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THE WHITE HOUSE

REMARKS OF THE PRESIDENT
AND
QUESTION AND ANSWER SESSION

THE HOLIDAY INN

10:20 A.M. MDT

THE PRESIDENT: It is nice to see you all this morning, and I am delighted you are out here, along with myself, enjoying some of the opportunities in Vail.

I think you all know how much I like the place, and I hope you do, too.

Let me just say a word or two about, I think, an extremely important problem that we have that involves of course, the farmers, involves consumers, involves, as we all know, the action taken by the AFL-CIO. It also involves some very important implications as far as American foreign policy is concerned.

My feeling, as far as agriculture was concerned, was expressed pretty fully in my remarks to people in Iowa at the Iowa State Fair. I believe that the policy that we followed of full production for American agriculture is right.

This is a great asset that we have in America, the availability of tremendous production in wheat, corn and feed grains, and the American farmers have responded magnificently in this regard.

We ended up, according to the August estimates, with an increase of about 9 percent of the wheat crop this year over last year, although the August estimate indicated there was approximately a 2 percent drop from the earlier forecast.

The corn crop for this year, based on the August estimate, is about 26 percent above the production of last year. On the other hand, it is about 3 percent less than what the estimate was of the previous month.

When I was in Iowa, they had a good rain the night before, for which I took credit. (Laughter) The net result, according to the agricultural people that I talked with, it won't have much of an impact on the production in Iowa as far as corn is concerned.

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Fortunately, however, they indicated to me that the soybean crop would be the beneficiary. I am no expert, but according to them, they felt that, because of the nature of your soybeans, that this particular rain would be significantly helpful to them.

We want full production from agriculture. It is good for the farmer, it is good for the consumer. I think it is good for the country as a whole. It gives us great flexibility in providing for us, the United States, to help feed a good many mouths around the world where they need extra food and, at the same time, it gives us some flexibility in our overall execution of foreign policy.

There has been, and I think properly so, some action taken by the Secretary of Agriculture until the next crop report, which comes out September 11.

It certainly is anticipated there will be future sales abroad, but I think until we see just what that September 11 crop report shows, we have to be somewhat discreet in how we handle the problem.

We want to sell more. We will sell more, but I think in the overall context of the multitude of problems and the variety of cross interests, it is in the best interest to show some restraint until that time.

I can assure you that I am on top of the problem, working with Earl Butz and John Dunlop, and the other people in the Administration. I get virtually daily reports on the situation, and I can assure you that we will use our best judgment to try and protect the interests of not only agriculture, but others, not only at home, but abroad.

I will be glad to answer any questions.

QUESTION: Mr. President, we know that you realize the problem, but I would like to emphasize one thing that when the present Administration, your Administration, asked us to increase production, all of that production has to be exported because we were producing more than we needed, and we would just like to emphasize that we must have access to these world markets.

THE PRESIDENT: I am sure you know that we have sold so far about 9.8 million tons to the Soviet Union. They have had a serious crop failure. The extent of that crop failure is not known precisely at this time, but I think most knowledgeable people recognize that they undoubtedly will be in the market for additional sales.

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How much that will be, no one knows at this time, but if we act, I think, reasonably and rationally in this situation, the extra production, the full production that the farmer was asked to undertake earlier this year and late last year in the winter wheat crop, I am sure that the price of wheat, the price of corn, will be a good price and will return a good net income to the American farmer.

I think most of you know, I am sure better than I, that in the last month there has been -- maybe a month and a half -- there has been an increase in the price of wheat from around \$3 to around \$4 a bushel.

The price of corn has gone from roughly \$2.50 a bushel up to about \$3 a bushel. These price increases under the market conditions I think are fully justified. I don't think we want to have the kind of total disturbance in the market that took place in some of the years past.

It is better for the farmer, I think, to have a solid income, a good net income, and we are going to make sure that that takes place.

QUESTION: Mr. President, as I am sure you know, producers are very much concerned about the recent action of the longshoremen. In the first six months of this year, the price of wheat went down about one-third to us. The price of bread did not go down and, in fact, may have increased.

