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JANUARY 5, 1976

OFFICE OF THE WHITE HOUSE PRESS SECRETARY
(St. Louis, Missouri)

THE WHITE HOUSE

REMARKS OF THE PRESIDENT
TO THE
AMERICAN FARM BUREAU
FEDERATION CONVENTION

KIEL AUDITORIUM

11:05 A.M. CST

President Bill Kühfuss, Governor Bond, Senator Curtis, Senator Hatfield, Senator Allen, Congressman Al Ullman, and my dear friend and our wonderful Secretary of Agriculture, Earl Butz, fellow Farm Bureau members and guests:

I really welcome this 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 farmers. Today, the future of all Americans -- and I emphasize the world -- depends upon 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, the farmers, in recultivating America's old and cherished values, including our rededication to the highest moral and spiritual values. You, the farmers of America, took the challenge some 200 years ago. In the words of Ralph Waldo Emerson, describing the heroic stand at Concord Bridge in 1775, "The embattled farmers stood and fired the shot heard round the world."

Today, the farmer 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 who drives the tractors in your fields. 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 the terms of net farm income. I am fully 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.

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I pledge to do everything in my power of the Presidency to keep farm income high, and it will be.

You can anticipate that net farm income will approach \$25 billion 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, which incidentally included nearly \$4 billion in Government payments.

Today, I want to remind those who would minimize our national strength that over one-half of the grain moving across international boundaries throughout the world is grown by you, the American farmer, and we are proud of your efforts and your results.

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.

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I recognize that these actions resulted in confusion and concern among some of our farmers. The first Government interruption came in October of 1974 when the Soviet Union suddenly, and without any notice whatsoever, 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 livestock producers and our regular grain-buying customers overseas and the American public. Accordingly, contracts with the Soviet Union were renegotiated to change the proportions 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 the United States' 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, deep concern at that time about our own corn crop. Although the wheat harvest was nearly completed by July, our feed grain crop was still somewhat 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, a temporary hold on new grain sales to the Soviets, and later to Poland, was taken, I can assure you, 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 management and 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 long term solution. A temporary hold on the 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. Right now, ships filled with U.S. grain are now backed up at foreign ports waiting to be unloaded. There is likelihood that we may sell even more this year to the Soviet Union.

This new agreement now assures that the Russians will purchase at least 6 million metric tons of U.S. 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 it will buy about 100 million bushels of U.S. 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.

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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 more than 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 over the years, disruptive and unpredictable purchases lead to such problems as Congressional demands for export control and the refusal of unions to handle grain shipments. 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, and that is good for all of us.

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 there will be adequate food at home.

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

The alternatives were and are intolerable. The prospects of massive pile-ups at 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 and I hope you do, too.

Should we turn our crop over to a Government control board to manage and sell overseas? I emphatically say no and I hope you do, too.

Some in Congress and elsewhere are now questioning the wisdom of grain sales to the Soviet Union because the Soviets are intervening militarily in the newly independent 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 and 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 cease-fire and an 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 United States 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 export of grain to the situation in Angola would serve any useful purpose whatsoever.

In fact, withholding grain already under contract, already sold, would produce no immediate gain in diplomatic leverage. American grain, while important to the USSR, 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, 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 and quite dramatically demonstrated by their attitude toward the U.S. Trade Act Provisions of 1972 (1974) on Emigration from the Soviet Union.

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The linkage of grain diplomacy would mean disruption and hardship for you, the farmer, a serious increase in tensions between the world's two superpowers, and no effect, whatsoever 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, and we will.

Now, in these complicated and controversial times, it is imperative that you maintain the freedom to market crops and to find customers wherever you can. Strong agricultural exports are basic to America's farm policy and the freedom of every farmer to manage his own farm.

You should be rewarded, not punished, for producing each year much more than we consume at home. You must -- and I emphasize must -- export two-thirds of each year's wheat crop or cut back production. You must export 50 percent of our 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 in America. 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 the world is to eat. This is the farm policy that is bringing new life to our rural countryside.

Food, as all of you know, is now our number one source of foreign exchange. Farm exports last year totaled nearly \$22 billion. Our favorable \$12 billion balance in international agricultural trade offsets deficits in non-agricultural trade. It strengthens the American dollar abroad. This helps to pay for the petroleum and other imports that are vitally essential to maintain America's high standard of living.

We have heard much in the 1970s of petropower, the power of those nations with vast exportable petroleum resources. Today, let us consider a different kind of power -- agripower, the power to grow.

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Agripower is the power to maintain and to improve the quality of life in a new world where our fate is interdependent with the fate of others in this globe. People throughout the world 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 the United States -- our credibility around the world rests upon our vast resources as much as our defenses. As we assess our strength for peace, America's farming families stand shoulder to shoulder with our men and women in uniform, as they do the job for all of us, and we thank you for your contribution.

You and I share the same ideals, the same principles and the same commitment, a 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 with 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 the 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 we will stop this frustrating, unnecessary 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 the same combines that you use in your fields, but their farmers do not have the same incentives. They don't have the greatest piece of farm machinery ever built -- free enterprise -- and how fortunate we are.

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If we take freedom and enterprise away from the American farmer, we take food out of the mouths of millions and millions at home and abroad. Your exports in the 1970s are two and a half times as much as the corresponding years in the 1960s. Surpluses that once piled up in bins, in warehouses, depressing your prices, are not around anymore. Let us work together to keep it that way in the future.

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 for the benefits today, as well as in the future.

We need -- and thank goodness we have -- a fighting Secretary of Agriculture in Earl Butz. You don't know how he fights for you. You don't know how he sells for you. You don't know all the things he does, literally night and day, for you.

He is the advocate of profitable food production, the advocate of the farmer and the advocate of fair play, and I want to thank you, Earl, for the great job you have done for them and for the country.

I share your pride in the new strength of agriculture. You have made America the source of live-sustaining food production in a world that is increasingly short of food.

We, through your efforts, have provided \$25 billion in food for peace over the last two decades, the last 20 years. In the last ten years we have furnished the United States, through your efforts, furnished 80 percent of the food aid in the entire world, and during this Bicentennial year, we will ship approximately \$1 billion 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 throughout the world, and I compliment you for it.

You are not making an undue profit at the consumer's expense. While the price of bread, for example, went up nearly 11 cents a loaf over the last three years, wheat prices added only 1-1/2 cents per loaf. Non-farm costs added more than 9 cents.

I wish I had Earl Butz' loaf of bread here to illustrate.

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Let us never forget that America's farmers must profit if America is to profit. There must be enough income for you to replace machinery, conserve and enrich the soil and adopt new techniques and buy essential supplies. The continuity of our farm families is vital. Therefore, I want you to be the first to know that when Congress reconvenes, I will propose changes in our tax laws to revise family estate taxes.

I want this continuity preserved. I want this done so that farms can be handed down from generation to generation without the forced liquidation of family enterprises.

I know from my many personal friends in agriculture, too much labor, too much loving go into the development of a paying farm to dismantle it with every new generation.

It is not exaggeration to say that the fate of America in our third century and of all civilization depends on 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 its greatest material and human resources ever achieved by any Nation, has not forgotten the spirit of "can do". We can do and we, in America, will do as we have in the past.

The American farmer died for freedom on the bridge at Concord 200 years ago. The least that America can do today is to 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 is this: A Government big enough to give us everything we want is a Government big enough to take from us everything we have.

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

Thank you very, very much.

END (AT 11:36 A.M. CST)