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QUICK ECONOMIC ACTION NEEDED TO HELP AGRICULTURE, YEUTTER SAYS:

"American agriculture needs a healthy non-farm economy to prosper fully. Right now, that means taking some strong economic medicine, which President Ford has prescribed," said Clayton K. Yeutter, Assistant Secretary of Agriculture and Nebraska farmer-rancher in Omaha today. Speaking to the Omaha Chamber of Commerce Agribusiness Club, Mr. Yeutter said that the economies of the United States and most of the world have been thrown out of kilter by the combination of the oil crisis and business cycle downturns.

"It is rare to see so much of the world's economy in the doldrums at once--just as it was rare for so many of them to boom simultaneously as they did in 1972. We have the oil crisis to thank, along with normal business cycles."

"Now we have got to regain our economic momentum.

"The first step is quick action on the President's economic program. His proposed tax cuts will add to consumer buying power, bolster confidence and help regenerate economic growth. As our economy recovers it will help stimulate the economies of our major farm export customers; their economies are linked to ours in a multitude of ways. I saw this vividly on my Far Eastern tour in January."

Excerpts from speech by Clayton K. Yeutter, Assistant Secretary of Agriculture, at a luncheon before the Agribusiness Club and Chamber of Commerce of Omaha, Nebraska.

"I was deeply impressed by the commitment to economic growth I found in countries like Japan, Korea and the Republic of China (Taiwan). They are continuing their disciplined drive toward better standards of living. Inevitably, this will mean better diets, and more imports of U.S. farm products. But all over the Orient, I was asked, "How soon can the U.S. economy recover from its recession?"

"The second step in our economic recovery must be self-discipline, to take the painful steps that can free us from the oil cartel and regenerate long-term economic growth. We must boost our productivity to offset higher energy costs. That means more savings and more investment. It means belt-tightening today so that we may all gain tomorrow.

"Here, too, the President has proposed strong action. He has already moved to raise the oil import tax--to encourage domestic energy production and give added incentive to use energy wisely. Rationing is no solution to the energy problem, because it gives no incentive to increase our energy output--and it offers no incentive to use less energy. It simply spreads the shortage, and perpetuates it. There is no "fair" way to spread a needless shortage. The answer to the oil cartel is to stimulate other energy production, use energy more wisely, and break their hold on the energy market. Then, energy prices will come down.

"Japan and West Germany both overcame the higher cost of energy last year, through self-discipline and productivity. They did it despite a much higher dependence on OPEC oil than we have. We must follow their example.

"U.S. agriculture has great opportunities for the future in the Far East. In Japan, I saw beef selling for \$30 a pound. American feeders can provide it for far less than that. In Korea, I visited a new feed-grain unloading facility at Inchon, financed through the PL-480 program. It will cut the cost of delivering U.S. grains to Korea's 34 million increasingly-affluent consumers.

"In the Philippines, I saw outstanding livestock and poultry operations being established. There is further opportunity for the future in China, with its 900 million people. Indonesia has 125 million consumers and is fast becoming one of the world's leading oil exporters. The farming in these countries is already so intensive that Americans must see it to believe it; improved diets for these peoples will just have to come from increasing food imports.

"The opportunity is there--as soon as the world economy gets moving again. The sooner we act to cure our own economic ills, the sooner that will happen," Yeutter said.