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THE WHITE HOUSE

REMARKS OF THE PRESIDENT
AT THE
IOWA STATE FAIRGROUNDS

4:46 P.M. CDT

Governor Bob Ray, Senator John Culver, Representative Grassley and Representative Smith, Mayor Olson, Mr. Kleve, distinguished guests, ladies and gentlemen:

The first thing that I would like to do is to ask the Secretary of the fair, Ken Falk, to come forward.

First, I would like to congratulate Ken for the fine job that he has done, with the arrangements for the fair. Since I don't qualify for kid's day, free admission, I will gladly give Ken my \$2 to pay my way in. (Laughter)

Governor Bob Ray, I am deeply grateful for your more than kind and very generous introduction, and I can assure you that I will, to the very utmost, seek to live up to the high principles that you have set and the high principles that you indicated. I thank you very, very much.

Let me reassure you, however, that I will make these remarks very short and very much to the point. If there is one thing Iowa doesn't need in August it is more hot air. (Laughter)

Obviously, it is a great pleasure to be in Iowa, and as I look about me, at the industry, the creativity, the achievement, the good will, the good sense and the good humor of all who are here today, I can't help but think that in Iowa, happiness is contagious -- you catch it from each other.

Flying over mile after mile of the heartland of America to get here this afternoon, I couldn't help but think that these vast farmlands are perhaps our Nation's greatest asset.

The farm community, the men and women and children who are a part of it, are prime examples of the resourcefulness and the industry of all that is good in this great land of ours.

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What a remarkable achievement it is that less than 5 percent of America's population feeds the remaining 95 percent of us, with enough left over to significantly supplement the food needs of much of the rest of the world.

I congratulate each of you who participate in this miracle of abundance. You should be very proud, as we are proud of you.

I think it is amazing that in our Nation today one farm worker provides food for himself and 55 others. Output per manhour on the farm has nearly tripled in the last two decades.

There are reasons -- understandable reasons -- for this.

One is the high capital investment in agriculture. Another is hard work by the men on the farm. The third is individual initiative.

American farmers have moved very quickly to adopt new techniques, new machinery and new science and technology.

As a result, capital investment in agriculture has reached more than \$98,000 per worker, the highest in the world.

In contrast, capital investment in manufacturing in our country stands at \$55,000 per worker.

The results are here to see. The productive genius of American agriculture provides a showcase filled with the bounty of our Nation's farms.

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And I am delighted, and I thank you, too, that farmers have responded so enthusiastically to the demands of the market for full production. Of course, I am concerned about crop losses in Iowa due to the dry weather the last several weeks. But the general abundance of the crop in the Middle West shows that gains can be made from a policy of full production.

Be assured -- and I say this with emphasis -- that this Administration's national farm policy is and will continue to be one of full production. It is good for everybody.

It is a policy of fair prices and darn good income for farmers through commercial sales of their products on a worldwide basis.

It is a policy not of Government handouts, but of Government hands off. However, and this is equally important, let me assure you that your government will be involved when your interests are at stake.

For example, charges have been made by some foreign buyers that American grain shipments on occasion have been of lesser quality than specified by shippers, and weights have been under what they should be.

Unfortunatly, some of these charges are true. But our farmers are not at fault. And just as importantly, I will not permit our farmers' integrity to be jeopardized.

I can assure all farmers and their overseas customers that we will move vigorously to clean up the problem. We will demonstrate to the world the validity of America's reputation as an honest and dependable supplier of high quality farm products. That is the kind you raise in Iowa. That is the kind we will ship from our ports.

In recent weeks, a great deal of interest has been aroused by Soviet purchasers of American grain. So far -- and I emphasize so far -- these purchases total 9.8 million tons, that is about 382 million bushels.

As you all know, the Agriculture Department's August crop forecast, which was announced last week, calls for record crops of corn and wheat and above average crops of other grains. Estimates of corn and wheat harvest were down slightly from the July 1 forecast because of dry weather. But we still expect a record crop. We are grateful and we thank you.

