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THE WHITE HOUSE

REMARKS OF THE PRESIDENT
AND
QUESTION AND ANSWER SESSION
WITH THE
OHIO FARM BUREAU

THE ROSE GARDEN

12:20 P.M. EST

THE PRESIDENT: Thank you very, very much, Earl, and Bud Brown and Bill Swank and all of you from the Ohio Farm Bureau. Earl forgot to add one qualification that I have -- I am about a 25-year associate member of the Michigan Farm Bureau.

I can't tell you how many Farm Bureau community group meetings that I have attended during my 25 plus years in the Congress, but I always ate well, enjoyed the good company and learned a lot about agriculture going to the many community group meetings that I had the honor to attend.

Let me make one or two comments. Last week -- I guess ten days ago now -- I made our fine Secretary of Agriculture the Chairman of the Cabinet-level Committee on U.S. Food Policy. I think Earl Butz will do an outstanding job in that capacity, as well as in the capacity as Secretary of Agriculture.

I have known Earl Butz a long time. I knew him when he was down here in the 1950s, and I couldn't have been more pleased when he agreed to stay on as Secretary of Agriculture when I became President. I know that he is the finest Secretary of Agriculture that we could possibly have in this very important period of time when U.S. agriculture is so vital not only to ourselves but to the world.

In addition to that, I am sure many of you know that the problem of passing a fine family farm on to the next generation is a matter of great concern.

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I was looking at some statistics before coming out here, and I understand there are roughly 116,000 family owned farms in the State of Ohio. I know from my experience in Michigan that many families, because of State tax problems, have great difficulty in passing that family farm, which means so much to the family, on to the next generation.

In 1942 the Congress last established the \$60,000 estate tax exemption. From 1942 to 1976, no change. I think the Congress ought to increase that to \$150,000 and in addition ought to spread out the method by which, whatever the estate taxes might be, over a longer period of time, 25 years; five years a total moratorium on paying the estate taxes, whatever they might be, and then a 20-year period whereby the estate tax payments would be spread out with a 4 percent interest rate, which I think would help immensely in the carrying of whatever the estate tax burden might be.

But, by increasing it from \$60,000 to \$150,000 I think we not only help the family farm being retained in our society, but it provides the kind of continuity that is essential. One generation to another carries on the fine capabilities that exist in a family for continuing America's agriculture as the vital part of our economy.

Now, last year we sold, as I recollect the figure, some \$22 billion worth of agricultural commodities overseas. We are going to keep our market in Japan, in Eastern Europe, in Western Europe, and the new agreement with the Soviet Union guarantees us six million tons a year minimum instead of the peaks and valleys and the fluctuations we have had over the years, where one year they would buy literally nothing and the next year they would buy a very significant amount.

Now, since the agreement was signed, they have bought better than three million more tons of corn and wheat, taking us up to a figure of about 13 million tons, as I recall, Earl. The possibility exists, with their bad harvest and their great needs, that they will come in and buy some more.

One of the problems they have, they have bought so much from us that their ports, their shipping facilities, are incapable of handling what they have already purchased. So, what we have sold them is good. What the prospects are for the next five years are excellent.

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So, I think American agriculture has a great, great future, and Earl Butz has been, I think, a super Secretary. All of the success that comes from the bureaucracy down here, I think we can attribute to the leadership and the experience and the dedication that we have in Earl Butz.

Earl, I thank you for the great job.

I also should say a good word about Bud Brown. He was a great help to me when I was in the Congress as the minority leader. Of course, I knew his dad and worked with his father, who was also a great Member of the Congress.

I am sorry that Wally Hirshfield is not here. I understand he is over in Europe with another good friend of mine, Jim Rhodes. I don't know Wally too well, but I tell you, that Jim Rhodes is a real salesman. (Laughter) I think you all know it better than I do.

So, it is nice to have Bill here representing Wally and it is nice to have Bud and all of you here at the White House, and I thank you very, very much for coming.

