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THE WHITE HOUSE

REMARKS OF THE PRESIDENT  
AND  
QUESTION AND ANSWER SESSION

OMAHA FARM FORUM  
THE HOLIDAY INN

8:05 P.M. CDT

THE PRESIDENT: Senator Carl Curtis, Senator Eruska, Secretary Butz, ladies and gentlemen:

It is really great to be in Omaha, and I hope the feeling is mutual. After all, I was born here.

Before getting to our question and answer session, let me make a few comments on my Administration's agricultural policy.

First of all, those policies have been successful. The average American farmer has had a higher net income during the last three years than ever before in history, and it will be just as good or better in 1976.

Well, realized net income for the average farmer in Nebraska was \$4,041 in 1964; it was \$17,510 in 1974. That is a fourfold increase, and you earn every penny of it. This very successful record has been achieved without a lot of bureaucratic interference from Washington, D.C. I don't think that is just a coincidence. You no longer have heavy farm surpluses hanging over the market, depressing your prices, costing the taxpayers \$1 million a day in storage fees.

Instead of storing grain in Government bins, we are selling it in record volume. Farm exports totaled \$21,600,000 in the last fiscal year. It will be around \$22 billion in this fiscal year. We will export an estimated 3.1 billion bushels of wheat and feed grains in this marketing year, an all-time record.

We will export about one and a half billion bushels of corn, 1.2 billion bushels of wheat, 250 million bushels of grain sorghum, about 50 million bushels of barley and oats. Within the last two weeks, we have announced the sale of almost five million metric tons of corn and wheat to the Soviet Union, which brings the total sale of grain to the Soviet Union for our 1975 crops to 16.5 million metric tons.

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Beyond that, we have already sold grain from the 1976 crop as a part of an agreement my Administration negotiated with the Soviet Union to insure the sale of at least six million metric tons of grain to the Soviet Union every year through 1981. I hope we can sell them even more.

This long-term agreement was a direct and beneficial result of the negotiations pursued by this Administration last fall. Last summer a short Soviet crop brought the Soviet Union to the American market for 375 million bushels of grain. Our wheat harvest was nearly completed by July, but dry weather had already caused damage in the Western corn belt.

We could not discount the possibility of another drought or an early freeze, as we had had in the previous year of 1974. To protect our livestock producers, our regular customers overseas and the American people, we were forced to intervene to learn the Soviet's intentions.

With the greatest reluctance, we put a temporary hold on further grain sales to the Soviet Union. Pressures mounted in the Congress--as I am sure Carl and Roman can attest to--to halt all private grain sales and putting agricultural exports in the hands of a Government management and control board, just as Canada and some other countries have at the present time.

You and I know that is the last thing we need -- is the Government running your business 365 days a year. The situation, however, did require corrective action and a long-term solution.

The solution was the negotiation of a five-year agreement at market prices that agreement is working and working very well.

Now, we have a very steady market, not a boom and bust cycle that can't be controlled or can't be predicted. The prospects for grain and soybean sales this year are very excellent, carryover inventories are much higher than a year ago and as of April 1 the wheat stocks in the United States were up 42 percent from last year.

Corn stocks were up 27 percent. In soybeans, stocks were up 31 percent. Early nationwide production forecasts indicate this year's crops should be bountiful. Thus, our inventories and our production should be fully sufficient to satisfy all of our domestic and export demands.

Therefore, I foresee no prospects whatsoever of any Government interruption of the exports of the American farmer.

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These good sales and glowing prospects are the fruits of free trade. They are also the benefits of peace, of aggressive, successful negotiations and of your own hard work. Furthermore, they are a major force behind America's rising prosperity and I congratulate and thank each and every one of you.

I have no intention of exploiting the American farmer by using farm exports as a pawn in America's foreign policy. Nor do I intend to see America's farm export market jeopardized by corruption or inefficiency at the grain inspection station.

I have directed the Department of Agriculture to do everything it can to maintain the confidence of our export grain customers through proper certification. In addition, I favor legislation providing more careful supervision of grading and weighing of grain for export, but turning over your business to one government bureaucracy, federalizing the entire inspection system, is going much, much too far and I am opposed to it.

It is not necessary to extend Federal participation to interior points where no hint of impropriety has ever been reported but I intend to see corruption in the grain inspection business stopped, and will stop it firmly where it has existed.

I also intend to reduce the excessive government regulation of farm operations. For that reason, I was glad to sign the legislation exempting custom combine operators and other skilled farm workers from the provisions of the Farm Labor Contract Registration Act.

