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THE WHITE HOUSE

REMARKS OF THE PRESIDENT  
AT  
IOWA STATE UNIVERSITY

FISHER THEATRE

12:22 P.M. CDT

Governor Bob Ray, Dr. Parks, Mrs. Peterson, Jill Wagner, Congressman Grassley, Mayor Fellingner, Ken Fuller, students, faculty and guests:

It is great to be in Ohio -- Iowa State. (Laughter) You know we Michiganders have Ohio State on our mind. But, it is great to be at Iowa State University. This University has a long, long tradition of excellence in agricultural education, training and research, and you have a pretty good football team, too.

You score a lot of touchdowns. I congratulate you, but we are going to score a lot of touchdowns for the United States of America in the next four years, also.

Just three days ago, the Department of Agriculture released its October forecast predicting the second largest wheat crop and the largest corn crop in American history. This new record will be achieved in spite of serious drought conditions in many areas of this great country.

I am delighted to be in the heart of America to see some of that bumper crop being harvested this afternoon. We are all proud of you wherever we come from in the United States of America. This record corn crop is a graphic illustration of an overriding non-political fact that transcends all the noise, the rhetoric of this election year.

America is blessed with farmlands and farm know-how unequal anyplace on this earth. The corn belt and the other great growing areas of our bountiful country are renewable, not depleting assets worth far more than all the diamonds in Africa, all the oil of the Middle East and all the gold in Fort Knox.

Today, a single American farmer can feed 56 people. No other nation comes close to that record. The Soviet Union has one-third of its people engaged in agriculture and they frequently fall short of their needs.

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American agriculture has maintained an average of 6 percent increase in productivity year after year. No other segment of our society, or any other society, has been able to do that well, and I congratulate you on behalf of 215 million Americans.

You have been so successful because you have used your own ingenuity, your own inventiveness, your own initiative to produce the finest and the most abundant food and fiber throughout the world. If you were to continue meeting the needs of this country and our trading partners throughout the world, you must continue to have this kind of freedom--freedom from the meddling hands and the long arm of an arbitrary, autocratic Government.

What are the results of this policy? Average farm income over the last three years has been higher than ever before in the history of America. For the farmer in Iowa, total net income on the average has risen from about \$6,900 in 1965 to about \$14,800 in 1975. You no longer have heavy Government held surpluses held over the market depressing your prices, costing the taxpayers \$1 billion a year -- or \$3 million a day -- in storage and handling fees.

Instead of storing grain in Government bins, we are selling it in a free market in record volume. Farm exports hit a record of \$22 billion in the last fiscal year, our sixth straight year of record farm exports, and I am glad to say that exports are expected to be about \$22 billion again in this fiscal year.

We will export nearly three billion bushels of wheat and feed grains in this marketing year, an all-time record. We did it without any Government board selling your exports, as some countries do, and under a Ford Administration we will never have that kind of arbitrary action -- a Government board selling your hard work, hard earned profits from your farms.

We did it without any international reserve where this country could be outvoted one hundred to one. We have worked out a long-term agreement, as all of you know, with the Soviet Union, which commits them to buy at least six million metric tons of grain every year for the next five years. In dollars and cents, that is at least \$1 billion worth of grain sales every 12 months.

This agreement gives us a stable, long-term foreign market. It assures us of a more consistent flow of payments from abroad. It assures the American farmer that the Soviet Union will be a steady customer whether they have good crops or bad.

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In the past, Soviet grain purchases have been erratic, secretive, unpredictable, causing prices to fluctuate widely, leaving the American farmer on the short end. The Soviets have already bought over six and a half million metric tons of wheat and corn for the first year of this agreement.

To date, we have sold the Soviet Union more than eight million metric tons of grain and soybeans from this year's crop. By this arrangement, the private marketing system has not only been preserved, but it has been strengthened.

We are moving in the right direction toward greater prosperity for the American farmer, and we will keep moving in that direction in the next four years.

These good sales, good prospects, are the fruits of free trade. They are also the benefits of peace and aggressive, successful negotiations. They are the just rewards of the Iowa farmers' hard work, and we appreciate it.

In Kansas City last August, I said that we would never use the bounty of America's farmers as a pawn in international diplomacy. Today, I repeat that statement.

I also said in Kansas City there will be no embargoes, and I repeat that statement here in Ames today.

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There is a fundamental difference between Mr. Carter and me on that question. In an interview published on August 8, 1976, Mr. Carter was asked, would you favor using our economic leverage to get the Russians to cease and desist from aggressive actions? Mr. Carter replied, "Yes, I would."

In our second debate, he told 90 million Americans that a new Arab oil embargo would amount to an economic declaration of war and that he would instantly respond with a total embargo against the offending country, shipping them nothing, including food. Those are the things he said about his plans for your products in the future.

But more important is what Mr. Carter didn't say. When he made his acceptance speech at the Democratic Convention in New York City there was no mention of farm policy, not once in 40 minutes. At the Republican Convention, I said, "We will carry out a farm policy that assures a fair market price for the farmer, encourages full production, leads to record exports and eases the hunger within the human family." I think you like my comments better than his.

That is a pledge that I was proud to make, a pledge that I will proudly carry out for the next four years. Despite the good overall record I mentioned earlier, some farmers -- yes, too many, are having a hard time of it right now. Cattle prices are way too low. Wheat prices are too low. The weather has not been a very good friend to a lot of farmers in Iowa, Nebraska, South Dakota, Minnesota, and other parts of our great country.

