

EMBARGOED FOR RELEASE UNTIL 6:00 A.M. (EST),  
MONDAY, JANUARY 5, 1976

JANUARY 4, 1976

Office of the White House Press Secretary

---

THE WHITE HOUSE

TEXT OF REMARKS TO BE DELIVERED BY THE  
PRESIDENT TO THE AMERICAN FARM BUREAU  
FEDERATION CONVENTION, ST. LOUIS,  
MISSOURI

I welcome your invitation to make my first major address of this historic Bicentennial Year of 1976 before the Farmers of America. Our earliest heritage as a Nation was created by the farmer. Today, the future of all Americans -- and the world -- depends on you more than ever.

There is no Bicentennial forum more important than this convention of the American Farm Bureau Federation. The time has come for all Americans to join you, our farmers, in recultivating America's old and cherished values.

You, the farmers of America, took the challenge 200 years ago. In the words of Ralph Waldo Emerson, describing the heroic stand at Concord Bridge in 1776, "The embattled farmers stood, and fired the shot heard round the world."

The farmer today is still embattled. Today's vital shots are not from guns but from grain, not from pistols but from productivity. The Minuteman of 1976 is the man with the tractor.

Two hundred years have passed but you remain central to America's future and America's freedom.

We start this Bicentennial Year with justifiable pride in our agricultural strength and progress. The last three years have been the highest on record in terms of net farm income. I am aware that some farmers, because of drought and other reasons, have not shared in this bounty. But the real test is the net income of the total farming community.

I pledge to do everything in my power as President to keep farm income high. You can anticipate that net farm income will approach 25 billion dollars, without government payments, in this bicentennial year. This will be the fourth consecutive year that net farm income will exceed the 1972 then-record high of 17.3 billion dollars, which included nearly four billion dollars in government payments.

Today, I want to remind those who would minimize our national strength that over half of the grain moving across international boundaries throughout the world is grown by you, the American farmer.

But, if we want dependable export markets for our food, the United States must be a reliable supplier. On two occasions since I became President the government was forced to temporarily restrain farm exports. I recognize that these actions resulted in confusion and concern among our farmers.

more

The first government interruption came in October, 1974, when the Soviet Union suddenly, and without notice, entered our markets to buy at a time when we had a short crop in some areas. The government was forced to intervene to learn Soviet intentions. This was in the interest of our own livestock producers and regular grain-buying customers overseas --- and of the American public. Accordingly, contracts with the Soviet Union were re-negotiated to change the proportion of corn and wheat for export.

These actions headed off the danger of even more severe legislative restrictions by the Congress.

Last summer, the Soviets suffered another extremely short crop. They again turned to U.S. farmers for supplementary grain supplies. A temporary hold on new sales to the Soviets was made only after they had become our largest foreign customer by purchasing 9.8 million metric tons of grain -- 375 million bushels.

There was, as you know, concern at that time about our own corn crop. Although the wheat harvest was nearly complete by late July, our feed grain crop was still uncertain. Dry weather had already damaged corn in the western corn belt. There was no way of knowing if we would have a repeat of the drought or an early freeze which hit the corn crop the previous year.

Again, the temporary hold on new grain sales to the Soviets, and later to Poland, was taken with extreme reluctance. Pressures in the Congress were increasing to halt all private grain sales and put agricultural exports in the hands of a government control board. I did not -- and do not -- want the government running your business -- 365 days a year, year in and year out.

It was a unique situation that required corrective action and a long term solution. The temporary hold on new sales permitted us to work out a five-year agreement with the Russians. Since then, in the open market, we have made substantial new sales to the Soviet Union and to Poland. Ships filled with this U.S. grain are now backed up at foreign ports, waiting to be unloaded. There is every likelihood that we may sell them even more this year.

This new agreement now assures that the Russians will purchase at least six million metric tons of United States corn and wheat each year for the next five years. This is more than a bushel a person in terms of the entire United States population. Poland has also indicated that it will buy about 100 million bushels of United States grain annually for the next five years.

In addition to the annual Russian purchase commitment of 228 million bushels of wheat and corn, this agreement provides an option to purchase an additional 76 million bushels annually. All purchases will be at market prices through the private sector. If the Russians wish to purchase more than 304 million bushels in any year, it is possible under the agreement. There is no arbitrary and inflexible ceiling. For example, we have already sold them 500 million bushels out of the current 1975 crop.

