

FOR IMMEDIATE RELEASE

AUGUST 19, 1975

OFFICE OF THE WHITE HOUSE PRESS SECRETARY
(Peoria, Illinois)

THE WHITE HOUSE

REMARKS OF THE PRESIDENT
AND
QUESTION AND ANSWER SESSION

THE PEORIA HILTON HOTEL

4:42 P.M. CDT

THE PRESIDENT: Senator Chuck Percy, Mayor Carver, members of my official Administration, Cabinet and otherwise:

It is a great privilege for me to be with all you distinguished guests, representatives of the great area here in Illinois.

Because of the emphasis on questions and answers rather than speeches, I am certain that this conference will long be remembered in the history of verbal communication.

It has been said that a dialogue is when you exchange views with a colleague and a monologue is when a politician exchanges views with you. (Laughter)

Today, I think we have taken a moderate-size step in the direction of eliminating that monologue. So, I come to Peoria, not just to be heard, but to look, listen and learn.

As a starter, I would like to tell you about the goals and plans of the Administration, and I also want you -- I emphasize you -- people of Peoria and Illinois to tell me some of your feelings and some of your deep concerns about the vital issues facing us as a Nation.

One thing very certain -- we have plenty to discuss.

I have been President for only a year, but what a year it has been. Even though most of us would not like to go through it again, I think we have had more plusses than minuses.

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There have been some difficulties, some reverses, in this 12-month span, but America has weathered the storm both in foreign and domestic affairs.

Once again--and this is the most important thing--the American system, the Government, the people, have met the test.

Consider for a moment this economy. Since March of this year, total employment has risen by 1.2 million, industry production by 1 percent, personal income by 4 percent and retail sales by 8.8 percent.

Not only our economy, but our political system, has demonstrated anew the strength and the resilience that has made us the freest, as well as the strongest, and wealthiest, Nation in the world.

Where it counts, America has not and will not ever be satisfied with second place.

Don't misunderstand me. I am not saying that our troubles are over, that we have reached the promised land, but we have a darned good vehicle to get us through to that promised land, and it is called the free enterprise system.

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The job of all Americans is to help put that vehicle into high gear. Although most of the evidence that we see so far points to a healthy economic recovery, we cannot afford to take that recovery for granted at this stage of the ball game.

There are plenty of problems left that require our prompt and concerned attention.

Take for a minute inflation. The last figures show an annual rate increase for June of just over 9 percent in the cost of living, and over 15 percent for July in the Wholesale Price Index.

I think this should serve as a warning that with the worst of the recession behind us, we must guard against -- guard against vigorously -- the kinds of excessive new Federal spending that could trigger another protracted round of double-digit inflation.

For my part, I pledge to you I will do all that I can to hold the line against inflationary Federal spending.

I cannot stop a runaway Congress from voting appropriations that fan the flames of inflation, but I can and I will continue to use my veto authority to curb the inflationary spending excesses of the Majority of the Congress.

There has to be, in fact, there must be enough good women in both political parties in the Congress who will ban together to sustain my vetoes in the public interest.

Remember -- and I think this is what we often forget -- inflation does not recognize party labels. When the cost of living zooms upwards, we all pay the price, especially the old, the poor, jobless and those on fixed incomes, be they Democrats or Republicans, Independents or dropouts. The burden is shared by everybody.

Inflation is a common enemy, and we must fight it with a common front.

And so each time I use the veto to battle inflation, I am taking, I think, a positive, not negative step. The vetoes that I have exercised so far will save you -- the public as a whole in this country, the American taxpayer -- an estimated \$6 billion by 1977 in tax payments or loss of purchasing power through inflation.

We are talking about preserving your purchasing power and the value of your paycheck, your pension, your social security check and especially your savings.

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We are talking about your future economic stability. Now, I am well aware of the fact that some people do not accept this argument. I respect their view, and I respectfully disagree. They say, for example, that no inflationary price tag exists on massive Government spending, but in my considered judgment, they are wrong.

In their view, the solution to all of our ills is for Government to spend more of your money and for Government to regulate more of your lives. Unfortunately, their argument for bigger Government and bigger Government spending has been accepted all too often in the post-war years. The result has been a growing and unwarranted trend toward Federal interference--interference in the free enterprise system, interference in State and local Governments and as we are now beginning to discover, interference in our personal lives.

