

FOR IMMEDIATE RELEASE

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OFFICE OF THE WHITE HOUSE PRESS SECRETARY
(Oklahoma City, Oklahoma)

THE WHITE HOUSE

PRESS CONFERENCE

OF

HENRY BELLMON, U.S. SENATOR

DEWEY BARTLETT, U.S. SENATOR

JOHN DUNN, PRESIDENT, OKLAHOMA CATTLEMEN'S ASSOCIATION

GEORGE STONE, PRESIDENT, OKLAHOMA FARMERS' ASSOCIATION

WRAY FINNEY, FIRST VICE PRESIDENT,

NATIONAL CATTLEMEN'S ASSOCIATION

SKIRVIN PLAZA HOTEL

11:05 A.M. CDT

MR. NESSEN: Gentlemen and ladies. The President has finished his meeting with the cattle and dairy industries, and we have with us here some of the participants in the meeting.

You know Senator Bellmon. You know Senator Bartlett. We also have George Stone of the Farmers' Union from Choctaw, Oklahoma; Wray Finney of the Cattlemen's Association from Portland, and John Dunn, President of the Oklahoma Cattlemen's Association, from Woodward, Oklahoma.

You know what time the meeting started, and it just broke up, so you have an idea of how long it was. It lasted about 45 minutes.

The President's participation mostly consisted of listening to the position as stated by the Senators and the representatives of the cattlemen's and dairymen's industry. He asked some questions to clarify points, and he did say in connection with limiting imports on dairy products, that he had talked to Secretary Butz about this and that he thinks that he is sympathetic to the idea and that he has said publicly before that there is a high degree of likelihood that he would limit dairy imports.

For the rest of the briefing on how the meeting went, here is Senator Bellmon.

SENATOR BELLMON: I would like to also ask the others who participated to come up front.

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We met with the President to represent both the livestock and dairy industries of the State as well as farming, generally. The conversation with the President showed that he had a good understanding of the agricultural industry, and its importance to the country, and the problems that we presently face as far as dairy and beef cattle are concerned.

He indicated a willingness -- almost an eagerness -- to work our way out of this difficulty before the breeding herds and the dairy herds are liquidated, thus producing in a few months a shortage of meat and dairy products which could result in higher prices for consumers.

I think it would be a mistake to say that he made any commitments about any course of action that he is going to follow, but he indicated very strongly that he looked favorably toward taking action to stabilize the situation and to improve it in as reasonable a way as he could.

He was particularly interested, I thought, in seeing that steps be taken to break down the barriers that other countries have erected against the import of American meat products, especially the Japanese. He said that he was planning to be in Japan soon and that this will be one of the major items of conversation over there.

He also felt that with the passage of the new trade bill that is likely when Congress goes back into session, that he will have a better tool to use in bargaining.

Some of these other gentlemen may want to add to that, but that was the comment that I would make.

Q Senator, what steps would you like the President to take?

SENATOR BELLMON: The question is, what steps would we like for the President to take. We would like to see the import quota system on beef reinstated when January 1 rolls around. This, as you know, was lifted by President Nixon back at the time when there was a shortage of processing beef and when the prices were high.

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We feel that the circumstances now justify the reimposition of this program.

The same is true for dairy imports. Those have also been modified and we would like to see them reinstated.

We also feel that any additional purchases by the USDA for school lunch use or by the military department for military use, are now in order because of the low price of beef and other types of meat, and this would be a good bargain for the Government as well as have a stabilizing effect on the live cattle prices.

Q Did the President take any position on limiting beef imports?

SENATOR BELLMON: The President did not take a firm position, but he certainly thinks he may indicate an inclination toward reimposing the program as of January 1.

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Q Senator, the Oklahoma Cattlemen's Association's request to prosecute those members of the packaging and retailing industry on items in restraint of trade led retail prices to drop and to cut down on consumption. I would like to ask you if you believe the meat-packing and retail grocery industries have been involved in items of trade in this area?

SENATOR BELLMON: The indications are that margins are much higher than they were a year ago, that the decline in live animal prices has not been fully reflected at the retail meat counters. This would lead to the conclusion that the profit margins are excessive.

I would like for Mr. John Dunn, President of the Oklahoma Cattlemen's Association, to comment on that.

MR. DUNN: This question has been raised, gentlemen. All you had to do is read in the Wall Street Journal and see all of these grocery chains and packers where they get a statement of earnings. You don't have to be real certified public accountants to figure out that some of them are earning up to as much as 400 percent over the first five months in 1973. You know, it came at our expense and at the consumer's expense.

