

FOR IMMEDIATE RELEASE

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Office of the White House Press Secretary

THE WHITE HOUSE

TEXT OF REMARKS BY THE PRESIDENT
TO BE DELIVERED AT A FARM FORUM
PLAZA ROOM
FORUM 30 HOTEL
Springfield, Illinois

I am pleased to be here in Illinois -- in the Land of Lincoln -- to meet with you, as outstanding representatives of the agriculture of this great State.

Let's talk today about where this great corn belt heartland of America is headed.

We have made some solid gains in agriculture in the last few years.

The last three years have been the three highest net farm income years in history. That's the way it should be. It took hard work on your part. It took the right kind of farm policies. I want to keep that good climate. I think you do, too.

You, and all of our farmers must have a fair return for your hard work.

There is another area we should examine. I refer to farm surpluses and the restrictive farm programs that went with them. We no longer have heavy farm surpluses hanging over the market. I want to keep it that way. I think you do, too.

We must sell grain, not pile it up in storage. That is the program of my Administration.

We don't have an administration in Washington dumping surpluses to force down the farm price and force you to sign up in government-controlled farm programs. And we don't want one!

The Nation's grain reserves are now in your own hands. Today, you who raise the grain can decide the best time to sell -- and you are.

I think you ought to know what I'm for and what I'm against on some other matters:

I am firmly opposed to the government holding your reserves in a government bin or warehouse. I'm against policies that would have farmers producing again for a government storage bin and a government check.

I am firmly opposed to a government board selling your exports. I want our export trade to stay in private hands.

I am firmly opposed to any international reserve that would put your farm products under the control of an international body where this country could be outvoted by fifty to one -- or even by one hundred to one.

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I am firmly opposed to subsidized imports. I don't want American farmers competing against the treasuries of foreign governments.

Let's talk about agricultural exports and the record of this Administration. We exported a record twenty-one billion, six hundred million dollars in agricultural products last year. Nearly two billion of that came from Illinois. That didn't just happen. We worked at it.

You know what those exports mean to your farms, to your ability to plant and produce, to your income and to your family's well-being. It's good for you. It's good for Illinois.

Let's look at another accomplishment. We are selling the Soviet Union two billion dollars or more in farm products from the 1975 crop. That's a record -- a record compiled during this Administration! And it's only the beginning of continued exports to the Soviet Union.

We want our agricultural production to promote trade and help keep the peace. We want to keep your boys on the farms and send your bushels overseas -- and at good terms of trade. I oppose policies which would keep your bushels at home and send your boys overseas.

Last fall, as you know, we exercised a temporary restraint on grain sales to Russia. Today, I want to review that situation. At that time, we had already sold the Russians about ten million tons of grain. Facilities to transport the grain and the Russian capability to handle incoming shipments were already committed at capacity for months to come. If we had sold the Russians one more bushel of corn or wheat at that time, it couldn't have moved for months.

We were then in the midst of negotiations with the Soviet government on long-term sales of our wheat and corn. Although we welcome the Russians as customers, I don't think they should come into our market only when it suits them. I insisted on a long-term grain sales agreement with the Soviet Union.

That's why there was a temporary halt in sales while we put the finishing touches on that agreement. As soon as we got the agreement we wanted, I ordered the temporary halt lifted.

Since then, the Russians have come to us for another three million tons. As we have said before, we remain ready to sell them more this year if they want it. That's where we stand on farm exports.

But better yet, because of the agreement we concluded, you are going to have a regular market in Russia for no less than six million tons of corn and wheat each year -- and maybe much more -- from 1976 through 1980. That is a good deal for the American farmer, and for the Nation.

Let me emphasize: This is only a part of our policy of strengthening our agricultural export trade. Farm exports thus far in the 1970's will total two and a half times more than in the same period in the 1960's. In

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addition to the two billion dollars in sales to the Soviet Union this fiscal year, we expect to sell six billion, eight hundred million dollars to Western Europe nations, three billion, two hundred million dollars to Japan alone and one billion, two hundred million dollars to Eastern Europe. We can be proud of that record.