I have already done something about the cattle situation. I tried earlier this year to halt the importation of foreign beef through a free trade zone in Puerto Rico. Diplomatic, administrative and legal roadblocks prevented us from carrying out what I wanted to do to help the cattle producer. I then went to the Congress, which failed to act on my request to curb these imports.

Therefore, last week in Dallas, Texas, I signed a Presidential proclamation to limit beef imports and thereby help the American beef industry. I have repeatedly said that I would not under any circumstances permit the United States to become a dumping grounds for foreign beef.

I have already done something about Government loan rates for grains. On Wednesday, I ordered an increase in the Government loan rates for wheat from \$1.50 to \$2.25 a bushel; for corn, from \$1.25 to \$1.50. These adjustments, as you know far better than I, will permit the bumper crops to be marketed in a much more orderly way, and will help farmers to properly finance next year's planning.

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And I have also done something about the great tradition of the American family farm. Earlier this year I called upon the Congress to increase the Federal estate tax exemption. I fought hard for it and was proud to sign it into law a few days ago. This increases the estate tax exemption from \$60,000 to the equivalent of \$175,000.

This new law also permits estate tax payments on family farms to be stretched out over an extended period. These tax reforms will go a long, long way to help save the family farm from the Federal tax collector.

But I must add one other comment: The Congress failed to go along with my proposal to permit tax exempt transfers from spouse to spouse, but next year I am going to put the pressure on the Congress and will keep it there until they do something about this situation.

I am also trying to do something about the drought. (Laughter) I have just signed legislation authorizing the establishment for the first time in American history of a national policy to develop new methods of combatting the crippling drought conditions that have cut farm production far too frequently. Under this new program the Commerce Department will conduct research and develop means of modifying the effects of severe weather changes to protect the farmer.

This new program, with some extra funding, is in addition to the increases that I approved for other agriculture research and development in this year's budget at a time when we were faced with serious financial problems in the Federal Government, at a time when I kept the lid on, or actually cut back a number of Federal programs. But agricultural research has produced wonders for America and the world, and we must continue making sound investment in research and development in agriculture in the future for us and those around the world.

Those are some of the things that our Government can and should do to help you. The Government should never try to dictate how farmers should farm. I have faith in the ability of America's farmers to make their own decisions, to determine what and how much they will plant. As long as I am President, agriculture will have an understanding friend in the White House in the Nation's capital.

Of course, Mr. Carter says he is a farmer's friend, too. But what kind of a friend is he? Mr. Carter wants to go back to the old discredited Government meddling in the farmer's affairs. He wants to build up a stockpile of farm surplusses once again. He has proposed a stockpile of 25 million metric tons of grain with half of it to be held in Government bins.

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His underlying philosophy of Government interference won't change. His philosophy is best exemplified by the Humphrey-Hawkins bill, embraced by Mr. Carter, which envisions export controls and licensing unprecedented in peacetime economy.

Mr. Carter does have a strange way of changing his accent as he moves about this great country. (Laughter) In California, he tries to sound like Caesar Chavez. In Chicago, he sounds like Mayor Daley. In New York, he sounds like Ralph Nader. (Laughter) In Washington, D. C., he sounds like George Meany.

Then Mr. Carter comes to the farm belt. He becomes a little, old peanut farmer. (Laughter)

The President has to take the same position wherever he goes, and that is the kind of a President I have been and will continue to be for the next four years.

When the Agriculture Department was created by Abraham Lincoln in 1862, its motto was "Agriculture is the foundation of manufacturing and commerce." It was true then; it is true today.

The farmer is the main spring of the American economy. U.S. farm exports have provided the foundation for our economic recovery, which is now underway. It has taken mankind countless centuries to reach a worldwide population of 4 billion, but just 35 years from now there will probably be 4 billion more people living on this earth.

We initiated a World Food Conference in Rome in 1974, and one of our delegates at that time was Senator Bob Dole, who will be the next Vice President of the United States. At that Conference, experts concluded that the United States, Canada and Australia combined, the three biggest food exporting countries in the world, could not hope to meet the food demands of the world if the population doubled in that short a time. Yet we must. The American farmer can do anything he sets out to do if the Government will just leave him alone.

The Ford Administration and the American farmer share the same ideals, the same confident approach to the future, the same belief in our land and the same concern for the undernourished and starving millions throughout the world.

You and I together stand for hard, productive work, for honesty, straight talk and basic morality. You and I together stand for lean, responsive, fiscally-sound Government, and you and I together working for the next four years can make this great country better and better and better. Let's do it.

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We believe in a minimum of bureaucratic control over farming. We believe in agricultural policies geared to a free market economy. We believe that the farmer himself should decide how to use his land, his capital and his labor for a profit.

We don't believe that profit should be capriciously taxed away from him or his family. The choice is clear. Government is already too large, too powerful, too costly and too deeply involved in the lives of every American.

Mr. Carter cannot carry out his promises without bigger bureaucracies and higher taxes.

I want a new generation of freedom in America, freedom for all of us to do what we want to do and what we ought to do. The kind of an America you want and I want is an abundant America, one of record farm income, record crops, record exports and record acreage back into production, and freedom for the farmer to make his own decisions and to reap the rewards of his hard labor.

I have come here today to ask for your support and for your vote on November 2. You know where I stand. I will not let you down.

Thank you very, very much.

END (AT 12:46 P.M. CDT)