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THE WHITE HOUSE

REMARKS OF THE PRESIDENT
AND
QUESTION AND ANSWER SESSION
AT THE
TEXAS GRAIN AND FEED ASSOCIATION
ANNUAL CONVENTION

EL PASO CIVIC CENTER

12:37 P.M. MST

THE PRESIDENT: Thank you very, very much, Mr. Jones, Senator John Tower, Mayor Henderson, members and guests of the Texas Grain and Feed Association:

It is really a very great honor and a very high privilege for me to have the opportunity of addressing this convention of your wonderful association, and I thank you very deeply for the opportunity.

Coming to Texas is always a special treat for me, and it is especially satisfying in the springtime.

As we have traveled around Texas for the last day and a half, John Tower and myself, your countryside obviously is alive and humming with farm machinery of every description.

Spring is a time of new birth, new optimism, and this year there is a lot to be optimistic about. As a State that produces more cattle, grain sorghum than any other, Texas has played a major part in one of the most successful farming years in America's history.

In fact, the last three years have been the highest net farm income in history, and that is a tremendous record. I don't think it is a mere coincidence that these three very successful years have been years when the Government left you alone and let you produce without a lot of bureaucratic interference from the nation's capital.

I can promise you categorically that is the kind of successful farm policy that I intend to pursue for the next four years. Today, we have no longer any heavy farm surpluses hanging over your market, costing the Government a million dollars a day in storage fees. Instead of piling it up, we are selling grain at a record volume.

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The Nation's grain reserves are now in the hands of the farmers and in the hands of the private trade; the system is working very well. I congratulate you for it.

During the past year, your industry has been adversely affected to some extent by a few grain inspection agencies which have not carried out properly their responsibility.

It is absolutely essential that we maintain the confidence of our export grain customers who buy such a large percentage of America's farm production. But we must not, we cannot do it by turning over more of your business to a Government bureaucracy in Washington, D. C.

I strongly oppose, and I want to be emphatic and affirmative in this regard. I strongly oppose the so-called "Humphrey-Clarke Bill", which would federalize the U. S. grain inspection service.

I favor instead an approach which provides for more careful Federal supervision of grading and weighing our grain for export.

However, I do not believe that it is appropriate or necessary to extend this limited Federal participation to interior points.

Private concerns have for years operated country elevators in weighing and inspection services all across our great union. The abuses which have been exposed do not implicate the internal operations at all, and I see no reason whatsoever to replace private interests with Government controls.

Furthermore, the Department of Agriculture has recently proposed broad, sweeping regulations aimed at eliminating conflicts of interest and insuring a more efficient port-side grain inspection system.

I urge Secretary of Agriculture Butz to devote the best and most comprehensive efforts of his department to insure that the grain of American farmers sold abroad is properly certificated and that the integrity of our export efforts is restored to its proper position.

Abuses of the past have impaired our trade credibility and shortchanged the American farmer. We are working hard, and we are working fast to correct these deficiencies, and I hope that Congress does not over-react by federalizing the entire system.

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In any event, I propose to put an end to corruption in the grain inspection business, and the sooner the better.

Furthermore, I am and will continue to be firmly opposed to putting your grain in the control of some Government board or international reserve. I am firmly opposed to subsidized imports. I don't want American farmers having to compete with the national treasuries of foreign governments.

I am just as firmly in favor of farm policies which yielded a \$21.6 billion agricultural export market last year and it will be more than \$22 billion this year.

I am in favor of policies which will enable you to export an estimated \$48 million metric tons of feed grain, an all-time record, in the current marketing year. That is 12 million more than we exported last year and about 7 million more than we exported in the previous record year of 1973-74.

I am in favor of policies which will enable you to export between 1.5 and 1.6 billion bushels of corn during this marketing year, and I am in favor of policies which will enable you to export between 250 and 300 million bushels of grain sorghum this year, a record amount.

