

MEMORANDUM

THE WHITE HOUSE  
WASHINGTON

August 11, 1967

MEMORANDUM TO MARVIN WATSON

The following is a summary of the meeting the President had at one o'clock p.m. today with Oren Lee Staley, NFO President, David Parr, Harold S. Nelson, and Secretary Freeman.

Staley. Mr. President, I know agriculture is only one of your many problems - but it is a problem for you. Rapid changes in agriculture have made it difficult for the family farm to survive. The farmer is understandably unhappy and concerned. He sees everyone around him in better economic condition. His production costs continue to mount - but his prices are falling rather than rising. His young people are leaving the farm.

Farmers are a proud people. They want to feel they are making their own way - but they need the help of both their own organizations and the Government. They need to feel the Government continues to support them and understand their problems. Above all, they feel that there must be some way to increase farm prices.

The President. I agree with your accurate appraisal of the problem. No one can question the deplorable financial condition of the farm economy. We have become an urban nation - and young farmers continue to move to the cities. But it is easier to describe the problem than to solve it. We know that the farmer is dissatisfied with his plight - and with this Administration for not being able to solve his problem. But what do you want us to do?

Nelson. It is important to this country that we keep you in office, Mr. President. Dave Parr and I will perform for you as we have in the past. We have plans to go through the entire Midwest area from Texas to the Great Lakes holding small meetings of farmers and those living in small towns. We want them to know what a Democratic Administration means to them. However, we need some ammunition.

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The President. We thought we were giving you some ammunition with my decision to limit dairy imports. This was the problem that seemed to be bothering the dairy industry the most.

Nelson. That is true - and we have given full publicity to that action. Now we need to follow it up with a 50¢ increase in the class one differential. We are getting some increases by individual action with various handlers anyway. But you don't get any political credit for that. If you announced that hearings would begin on the need for a differential, it would have a most favorable impact with the dairy people. (Staley agrees.)

Parr. Frankly, NFO is a vehicle for us in doing this. A 50¢ increase - coupled with your dairy import action - will give us a strong case to make through this entire area. But it must be done now - if you wait until next year it will appear too political and lose its effect.

Staley. I want to make my position clear. I am a Democrat. But I am the president of a farm organization and my first allegiance must be to the good of the farmer. NFO can't just endorse you - and it wouldn't help you if we did so. But we can help with meetings which discuss these issues and show what the Administration is trying to do.

Mr. President, you are aware of the great dissatisfaction running throughout rural America. You need to get credit for these measures. If you would take them, we will help see that you do. But it is necessary to overcome the adverse results from such things as your TV admonition that housewives should stop buying butter when prices are up.

It has been necessary for me in recent months to make some pretty harsh statements - I have my own political situation, too. But I have tried to make it clear that the farmer's problems have existed for more than fifteen years. Franklin D. Roosevelt, Jr. once said that the American farmer needs a President like FDR - one who can do the same thing for the farmer that FDR did for Labor.

Part of the trouble is that last year the farmers felt that things were looking up a little. Prices were up. Now they are down so sharply that he has lost hope again.

The President. Tell me what your solutions would be for these problems.

Staley. Here are some things would be helpful:

1. The strategic grains reserve plan which would withhold the grains from the market unless price was at parity.
2. Raise the loan level on corn.
3. Secretary Freeman's proposal to provide greater collective bargaining power for the farmer. After all, this is what NFO has been trying to accomplish for years.

I also agree that the increase in the class one differential for milk would be most helpful for the dairy producers. So would an increase in the dairy support price.

The President. I will ask Secretary Freeman to study these proposals and give me a memorandum on them. You must be aware of our total budget picture - a 30 billion deficit makes it difficult to do more in these programs. This is particularly so, when the Department of Agriculture is one of the few departments with controllable funds. We will do the best we can.

Staley. I know your many problems, Mr. President. I want to help you and will try to do so. I appreciate the opportunity to talk to you.

  
W. DeVier Pierson