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Office of the White House Press Secretary
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THE WHITE HOUSE --

TEXT OF THE REMARKS OF THE PRESIDENT
AT THE IOWA STATE FAIR

DES MOINES, IOWA
AUGUST 18, 1975

It is a pleasure to be here. 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, I couldn't help but think, too, that these vast farmlands are perhaps our nation's greatest asset. The farm community -- the men and women who are part of it -- are prime examples of America's resourcefulness and industry, of all that is good in this great land.

What a remarkable achievement it is that less than 5 percent of America's population feeds the remaining 95 percent -- 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.

In our nation today, one farm worker provides food for himself and fifty five others. Output per man hour on the farm has nearly tripled in the last two decades.

There are reasons for this. One is high capital investment in agriculture. Another is hard work by farmers. And a third is individual initiative. American farmers have moved quickly to adopt new techniques, new machinery, and new science and technology. As a result, capital investment in American agriculture has reached more than \$98 thousand per worker -- highest in the world. In contrast, capital investment in manufacturing in the United States stands at \$55 thousand per worker.

The results are there to see. The productive genius of American agriculture provides a showcase filled with the bounty of this nation's farms.

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

Be assured that this Administration's national farm policy is -- and will continue to be -- one of full production. It is a policy of fair prices and good incomes for farmers through commercial sales of their products.

It is a policy not of government hand-outs -- but of government hands-off. However, let me assure you that your government will be involved when your interests are at stake.

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For example, charges have been made by 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. Unfortunately, some of these charges are true -- but our farmers are not at fault nor will their integrity be jeopardized.

I can assure all farmers and their overseas customers that we will move vigorously to clear up this 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's the kind you raise in Iowa -- and that's the kind we will ship from our ports.

In recent weeks, a great deal of interest has been aroused by Soviet purchases of American grain. So far, these purchases total 9.8 million tons -- that's 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 the 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 thank you.

Looking ahead, we anticipate further purchases of grain by the Soviet Union. While our crop looks good and we expect a record harvest, it is still premature to confidently predict our final production. Accordingly, as Secretary Butz announced, we have asked American exporters to temporarily delay further sales to Russia.

We must be sure that any additional sales to the Soviet Union will 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 through the years. 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 other foodstuffs to the rest of the world is one of the brightest areas in our economy. These sales insure a firm, fair price for your efforts. They create jobs -- on the farm and in the factories of manufacturers and suppliers. They have given us a 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 of net earnings from farm product trade. This is a green harvest we all understand.

Consider for a moment, what would happen if that \$12 billion of positive foreign exchange were erased. We would have a huge balance of payments deficit, our dollar would be weakened in foreign markets, and we would pay higher prices for the many items we import every day.

In short, our nation's farmers not only raise crops -- but our standard of living as well. The foodstuffs that you produce and America exports are a dynamic contribution to a stable and orderly world.

As the race between the stork and the plow accelerates, American farm exports become more and more important. By the year-2000, world population could be over 6.5 billion, instead of the 3.8 billion it is today.

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This means about 75% more people to feed -- a massive challenge at a time when there is no new Western Hemisphere to discover or no more virgin Iowa sod to plow.

A sound, 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 improve relations with the Soviets. 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 a fortunate people -- and the American farmer stands 10 feet tall in his contribution to this nation's greatness.

Man's future is virtually unlimited if approached with a spirit of optimism and open-mindedness. We can be optimistic because of the strength you in this great Midwest give to this nation and the sustenance you give to the world. All Americans, indeed, all people, are in your debt.

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