These policies are the ones this Administration has followed for the past 20 months. And they are the policies we will continue to follow for the next four years to keep agriculture strong and keep it growing in this great country, the United States of America.

As you know, our domestic feed grain useage has not been expanding as rapidly as our export demands in recent years, but even domestically where a short corn crop in the 1974-75 season resulted in a very substantial decline in feed grain use, we are steadily and constructively recovering.

The number of cattle on feed is sharply higher than a year ago, although it will be later this year before we can expect the feeding range to approach those of the early 1970s.

I suspect we will get into some of these particular matters in a little more detail during the question and answer period, but let me make one or two brief remarks and general observations.

With respect to our overall agricultural policy, I have appointed, as you well know, the Secretary of Agriculture, Earl Butz, as Chairman of my new Cabinet level Agricultural Policy Committee.

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This committee will have the central role in developing and directing our Nation's food policies, and with Earl Butz as Chairman, you can be sure that his strong, plain spoken common sense and his advocacy of your interest will be well heard in the highest councils of Government.

You will also be interested to know that Secretary Butz leaves tomorrow on a ten-day mission to promote the further development of our agricultural export markets, or as Earl says, he's going overseas to drum up some business for the most prolific producers of food and fiber in the history of mankind, and he's a real advocate of what all of you truly represent.

I think all of you know that to a large degree, your success depends upon our country's success. When your country has economic problems, so do you. When your country has good relations with foreign nations, so do you.

The real decision that you and your fellow Americans will be making this year is whether or not America is on the right course for the future. The evidence strongly suggests that we are on the right course.

After suffering the worst agricultural problems this Nation has faced in 40 years, America is on the road to a new prosperity. Employment is going up, unemployment is going down. Sales investments, industrial production are all going up while inflation and the rate of growth in Federal spending are going down.

In fact, they have been cut in half in the past 12 months. In addition, our balance of trade is the best on record.

Every single leading economic indicator today is a sign of progress and a sign of hope for America. We have pursued some very pragmatic common sense policies in the past 20 months that stress the revitalization of the private sector rather than relying on big Government to cure our economic ills and increase its control over our lives.

We must never forget that a Government big enough to give us everything we want is a Government big enough to take from us everything we have.

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My policies in the past 20 months have reflected that basic truth, and they have worked. They are still working, and we have a lot more progress in store in the months and years ahead.

This is a promise that I can make with total confidence and the watchword of this Administration has always been to promise no more than we can deliver and deliver everything we have promised.

Finally, we are pursuing the same kind of common sense policies, international as well as domestic. America is at peace, and we are pursuing a policy of peace through strength, and it has been successful. Our strength is unsurpassed by any other nation on earth, and let me assure you that I intend to keep it that way in the future.

Our military capability is fully sufficient to deter aggression, to keep the peace and to protect our national security. But, strength involves more than military might. A nation's real power is measured more completely by considering a combination of its military, agricultural, industrial, technological and moral strength.

In every one of these areas, the number one nation in the world is the United States of America. We have every right and every reason to be confident and optimistic about our future. Even as we enter our third century of independence, I believe that the United States is in the springtime of its life. I am ready to meet the great challenge of the future with you, to fill that future with new achievement and a new life for the nation we love so well.

That is my goal, and that is why I am asking you for your support on May 1, November 2 and the years to come.

Thank you. I will be very glad to answer your questions.

QUESTION: Mr. President, I would like to ask the question that in view of the fact the United States has one of the most efficient grain inspection systems in the world that has worked well for over 50 years, one of the major concerns of this convention has been the bills now pending in Congress that would drastically change our inspection system.

If we can present sufficient information to you that most of the grain inspectors are doing an honest job of discharging their duties, would you consider a veto of the bills now pending in Congress and recommend to the Congress that they pass legislation that would preserve the free enterprise system of grain inspection with its good check and balance system of Federal supervision and grain grade appeals?

