

The original documents are located in Box D30, folder “First Annual Meeting, Associated Milk Producers, Chicago, IL, September 4, 1970” of the Ford Congressional Papers: Press Secretary and Speech File at the Gerald R. Ford Presidential Library.

Copyright Notice

The copyright law of the United States (Title 17, United States Code) governs the making of photocopies or other reproductions of copyrighted material. The Council donated to the United States of America his copyrights in all of his unpublished writings in National Archives collections. Works prepared by U.S. Government employees as part of their official duties are in the public domain. The copyrights to materials written by other individuals or organizations are presumed to remain with them. If you think any of the information displayed in the PDF is subject to a valid copyright claim, please contact the Gerald R. Ford Presidential Library.

M. Office Copy

Remarks of Hon. Gerald R. Ford

First Annual Meeting

Associated Milk Producers

Chicago, Illinois

September 4, 1970

I am pleased to be a participant in the first annual meeting of the Associated Milk Producers. We all know that the strength of any organization is an active and concerned membership. I cannot recall having ever seen a trade association or cooperative assemble this many people for an annual meeting. The productive sessions of this meeting are a tribute to each of you and your leadership. The future of the Associated Milk Producers is bright and unlimited. I sincerely hope that your annual meeting will, at some future date, be held in Grand Rapids, Michigan so that my constituents can better learn first-hand the vital role which you and all of agriculture play in the economy of our great Nation.

The strength of our economy is directly related to the state of agriculture and I do not need to tell you that dairying is the backbone of agriculture. If the dairy industry is in good stead, it usually follows that agriculture as a whole is strong.

Current statistics bear me out on this point - dairy production is up three-tenths of one percent during the first seven months of this year and the decrease of dairy herds appears to be leveling off. These favorable indicators are, I believe, due, in large part, to the Nixon Administration's decision to increase the support price on manufactured milk from \$4.28 to \$4.66 per hundred weight last April. While many had wanted even greater support, it simply could not be permitted in view of the galaxy of inflationary pressures which were



coming to bear on the budget.

Just a month ago the House of Representatives passed a major farm bill which, as many of you know, contained four measures directly related to dairying. The House-passed bill extends for three years the Class I Base Plan; the program authorizing the Commodity Credit Corporation to donate surplus dairy products to the Armed Services and Veterans Hospitals; and the authority of the Secretary of Agriculture to make indemnity payments to dairymen whose milk is contaminated by pesticides. The dairy title would also authorize the Secretary to set lower support prices on butter.

These items are of direct interest to each of you and they are indeed significant. I am convinced that the House-passed farm bill is the best bill which could pass this year. . . . even if it isn't the best possible bill. When I say this bill is the best bill possible I mean that it is more preferable, both to the farmer and the taxpayer than either a straight continuation of the 1965 Act or a reversion to the old laws in effect prior to 1965. Either of those alternatives represent, in my opinion, a reversion to the antique notions of past farm programs which have done so much to hamstring farmers and unduly burden the Federal treasury - two results which I have consistently opposed. For my part, I have always supported meaningful farm legislation. I do so because I sincerely believe that agriculture is the keystone of our industrial strength: it is in point of fact, the Nation's biggest industry. It employs more people than the steel industry, the auto industry, the utilities, and transportation combined.

It's a \$50-billion customer in the American economy.



It has increased its man-hour productivity over the past 15 years at a rate roughly double that of nonfarm industry.

The farm bill, stripped to its essential elements is a form of subsidy, one which I submit is wholly warranted. It is a token of Congress' esteem for providing the average American consumer with an abundance of high quality food for only about 17 percent of his disposable, or after taxes, income. One glance at the Federal budget is proof enough that subsidies are commonplace within our economy and reach virtually every industry either directly or indirectly. Unfortunately, however, many urban oriented colleagues within the House choose to ignore the governmental handout or tax benefit bestowed on their local industry, choosing only to single out agriculture as the whipping boy for a short lived economy binge and a few headlines back home. However, I know of no subsidy which is repaid so fully and forcefully as that bestowed on the American farmer.

Every developed nation in the world today subsidizes its agricultural production in one way or another. Those who do not understand farm programs are quick to argue that there is no need for subsidies so long as there is excess production. Nothing could be further from the truth, for without subsidization farm markets would be glutted, resultant price drops would bankrupt the farmer and our great economy would, I believe, be hobbled by a depression the likes of which none of us in this group tonight have ever seen and I hope never will experience.

To be certain, agricultural problems are not peculiarly American. Dairy surpluses within the EEC nations have been staggering and the European countries have sought relief through exportation. Our dairy industry has been



affected and the Tariff Commission is currently investigating the matter. Increased tariff duties such as our good neighbor to the North, Canada imposed last month are, of course, a possibility which many of you favor. However, I am sure you realize that any move which the Administration makes in this regard will affect our international relations and our foreign trade in not only dairying, but all of agriculture and other industries as well. The House-passed farm bill is designed to help American Agriculture compete more effectively on an international basis - this goal might never be achieved if restrictive tariffs are imposed. A very important battle in our effort to achieve a balance of trade would be lost; agricultural surpluses here at home would increase along with government costs.

In summary, there are a good many favorable indicators on the horizon from the dairy farmer's standpoint; at the same time there are a few rough spots which will bear watching. Simply stated, dairying is no longer a local matter, it is a truly significant factor in world trade. I believe that this point in time requires each of us to look beyond our pastures and even one's local markets. The time has come for groups such as the Associated Milk Producers, and I salute you and your leadership for your interest in helping build not only a stronger American ^(dairy) industry, but a stronger America.

Thank you.