This trend must be reversed, and it will be if we have anything to say about it. Despite all the obstacles that well-meaning Government has put in the way, the American system and the American worker continue to provide us with the living standard that is the envy of the entire world.

I do not think you have to look any further than Peoria for proof of what I am saying. Thanks to productive, competitive industry and skilled, willing workers the Peoria area turns out industrial goods that sell not only coast to coast, but all around the globe.

And one blessed result of this productiveness is that you have an unemployment rate well under the national average. That is a fine record, one to be proud of and you have achieved it in spite of, not because of big Government.

Let me give you just one example, if I might, before we get to the questions and answers. I understand there is a serious local concern in this area about the possibility of future natural gas shortages.

Now, if this is the case, we ought to ask ourselves what is the reason. Is it because we do not have enough known sources of natural gas? No, for the present, at least, there is enough to meet all our needs. The problem is not one of supply, it is one of regulation--obsolete Federal regulation that may cost this part of Illinois and other regions of America, in fact, ten States, to be frank with you, it will cost jobs, and it will cost economic growth.

The basic problem is just this: for 20 years now the Federal Power Commission has been required by law to set artificially low prices at the wellhead for natural gas sold in interstate markets. The result has been that gas producers sell as much of their products as they can inside their respective State borders at free market prices, creating shortages in non-producing States of the Union, in communities like Peoria, and communities like Peoria have and may well suffer.

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Believe me, this is not the first time I have said this, and I say it every time with greater feeling and determination. I said it as Vice President and I have said it repeatedly as President. I have consistently urged the Congress to deregulate natural gas to expand its supply nationwide.

It is amazing, when you talk to Congressional Members from Texas or Louisiana or Oklahoma where they have these abundant supplies of natural gas, but where they are not going to ship it across state lines to Illinois, Michigan, Indiana or any place else, they say we are going to keep it, and then we will get our factories and our jobs down in our State where we can sell this natural gas at whatever price we decide.

It is unbelievable to me that the Congress has not responded in this area so that we, in your area, or we, in any part of the country or elsewhere, cannot get this great natural resource so we can have more productivity, more jobs and a better country.

But as I said, the Congress has done nothing, even though common sense says it must be done and public opinion recently show a growing popular support for deregulation.

Further delay is intolerable. Even if the Congress should act this session, it will still be one or more winters before we could feel the beneficial results of that action.

I am delighted to be here. I just had a wonderful experience over in Pekin -- the dedication of the Everett Dirksen Research Center. I am delighted to hear from all of you, to urge each of you to make your voice heard for the kinds of free and prosperous America we all want and believe in...

Freedom, in my judgment, is more than a word. It is a way of life, a vital living thing, and each generation must strengthen and renew it or it will surely perish, as we have seen all too often elsewhere in the world.

The time is now for our generation to keep this idea alive. We must make sure that our first 200 years as a free people, glorious as they have been, will only be the beginning of the American success story.

Together let us prove to the entire world that the American dream is best realized when we are wide awake.

Thank you very much, and let's go to the questions.

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QUESTION: Mr. President, I am Bill Wombacher, a Peoria lawyer, interested in the energy field and Chairman of the Peoria Area Chamber of Commerce.

I would like to ask you what priorities, if any, has the White House set in resolving the seemingly irreconcilable differences in goals of the Federal Energy Administration and the Environmental Protection Agency.
(Laughter)

THE PRESIDENT: I could take quite a bit of time answering that, but what we have tried to do is to get Russ Train and Frank Zarb to sit down and work together to make some reason and rationale out of the sometimes conflicting interests of a great need for additional energy and still the great desire to protect our environment.

I recall very vividly some discussions we had in December about what the auto emission standards should be. We worked it out, and I want to compliment both Frank and Russ for doing it.

Of course, we subsequently had a report that put a different light on the situation, but what I am trying to illustrate is that we have people in this Administration who have positions of responsibility who are willing to sit down and talk with those who have potentially conflicting interests.