Looking ahead -- and I use these words advisedly -- we anticipate further purchases of grain by the Soviet Union. While our crops look good, and we expect a record harvest, it is still premature to confidently predict our final production.

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Accordingly, as Secretary of Agriculture Butz said, we have asked American exporters to temporarily -- and I emphasize temporarily -- delay further sales to the Soviet Union.

Additional sales to the Soviet Union must be in our best national interest, in the interest of all Americans, farmers and consumers alike.

We must be sure that we have enough grain to meet our needs and the needs of our traditional customers who have consistently bought from us throughout the past several decades.

Year in and year out, farm incomes are dependent on a pattern of expanding exports to long-term customers. Let me emphasize that our sales of grain and their food stuffs to the rest of the world is one of the brightest areas of our economy. These sales insure a firm, fair price for your hard work and your tremendous investment. These sales create jobs on the farm and in the factories of manufacturers and suppliers.

They have given us self-sufficiency in nutrition that is the envy of the world.

Last year, U.S. farm exports shipped to purchasing nations totaled nearly \$22 billion. Since we imported less than \$10 billion in agricultural products, this means we received approximately \$12 billion net earnings from farm product trade on a worldwide basis.

I think this is a green harvest we all understand. And we should be proud of it. Consider for a moment what would happen if that \$12 billion of positive foreign exchange were all of a sudden erased or eliminated.

We would have a huge balance of payments deficit. Our dollar would be weakened in foreign markets, and we would pay higher and higher prices for the many things we import every day.

In short, our nation's farmers not only raise crops, but our standard of living as well. And we are deeply grateful to you for that contribution to our national welfare.

The food stuffs that you produce and America exports are a dynamic contribution to a stable and orderly world.

As the race between the stork on the one hand, and the plow accelerates, American farm exports become more and more and more important. By the year 2000, world population could be over 6-1/2 billion people instead of the 3 billion 800 million it is today. This means that about 75 percent more people need to be fed -- a massive challenge at a time when there is no new Western Hemisphere to discover nor any more virgin Iowa sod to plow.

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A sound, fully productive agriculture is a key element of this Nation's quest for peace. Let me emphasize that. Fully productive agriculture is a key element of this Nation's quest for peace.

The American farmer has become a vital part of this effort. Our agricultural abundance helped open the door to 800 million people on the mainland of China. It helped to improve relations with the Soviet Union. It helped to build bridges to the developing world. It enabled us to contribute over the past 20 years about \$25 billion worth of food to hungry mouths throughout the rest of the world.

We are truly fortunate people, and the American farmer stands ten feet tall in his contributions to this Nation's greatness.

Man's future is virtually unlimited if approached with a spirit of optimism and openmindedness. We can be optimistic because of the strength you in this great Midwest give to this Nation and the sustenance that you give to the world in all parts of the globe.

All Americans, indeed all peoples, are in your debt.

Before I leave this wonderful audience -- and it has been, and I thank you so much -- I have a very pleasant assignment to perform.

I have asked your great Governor Bob Ray to please join me at the podium.

Bob, the Iowa Development Commission has been very successful in promoting exports of goods manufactured in your State. They have been so good, in fact, that the U.S. Department of Commerce is giving its "E" award to the Commission.

The award is given for outstanding performance in promoting exports from the United States.

I want to present it to you, Bob, on behalf of the Commission. The "E" award has been well earned. Iowa manufacturers exported slightly over \$200 million of goods to the other countries in 1960. By 1972, this had been more than doubled to about \$575 million.

In just two years -- two very short years -- this has jumped by over 60 percent to more than \$1 billion last year. Even though Iowa ranks 25th in population, this State ranks 21st in the exporting of manufactured products. When you add the great agricultural products or exports that I talked about earlier, Iowa ranks 12th out of 50 States in the Union. That is a great record to be proud of.

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I congratulate you, Bob, and all of you good Iowans for adding so much to this country's favorable balance of payments and, equally important, creating more, many more, jobs in your great State.

Thank you very much.

END (AT 5:06 P.M. CDT)