This agreement is in the interest of both the American farmer and the American consumer. It prevents the Soviets from disrupting our markets. As we have seen, disruptive and unpredictable purchases led to such problems as Congressional demands for export control and the refusal of unions to handle grain shipments.

more

We have now assured American grain producers that at planting time they will have a much more reliable indication of how large an export market there will be at harvest time. The American livestock producer will have a better idea of his feed supply. The American consumer will know that grain will be moving overseas in a regular flow and be assured that there will be adequate food at home.

We have transformed occasional customers into regular customers. We have averted an outcry every year that the Russians are coming to make secret purchases. The private marketing system has been preserved. Record exports are now moving.

The alternatives were and are intolerable. The prospect of massive pile-ups at the docks, with crops backed up all the way to local elevators, is totally unacceptable.

I ask you: Should we run an obstacle course through Congress and other roadblocks each year on whether to sell any grain to the Soviet Union? I say: No!

Should we turn your crop over to a government-control board to manage and sell overseas? I emphatically say: No!

Some in Congress are now questioning the wisdom of grain sales to the Soviet Union because the Soviets are intervening militarily in the African country of Angola. Our commitment to work with all nations -- including the Soviet Union -- to lessen the risk of war and to achieve greater stability is a sincere and constructive undertaking. But it is a commitment which must be honored by both sides. There cannot be a lessening of world tension if the Soviet Union, by military support and other means, attempts to expand its sphere of influence thousands of miles from its borders.

The United States will not cease its efforts, diplomatic and otherwise, to stabilize the military situation in Angola and promote a quick and peaceful settlement. We favor an immediate ceasefire, and end to all outside intervention, and a government of national unity, permitting the solution of the Angolan problem by the Angolans themselves. We are working closely with many other African countries to bring this about -- countries that realize perhaps better than the U.S. Congress that our continued effort to counter Soviet and Cuban action is crucial to any hope of a fair solution. The Soviet Union must realize that the Soviet attempt to take unilateral advantage of the Angolan problem is inconsistent with the basic principles of U.S.-Soviet relations. If it continues, damage to our broader relations will be unavoidable.

You, the farmers of America, understand the importance of America's relations with the rest of the world. You know we cannot abdicate our responsibilities for maintaining peace and progress.

I emphasize, however, that it is a serious mistake to assume that linking our exports of grain to the situation in Angola would serve any useful purpose whatsoever. In fact, withholding grain would produce no immediate gain in diplomatic leverage. American grain, while important to the U.S.S.R., is not vital to them. The Soviet Union has survived for nearly 60 years, including years of total western economic embargo, without American grain. The impact of a grain cut-off would be felt only after a long period. It would not produce the needed short term results. There is not the slightest doubt that if we tried to use grain for leverage, the Soviets could get along without American grain and ignore our views. This was emphatically demonstrated by their attitude toward the U.S. Trade Act provisions of 1974 on Emigration from the Soviet Union. The linkage of grain with diplomacy would mean disruption and hardship for you, the farmer, a serious increase in tensions between the world's two superpowers, and no effect in Angola.

U.S.-Soviet rivalry in some areas around the world has, unfortunately, not ceased. The answer is to take other appropriate limited measures necessary to block -- and stop -- Soviet actions that we find unacceptable.

In these complicated and controversial times, it is imperative that you maintain the freedom to market crops and find customers wherever you can. Strong agricultural exports are basic to America's farm policy and to the freedom of every farmer to manage his own farm. You should be rewarded -- and not punished -- for producing each year much more than we consume at home.

You must export two-thirds of each year's wheat crop -- or cut back production.

You must export 50 percent of your soybeans --- or cut back production.

You must be able to export more than 55 percent of your rice crop -- or cut back production.

You must be able to export 40 percent of your cotton -- or cut back production.

You must export at least one-fourth of your feed grain --- or cut back production.

In short, you must export to keep farming profitable.

You must export if we are to keep a favorable balance of United States international trade.

You must export if you are to prosper and if the world is to eat.

This is the farm policy that is bringing new life to our rural countryside.

Food is now our number one source of foreign exchange. Farm exports last year totalled nearly 22 billion dollars. Our favorable 12 billion dollar balance in international agricultural trade offsets deficits in non-agricultural trade; it strengthens the dollar. This helps pay for petroleum and other imports essential to maintain our high standard of living.

