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OFFICE OF THE PRESIDENT

11/6/74

WASHINGTON, D.C.

From the President:

To:

Don Rumsfeld

Date:

Time

a.m.

p.m.

This was given me in
Portland at time of meeting.
They gave me this gift
certificate for "beef-bacon".
(Oregon).
Why don't I donate this
to some family or agency?

THE WHITE HOUSE
WASHINGTON

November 6, 1974

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR: PHIL BUCHEN
FROM: JERRY H. JONES

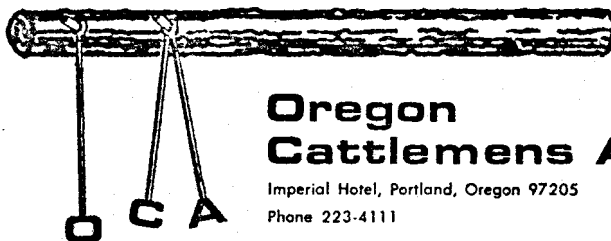
The attached was returned in the President's outbox with the following notation:

-- This was given me in Portland at time of meeting. They gave me this gift certificate for "beef-bacon" (Oregon). Why don't I donate this to some family or agency?

Please follow-up with the appropriate action.

Thank you.

cc: Don Rumsfeld



Oregon Cattlemens Association

Imperial Hotel, Portland, Oregon 97205

Phone 223-4111

Friday, November 1, 1974
Portland, Oregon

BEEF INDUSTRY POSITION PAPER

Prepared by
The Oregon Cattlemen's Association

For
The President of the United States

Mr. President:

In this critical time in our economy, and in our society, issues affecting the cattle industry, and all of agriculture, are more important than ever. It is absolutely essential that present and future conditions involving our industry be brought to your attention and also to the attention of Congress.

PRESIDENT •

E. E. Davis
Haines, Oregon 97833

1st VICE PRESIDENT •

Bert Hawkins
Ontario, Oregon 97914

2nd VICE PRESIDENT •

Bill Ross
Jordan Valley, Oregon 97910

Les Robinson
Union, Oregon 97883

R. J. Philippi
Arlington, Oregon 97812

George Landrith
Salem, Oregon 97301

Louis Randall
Bonanza, Oregon 97423

Tom Alford
Athena, Oregon 97813

TREASURER •

Dave Densley
Richland, Oregon 97870

EXECUTIVE VICE PRESIDENT •

Donald Ostensoe
Imperial Hotel
Portland, Oregon 97205

The critical economic plight of Oregon and the nation's beef industry is serious. The long term future of food production, including beef, is facing a major crisis, perhaps even its very survival is at stake.

Therefore, the Oregon Cattlemen's Association appreciates the opportunity of presenting to you a position paper outlining positive industry programs, centering on Government policies, which we feel can help the industry move as quickly as possible out of our disastrous and severely depressed conditions. To be sure, we are not asking for subsidies, but rather, we are offering suggestions of a 'self-help' nature which you, Mr. President, could help implement.

If our proposed positions are soundly based and workable, and we believe they are, then these positions are in the public interest as well as in the interest of the cattle industry.

1. BEEF IMPORT RESTRICTIONS

Presently, beef imports coming into this country represent 10% of all domestic consumption. One year ago, it was 6%. Presently, Japan and the European Economic Communities have complete

Oregon Cattlemens Ass'n.

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embargoes on all beef imports. Therefore, it is apparent that the United States is becoming the 'dumping ground' of the majority of foreign beef.

At a time when cattle producers and feeders are losing in excess of \$100 a head, everytime they sell a mature beef animal, it is very difficult to defend or accept beef imports.

THEREFORE, MR. PRESIDENT, it would be a direct benefit to our industry if you would announce immediately that beef quotas, as prescribed in the Meat Import Quota Act of 1964, be allowed to go into effect January 1, 1975. However, if Japan and the European Economic Communities continue with their beef import embargoes, we strongly request that you also place embargoes on all beef products coming into the United States.

2. TAX REFORM

Several proposals made recently by the House Ways and Means Committee would evaporate vitally needed capital for the livestock industry and would hopelessly confuse cattlemen's tax accounting procedure. If these tax proposals, now before Congress are passed, it would discourage the feeding and producing of cattle. These proposals include the denial of the cash basis of accounting. Tax policies which provide incentives to continue in the cattle business should be considered a 'must', particularly for the next several years.