Incidentally, I would like to sign an amendment to that legislation shortening the title of the Act, but I guess you can't have everything.

I do favor Federal regulation when it is necessary, as in the case of the proposed Parker bonding legislation to protect livestock producers against losses from bankruptcies and other serious financial problems in the livestock packing industry.

The future success of American agriculture depends on striking a better balance between providing government assistance where it is needed and removing government restrictions which are not needed.

My Administration is working hard to strike that balance because I know that the future of America depends so much on you, your work, as well as your success. I have taken steps to enhance that future by recommending in my latest budget proposals a \$21 million increase in funds for new fundamental research efforts in agricultural sciences. Research has been the key to the American farmers' miraculous production revolution.

If we are to double world agricultural output in the next 25 years as we must, both new technology and better use of existing technology are absolutely essential. Your own University of Nebraska has benefitted from our research programs and I must say returned the favor. In a joint effort with the Department of Agriculture, the University has developed a rugged new strain of winter wheat which now accounts for a major portion of our total winter wheat crop.

Finally, the future depends on the new generations of Americans who will take your places on the farms and the fields of America. I want to preserve the family farm, one of America's greatest resources. I want those farms to stay in the family rather than be sacrificed to pay the tax collectors.

Accordingly, I have proposed legislation to increase the estate tax exemption from \$60,000 to \$150,000 and in addition, to stretch out estate tax payments at very low interest rates over a 25 year period, and to exempt transfers of property between husband and wife.

My policy, then, is for you to grow all you want and all that you can sell for the American consumer to have a plentiful supply of good food and quality fiber, for our agricultural exports to sell at record volume at market prices, for the government to stay off your backs and off your farms except where you want them and for family farms to stay in the family.

And as I close, I am proud to say that I have a Secretary of Agriculture, a good friend of yours, Earl Butz, working with me to make our farm policy successful.

To reflect the Secretary's dominant role in all farm policy, both foreign as well as domestic, I have appointed Earl to serve as a Chairman of my Cabinet level Agricultural Policy Committee, but he is the first to admit we need the advice of the farmer as well as the government official.

I can assure you I will reemphasize it and reaffirm it, this Cabinet committee in no way whatsoever replaces the many committees sponsored by the Agricultural Department through which farmers give us guidance on everything from grazing problems to commodities to research activities. You have helped us make the farm policies we followed the last 21 months. More importantly, you have helped make those policies successful. We are a good team and I would hate to see a good team broken up right in the middle of the ball game.

That is why I am in Nebraska, my native State, asking for your support next Tuesday, next November and for the next four years.

Thank you very, very much.

QUESTION: Mr. President, I am President of the Nebraska Livestock Feeders Association. We want you to know that we appreciate this opportunity to personally ask you questions about Government which concern us. Since 1973 the livestock industry has been served some catastrophic blows by the Federal Government. In 1973 the Administration opened up the import quotas, first of all, and secondly price controls were put in effect.

The net result was upsetting the normal marketing patterns causing prices to decline and thus tremendous loss to the livestock industry.

The question I have for you, Mr. President, is if similar conditions to 1973 arose, would your Administration have to bow to consumer pressures at our expense or would it stand by the industry which has produced red meat so efficiently and abundantly in the past?

THE PRESIDENT: First, I am sure you recognize I was not President in 1973, or whenever the price ceilings were placed on cattle. I think you know that I have fought a very hard battle against outside forces, against some Members of Congress in both the House and the Senate, against wage and price controls.

I repeatedly said from the first day that I became President that I was totally, unequivocally opposed to wage and price controls. I was then, I still am, and I will continue to fight anybody who wants to impose them on this country. They were wrong in the first place, they are wrong now.

QUESTION: Thank you, Mr. President.

QUESTION: Mr. President, Mr. Thomas Kauper in the Department of Justice has testified and made speeches that are viewed by farmer cooperatives and farmers as trying to weaken or destroy the farmers' bill of rights as set forth in Capper-Volstead. Could you give us your position on Capper-Volstead?

THE PRESIDENT: My best recollection is that I believe the legislation is sound. I believe the legislation should not be tinkered with and, therefore, any proposals to change it have not come to my desk and, therefore, since I believe in it, I think it ought to stay where it is.

QUESTION: Mr. President, I am a practicing veterinarian. The Nebraska Medical Association members present this evening thank you for the invitation to be present at this Forum. It is estimated the Nebraska livestock industry lost \$180 million due to livestock disease in 1975.