Q Senator, did you ask that or are you just presenting that statement? Did you verbalize that statement?

MR. DUNN: He did get a copy of that.

Q Senator, did you ask the President, or did he ask you or any of the cattlemen not to slaughter steers, to slaughter cattle?

SENATOR BELLMON: There has been no slaughter of baby calves by the Oklahoma producers. The matter was discussed. The President stated very strongly his distaste and disapproval of this action. I believe that this is a very grave mistake on the part of those who have participated in this sort of activity and it is not going to go on here.

Q Senator, did he say that the President indicated an inclination, as you put it, to reimpose quotas?

SENATOR BELLMON: That is the way I interpreted his comments.

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SENATOR BELLMON: I didn't hear the President make any comments about retail markets.

Q What did Mr. Dunn say about retail prices?

MR. BELLMON: Mr. Dunn gave the President the same information he has just given you. This seemed to make an impression upon the President.

If we are going to have stable meat prices and a dependable supply of meat at a price the consumers can afford, we simply cannot allow the present circumstances to go on because we are now liquidating the breeding herds, and this means that once these herds are liquidated, then there will be a drastic reduction in the supply of beef available at that time, the price will soar. So, it is in the long-range interest of controlling inflation not to let this present situation -- which is not helping the consumer materially since the prices are not going down at the retail market -- to continue.

I would say that in less than a year we will see meat prices back where they were a few months ago. There has to be a happy medium.

Q Senator, do you have a reimposition of beef quotas, import quotas, and price control at the retail level to make sure that it does not skyrocket any higher than it already has?

SENATOR BELLMON: The reimposition of those quotas would not produce skyrocketing prices at the live level but they would probably not even be noticed at the retail counter.

Q Why, Senator?

SENATOR BELLMON: Because the problem is that there is excessive margin encountered in the process used in retail to absorb what those differences were in the increase in prices and that price is passed on to the consumer.

Mr. Finney, would you like to comment?

MR. FINNEY: I am First Vice President of the National Cattlemen's Association. I am glad you raised the question of imports into this country.

They compete directly with our own cows -- beef -- in this country. In Oklahoma City, we moved a record number of cows through the Oklahoma City market. So, we don't think you will see much change in retail prices related to this kind of beef.

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We have more than ample supplies of cow beef available now and there are more coming, and I don't think you will see any change if we don't get through to the reimposition of quotas. I think you are going to see an industry that is even in more trouble than it is right now. We know there is a world surplus in beef. Australia, for example, ships us 50 percent of our imports and we are told by the Australians, themselves, that they have some 200,000 tons of surplus beef that they are getting ready to ship somewhere and we are the only country in the world that has open borders right now. Every other country has closed their borders.

MR. NESSEN: The Washington press has to get ready to go so let's have one last question.

Q One of you told the President you would like to make him feel poverty-stricken. Do you really think in 30 or 40 minutes you made him feel poverty-stricken?

SENATOR BELLMON: I said that partly in jest and partly in earnest because now I expect most of our Oklahoma cattlemen have lost as much in one year as they made in the previous 10 years. And they made him an honorary member of the Oklahoma Cattlemen's Association and told him that he sure would not lose the common touch. I gave him an Oklahoma Cattlemen's Association tie tack and he traded me his Vice Presidential tie tack. That was the exchange.

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Q I was pretty sure

SENATOR BELLMON: Well, I think that he had a deep understanding of our problems and how he relates to what is going to happen, too.

Q Thank you.

MR. FINNEY: The President did indicate last week that he was going to have a meeting on the quota system and also yesterday there was a meeting of cattlemen with Secretary Simon in Washington. They felt that he indicated support for reinstatement of the quota system.

I talked with him last night about another matter and he indicated his suggestion to the President to reinstate the quota system.

Q Thank you very much, gentlemen.

MR. NESSEN: The President listened with a great deal of interest and sympathy to what the dairymen and cattlemen had to say to him and he asked a lot of questions. The major points that the President made were that there was a high degree of likelihood that he would limit imports on dairy products.

He will meet next week with Secretary Butz on the question of dairy imports and that on his trip to Japan he will talk to the Japanese about increasing their purchases of American choice-fed calves.

Those are the points that the President made. Most of the meeting was listening with sympathy to the position made by the guests.

Q Ron, did the President indicate that he was inclined to agree on a position of controls on cattle--beef imports?

MR. NESSEN: I just told you the major points that the President made.

END (AT 11:30 P.M. CDT)