

FOR IMMEDIATE RELEASE

OCTOBER 22, 1976

Office of the White House Press Secretary

---

THE WHITE HOUSE

## STATEMENT BY THE PRESIDENT

I have signed into law H.R. 12572, the U.S. Grain Standards Act of 1976. This legislation fills a real need -- a need to guarantee the integrity of our national grain inspection and weighing system so that both domestic and foreign buyers of United States grain can be assured of the quality and quantity of grain they purchase.

Investigations conducted over the past two years by the Department of Agriculture, the FBI, the Justice Department and by several committees of the Congress, have identified numerous irregularities and instances of malfeasance in our grain inspection and weighing system.

I have indicated on a number of occasions that we must not permit this intolerable behavior in the grain inspection and weighing system to continue. An open, honest, vigorous international export market for our American grain is vitally important to the Nation and our farmers. I have been committed to doing all that is necessary to insure the confidence of our grain export customers in the American grain trading system.

During the past two years the Department of Agriculture has taken a number of administrative steps to strengthen its supervision of the grain inspection system, but it has been clear that legislative improvements are also needed. Consequently, my Administration proposed legislative changes last year. This proposal and others have been carefully considered by Congress. The bill which I am signing today is the result of that deliberation.

The permanent legislative reforms provided in H.R. 12572, coupled with the administrative actions already undertaken by the Agriculture Department, will provide our Nation with an effective and honest system of grain inspection and weighing -- one that is more responsive to the needs of both buyers and sellers of U.S. grain.

Specifically, H.R. 12572 provides for (1) a system of Federal/State grain inspection at export locations, with provision for "grandfathering in" qualified State agencies in existence as of July 1, 1976; (2) a system of State/private grain inspection at inland locations under strengthened Federal supervision, with authority for the Department to perform original inspections as needed; (3) a system of Federal/State official weighing and certification of weights of grain at export points -- here again with authority to grandfather in those qualified State agencies in existence as of July 1, 1976. There would be Federal supervision of weighing at export, but the extent of supervision at inland locations would be left to the discretion of the Department of Agriculture.

more

This new law provides for a cooperative approach between Federal, State and private inspection and weighing agencies. Such an approach is far superior to earlier Congressional proposals for total Federalization of inspection and weighing. It will provide more thorough inspection at a lower cost to taxpayers.

Other provisions of the bill I am signing -- such as increased civil and criminal penalties, improved investigatory powers and expanded overseas grain shipment monitoring -- will help the Department of Agriculture prevent grain inspection and weighing irregularities in the future.

H.R. 12572 has one undesirable provision. To administer the national grain inspection and weighing program, the bill provides for the creation of a separate Service, the Federal Grain Inspection Service, within the Department of Agriculture. I consider this addition to be unnecessary. Nevertheless, the critical need for this legislative improvement outweighs my strong objections to this one provision. Without the strong grain inspection and weighing reform measures included in this bill, our whole international grain trade is jeopardized.

I have with pleasure signed the Grain Standards Act, thus insuring continued confidence in our international grain trade system.

# # #