numbers since U.S.D.A. began keeping records. Because of EPA's order banning chemical toxicants for predator control, the coyote population is going out of control. This affects all animals, especially sheep. Propose that the President amend the executive order banning these poisons. Better Government is less Government.

Lew Waltz, National Turkey Federation

Early year losses for turkeys was 10-12¢ per pound, and that is now down to 4-5¢ per pound loss. In 1973, we produced 132 million turkeys, and that is up to 132.7 million this year. Costs are eating us up, with feed the primary cost along with propane, labor, and packaging. We expect a 15% reduction in the turkey crop in 1975. We don't believe in a total embargo on feed, but believe domestic requirements should have first priority. Once the carryover for a certain commodity reaches a certain low point, that commodity should be declared a critical commodity and no more exports allowed. Also agree that EPA order banning chemical toxicants should be amended.

James Conkwright, Hereford Breeders of Texas

We can't drop grain prices because this would not be acceptable to the grain growers. We can increase the price of beef because that would not be acceptable to consumers. We can't curtail all beef imports because that would not be good for our balance of payments and our worldwide trade. However, we should impose some import quotas. The general point is that we must initiate an education program to educate the American people as to the supply and demand circumstances.

Horace McQueen, Cattleman

In 1974, the U.S. will import the equivalent of 6,307,000 cows. That is a very startling figure. We should have an embargo on imported meat, and investigation of the price spread, and there should be no further grain exports until we know our domestic needs.

Several other individuals made brief remarks which have not been included above.

Secretary Butz, before concluding the meeting, commented on the tremendous in-depth knowledge that President Ford has of the agriculture situation. Secretary Butz then pointed out that we should not forget that Mr. Ford is President of all America. He also stated what a pleasure it was to work with such a fine man as President Ford and how pleased he was that he was able to devote one hour and thirty minutes when his schedule only allowed him to be in there one hour.

The meeting concluded at 4:20 p.m.

November 4, 1974

SUBJECT:

PIG AND CALF SLAUGHTER IN MINNESOTA

Between 150 and 200 Central Minnesota farmers have scheduled a pig and calf slaughter for today, "to get the attention of the White House".

What is the White House reaction to the scheduled pig and calf slaughter in Minnesota?

GUIDANCE: As the President said in Sioux Falls, South Dakota, on October 16, he's very much aware of the cost price squeeze in which livestock producers and feeders find themselves. He has asked the Council on Wage and Price Stability to check into disparity between costs of live animals and the price paid for meat at the retail level. On October 30, the President met for over one and a half hours with approximately 19 leaders of the dairy, beef cattle, hog, sheep and poultry industries.

As you are also aware, on our recent trip West, the President stopped in Sioux City, Iowa, and made a major speech in which he said that:

1. The Administration intends to carry out the intent of the Meat Import Law.
2. No action will be taken to change the present system of dairy import quotas without a thorough review of market conditions and a full opportunity for dairy producers to be heard.
3. The Administration would not permit foreign dairy producers to compete against American dairymen in the U.S. market with subsidized products.
4. In addition, the President has asked Secretary Butz to investigate increasing the U.S.D.A. purchases of ground beef for use in the National School Lunch Program.

The President also met with the cattlemen in Portland on Friday and with another group of cattlemen in Grand Junction, Colorado, on Saturday.

October 25, 1974

SUBJECT:

PRESIDENT TO MEET WITH
LIVESTOCK INDUSTRY

For Announcement

On Wednesday, October 30, at 2 o'clock p.m., the President will meet with approximately 19 leaders of the livestock industry, including representatives from the dairy, beef cattle, hogs, sheep and poultry industries. The purpose of the meeting is to listen to their views, problems, and their recommendations.

As you know, when the President was in Sioux Falls, South Dakota, on October 16th, he said he was aware of the cost price squeeze in which livestock producers and feeders find themselves. He said at that time that he would be meeting shortly at the White House with representatives of the farmers and ranchers to get their solutions directly, and this is a follow-up to that pledge.

Do you have a list of the livestock people who will attend the meeting?

GUIDANCE: We will post that list as the attendees become finalized.

Who will do the inviting and who is setting up the meeting?

GUIDANCE: U.S.D.A., along with Bill Baroody, will be sending out the invitations and setting up the meeting. The meeting will take place in the Cabinet Room.

Will that meeting be open to the public?

GUIDANCE: Because of a lack of room and facilities, the meeting will not be open; however, we would expect to have a briefing, once the meeting is completed.

JGC

October 3, 1974

SUBJECT:

LIVESTOCK AND DAIRYMEN TO
SLAUGHTER CATTLE IN PROTEST

A group of livestock and dairymen in Stevensville, Texas, yesterday threatened to slaughter 1,000 dairy calves in protest of low milk and beef prices. They agreed to postpone their slaughter for two weeks in order to meet and talk over their problems with the President.

Is the President going to meet with the livestock and dairymen?

GUIDANCE: Secretary of Agriculture, Earl Butz, and Counsellor to the President, Anne Armstrong, have both met with representatives of the livestock and dairymen to discuss their problems. The President has been apprised of their situation.

Will the President meet with this group?

GUIDANCE: Since their needs are urgent and it would be very difficult for the President with his schedule in the next two weeks to meet with them, they have been advised that the President is fully aware of their situation, and all facts are before the President.

Did Governor Briscoe of Texas send a letter to the President asking him to meet with this group?

GUIDANCE: Governor Briscoe did send a telegram to the President, and the Governor has been advised that the President will not be able to meet with them in the next two weeks, but that all facts are before the President, and if there are any new facts that the President should be apprised of, they should be communicated to Secretary Butz immediately.

JGC