3. ENCOURAGE CONTINUED LIVESTOCK FINANCING

Obviously, financing of the Beef Cattle Industry is necessary. Many cattlemen have used up their equity due to high production costs and depressed prices. Your Administration should encourage lending institutions to continue credit for cattlemen who have exhibited sound management and who are proven good credit risks. THIS IS NOT A SUBSIDY REQUEST. We are only asking that livestock lending institutions be encouraged to stay with good credit risks, just as long as possible.

4. ARMED SERVICE BEEF PURCHASING

Currently, there are more than 500,000 men and women in our armed forces outside the continental limits of the United States. It has been the practice of our Defense Department to purchase beef and other foodstuffs in the foreign country where our armed forces personnel are stationed.

It would be a tremendous help, Mr. President, if you instructed the Defense Department, at least for the next year, to purchase all beef supplies domestically. This would help considerably take care of our over-supply situation.

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5. SCHOOL LUNCH PURCHASE

During this current school year, the federal government has purchased \$93.1 million of frozen and canned beef products for the school lunch program. These total dollars for beef purchased is normal. We are not asking for an increase.

However, Mr. President, it is technically feasible to purchase the 1975 school lunch beef purchase now, and have it boxed, frozen and stored for use next year. Therefore, this approximately \$100 million beef purchase for the next school year, would help our over-supply situation.

6. REVISION OF BEEF GRADING STANDARDS

Last September at the request of the American National Cattlemen's Association the USDA published in the Federal Register up-dated changes in grading standards for beef. Beef grading reflects consumer desires and differences in beef values - to do this job adequately the current standards needed revising and up-dating. Our industry's recommendations for grading changes have had 18 months of intensive study by our industry. It should be noted that the cattle industry, meat packers and retailers have endorsed this program. Most people are unaware that the meat grading standards have not been revised for more than ten years. Our recommended changes will mean a reduction in excess fat and an increase in the proportion of edible meat from every steer.

If our proposed beef grading changes are approved by the USDA, there will be a 10% production cost savings to the beef industry. These savings in production costs should also benefit the consumer in the long run.

We urge, Mr. President, that you encourage the Secretary of Agriculture to endorse and approve our industry's recommended beef grading standards.

7. FOOD MARKETING COSTS

The food 'marketing bill' - farm-to-retail margins involved in the processing and distribution of foods - has increased alarmingly and much more rapidly over the past years, than farm prices. This is the major reason for increased food prices to consumers.

Therefore, Mr. President, we request that your Administration:

1. Develop a study and analysis of ways and means to increase the efficiency of the farm-to-retail movement of beef, so that it provides for reduced costs to the producer, and ultimately better service and lower prices to the consumer.

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2. Such analysis should examine the economic and inflation impact of labor-management contracts which restrict food handling, marketing efficiency, thus increasing food prices. Food industry wage rates have risen four times faster than productivity during the past years.

8. JUSTICE DEPARTMENT INVESTIGATION OF SELLING AND DISTRIBUTION PRACTICES

Recent disclosures in the state of New York have discovered unlawful and unethical selling and distribution in the meat industry. We request a thorough investigation by the Department of Justice into this particular situation, which we understand involves other major metropolitan areas.

It is most necessary, for our industry and for the protection of the consumer, that the Department of Justice find and expose all restrictive or anti-competitive practices - public or private, business or union - which unscrupulously raise food prices.. There are enough problems in the production and distribution of foodstuffs, than to be burdened with a criminal and gangland element.

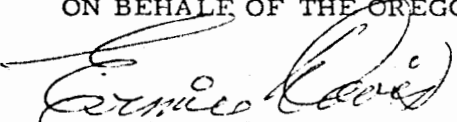
We wish to acknowledge, Mr. President, that the above eight programs are endorsed by the Cattlemen's Associations of Oregon, Washington and Idaho. These three state associations represent more than 10,000 cattle producers and feeders.

Mr. President, we feel that the above suggested programs are sound and workable, and to some degree, would help us out of our current devastating financial crisis. However, we wish to point out that it is already too late for many cattle producers and feeders. A good many have already been forced to liquidate their farm and ranch properties. Agricultural economists have informed us that since November of 1973 to the present, cattle producers and feeders in this nation have suffered nearly a 20 billion dollar loss. Obviously, we do not need an agricultural economist to tell us that the beef cattle industry of America will not be able to stand a similar loss in the next 12 months.

Mr. President, we appreciate the time you have given us to present our beef industry position paper in regards to sound workable programs. We also appreciate your concern and understanding.

We would now very much appreciate your help.

ON BEHALF OF THE OREGON, WASHINGTON AND IDAHO CATTLEMEN ASSOCIATIONS



ERMIE DAVIS, President

Oregon Cattlemen's Association