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THE PRESIDENT: As I indicated during my prepared remarks, I am completely and totally opposed to the Humphrey-Clarke bill. If that comes down to the Oval Office, the answer is categorically I will veto it. On the other hand, the House Committee on Agriculture has its version, which is a different version than the one that Secretary Butz presented to the Congress on my behalf.

Obviously, if the Congress was wise enough to support the bill that I recommended, I would have to sign it. (Laughter) But, I am not optimistic that they are that smart. (Laughter)

We will certainly listen to your recommendations if and when they get something down there.

Yes, sir.

QUESTION: Mr. President, I would like to know how you propose to get this common sense approach that you have mentioned into our EPA and Mr. Train? (Laughter)

THE PRESIDENT: I recognize it is one of the most complicated and controversial problems, not only between agriculture and EPA, but between industry and EPA, between communities and EPA, and I am not trying to duck it because virtually every day, whether I meet with mayors, Mayor Henderson, or whether I meet with Governors, or whether I meet with industrialists and now people connected with agriculture, they complain about the rigid regulations and the enforcement of those regulations by EPA.

I have to say to a substantial degree the Congress, in passing the legislation, required certain actions by EPA. They can only modify their regulations to a limited degree because they have to carry out the law. It is my judgment that in a number of instances the legislation upon which EPA predicates its decisions must be reanalyzed.

In fact, we are recommending that they do it in such as the Clean Air Act and some of the other areas. There is a new water quality group under the Vice President that just made a report that recommended certain changes in the requirements for 1978 and 1981. Therefore, I think we have got to get some changes in the basic law, but in the meantime, I would hope that the head of the EPA -- Rus Train -- would take a look at all of the areas -- and there are some in agriculture -- that in my opinion have to be reanalyzed under current circumstances.

The enthusiasm with which they were originally promulgated, I think when they are analyzed in the cold, hard fact of hard reality, don't work. Therefore, we will do our best to get Mr. Train to review any and all that you or others think are unfair or inequitable under existing law.

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QUESTION: Thank you.

QUESTION: Mr. President, how would you propose to solve the problem of the ever-increasing national debt, and along with this problem, do you think there is a possibility we could have tax reform that would give some relief to the middle Americans who are now carrying the burden or the greatest share of the burden?

THE PRESIDENT: Let me answer the last question first. Over the period of the last ten or 15 years, the so-called middle class have been getting a worse and worse deal. The people in the lower or lowest income bracket got the biggest relief, and there was really no substantial impact on those at the higher brackets.

Those in the middle bracket, where most of the taxpayers are, have been getting, I think, short shrift. Now, in the tax proposals that I submitted to the Congress last year where we would reduce overall Federal taxes by \$28 billion -- three quarters of it to individuals and 25 percent to business -- I recommended that the biggest rate reduction come in those categories from, I think it was, \$9,000 or \$10,000 up to \$25,000 or \$30,000.

That is the middle income bracket, and they deserve the majority of tax relief as we move ahead and try to make more sense out of the internal revenue code. If I had my way with a Congress that would cooperate, that is the way I would do it.

Now, let's turn to the other question. As I recollect, when are we going to have a balanced budget, was that the question?

QUESTION: What do you propose to do to solve the problem?

THE PRESIDENT: Let me tell you what I propose to do to solve our Federal fiscal problem, and it is a problem.

In the budget that I submitted in January of this year, I cut the growth of Federal spending by 50 percent from an annual increase of 11 percent per year to 5.5 percent per year. If we can get the Congress to accept my budget proposals, we can have a balanced budget in 1979 and will, in addition, have a substantial Federal tax reduction.

Now, let me just tell you what the Congress has done so far. I submitted in January a budget for \$394 billion. That called for a 5.5 percent increase in Federal expenditures.

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Already in their preliminary work the Congress and the House and the Senate have -- one, a little more than the other-- but basically they have indicated they are going to increase Federal spending to around \$411 or \$413 billion. In other words, instead of holding the lid on Federal spending, as I have requested, they have already in their preliminary estimates increased it by \$12 to \$13 billion.

