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THE WHITE HOUSE

REMARKS OF THE PRESIDENT  
AT THE  
OKLAHOMA STATE FAIR

THE OKLAHOMA STATE FAIRGROUNDS

5:59 P.M. CDT

Governor Boren, Senator Bartlett, Congressman Tom Steed, John Jarman, Ted Risenhoover, Ed Gaylord, ladies and gentlemen:

I am highly honored and overjoyed to be here with you, and I express, on behalf of Betty and myself, our deep, deep gratitude for the wonderful welcome and reception we have received. Thank you very, very much.

As a former college football player, I can't tell you how pleased I am to be here in Oklahoma again -- the home of the number one team. Michigan is number two, and we are going to try and get ahead. (Laughter)

I like to come to Oklahoma because adventure still lives here, and it was so beautifully expressed by your fine Governor, Dave Boren. The pioneering spirit of the founders of Oklahoma's independence and self-reliance exists as your mighty plains, cities and towns.

It represents, as Will Rogers used to say about Oklahomans, the work of the big, honest majority. I salute you for your achievements and commend you for your visions of an even brighter and brighter future.

Today, the ranchers and farmers of Oklahoma and of other parts of the country have become the most productive in the world. Last year alone, the United States exported nearly \$22 billion in various agricultural products.

Without these exports, our country would have had a huge balance of payments deficit. Our dollar would have been weakened in foreign markets, and we would have had to pay higher and higher prices for the items we import from abroad.

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In short, the American farmer not only raises crops but raises the overall standard of living of every American -- 210 million Americans -- and I compliment you for it.

As many of you know, I advocated a policy of full agricultural production last year. It is not in the long-term interest of the American farmer or consumer to limit the production of wheat, feed grains or any other agricultural product. Our country has now achieved a record wheat crop and a record corn crop is expected by the end of the year. It is a record that every American farmer can be proud of and we are proud of you.

Far too often the American farmer has been made the scapegoat of many of our economic problems. The price of beef goes up--blame the farmer. The price of milk goes up -- blame the farmer. The price of bread goes up -- blame the farmer.

Well, I know and you know the farmer is not the blame for the inflation we have today. I recently read in a news magazine that when it comes to bread, the food product that seems to get the most attention, the farmer only receives 17 percent of the total retail price of that loaf of bread. The middlemen get the rest. The American farmer is not the beneficiary of inflation, along with every other American, he is the victim.

Fortunately, we have some good news today regarding inflation and I would like to share it with you. The latest figures released this morning, and I have them here, indicate that in August the cost of living rose only two-tenths of one percent. This is the smallest monthly increase in more than two years and, contrary to all the finger-pointing at farmers, food prices held steady. The small rise was accounted for by other commodities, and other services.

Now, I have been around long enough to know that the good news of one month does not mean that the battle is won, but I do believe it means we are winning the battle against inflation if we just keep the pressure on. But let me assure you, this victory will not be achieved at the expense of the Nation's farmers, and I pledge you that.

The American farmer wants, and with very good reason, to sell all of his production either at home or abroad and I am here today to tell him and to tell you that we are working night and day to make certain that farmers will be able to sell what they produce in a free market at fair prices.

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We have built regular profitable grain trading relations with traditional buyers in Europe, Japan and elsewhere, therefore, we can generally count in advance on a certain level of sales to these long-time foreign customers. Farmers can plan for them and our marketing can accommodate them without disruption. The Soviet Union represents a relatively new factor in United States agriculture trading. Farmers have not been able to predict Soviet Government purchases and our market has been disrupted when Soviet purchases are unusually large on the one hand or unusually small on the other.

I am now giving priority attention to reaching an agreement that will enable us to trade with the Soviets on a more predictable basis. It would permit us to make, for example, additional sales this year and guarantee sales in the years to come.

So there will be no misunderstanding about what is happening in these grain negotiations with the Soviet Union, let's look at our last five crop seasons. Soviet grain purchases from the United States have fluctuated wildly in the last five years -- peaks and valleys.

In 1971-72, the United States sold 2.8 million metric tons of grain to the Soviet Union. In 1972-73, the figure soared to 13.8 million metric tons. In 1973-74, it dropped to 6.8 million metric tons and then plummeted to 2.2 million metric tons in 1974 and '75.

In this crop year we have already sold 10.2 million metric tons and the Soviets want to buy still more. These wide fluctuations, these peaks and valleys, have brought about serious repercussions in price and in marketing both here at home and around the world. They have caused serious international shipping complications. The United States wants a solid agreement from the Soviet Union on the future grain purchases. The American farmer would benefit tremendously from such an agreement.

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It would enable him to plan ahead and produce for a much more reliable market. It would strengthen this Nation's reputation as a dependable supplier and increase our long-term sales. At the same time, full production would assure American consumers of plentiful supplies at reasonable prices.