We have heard much in the 1970's of petro-power, the power of those nations with vast exportable petroleum resources. Today, let us consider a different kind of power, agri-power -- the power to grow. Agri-power is the power to maintain and improve the quality of life in a new world where our fate is interdependent with the fate of others.

People can reduce the consumption of petroleum with some sacrifice. But they cannot reduce the consumption of food without widespread starvation. Indeed, the world's population will nearly double by the year 2000. By coping with hunger, we can assure a better future for all the peoples of the world.

General George C. Marshall, in outlining his European Recovery Plan at Harvard University in 1947, said that "our policy is directed not against any country or doctrine but against hunger, poverty, desperation and chaos." General Marshall's words are today reflected in our foreign policy.

The credibility of America in the world rests upon our vast resources as much as our defenses. As we assess our strength for peace-- America's farm families stand shoulder to shoulder with our men and women in uniform.

You and I share the same ideals, the same principles and the same confident belief in the land and in American agriculture. We believe in ourselves. We believe in the value of the land and the people who work the land. And we believe in our country.

You stand for hard, fruitful work -- and so do I.

You stand for the basic morality and dependable qualities that have long characterized rural America -- and so do I.

You stand for lean, responsive, fiscally-sound government -- and so do I. You favor tax cuts balanced with cuts in government spending -- and so do I.

You believe that farmers should be able to make a good living -- and so do I.

You believe in a minimum of government controls on agriculture -- and so do I.

You believe in the elimination of unnecessary bureaucratic regulations that cause inefficiency and losses -- and so do I. I welcome, for instance, the letter from your federation in support of my legislation to modify regulations that prohibit backhaul by farm trucks. With your help, we can and will stop this frustrating waste.

You believe in a farm policy that builds strong markets at home and abroad -- and so do I.

Some nations with other political philosophies have virtually the same tractors and combines that you use in your fields. But, their farmers do not have the same incentives. They lack the greatest piece of farm machinery ever built: free enterprise.

If we take freedom and enterprise away from the American farmer, we take food out of the mouths of millions at home and abroad.

Your exports in the 1970s are two and a half times as much as in the corresponding years of the 1960s. Surpluses that once piled up in bins and warehouses -- depressing your prices -- are not around anymore. Let us work together to keep it that way.

You are earning your income from a free market -- not from a government check financed by the taxpayer. Let us continue this vigorous, market-oriented, free enterprise agriculture.

We need and have a fighting Secretary of Agriculture -- Earl Butz. He is the advocate of profitable food production, the advocate of the farmer, and the advocate of fair play.

I share your pride in the new strength of agriculture. You have made America the source of life-sustaining food production in a world that is increasingly short of food. We have provided 25 billion dollars in food for peace over the last 20 years. In the last 10 years, we have furnished 80 percent of the food aid in the entire world.

And during this Bicentennial year, we will ship approximately one billion dollars worth of commodities under the food for peace program.

At home, you are supplying the American people with food at a far smaller share of their income than anywhere else in the world. You are not making an undue profit at the consumer's expense. While the price of bread went up nearly 11 cents a loaf over the last three years, wheat prices added only one and one-half cents per loaf. Non-farm costs added more than nine cents.

more

Let us never forget that farmers must profit, if America is to profit. There must be enough income for you to replace machinery, conserve and enrich the soil, adopt new techniques, and buy essential supplies.

The continuity of our family farms is vital. Therefore, I want you to be the first to know that when the Congress reconvenes, I will propose changes in our tax laws to revise family estate taxes. I want this done so that farms can be handed down from generation to generation without the forced liquidation of family enterprises.

Too much labor and love go into the development of a paying farm to dismantle it with every new generation.

It is no exaggeration to say that the fate of America in our third century, and of all civilization, depends upon you.

I have faith in you, in all the farming families of America, and in your federation.

Let there go forth from this meeting today the Bicentennial message that the past is prologue to an even better future. America, with the greatest material and human resources ever achieved by any Nation, has not forgotten the spirit of "can do". We can do and we will do.

The American farmer died for freedom on the bridge at Concord 200 years ago. The least that America can do today is let the farmer live in freedom from the stifling interference and control of big Government.

If there is one thing we can all be certain of, it's this: A Government big enough to give you everything you want is a Government big enough to take from you everything you have.

Together, let us restore to all Americans a new confidence in which people hunger for righteousness as well as food. In the words of the New Testament, "Blessed are they which do hunger and thirst after righteousness, for they shall be filled."

# # # #