Now, to get to another approach, not by the budget, but by the bills that are sent down for me to approve or to veto, since I became President 20 months ago I have vetoed 47 bills. That is an all-time record. Congress has sustained 39 of them, primarily with the help of people like Senator Tower.

But, the interesting point is that with the 39 vetoes that have been sustained, we have saved the taxpayers \$13 billion. I can say to you, and John, I know, agrees with it, if they keep sending them down, they are going to be vetoed again and again and again.

QUESTION: Mr. Ford, I have a question for you. Do you believe in limiting farmer profits by Government intervention so that food will be cheaper for domestic use and do you believe in limiting farmer profits by Government intervention for use of our food as bargaining power with other foreign nations?

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THE PRESIDENT: I have vigorously opposed any efforts by Congress, or economists, or anybody else to put a price ceiling on agricultural commodities. I don't believe in wage and price controls, whether it is for agriculture or others. That is not the American system. I am against it.

Number two, I do not believe that American agriculture ought to be used as a pawn in international diplomacy.

Now, I know there are people in this audience who are then saying to themselves, if not speaking up, well, why did you impose an embargo on grain shipments to the Soviet Union a year ago for two or three months. There are several very good reasons.

At the time that embargo--temporary as it was-- was imposed, if we hadn't gotten those ships moving, you would have had grain piled high on the docks in Houston and New Orleans, you would have had trains stopped because they couldn't deliver any more grain to the ports on the Gulf and elsewhere. You would have had your elevators over-flowing, you wouldn't have been able to handle, if this process had gone on for two or three months.

The courts of this country, in the course of handling those problems, I don't think would have operated quickly enough to solve that. That is one answer.

We got the grain shipped. We kept it from backing up on your farms or in your elevators and, number two, we ended up with a five-year grain deal with the Soviet Union with a minimum of 6 million tons per year.

Instead of having peaks and valleys, in 1972, as I recall, we sold to the Soviet Union about 10 million tons. The next year we went down to virtually nothing. The next year we sold a little more. The next year we went down to virtually nothing. This year at the time the embargo went on, we had sold 9.9 million tons.

Since the embargo went off, we sold another 3.7 million tons for a total of around 13 million, 600 thousand tons.

Now, we have a firm commitment that you are going to have a minimum stable market of 6 million tons per year, and if they want to buy more, they can. But we have a guaranteed market for what you produce, and it's a lot better than having this peak-and-valley proposition. And this was all a part of the negotiating process.

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I think when we look at the total, we came out of this in good shape, and I am convinced that over the long haul, it's in the best interest of American agriculture.

QUESTION: Mr. President, in your first response, you said that our products would have been backed up at ships and trains and other places. Was this because of labor unions, that we had to negotiate with them to move our products?

THE PRESIDENT: We didn't have to negotiate with them. They had instituted an embargo at the ports and some efforts were made, the Farm Bureau and several other organizations instituted law suits, but those law suits take time, and if the time had elapsed for the court processes to go through, it might have been two months, it might have been three months. And in order to break that log jam and to get the ships moving to sea and other ships coming in so you could unload the trains and the trains could take the grain from your farms and your elevators, we had to get some action.

And I think that was the practical way. And anybody that alleges or believes George Meany runs the White House, I think most of you know I vetoed the Common Situs Picketing bill, which was a bill they wanted very strongly.

QUESTION: Thank you, Mr. Ford.

QUESTION: Mr. President, would either John Tower or John Connally be acceptable as your Vice Presidential running mate? (Laughter)

THE PRESIDENT: The answer is unequivocally, yes. John Tower is one of my best friends. He is one of the outstanding Senators. He has gone sled length on my behalf in this campaign.

I can't thank him enough for his efforts, not only for Texas, for the country and myself, but I think he is a great guy. Therefore, he surely would be the person that would be fully qualified and certainly a potentiality.