Although I think in most cases we have come out with a good answer, I admit there are some areas where we are still in some disagreement. But, I know that we can have a responsible energy program and still not destroy our environment, and that is our objective.

QUESTION: Mr. President, Stanley Johnson, President of the Illinois State AFL-CIO.

Labor was critical of the Administration, which you had to take over sometime ago in the crisis of Government. We commend and appreciate your low-key approach to that particular crisis.

Labor, as you know, was quite critical of the national direction of governmental policy in the previous Administration. What disturbs us again is probably some of the same advisers are still in your Administration.

These advisers may have caused you to veto several measures. At this point, we also have to respectfully disagree with your vetoes. The recent study of the Library of Congress indicated some of those measures would have added some 638,000 jobs, the bulk of which would have been in the housing and building industry.

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As you know, that industry is a good bellwether of our total economy.

Therefore, Mr. President, our question is how can we tell the jobless, who are not interested in theory, that they must continue to bear the heaviest cost of a projected economic turnaround, which may not help them very soon?

THE PRESIDENT: Sir, I think you have to look back at what the circumstances were in August of 1974. At that time, we had inflation of 12 to 14 percent. I admit at that time we had 5 percent unemployed. But, that high inflation rate was hurting everybody, those employed and those unemployed.

If we hadn't done something to try and check inflation, I am convinced we would be still in a disastrous recession.

We have had a tough time. We have had to take some stern measures. But, the net result is we made substantial progress against inflation. The most encouraging thing is -- and this is what I would tell the unemployed -- I would tell them that in the last two or three months the number of gainfully employed has gone up over a million and that the prospects are that we will continue to add to the total number of employed and that although the rate of unemployment may be higher than we want -- and obviously it is -- we will do it while we are able at the same time to continue to squeeze the inflationary impact out of our society.

Now, some of these decisions, I am sure you recognize, are not easy. Let's take the housing one that you spoke of.

We recommended a housing bill. We proposed that some additional stimulant be given to the housing industry, but unfortunately, the Congress added a lot of extras that would have had a substantial adverse impact on our deficit.

It is big enough now. Sixty billion dollars isn't a bad deficit by any standards and, if we had let that housing legislation through, it would have added significantly to it.

I vetoed the bill, not because I didn't want a housing bill, but I didn't want a bad housing bill. The Congress reconsidered, took some time, analyzed the arguments that we presented and they passed another housing bill. That housing bill we are using and implementing.

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In fact, I asked the Congress just before they recessed for a vacation to appropriate an additional \$5 billion for what we call the tandem plan to stimulate housing.

I can't say that what we have done is the reason we had an announcement yesterday that there was a 14 percent increase in housing starts over the previous month.

Housing is beginning to go, and that is going to end the unemployment in the construction trades where there has been a very heavy and a very substantial unemployment rate.

But, you can't turn a spigot and get all these things done overnight. It takes time, and a narrow path, a very narrow position to win the battle against inflation, construct a strong economy and reduce unemployment and provide jobs.

We are doing the best we can.

Thank you.

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QUESTION: Mr. President, I am John Ferstl, President of the Illinois Press Association. Our member newspapers are very much dependent upon the mail service, especially the second-class mails.

We fear that the posture taken by the Postal Service since reorganization will result in disaster to the free flow of information. We are, however, encouraged by the provisions of House Bill 8603, which re-establishes the concept that the mails are a public service and that the cultural, educational and informational values of the mails must be considered in setting rates for all classes of mails.

Mr. President, do you support this public service concept, and can we count on your support for House Bill 8603? (Laughter)

THE PRESIDENT: I support the concept of public service for the Postal Service. I support the concept. When I was in the Congress, we voted to move the Post Office Department to the Postal Service, and we set up a ten-year -- or five year span, as I recollect -- for the transition from a non-self-supporting Postal Department to a self-supporting Postal Service.

In the interim, the Congress, at the recommendation of the President, would recommend about, as I recall, \$400 million a year for this public service.

Now the second and third class mail users came in -- I think it was last year -- and asked for an extension from the five-year transition period to the ten-year transition period. And as I recall, I approved that bill. I know I voted for it.

So we have been understanding of your problem, and Congress this year is being asked to recommend, as I recall, roughly about \$900 million to give public service support to the Postal Service. And part of this has come because we have extended the time span from five to ten years.