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The profession is in complete accord that we have effective and safe pharmaceuticals and biologics. However, the last few years the profession has lost a great number of effective and needed pharmaceuticals because of Food and Drug Administration regulations.

Likewise, the profession has lost the use of a great number of effective and needed biologics because of U.S.D.A. efficacies and safety standards that are too stringent.

Sir, is there some possible way in which the practicing veterinarian can have a hand in the decision-making and product development of pharmaceuticals and biologics that are badly needed today and to help in curtailing our livestock losses?

THE PRESIDENT: I see no reason why there can't be an input from the veterinarian profession, but I think it is also accurate to say that in many cases -- and I believe it would be true in this case -- that the kind of legislation that has been written is so rigid and so lacking in flexibility that the department itself is almost hamstrung in what it can do or what it can decide.

I know that is true in some of the areas where EPA has been faced with the problem of certain pesticides. The legislation in that case I know categorically is so tightly drawn that there is absolutely minimum limit of flexibility as far as EPA is concerned.

This is what happens very often -- I don't say in every case and maybe in the case that you cite there is more flexibility -- but the tendency has been for the last six or ten years that Congress will write legislation that sounds good at the time it is enacted.

It is a very good illustration of that in what we call the Delaney amendment, which says that if a certain substance produces cancer in heavy doses in animals, it automatically must be banned. That is in the legislation without any equivocation, so some of the problems that you raise and others may raise go back to the fundamental legislation passed by the Congress.

Now, I am not exempting all the bureaucrats, believe me, but if there is any reason -- and it appears on the surface there is -- for the veterinarian profession to participate in some of this program establishment, I would be the first to advocate it and I will talk to the Secretary of Agriculture after we finish here about it.

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QUESTION: Honorable Mr. President, distinguished Senators, Secretary of Agriculture, I deem it a privilege to be here this evening for this farm forum. I am President of the Nebraska Farmers Union.

My question is, since the Government has put a ceiling on grain prices for the last three years in a row by various kinds of controls and embargoes on exports, now for the next five years the Government's agreement with the Russians provides there will be controls on what the Russians can buy any time they might want more than the average of the past several years, the question is if the Administration insists on putting a ceiling on farm prices to keep them from going up in times of shortages, why don't you put a floor under farm prices to keep them from going down in times of surpluses?

THE PRESIDENT: Sir, I know you have no ceiling price on any farm commodity. Certainly none have been applied since I have been President. None. So I think we have to dismiss that because it is not a fact.

Now the situation in the five-year agreement with the Soviet Union provided that in this year's crop or last year's crop they could buy 6 million more metric tons than they had bought up to the time of the agreement, and as I was checking the facts and figures today, they have got a leeway of about another million tons before they can say "Can we buy some more."

Well, as I said a moment ago, I see no circumstances whatsoever as to why, if they wanted to buy two million more tons or five million more tons, we wouldn't sell it to them. We would sell it to them, and I said that once and I will repeat it here again.

Now in the five-year program that goes through 1981, they guarantee to buy 6 million metric tons. That is above the average that they have bought over the last five-year period. And they can go up to 8 million metric tons without consultation. If they want to buy more than that, there is no problem, as I see it.

So there is no ceiling, one on prices, and little or no ceiling that I see in any way whatsoever as far as the purchase by the Soviet Union or the sale by us of grain.

QUESTION: How about the floor?

THE PRESIDENT: Well, as I recall, we have -- what is the target price -- I don't recall what it is for corn and wheat and soybeans, but there is a floor under the target price established in the legislation that was passed first three years ago and extended last year. It goes into 1977. There is a target floor price and that target floor price is aimed at making certain that there is a basic ceiling. But it is much lower than the market price now. It is much lower than the market price that anybody anticipates, so it is an insurance policy but one that I don't think the farmers will ever have to use.

QUESTION: Mr. President, I am Executive Secretary of the Nebraska Livestock Feeders Association. Would you support investigations and action against the Amalgamated Meat Cutters and Butcher Workmen, which is an AFL-CIO affiliate on their restraining of trade activities.

For example, they will not allow fresh meat to be sold in Chicago without a meat cutter being present and, therefore, people in Chicago cannot buy fresh meat after 6 o'clock at night, even though the store might be open, and they are also banning the use of pre-cut or boxed beef in many cities even though the new technology does create a savings of from \$30 to \$50 a carcass and it is recorded that the areas where boxed beef is prohibited by Union rules covers about 16 percent of our population or about 33 million people.