I am proud, too, of our Secretary of Agriculture, Earl Butz. I am today asking the Secretary to assume a new and vital role in strengthening America's agricultural policy making within the Executive Branch.

The Secretary will be the Chairman of a new Cabinet-level Agricultural Policy Committee that I have created. This Committee will consolidate all agricultural policy-making functions of existing Executive Branch committees. It will have the central role in the development and direction of our Nation's food policies.

This new Committee -- and its leadership -- reasserts the importance I attach to Secretary Butz as my chief agricultural policy adviser and spokesman. I am confident that this bolstering of agricultural policy within the Executive Branch will benefit the farmers of Illinois and all Americans.

Just as we are more effectively utilizing the energy of Earl Butz, we look to the availability of energy in general as the key to modern farming.

In American agriculture, machines greatly multiply the efforts of men. You need plentiful supplies of petroleum and natural gas.

U.S. production of natural gas peaked during 1973 and has been declining ever since. This has serious implications for agriculture. As farmers, you need natural gas for drying your crops. You need it as the primary source for the nitrogen fertilizers that put dollars in your pockets and food on everyone's table.

Yet today that crucial supply of natural gas is being choked-off by out-moded price regulations and restrictions on the interstate shipment of natural gas.

As President I am determined to rectify this situation. But I need the help of the Congress to change the restrictive laws. I ask your support as farmers, and as members of farm organizations, in helping me to remove this obstacle to American productivity.

I am proud that there's now more confidence in rural areas, that more young people are coming into agriculture, and that the enrollments in our agricultural colleges are running at an all-time high.

All citizens are concerned about estate taxes. But this is a particular problem for farmers whose savings are tied up in farm land. The value of an average farm is now about two hundred thousand dollars. To prevent the forced sale of family farms to meet inheritance taxes, I previously proposed a plan to defer estate tax payments, at greatly reduced interest rates, over a twenty-five year period. If adopted, this proposal would provide substantial relief.

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But an additional problem must be solved. While the value of the dollar has eroded, our system of estate taxation has changed little since the 1930's. To ease the burden of estate taxes on the many Americans with modest estates, I am proposing an increase of the present 60 thousand dollar estate-tax exemption to 150 thousand dollars. The Treasury Department will present the full details of my proposal to the Congress later this month.

Along with my tax deferral proposal, this exemption increase should help owners of family farms and businesses to hand them down from generation to generation without the forced liquidation which is now too frequent.

I want to maintain the continuity of our family farms. Too much labor and love go into the development of a paying farm to dismantle it with every new generation.

Let us never forget that America's farmers must profit -- if America is to profit. There must also be enough income for you to replace machinery, to conserve and enrich the soil, to adopt new techniques, and to buy essential supplies. That's what keeps the American economy going.

Some nations with other economic and political philosophies have virtually the same tractors and combines that you use. But those nations do not have the greatest piece of farm machinery ever built -- the free enterprise system.

We have turned things around in rural America -- and we must keep it that way.

We have more to do and I want to work with you to get it done.

I have fought hard to cut government spending, to curb inflation, and to maintain a sound economy. This fight can only succeed if our farming economy succeeds.

America's heritage was created by our farmers. The time has come for all Americans to join you, the farmers, in recultivating America's old and cherished values, including our rededication to the highest moral and spiritual values. You, the farmers of America, took the challenge some 200 years ago. In the words of Ralph Waldo Emerson, describing the heroic stand at Concord Bridge in 1775, "The embattled farmers stood, and fired the shot heard round the world."

Today, the farmer is still embattled. Today's telling shots are not from guns, but from grain, not from pistols, but from productivity. The minuteman of 1976 is the man who drives the tractors in your fields. Two hundred years have passed, but you remain central to America's future and America's freedom.

Thank you very much.

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