My question to you now is, can you tell us any very recent development in the longshoremen's action to not load our grain?

THE PRESIDENT: It is my judgment that the best way to solve that problem is to lower our voices and to try and work out a negotiated settlement.

I expect to be in communication with the Secretary of Labor, who is in contact with the people in the labor movement, but it seems to me rather than to accelerate the confrontation, it is better if we more or less lower our voices and try to negotiate a settlement.

I think it is obvious that if everybody talks loudly, it makes it more difficult for us to get an answer. People get frozen into positions.

I think the differences are soluble, and I am working on it today to try and bring the parties together so we can talk in a rational, reasonable way in trying to protect the interests not only of the farmer, but American labor, the consumer and the country as a whole.

If we just lower our voices a bit, I think we can solve the problem so we will ship the grain, the farmer will get his product on the world market, where it ought to be, and the consumers' interests will likewise be protected.

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QUESTION: Mr. President, it is a real pleasure to have you with us. I will thank you for making most of my speech, and you did a real good job. You sure did.

He knows something about it, and that is just great.

THE PRESIDENT: You know a lot more about it than I do. I am learning though.

QUESTION: Well, I think you just did great. He was quoting facts and figures that we have been talking about here the last few days.

As you know, Mr. President, two out of every three bushels of wheat we produced this year must find a home overseas if our wheat farmers are to have the solid income that you speak about.

And I was so glad to hear your remarks, but our farmers, our wheat farmers are really concerned that the gate is not wide open now, and we just hope that it can be opened, the export gate can be opened wide soon because they are concerned.

We can export 1.2 billion bushels of wheat and still have more wheat than we had last year, in fact, enough for all of our domestic food uses for another year in 1975.

Thank you, sir.

THE PRESIDENT: As I indicated, production is up about 19 percent, and 90 percent of the total wheat crop of winter and spring wheat is in already, and the rest will be in the next month or so.

Wheat is one of the very important products we want to sell overseas. Corn is another one. The corn crop -- it won't be as firm by September as the wheat crop will be, but at least we will have a better fix on where we are. I am convinced that when we get those facts together and get the parties down to seeing what we can do, we want the grain shipped overseas.

As I said in my speech in Des Moines the other day, last year the total American agricultural shipment overseas was about \$22 billion. We shipped in other agricultural commodities--as I recall, about \$10 billion. So we had a net surplus of roughly \$12 billion.

If we had not had that surplus in our balance of trade from our tremendous agricultural production, this country would be in serious straits right now, particularly with the impact of the foreign oil that has risen in price very substantially, so we need this overseas sale of American agriculture. And we are going to find a way to make it certain.

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But I think if we all just cool it a bit, it will be in the best interests of everybody until we can sit down and refine the issues in the first place, the issues of the consumer, from the point of view of one part of our society.

The maritime industry feels they have been shortchanged because instead of getting a third of the grain shipments, as they were promised, they have ended up with about 21 percent or less. And we are in the process right now of negotiating with the Soviet Union to try and get a better freight rate for American bottoms. This is another aspect of the problem.

It is my recollection that on Monday of this week, -- the Department of Commerce people met with the Soviet negotiators trying to get a better price, better freight rate.-- if that is the right term -- so that more American bottoms can be involved in the shipment of American agriculture to the Soviet Union, so there are many, many pieces of this very complicated problem.

And I can assure you that I and this Administration are on top of it, and we have good people working on it. But if we just cool it a little bit for the time being, then I am confident we can find some answers.

QUESTION: Thank you, sir.

THE PRESIDENT: I might just say in conclusion, it is my recollection this organization was initially put together by an old and very dear friend of mine, Cliff Hope.

When I first came to the Congress, Cliff Hope was the ranking Republican on the House Committee of Agriculture. I became a very close and good friend of Cliff's. I learned a lot, not only about Congress from Cliff, but a good bit about agriculture from Cliff.

So through that channel, I do have at least some connection with your organization. Cliff was a great Member of the Congress, but also a totally dedicated person to American agriculture.

Thank you very much.

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(AT 10:35 A.M. MDT)