THE PRESIDENT: I strongly oppose those kinds of free market interferences. I think they are fundamentally destructive as far as the consumer is concerned. I think they are harmful to the producer. Those kinds of restraints of trade, in my judgment, ought to be eliminated, and as far as I am concerned, they can either be done by affirmative action of the Department of Justice or they can be done by enactment of legislation.

I would favor one or either of those approaches.

QUESTION: Mr. President, I am representing the Nebraska State Grange and we certainly appreciate the opportunity to visit with you today.

First of all, I would like to comment that the last time I visited with you we talked about the number one problem to agriculture was inflation. I believe this is still true. The Grange certainly supports your attempt to control inflation by your method of cutting Government spending and certainly deficit spending.

We also talked at that time about your efforts to lower unemployment and also getting the economy moving and again the Grange supports your efforts in this area, particularly as you try to encourage private enterprise to move into this area as opposed to Federal spending, Federal Government jobs and Federal programs.

My question today is we also support your efforts to continue the present farm program to some degree. Now we recognize that after 1977 we are going to have to come up with a new Federal farm program. We would hope that this would be one of the priorities after the fall election, and I am wondering if at this time you have any comments that you would like to make as to offer any changes in the present program, what they may be or may not be?

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THE PRESIDENT: First, I would expect that Secretary Butz, in his Agricultural Policy Committee would give me the specific recommendations for any change, if any--my basic judgment is that the present law, as far as it affects corn and wheat and soybeans, is good, sound basic legislation. I would vigorously oppose going back to the kind of legislation that existed for most of the 25 years that I served in the Congress where we had the net result of heavy surpluses, restricted acreage, of minimal overseas market, that kind of a program I would vigorously oppose.

I participated when we made the change from that kind of program to the kind we have today, when I was a Member of the House of Representatives, and unless I see some serious deficiencies -- and I don't see any now -- I would basically propose the continuation of our present farm legislation. I think it is consistent with my basic philosophy, which is to minimize Government regulation, to maximize the utilization of a free enterprise system and to give the individual the kinds of economic freedom and liberty which has made this country great.

That is the kind of farm legislation I think we have and that is the kind I want for the next four or five years.

QUESTION: Mr. President, I am a veterinarian at North Platte, Nebraska. As I recall, one of the first acts or one of the first vetoes that you levied was against the Animal Health Research Bill after you took office. In 1940 there was 40 percent of the Federal reserve budget spent for agricultural and livestock disease research. By 1975 this had diminished to 1.5 percent.

Most of the research funds at the present time are dispensed on defensive type research. The Hatch Act, as amended, in 1956, provided for 50 percent of the Federal funding and 50 percent of the funding from the States. At the present time the Federal portion of this has dropped to 18 percent to support this research. There is an ever-increasing demand for food production. Even with such problems as the energy crisis, the environmental controls that we have to contend with and OSHA, agriculture has met these demands in the past -- and I was very encouraged to hear you talk this evening about the research bill that you are funding.

Would you please give us a little more information on that as to what it will be to support?

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THE PRESIDENT: Doctor, that bill that you mentioned was legislation sponsored by Congressman John Melcher of the State of Montana. What he wanted to do was take out of the total research budget for the Department of Agriculture and say, this particular part should be firm, inflexible and everything else had to then be divided up.

I was advised by the top people who were the research experts that it would be inadvisable to pick an arbitrary cut just for one segment of agricultural research and to let everybody else fight for what was left, and because I think the research experts ought to have flexibility, one year the problem you raised may be the the most important, the next year some other agricultural research project might be far more important. And it seems to me if we have good people in agricultural research in the Department of Agriculture, they ought to be able to make the kinds of decisions that are sound in the research field, and I do know that whoever is in charge does get the advice and counsel from the agricultural research people around the country at the time they put their budget together, and on the basis of their recommendation in November, I increased the Department of Agricultural Research budget by \$21 million as I indicated in my remarks.

Now, from my experience in the Congress, I think rather than categorize how much in each area, you ought to give more money and you ought to give flexibility to the experts, and may I add a feature about research and development which is a very important part of our Federal Government's overall effort.

The Federal Government in the budget that I submitted this last January to the Congress includes about \$26 billion in just plain research. That is across all departments. It is an 11 percent increase in research, both applied as well as basic research. As the \$21 million figure indicates, agriculture got its fair share of that increase.