Also, we must be in a position to deliver the grain that we sell. That, too, determines whether we are dependable suppliers. Once grain starts moving from the wheat fields of Oklahoma to the Russian docks, or to any other nation, it must continue to move or the total sale is jeopardized. This would cause unfavorable repercussions on markets and jobs here at home.

The purpose and the result of my discussions with labor representatives was to keep the grain moving that had already been sold while we negotiated for a long-term contractual agreement with the Soviet Union.

I am glad to report that encouraging progress is being made on an agreement which will enable us to make additional sales this year and substantial sales on a regular basis over the next five years.

Neither our Government, nor the Soviet Union, its Government, would set the price. The Soviets would pay the full amount, the full market price throughout the life of this agreement.

I am optimistic that the United States and the Soviet Union will reach this agreement, which will benefit American farmers and the American consumers, an agreement that will benefit both our countries so that the temporary halt in grain sales can be lifted.

There is still another very urgent challenge facing the United States and the people of this great State -- to make certain that we produce enough energy for our growing needs and produce here at home.

Many people in the United States apparently do not believe there is an energy problem, including too many Members of the Congress. I am glad to say it is not the Oklahoma delegation. But, they know who I am talking about.

I say to you in all seriousness, the United States is headed for very deep trouble unless we act while we have time -- we will soon have time only -- to react and that will be too late.

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We are engulfed in Washington in apathy on the part of some, distrust on the part of others, and indecision among still others. Let me repeat with emphasis, the energy threat is very real. It will not go away. It will grow steadily worse until the United States makes some hard, tough choices about its energy future.

Since 1971, the amount of money we have been spending overseas for foreign oil has skyrocketed by 700 percent. Our annual bill for foreign oil was just over \$3 billion four years ago, and today it has ballooned to \$25 billion.

That \$25 billion could have provided more than one million jobs for unemployed Americans here at home. As American dollars pour out of our country, so does our economic stability and our national security.

Eight months ago I proposed to the Congress this Nation's first comprehensive national energy program. Let me just tell you how many times since then I have tried to work out an energy solution with the Congress.

You won't believe this -- since January 1 of this year and as of a week ago, I held 48 energy or energy-related meetings with Members of the Congress. I have met at least once with 51 out of the 100 United States Senators and at least once with 304 out of the 435 Members of the House of Representatives.

I listened to their pleas and promises, asking for more time to act. I offered compromise, I sought cooperation, all without avail.

We are no closer now to a positive energy producing program from the Congress than we were eight months ago. May I, at this point, reiterate what I indicated a few moments ago -- and Henry Bellmon Dewey Bartlett, Tom Steed, John Jarman and Ted Risenhoover and the Speaker of the House of Representatives and the other Members of our delegation -- if I had that kind of full support from the delegations of every State, we would have had an energy program on the statute book six months ago.

I have met the Congress more than halfway. It is time for the Congress to cooperate, for the Congress to act to protect the future security and prosperity of the United States.

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The problem is perfectly obvious -- if we don't get a program on the statute books this year, you can bet it won't happen in a national election year. All efforts to achieve energy independence will be set back even further.

Don't believe those who tell you they are fighting to hold down your energy costs. We have a growing scarcity of domestic energy. Government controls to allocate this scarcity can't work because our energy shortfall is constantly increasing.

Those who procrastinate are not fighting to hold down your energy costs, they are fighting to put off the critical decisions we have to make as a Nation. The truth is the American consumer can no longer enjoy cheap energy, at least not in the lifetime of most of us.

Prices have increased, and they will continue to increase because foreign oil producers from faraway shores who sell us 40 percent of our needs have combined to raise their prices. They will increase even more as we become increasingly dependent on foreign oil.

That dependence continues to grow every single day as our domestic production continues to decline. That is why I insist on a new declaration of independence -- energy independence. I want and I need your help.

Under the plan that I submitted to the Congress in January, we will pay American dollars to American companies to produce American energy for American jobs and American profits and American taxes. That is a pretty good program. Don't you think so?

The real danger to our economy is not the actions I propose but the inaction that stifles more production here at home and increases our dependence on oil from abroad. That is the great danger -- the loss of economic freedom by the United States of America, the reckless risk of placing our national livelihood and our national security in the hands of others.

That doesn't represent American independence, self-reliance or the pioneering spirit. It is just plain chicken, and I don't think Americans admire it, want it or will stand for it.

I am counting on you -- the big, honest majority, as Will Rogers called you -- and millions of others like you across America who will decide our Nation's fate and who, in the final analysis, will be the producers and the protectors of America's greatness in the future.

Thank you, and God bless you.

END (AT 6:20 P.M. CDT)