I believe in the public service concept, but I cannot in good conscience, without reading the fine print, endorse that bill you are talking about.

Thank you.

QUESTION: Mr. President, my name is John Gwynn, the local and State President of NAACP. My concern is the endorsement of the Federal laws as they exist, as they relate to race relations. Since race relations remain the single overriding issue in America, and since we have laws dating back to the Fourteenth Amendment, the 1954 Supreme Court decision, the 1964 Civil Rights Act -- these are some of the laws that exist, with the others -- we are asking, Mr. President, what are you going to do to make sure these laws are enforced with all deliberate speed? Again, I would like to state that we feel that race relations is being pushed under the rug.

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THE PRESIDENT: Let me say, in the first place, I just appointed an outstanding person in Lowell Perry to be the head of the OEE -- Equal Employment Opportunity Administration (Commission).

Lowell Perry is a first-class person to do that job, and I can assure you that in that position, Lowell Perry will make certain that the rights of blacks and other minorities are fully protected.

Let me give you another illustration. I respectfully disagree with your view that race relations are being pushed under the rug by this Administration.

I recommended the extension of the existing voting rights legislation, and my Administration pushed, in the House as well as in the Senate, to get that re-enacted.

Chuck Percy, sitting here, knows very well how delicate that situation became at the very last minute, and I think this Administration played a considerable part -- I believe a major part -- in making that legislation for seven more years.

In addition, I think in any other area the employment of minorities in the Federal Government, not only the employment, but the advancement of minorities in positions of responsibility has been recognized and carried out by this Administration.

And I pledge to you that that will be our position in the future.

QUESTION: What about the integration of schools?

THE PRESIDENT: Let me be very frank here. I do not think that forced busing to achieve racial balance is the proper way to get quality education.

The principal objective is to get quality education for all our young people. I think there must be a better way to do it than the way some advocate.

Now, we will carry out whatever the law is and however the courts interpret it. Don't get me wrong. But it is my personal conviction and has been for 10 or 15 years that there is a better way to get quality education for all of our young people than the way some advocate.

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QUESTION: Mr. President, Martin G. Abegg, President of Bradley University.

As President of an independent university, may I convey a concern that all of us in higher education have for a potentially serious threat to the charitable deduction, which is now being considered by Members of the U.S. Congress.

The proposals which are being considered strike at the heart of American private philanthropy and threaten serious damage to our traditional dual system of public and private higher education, which that philanthropy has helped to sustain.

I would appreciate any comments about this proposal.

THE PRESIDENT: It is very interesting. Just last week in Vail, Colorado, where I am having a working vacation, I met with seven or eight of the top people of the Aspen Institute, and in that group were two or three who are equally concerned and to some extent represent the private colleges in the country, or at least their viewpoint.

The real problem you face today comes from the 1969 Internal Revenue Act that was passed. In 1969, a limitation was put on foundations. It made it more difficult for private colleges to be the beneficiaries of generous citizens or generous groups.

At the present time, there are some additional amendments before the House Committee on Ways and Means that would, in a more harmful way, jeopardize the existence of private colleges because it would be more difficult under the proposed laws for people to give to these nonpublic institutions.

I can assure you that I don't approve of those proposed amendments. To the extent that we can keep the Congress from doing it, my Administration will do so.

QUESTION: Thank you very much.

THE PRESIDENT: If I might add, I happen to think that the public school systems, whether they are primary, secondary or higher education, are made better when they have got competition from nonpublic schools.

Whether it is college, higher education, elementary or secondary, we want a competitive education system in this country.

It is good for everybody.

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QUESTION: Mr. President, I am H. D. Altorfer, Chairman of the Central Illinois Industrial Association.

In a speech in Washington last June 17, you stated that it was your determined intention to review every single Government action in light of what it will do to free competition and individual liberty.

This review is to apply across the board to corporations that seek special monopolistic advantages, as well as to radical social theories.

This intent is to be commended, but as a relatively small businessman, it seemed to me the monopolistic advantages of the large national labor unions, and in some instances the cooperatives, should also be reviewed in light of what they are doing to free competition and individual liberty.