Now, the problems that we are trying to solve most dramatically come in the field of energy. I increased the energy research funds by about 35 to 40 percent. We substantially increased the funds for solar research. We substantially increased the funds for the kind of projects which I know the people in Nebraska and Kansas are interested in, windmill projects. Those are not projects that will have a big payoff right away, but they are projects we have to fund. We have to increase our funding. I did increase the funding because in the long-run research in America has paid off and helped to make us where we are today, and in the world we face for the future, we have to do more and more of it in order to keep ahead, and I am a strong advocate of research and in the case of agriculture, I think the record proves it.

QUESTION: Mr. President, I am a farm wife. First, on behalf of the wives of America, I want to thank you for your proposal of tax free transfer of property between spouses. Just as a marriage cannot survive without the efforts of both spouses, in middle income families a taxable estate cannot be acquired unless both spouses work together.

According to the Farm Real Estate Developments Economics Research Service of the U.S.D.A., in Nebraska our farmland increased in value 1023.8 percent, and across 48 States 1126.3 percent between 1942 when the \$60,000 exemption was passed and now. In view of these statistics, would you consider raising the specific exemption more than the \$150,000 over the next five years? Also, will you try to push Congress in enacting a change in the near future, and when do you feel that we can expect a change?

THEPRESIDENT: I submitted the proposal that I mentioned going from \$60,000 to \$150,000 extending the payment of the taxes, the first five years no tax payment and then for the next 20 years phasing whatever is due above the exemption over a 20-year period. I did as you indicated, propose the transfer from one spouse to another without any tax burden being levied.

Now, I recommended that proposal in January. The House Committee on Ways and Means, which is where that kind of legislation must originate, has not -- I think they have held some hearings, but they have not taken any action.

Your good Senator, Carl Curtis, is on the Senate Committee on Finance. It might be or it could be attached to what we call a tax reform bill but -- I am not downgrading Carl Curtis' influence there -- in fact, he is one of the finest Members on that committee -- but I have some reservations that that legislation is going to go any place. Isn't that right, Carl?

Now, what we ought to do -- this is my own feeling -- is to get the House Committee on Ways and Means to take this legislation involving the estate tax and to try and send it through the House and the Senate in what we call a clean bill without "christmas treeing" it -- as Carl well knows -- where they add a lot of extraneous sort of private tax legislation.

So, if we can get the House Committee on Ways and Means to move, I don't think you would have any real problem in the Senate. I know Carl. He is for more than I want to give, but he wants \$200,000 and I am not going to fight him very hard.

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But, the point is we ought to get some action and we, from the White House, are working on the House Committee on Ways and Means. I don't want to promise you categorically because the Congress has been less than cooperative in a number of cases this year, and so all I can say is that I am committed and we are doing everything we possibly can and will continue to do it.

QUESTION: Mr. President, I am State President of the Nebraska Feeder's Auxiliary. In the interest of consumers and livestock feeders as well, is anything being accomplished to implement the same rigid inspection and grading standards on imported beef as our U.S. products are subject to and will it be labeled as imported?

THE PRESIDENT: This is a matter that is being considered in the Congress and being studied in the Executive Branch. Now, there are some -- it sounds very simplistic and very easy. If we get too tough and too rigid, it could have a reverse impact on what we want to sell abroad -- grain, wheat, soybeans, et cetera. It has to be a two-way street, and we expect them to keep the level up to a reasonable safety standard, absolutely.

But, if we are going to put punitive levels on it, it will be counterproductive because they will retaliate, close our markets to our other agricultural commodities. So, it is my feeling we ought to be absolutely certain that they meet our sanitary and safety standards, period. But we should not try to take punitive action because it could be very, very counterproductive as we try to expand our market for wheat and corn and soybeans and the other great American agricultural commodities.

QUESTION: Can we have it labeled as imported?

THE PRESIDENT: I see no reason why it cannot be labeled, none whatsoever.

QUESTION: That is very helpful. Thank you, Mr. President.

QUESTION: Mr. President, I am a veterinarian. My question relates to education. We have about 30,000 veterinarians in the United States. Less than 2,000 graduate each year. My question is this: We are interested in the Administration's intent toward continued support of professional education.

THE PRESIDENT: As I recall, about six or seven years ago there was a program initiated to try and help expand our veterinarian schools all over the country. I was quite familiar with it at that time because of the interest of Michigan State University, where they have an outstanding veterinarian school. I must be very honest and frank with you, I cannot give you the details on what the status is. I don't believe in kidding people. We can find out what it is and we will let you know, but I don't want to give you a wrong answer. It is just one that I can't give something categorical and definitive on. We will see that you get the answer.

Thank you.

END (AT 8:47 P.M. EDT)