And from John Connally's record, that you know as well, if not better than I, obviously he would be qualified.

QUESTION: Thank you.

QUESTION: President Ford, I have read that by enacting the moratorium was against the Administration Export Act, which was passed at an earlier time by Congress. Would you tell us what the Administration Export Act states concerning export controls, and how the Administration can legally violate this act by imposing the moratorium?

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THE PRESIDENT: I obviously cannot quote the precise language, but I can assure you that before the action was taken that I had the advice of the legal authorities who do advise me that such authority did exist, and based on their legal interpretation of the basic laws, the temporary action was taken.

I say I cannot quote you the language, but those lawyers studied it and their advice to me was that such authority did exist.

QUESTION: Thank you.

QUESTION: Mr. President, what can our association do to get you to come to our convention in September? (Laughter) Our theme is vote for progress and prosperity.

THE PRESIDENT: Well, we have both of them. (Laughter)

I was out at the Iowa State Farm meeting this summer at the State Fair, so I have a lot of friends in Iowa. But I am going to be out there again. I don't know whether I can come to your convention or not, but I will be in Iowa. Don't worry, it is a great State.

QUESTION: Thank you very much.

THE PRESIDENT: That is why I went to the State Farm meeting in Des Moines last summer.

QUESTION: Thank you.

QUESTION: Mr. President, I would like to know what we can expect in the future on the Food Stamp program.

THE PRESIDENT: Let me just tell you some facts about the Food Stamp program, how it has grown. It was started seven or eight years ago. The first year the cost was two to three, \$400 million. It will cost in this fiscal year \$8 million.

Now, last summer I recommended to the Congress legislation that would cut that program in dollars by a billion, six-hundred million. At that time the Congress said, or a majority said, don't do anything to disturb it and passed legislation to that effect. They said, don't do anything until January 1st, we will do something.

So January 1st came and it went on for two or three weeks, and they didn't do anything. So I took the bit in my teeth and I submitted, through the Secretary of Agriculture, regulations that would, in effect, carry out what I asked the Congress to do which would result in 1 billion, 600 million being saved.

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The Senate finally, in the meantime, got a bill out of committee which was much less rigid, or less strong, and far less saving than mine, and then it went to the Floor of the House and the Senate, and they made it worse, didn't they, John?

Finally, they passed this Mickey Mouse bill which really doesn't save much at all, and isn't very constructive in approach. So I don't know what the House will do about it.

In the meantime, the regulations that I proposed have been published in the Federal Register. They can go into effect, I think, in another couple of weeks, and we can't wait for the Congress to act, particularly if they are going to do a bad job, which it appears they have done.

John tells me that the Senate version costs about \$500 million more. That is not going in the right direction. (Laughter)

So we are going to go ahead with our regulations and hopefully we won't be sued and won't be precluded from putting them into effect. But our program will save \$1 billion, 600 million. What it does is to take away the benefits from those families above the poverty line and the poverty line just got increased to \$5,200 or \$5,300, and it makes certain that families that are below the poverty line get better treatment.

Now, that is the way it ought to run, and at the same time we can save \$1 billion, 600 million.

QUESTION: Mr. President, what, in your opinion, is the possibilities of a national health plan becoming a reality, and what is your position on that subject?

THE PRESIDENT: Let me see if I am sure I got the question. Do I favor national health insurance programs? Is that it?

QUESTION: Yes, and would there be regulations in there that would, in your opinion, that would keep us from going broke trying to sponsor this thing?

THE PRESIDENT: I did not recommend to the Congress in the State of the Union Message, nor do I intend to in 1976, any national health insurance program. I don't think we can afford it during a budget year where we are trying to save money. I don't think we have it finalized to a degree that it is acceptable.

I think any plan that has been put together so far does not fit in with our understanding or our beliefs for the patient-doctor relationship. I just don't believe that the United States ought to embark on a program of that kind.

