

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

October 15, 1982

RADIO ADDRESS
BY
THE PRESIDENT

The Roosevelt Room

9:30 A.M. EDT

THE PRESIDENT: My fellow Americans, I am sorry for the delay in this broadcast due to technical difficulties. I am speaking to you from the White House over a special hook-up with radio stations across the farm belt.

I would like to discuss with you for a few moments the plans our administration has to meet important agricultural challenges we face together. I'm talking about increasing American farm exports, restoring our reputation as reliable suppliers, and regaining our world market share.

Before I do, may I just take a moment to congratulate you. Once again, you're making something look easy that would be considered a miracle almost anywhere else in the world. Farmers all over America are harvesting record crops. You know, I've always thought that when we Americans get up in the morning, when we see bacon, eggs, toast, and milk on our breakfast table, we should give thanks that our farmers are survivors. You are the real miracle workers of the modern world -- keepers of an incredible system based on faith, freedom, hard work, productivity, and profit -- a system that feeds us and sustains millions of the world's hungry.

Too often, people forget a basic fact of life. All those good things we enjoy come from the ache in your backs and your willingness to shoulder great personal risks. Right now, another fact of life in America's heartland is that things haven't been very good down on the farm. You, who produce the food and fiber essential to life itself, are carrying tremendous burdens -- sometimes impossible burdens. U.S. agriculture is in the grip of a prolonged economic recession that began in 1980. The record inflation and interest rates of the late '70s and that mistaken Soviet grain embargo laid the seeds for a very different bitter kind of harvest -- a vicious cost-price squeeze and lost markets. Together, they eroded confidence and destroyed too many dreams for prosperity.

I believe this government's proper role, indeed its only role, is to act as friend, partner, and promoter of American farmers and their products. I want, with all my heart, to see your burdens lifted, to see farmers who have given so much to America receive the rewards they deserve.

As Dwight Eisenhower once said, "Without a prosperous agriculture, there is no prosperity in America." From the moment we arrived in Washington, we've been working to solve those long-neglected problems that were dragging America down. Like any small businessman, a farmer lives or dies on his ability to sustain an adequate cash flow. And when that cash flow is reduced to a trickle by high inflation and high interest rates, a farmer sometimes has no option but to shut down his operation.

Add to all this your bumper crops and we understand why the cost-price squeeze is so bad and threatens the survival of agriculture,

MORE

America's bedrock industry. It's been tough, slow work and, as I told the nation Wednesday night, we still have a long way to go.

But we're beginning to make real progress on four of the five most serious problems we inherited. We are bringing down spending, bringing down inflation, bringing down interest rates and reducing your taxes.

You know, one of the parts of our tax program that I'm most proud of addresses a special problem for farmers. We don't think widows and children should lose what generations of love and toil created just to pay Uncle Sam a tax, so we took action to correct that. We increased the estate tax exemption to \$600,000 by 1987 and we eliminated altogether the estate tax for a surviving spouse. I hope all of these steps are beginning to bring some relief on your cost side of the equation.

As for prices, well, there are really only two ways to increase farmers' income -- sell more or produce less. Now, I'm not one who believes you should be cursed by your own success. The philosophy of this administration is to help farmers to succeed in the marketplace, not depend on the U.S. Treasury. Deciding how much to produce and how much to sell is best left to you. We, in turn, will make every effort to remove the barriers to the exporting of your products.

So that brings me back to what I mentioned at the outset -- our initiatives to increase exports, restore our reputation as a reliable supplier and regain our market share.

As you know, our administration moved early on to end that grain embargo which had hurt farmers so badly. Before the Soviet embargo, American farmers were supplying about 70 percent of Soviet needs. After the embargo, our market share dropped to less than 25 percent. Other nations had quickly moved in to fill the gap left by the embargo so that our farmers and our farmers almost alone bore the brunt of the embargo.

This year, we've fought our way back to 35 percent of the Soviet market. We're on our way back up. We can and we will do better there and around the world. Nothing is more crucial to the longterm health of agriculture than restoring this nation's reputation as a reliable supplier of agricultural products around the world.

During the past 20 months, we've pursued an agricultural export policy making three things plain. No restrictions will be imposed on farm exports because of rising domestic prices. No farm exports will be singled out as an instrument of foreign policy except in extreme situations and then, only as part of a broad embargo supported by our trading partners and world markets must be freed of trade barriers and unfair trade practices.

On that last point we've mounted a united front -- the Departments of Agriculture, State, Treasury, Commerce and the U.S. Trade Representative -- to speak out and act against the unfair trade practices of our competitors abroad. We're committed to more open agricultural markets in all countries and we're challenging others in negotiations, particularly our friends in Europe and Japan, to fully match this commitment.

It's imperative that all of us work together to reduce the growing tide of protectionism and export subsidies overseas.

MORE

If other countries can't understand an even-handed approach is in everybody's best interest, if they're not willing to play by the rules of the game, then let there be no mistake: We must and we will counter with strong measures of our own to permit American farmers to realize the benefits of their extraordinary productivity.

Now, in spite of my strong commitment, I know there is still concern in the farm community that we've not given sufficient assurance of delivery of our farm exports. I can understand farmers' skepticism. You've been burned so often in the past. But our new agricultural export policy means exactly what it says. We will honor our word.

Today I am directing Secretary of Agriculture Block to take two additional steps. Two weeks from now U.S. representatives will meet with the Soviets in Vienna for talks concerning additional grain purchases beyond the 8 million metric tons stipulated in Article I of the existing U.S./U.S.S.R. grain agreement. I am instructing the Secretary to make available a total of 23 million metric tons for purchase during the October 1, 1982-September 30, 1983 time period.

Second, the Secretary of Agriculture will extend to the additional purchases the same assurances of reliable delivery that the 8 million metric tons are afforded under Article II of the agreement.

If the U.S.S.R. will contract for the additional tonnage during the month of November and provided that it is shipped within 180 days from the date of the contract, these same assurances, of course, also apply to soybean and other agricultural exports. We have a large crop. We need commitments to move that crop and strengthen markets. Now, of course, we can't guarantee the Soviets will make these purchases, but we know they're shopping and they still have large needs.

We want to demonstrate that actions speak louder than words and we're taking tangible actions to restore this market. Year in, year out, there is no better, more reliable producer of food anywhere than the United States of America.

Now, some will say that by offering to sell the Soviets more grain we are sending a weak signal. That's wrong. We're asking the Soviets to give us cash on the line for the food they buy. We're not providing them with any subsidies or pumping any Western currencies into Soviet pockets.

It's always seemed ironic to me that many people who are so quick to sacrifice the interest of farmers in an effort to seem tough are unwilling to do the real things we need to send a signal of national will and strength.

During the last decade we had two grain embargoes. But during those same years we were also reducing our commitment to a strong national defense, while the Soviets were undertaking the most massive military buildup in history. We're not making that mistake in 1982. We have our priorities straight.

I wish I could tell you today that we've turned everything around for American farmers. I can't. I can only say that we're doing everything we can as rapidly as we can to make things right.

Thank you for keeping up the struggle. Thank you for your strength, your vision, and your faith. I know we can return prosperity to our heartland and to America. God has blessed us with a strong spirit and rich soil. With His help and yours we can make America once again the source of all the dreams and opportunities she was placed on this good earth to provide. Thanks for listening and God bless you.

END

9:40 A.M. EDT