

EMBARGOED FOR RELEASE
UNTIL 6:00 P.M. E.D.T.
(5:00 P.M. C.D.T.)

MAY 7, 1976

Office of the White House Press Secretary

THE WHITE HOUSE

TEXT OF REMARKS BY THE PRESIDENT
TO BE DELIVERED AT A
FARM FORUM

Holiday Inn Resort Complex
Omaha, Nebraska

It's great to be in Omaha -- and I hope the feeling is mutual.

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

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.

This very successful record has been achieved without a lot of bureaucratic interference from Washington -- and I don't think that's just coincidence.

You no longer have heavy farm surpluses hanging over the market, depressing your prices and costing the government a million dollars a day in storage fees.

Instead of storing grain in government bins we are selling it in record volume.

Farm exports totalled 21 billion, 600 million dollars in the last fiscal year, and it will be around 22 billion dollars this fiscal year.

We will export an estimated 3.1 billion bushels of wheat and feed grain 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, and 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 from our 1975 crops to 16.5 million metric tons.

Beyond that, we have sold grain from the 1976 crop as part of the agreement my Administration negotiated with the Soviet Union, to ensure 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.

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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, and we could not discount the possibility of another drought or an early freeze, as in the previous year.

To protect our livestock producers, our regular customers overseas, and the American people, we were forced to intervene to learn the Soviets' intentions.

With the greatest reluctance we put a temporary hold on further grain sales to the Soviet Union.

Pressures mounted in the Congress to halt all private grain sales and put agricultural exports in the hands of a government management and control board, as Canada and some other countries have done.

But you and I know that the last thing we need is the government running your business 365 days a year, year in and year out.

The situation, however, did require corrective action and a long-term solution. The solution was the negotiation of a five-year agreement, and that agreement is working very, very well.

Now we have a steady market, not a boom and bust cycle that can't be controlled or predicted.

The prospects for grain and soybean sales this year are excellent. Carry-in inventories are much higher than a year ago.

As of April 1st, wheat stocks in the United States were up 42 percent from last year, corn stocks were up 27 percent, and soybean stocks were up 31 percent.

Early production forecasts indicate this year's crops should be bountiful. Thus, our inventories and production should be fully sufficient to satisfy all our anticipated domestic and export demand.

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

These good sales and glowing prospects are the fruits of free trade. They are also the fruits 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 you and thank 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.

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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 more of your business to one more government bureaucracy -- federalizing the entire inspection system -- is going too far.

It is not necessary to extend Federal participation to interior points -- where no hint of impropriety has been reported.

But I intend to see corruption in the grain inspection business stopped. Period.

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 Contractor Registration Act.

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

I strongly favor Federal regulation when it is necessary, as in the case of the proposed Packer Bonding Legislation, which is needed to protect livestock producers from losses suffered as a result of bankruptcies and other serious financial problems in the livestock packing industry.

The future success of American agriculture depends in part 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 to strike that balance, because I know that the future of America depends so much on you and your work and your success.

I have taken steps to enhance that future by recommending in my latest budget proposal a 21 million dollar increase in funds for new fundamental research efforts in the agricultural sciences.

Research has been the key to the American farmer's 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 essential.

Your own University of Nebraska has benefitted from our research programs, and 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 place on the farms and fields of America.

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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 dollars, to stretch out estate-tax payments at low interest rates over a 25-year period, and to exempt from taxation transfers of property between husband and wife.

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

I am proud to have Secretary of Agriculture Earl Butz working with me to make our farm policies successful.

To reflect the Secretary's dominant role in all farm policy, I have appointed Earl to serve as 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 this Cabinet Committee in no way replaces the many committees sponsored by the Agriculture Department, through which farmers give us guidance on everything from grazing problems to commodities and research activities.

You have helped us make the farm policies we have followed in the past 21 months. More importantly, you have helped make those policies succeed. We're a good team and I would hate to see a good team broken up right in the middle of the game.

That is why I am asking for your support next Tuesday, next November, and in the years ahead.

Thank you very much, and now let's get to the questions.

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