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THE WHITE HOUSE

REMARKS OF THE PRESIDENT
TO THE
NATIONAL FARM CREDIT DIRECTORS

THE ROSE GARDEN

12:07 P.M. EDT

Mr. Secretary, members of the Farm Credit Directors' group:

First, let me welcome you to the Rose Garden on this beautiful day. It is a great privilege and honor for me to have an opportunity of saying a few things this morning concerning agriculture and I hope that I have the opportunity to shake hands and say hello to many of you.

I won't take a lot of your time because I know the Secretary of Agriculture is going to speak to you later today, but I would like to make an observation or two.

I was just told by the Secretary that last year, this group loaned some \$33 billion to American farmers and ranchers. That is a tremendous accomplishment and I congratulate you for your constructive contribution to the outstanding record of American agriculture.

I know that we have got some rather serious problems in some areas of the country that will involve credit. We have a drought in our upper Midwest area. We know that that will undoubtedly bring about some added need for additional credit, and I am sure that Secretary Butz and myself will work with you to make certain and positive that there is adequate credit available for our American farmers and ranchers.

As we look down the road to a longer problem, we obviously will have to have greater credit availability as our population increases and as our export markets increase with the growing population around the world. But I am absolutely confident that people like yourselves, working with the responsible people in the Federal Government, will be able to meet the needs of additional credit for our agricultural community in the United States.

Earl Butz frequently says, and I totally agree with him, that the American farmer is the miracle-man of this 20th century. I was looking at some statistics the other day. I was obviously pleased to see that the American farmer today -- one farmer produces enough for 56 people in our country or abroad -- an increase of some 16 in the last 10 years.

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This proves to me that American agriculture is the most productive segment of our total society and the statistics indicate that American agriculture productivity has gone up far, far greater in the last 10 years than any other segment of our society.

Now, with all of this improvement in your productivity and your investment and your effort, it is absolutely essential that the American farmer be adequately compensated and that means a fair price in a free market and this is what we must insist upon in the years ahead.

As I look around this audience, I am sure there are people like myself who knew in the 1950s, and to some extent in the 1960s, we had substantial surpluses of wheat and corn and other agricultural commodities. They were a depressant on the market and the fact that the Government had these substantial surpluses were injurious to the American farmer. We have gotten rid of all those surpluses by an expanded world market and we are going to continue to expand our markets around the world.

Last year, we exported some \$21 billion worth of American farm commodities and we will do better in 1976. This will be good for us here at home and it will be extremely helpful to those customers overseas.

Now, as a result of a free market, as a result of our record exports in the last three years, American agriculture has had the highest net income in the history of this country, but we are not satisfied with the record of the last three years. We think the farm policies we have are farm policies that will increase the economic circumstances of America's farmers and ranchers.

Let me say a word, if I might, about taxes. Most of you know that earlier this year, I recommended to the Congress that we increase the personal exemption for the estate tax from \$60,000 -- what it was when it was established in the first place back in 1942 -- and I proposed that it be increased to \$150,000, or higher. We kept the pressure on the Congress and there will be a significant improvement in the estate tax exemption. The Congress didn't go along with what I recommended entirely, but it is a major step forward, and I think it means that what we will have is a farm or a small business can go from one generation to the next without the tax collector coming in and taking over.

It seems to me that in addition, we have to do something affirmatively about our personal income taxes, generally. Earlier this year, I recommended to the Congress that we increase the personal exemption from \$750 per person to \$1,000. Let's take a family of four. A family of four with that kind of a tax reduction would get an additional \$1,000 personal exemption. If you have a family of six, it would be \$1,500 added personal exemption.

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This recommendation came from me because our middle income taxpayers have been short-changed over the last ten years. I believe that that group ought to get additional tax relief.

I recognize fully that we are trying to get our Federal finances in order. We are making headway as we reduce the deficits that were primarily caused by our recession in 1975. But let me say this: We cannot add to the expenditures of the Federal Government with a host of new programs unless you are willing to tighten your belts.

Now, I don't think we need a lot of new spending programs, period. If we hold the line on Federal expenditures, we can honestly give tax reductions, and that is the program of this Administration. But those who advocate additional expenditures have now suggested that in order to pay for those new programs and added expenditures, there should be an additional tax levy on the middle income people, which is approximately 50 percent of this country.

We should go in the opposite direction. We should give them tax relief, not additional, added taxes. And this Administration will give you tax relief because it is good for America.

So, let me just conclude by saying that our overall objective for the farmers, for the ranchers, for the middle income people, is tax relief, but for farmers and ranchers, generally, we want a fair market price in a free market. We want full production, record exports and tax policies that permit you to pass your farm or ranch from one generation to another and keep our economy healthy by reducing the burden of Government on you.

We want to get the Government off your farm, off your back and out of your pocket.

Thank you very much.

END

(AT 12:17 P.M. EDT)