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QUESTION: Thank you.

THE PRESIDENT: Let me add one other point. I have, however, recommended a national -- not a national but a catastrophic health insurance program for Medicaid and Medicare people. There are roughly 25 million Americans who come under Medicare and Medicaid who are -- about three million of them have in one way or another a catastrophic illness where the costs are high because of long hospital or nursing home care, or the costs are high because of operations or medical care.

I think we ought to help those people who are tragically hurt by these catastrophic illnesses, but it is a limited program to help those who see their savings gone and who are forced by these tremendous costs to, in effect, go on welfare.

I think that is wrong. You just shouldn't put that burden on them. So, I favor that, but not a national health insurance program.

QUESTION: Mr. President, this will be the last question.

QUESTION: Mr. President, would you comment on Solzhenitsyn and his warnings about our dealings with Russia and the casual way in which we Americans seem to view our freedoms?

THE PRESIDENT: Let me answer the last part first.

I honestly don't think Americans casually treat their freedoms. I believe from my many travels all over the country that Americans believe very deeply in their freedoms and over the history of this country Americans -- and thousands upon thousands of them have gone to war to defend those freedoms and tragically we have lost a lot of great American youth in defending those freedoms.

So, the history of the United States is one of defense of those freedoms and I believe, if the crisis ever arose -- which I don't think it will -- America today would be just as forthright and strong in meeting those challenges to our freedom as our predecessors have in the past.

I am confident of that.

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Mr. Solzhenitsyn has commented concerning the life that he and others live in the Soviet Union. He has forthrightly and strongly indicated how he feels, how he and others in the Soviet Union were treated. Obviously he preferred our society where we think we have individual freedom to the conditions in which he lived.

I think it is wholesome and healthy for him to speak out as forthrightly as he has on this subject.

QUESTION: I saw published recently a comparison of the military preparedness between the United States and the Soviet Union, and it appears that we maybe are rapidly losing the arms race with the adversary and it seems in the recent past Russia has become much more aggressive in the world, in various parts of the world, so what do you as President propose to do to keep this nation a very strong nation and one that would not be overcome by the Russian power?

THE PRESIDENT: As I said in my prepared remarks, the United States is unsurpassed in military capability. Our strategic military strength is exactly what our military leaders have recommended to me as President and to my predecessors as President.

We have about a three to one lead over the Soviet Union in warheads, and warheads are what goes to the target, not missiles themselves. We have a far more accurate ballistics missile capability, and that is very important. We have a much more survivable missile capability in the United States and our strategic aircraft. The B-52 is followed on by the B-1. We outnumber the Soviet Union by about three to four to one. So, in strategic capability, the United States is fully sufficient to deter aggression, to maintain the peace and to protect our national security.

It is true, and this is a good illustration, that the Soviet Union has over four million people under arms. The United States has two million one. But, it is interesting to note that there isn't a soldier on the border between Brownsville and San Diego. We have a friendly neighbor to the South. There isn't a soldier from the West Coast to the East Coast on the Canadian-American border.

We don't need soldiers for those purposes. The Soviet Union, on the other hand, has better than 1,000 miles of very controversial border with the People's Republic of China. Half of their military capability is guarding that border. On the West, they have the NATO nations. They have the other half of their military force lined up against the United States and our allies. That is why they need twice as many people. They don't have friendly borders like we do. We can concentrate our military capability in a much more restricted way.

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Now, let me add this: This country is unsurpassed. This country is going to stay strong. I recommended last year the largest military budget in the history of the United States. Unfortunately, the Congress cut it by \$7.5 billion.

In January of this year, I submitted a much larger military budget, \$112.4 billion, the largest budget for the Army, the Navy, the Air Force, the Marines in the history of our country.

If the Congress is wise enough to carry out the budget that I proposed, there is no fear, under any circumstances, as to the military capability of the United States, period.

THE PRESS: Thank you.

END (AT 1:21 P.M. MST)