MEMORANDUM OF CONVERSATION

PARTICIPANTS: President Gerald R. Ford  
John Dunlop, Secretary of Labor  
Lt. General Brent Scowcroft, Deputy Assistant to the President for National Security Affairs  
George Meany  
Ted Gleason  
Paul Hall  
Lane Kirkland  
Jesse Calhoun

DATE AND TIME: Tuesday, August 26, 1975  
3:30 p.m.

PLACE: The Oval Office  
The White House

Meany: The question, Mr. President, is that if we are going to be the major supplier of grain for the world, how can we take advantage of that, at least defensively?

If grain is a scarce natural resource that we control, how can we leave this in the hands of a half dozen private companies operating in their own interest and dealing sometimes with state trading organizations like the USSR? The Canadians have a wheat board which supervises these things. That's one way to organize it. At least we need some way we can control this asset -- again, at least defensively, if not for our own benefit.

We got ripped off in 1972 and the American consumer had to pay for it. We don't want it to happen again. How it gets done is your [the President's] problem.

Gleason: I can tell you for a fact that Cooke has been negotiating with the Soviet Union as of last Thursday for three million tons. Reports we have are that the Soviet Union is after 11 million tons more.
Hall: We, the maritime industry, are the first victims of detente, because detente gives the Soviet Union the opportunity to steal maritime jobs. There is no way we can compete. Fesco, a Soviet company, is undercutting freight rates in the Pacific by 20 percent. We introduced legislation to correct it, and the State Department opposed it.

The President: I said to them at a very high level that there should be no more attempts to buy until I had a chance to check on our supplies. Brent, I want you to look into that.

I think our supplies will be such that we can sell more without substantial impact. So we won't get ripped off again like 1972. But any lifting of the ban must be on a gradual, phased basis.

The ban on negotiations will stay in effect until we get a better fix on where we are. We will make no more commitments, either to the Soviet Union or PL 480, at least until the September 11 crop report.

Kirkland: An episodic approach to grain sales to the Soviet Union doesn't serve the American people. We are leaving it that way to four companies and a monopoly trading company. We need to separate our foreign and domestic policy from a handful of private companies. That is the key problem for the long range. There must be a better way.

The President: I will make no further release until September 11 and it may be later. I will stay in touch with you as things develop.

What would you think about an oil-for-wheat deal with the Soviet Union?

Meany: A barter deal? That would be worth exploring.

Calhoun: Then we could cut off the grain if they cut off the oil. And the price should be right.

Hall: I think we should take a look at an arrangement like the Canadian Wheat Board. It is amazing how little anyone knows about how the present system works, and it is uncontrollable.

The President: John?

Secretary Dunlop: Mr. President, there are three questions: One, the long-term arrangements for handling this national asset; second, dealing with the immediate problem of how much to sell; and three, the maritime issues.
Hall: Detente has been bad for the maritime industry. It means the opening up of 42 ports and the use of third-country flags.

The President: Detente will not be a one-way street. Take SALT. If we don't get it, I will ask for at least $2 billion a year for strategic arms.

Calhoun: Detente for us has a simple definition. It gives the Soviets a chance to steal our jobs.

Meany: There is no way for American private companies to compete with companies like Fesco.

The President: I had not heard before about Fesco. I will look into it.
Many of our countries are major suppliers of grain for world demand. How can we increase the availability of that, at least domestically?

— Canadian Wheat Board

— At least we could come away from the current period of overproduction. We got caught off guard. We didn't want it to happen again. Now it gets done in a year (the P portion)

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Chemon and Côte d'Ivoire have been vegetative support. So one of the major players in food and other food related products are 50-50 and food.

Null

We are a major country in terms of food. (A major country in food production). We have substantial capacity to import and other food, and to support food security in the country.

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I said at a very high level that there should be no more attempts to buy more food or to block our supplies. I think our supplies will be such that we can sell more of the food, but also supporting farmers must be a principle. I think that's what's needed. We have an urgent need to keep the food supply.
We just got a letter from an action we
were working on. We conducted a survey
amongst 100 people at least. We'll send our
report.

Kirkland: An experiment approaches. It's going
to be interesting. We're hoping
to crystallize the way it and companies are
taken. We've heard a lot of stories
from people about how they've
been treated by other companies. The way
they handle people for a long range. There
must be a better way.

I wish we could release until after
it may be later.

What would you think about us with an
initial deal with?

Michael: I don't know. I would be worth explaining.

Frank: Then we could write a private letter.

Well. I think we should talk about the arrangement.

Can someone write about what
anyone knows about how a private
system works? It is interesting.

Dunlop: The argument: (1) Long-term arrangement
for building this with ease; (2) checking
of immediate need of what some have to
sell; (3) The financial services.

All: A definite has been found for private writing.

Opening of the front in early fall continues.