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Office of the White House Press Secretary

THE WHITE HOUSE

TEXT OF REMARKS BY THE PRESIDENT
TO BE DELIVERED AT THE
OKLAHOMA STATE FAIR

OKLAHOMA CITY, OKLAHOMA

It is good to see the open spaces and open faces of Oklahoma. It is exciting to be here -- with the Sooners of Oklahoma.

Adventure still lives here. The pioneering spirit of the founders of this great State -- independent and self-reliant -- exists as surely as the plains and rivers and cities which we flew over enroute here. Today, the spirit of Oklahoma is reflected in that which has made this a great State -- for one thing, agriculture. Oklahoma's annual gross income in agriculture -- crops and livestock -- approaches \$2 billion. Your energy resources -- oil, natural gas and coal -- bring in gross annual receipts of \$1.75 billion.

These are the products of your efforts -- 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 vision of an even brighter future. I have no question that Oklahoma is in step with the future. Your two major economic sources -- agriculture and energy -- are increasingly vital to the United States and to our role in the world.

Our energy needs are enormous. In the past decade, American energy use increased by nearly 50 percent. Our dependence on high priced foreign oil -- and therefore on the whims of foreign governments -- has more than doubled.

At the same time, the farmers and ranchers of Oklahoma and of other parts of our 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 pay higher prices for the items we import from abroad. In short, the American farmer not only raises crops -- but raises the overall standard of living of all Americans.

As 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. The American farmer now wants -- with good reason -- to sell all of his production either at home or abroad. I am here today to tell him that we are working night and day to ensure that he can sell in a free market at fair market prices. We have built stable and profitable grain trading relations with traditional buyers in Europe, Japan and elsewhere. Therefore, we can count in advance on a certain level of sales to these foreign customers. Farmers can plan for them and our market can accommodate them without disruption. The Soviet Union represents a relatively new factor in United States agricultural trading. Farmers have not been able to predict Soviet government purchases and our market has been disrupted when Soviet purchases are unusually large or small. 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 additional sales this year and guarantee sales in years to come.

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So there will be no misunderstanding on the part of farmers or other Americans about what is happening in these negotiations on a grain agreement with the Soviet Union, let us look at our last five crop seasons: Farmers well know--but others may need to be reminded--that Soviet grain purchases from the United States have fluctuated wildly in the last five years. In 1971-72, for example, the United States sold 2.8 million metric tons of grain to the Soviet Union. In 1972-73, that figure soared to 13.8 million metric tons; in 1973-74, it dropped to 6.8 million metric tons and then plummeted down to 2.2 million metric tons in 1974-75. This crop year we have already sold 10.2 million metric tons and the Soviets want still more.

These wide fluctuations have raised serious repercussions in price and marketing both here at home and around the world. They have caused a maze of international shipping complications. Our commitments to traditional foreign purchasers as well as our food assistance to hungry peoples worldwide have created extremely complicated national and international problems.

Obviously, the United States wants a solid agreement from the Soviet Union on future grain purchases. The American farmer would benefit tremendously from such an agreement. It would enable him to plan ahead and produce for a 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 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 other nations, it must continue to move or the total sale is jeopardized. This would cause unfavorable repercussions on markets and on jobs here at home. The purpose and 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.

The United States wants a multi-year purchase agreement for the reasons which I have outlined. Neither our Government nor the Soviet government would set the price. The Soviets would pay the full market price throughout the length of the agreement. The agreement would include a firm advance commitment from the Soviet Union to buy specified minimum metric grain tonnage.

In other words, the agreement would establish an amount which the Soviets would purchase each year and offer the possibility that more could be sold. Such an agreement will enable us to make additional grain sales this year and to make substantial sales in future years as well--to the benefit of American farmers and without harm to American consumers.

I am optimistic that the United States and the Soviet Union will reach an agreement that will benefit both our countries so that the temporary halt in grain sales can be lifted. Between now and the year 2000--just 25 years away--the world's population is expected to almost double. This is tremendous challenge to American agriculture. It is a mighty challenge to the people of Oklahoma. There is an even more urgent challenge facing the United States and the people of this State--and that is to make certain we produce enough energy for our growing needs and produce it here at home.

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Many people in the United States apparently do not believe there is an energy problem -- including too many Members of the Congress. But I say to you today in all seriousness that the United States is headed for deep trouble. Unless we act while we have time, we will soon have time only to react -- and that will be too late.

As far as a solution to this problem is concerned, we are engulfed in apathy on the part of some --- distrust on the part of others --- and indecision among still others.

Let me repeat: The energy threat is 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 sending overseas for foreign oil has skyrocketed by 700 percent. Our annual bill for foreign oil was just over \$3 billion four years ago and has ballooned to \$25 billion today. 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 national security.

Eight months ago, I proposed to the Congress this Nation's first comprehensive national energy program. During this time, I met with Members of the Congress day after day, week after week, month after month -- pressing for action on an energy program. I listened to pleas and promises from Members of the Congress, asking for more time to act amid assurances that action would be forthcoming. I offered compromise and 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.

Let me tell you how many times I have tried to work out solutions with the Congress. Between January first 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 50 of the 99 Senators -- and at least once with 304 of the 435 Members of the House of Representatives. Combined, I have met on the energy problem at least once with 355 of the 534 Members of the Congress. And I have talked many more times with some of them. The record speaks for itself.

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

The problem is obvious: If we don't get a program on the 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 by postponing the decisions to find and develop more of our own energy. We have a growing domestic scarcity of energy. Government controls to allocate this scarcity cannot work because all the time our energy shortfall is increasing. Those who procrastinate are not fighting to hold down your energy costs. They are fighting to put off the critical decisions we must make as a Nation.

The truth is that 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 go on increasing because foreign oil producers -- 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 day as our domestic production continues to decline. That is why I insist on a new Declaration of Independence -- Energy Independence.

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Under the plan I have set forth, we will pay American dollars to American companies to produce American energy for American jobs and American profit and American taxes. This will assure greater American economic stability and American economic and political security.

The real danger of an explosion in 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 the economic freedom by the United States of America -- the reckless risk of placing our national livelihood and 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.

I am counting on you -- the "big, Honest Majority," as Will Rogers called you -- you and millions of others like you across America who will decide our Nation's fate, who will insist that decisions be made on energy, who, in the final analysis, will be the producers and protectors of America's greatness.

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