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MR. SWANK: Mr. President, in anticipation of this meeting our board met and talked about a commendation to you for your strong efforts in stabilizing the economy and getting this runaway inflation back under control.

Farmers are very concerned, as you know, because so many of their costs have to be purchased off the farm; that is, not just the farm machinery but all those things.

Our vice president of the board is here and our chairman of our public affairs committee. We want you to meet them, along with these people, but first I have been designated to hand you this commendation. I won't read it but I will say that it speaks to the tireless efforts of President Gerald Ford in getting our economy in a viable condition, and the most recent statistics that we have learned about unemployment coming down, about the economy picking up, I think speak very graphically to the fruits of these efforts and I present it to you on behalf of our board and on behalf of our Ohio Farm Bureau Federation -- more than 66,000 families. We are proud of you and I am pleased to present them to you.

THE PRESIDENT: Thank you very, very much, Bill.

MR. SWANK: Do you have a question or two? I think he would be glad to have them.

THE PRESIDENT: I am very, very grateful and I am tremendously encouraged with the new trends in our economy, as Bill said, and employment is going up, unemployment is going down, the rate of increase in the cost of living has been cut in half in the last 19 months. All of the trends are good and I think this is reflected in the public confidence that we see in all the polls that are being taken. It has really leaped upward in the last few months and that really comes down to the faith that the American people have in our Government and our Nation's future.

Now I would be glad to answer a question or two. Don't be shy.

QUESTION: Mr. President, I am from Athens, Ohio, which is primarily a college town. As compared to small-time family farms there that are able to make it, I was wondering what do you see in the future for small family farmers?

THE PRESIDENT: I think the small family farmer is better off today than he has been in the past.

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Now I think you have to describe what you mean by a small family farmer. One in Ohio may be different than one in Nebraska or one might be different in Ohio from one in Texas.

I presume a small family farm in Ohio would be quite similar to one in Michigan but what we are finding in Michigan is a 160-acre farm would probably fall within that definition. I think with the problems that they have, with the need for more acreage which they either rent or buy, with the problems that they have for the cost of machinery, the labor problems, I think they have somehow got to expand their operation.

A 160-acre farm is a tough operation, there is no question about it, whether it is dairy, whether it is fruit, whether it is fresh vegetables, whether it is any of the other cash crops. But I think with the inflation problem getting under control and, hopefully, interest rates coming down, which they are, I think the opportunity for a small family farm such as we have agreed would exist more or less in Michigan or Ohio, can make it and can keep the integrity of that great asset in our society.

QUESTION: You have a lot of young people here who are doing that.

THE PRESIDENT: Yes.

QUESTION: Mr. President, we are concerned in Ohio with the scheduled abandonment of some of the rail lines.

THE PRESIDENT: Under the Rail Revitalization Act, which I signed about a month ago, it provides that if a State wants to continue what has been designated as a prospective line for abandonment, that State can put up 30 percent of the cost of maintaining that line and the Federal Government will put up 70 percent. But it has to be of such importance to the State that the State is willing to make an investment, and I think that is a fair proposition.

QUESTION: Could I ask you to speak one more time about the -- our president in Europe said we are being thought about as an unstable supplier of grain. I think you said a word about that. But this concern about keeping exports open seems to be there as well as here.

THE PRESIDENT: I know that some in agriculture have raised questions about the embargo that we imposed for several months in 1975. But it was done solely for the purpose of getting a five-year firm agreement for a minimum sale of six million bushels (tons) a year to the Soviet Union with an opportunity for them to buy more.

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Now I am convinced that that was in the long-range interest of agriculture. I can assure you to this extent: I see no prospects for any reimposition of any embargo. In fact, I told some Illinois farmers 10 days ago or 2 weeks ago the changes were literally nil. As long as we produce and have the capability of selling as we have, I see not using agriculture -- and this is the important thing -- not using our farm exports as a pawn in international politics, period.

MR. SWANK: Thank you, Mr. President.

END (AT 12:35 P.M. EST)