Will you include these in your review, also?

THE PRESIDENT: I was referring in that speech primarily to the activities of the Federal Government in regulation and control. I was not referring to the private sector, so to speak.

On the other hand, under existing anti-trust legislation -- I emphasize under existing anti-trust legislation -- the Department of Justice has a mandate, and has had for a long period of time, to proceed against monopoly as so described in those laws.

The Attorney General, who comes from this area of the country, will carry out that responsibility.

We have taken no action. I don't see the connection at this time between the kind of monopoly we were attacking, the monopoly of the Federal Government, and in the question that you raise.

There is a distinction and a difference between national labor organizations and some governmental operations. I happen to think that labor organizations can play a proper and do play a very important role. I don't condone, however, let me be sure, some of the actions of individual locals or even in some cases my friends' actions by the national AFL-CIO.

We have no plans at this time for any legislation along the lines you are suggesting.

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QUESTION: Mr. President, my name is Eldon E. Witt. I am the Executive Secretary of the Illinois Association FAA.

In Illinois we are proud of the progress that vocational education has made, and I must admit that some of us registered some disappointment with the veto of 5901.

Now, my question is this --

THE PRESIDENT: 5901 -- I don't remember the numbers of all of these, the names of all of these. What is 5901?

QUESTION: This is a bill, a vocational education funding appropriation.

I am asking now, are you aware of the language of House Bill 17304, which is a new vocational education bill getting us away from this continuing resolution, and is vocational education a high enough priority at the national level to warrant support of this bill? (Laughter)

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THE PRESIDENT: Until I have read the language of the bill -- and I normally only read the language of the proposed laws that come down to me -- I cannot make any honest, in conscience, make any commitment.

I can tell you this, however, that I think the record of this Administration in supporting education, including vocational education, is a good one.

As a matter of fact, in the education recommendations in the budget for fiscal 1976, which is the year that began this July, there is a considerable amount more in funding recommended than in the previous fiscal year.

I am concerned about education, but in the multitude of requests for money that come from a tremendous number of good causes, and the availability of our country's resources and taxes, or in borrowing, somebody -- and unfortunately in my case it is me -- I have to somehow weave in the proper relationship and the proper priorities.

But I can tell you from my own personal history in the Congress and otherwise, we will do as well as we possibly can for vocational education.

QUESTION: Thank you.

THE PRESIDENT: Won't you all sit down just a minute? They have asked me to sum up with another minute or two.

I thank you, and I think it is obvious to you I have enjoyed this stimulating and informative session. I have tried to gather that these are two-way conferences, two-fold, is one way to put it, two-way communication another.

We came to Peoria to listen as well as to speak, and judging by that standard, I believe the conference has been a success.

It is my strong and very deep conviction that to do its job well, the Government must be tuned, tuned into the people it serves. It must be open, it must be responsive as it maintains a two-way conversation with citizens from all walks of life.

Today you have heard about agriculture from Earl, about the economy from John Dunlop -- John Dunlop and Bill Seidman -- and about energy from Frank Zarb, about education from Commissioner Bell and about the environment from Russ Train.

I know they have tried to give each and every one of you an idea about what this Administration's goals are and where we are heading in our efforts -- and I say most sincerely -- in our efforts to develop some new direction while strengthening the basic free enterprise system and the values which make America great.

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But just as importantly, we have also heard from you, from the men and women representing nearly every facet of life in the Peoria area. And I thank all of you -- labor, business, industry, education, farming, the minority community, women's groups, the press and the legal profession -- I am grateful that you participated.

This is the seventh Presidential town hall meeting that I have had the privilege of attending. The more of them that I attend, the more I learn and the more optimistic I become about America's long-term future. In the people gathered here in this room, and millions of others like you around the country, we have one of the priceless natural resources that will never be depleted.

And so long as we can meet together and work together like this, in an atmosphere of candor, trust and mutual respect, there is no problem we cannot solve together.

And after all, that is what America is really all about -- people with different ideas, different approaches, from all walks of life, pulling together to make this great country a better place for all of us.

You know they did it in 1776 in Independent Hall. We, too, can do it 200 years later.

Thank you very, very much.

END (AT 5:15 P.M. CDT)