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OCTOBER 1, 1975

OFFICE OF THE WHITE HOUSE PRESS SECRETARY
(Omaha, Nebraska)

THE WHITE HOUSE

REMARKS OF THE PRESIDENT
AND
QUESTION AND ANSWER SESSION
AT THE
NEBRASKA/IOWA WHITE HOUSE CONFERENCE
ON DOMESTIC AFFAIRS AND THE ECONOMY

THE OMAHA HILTON HOTEL

4:35 P.M. CDT

THE PRESIDENT: Governor Exon, Senator Curtis, Senator Hruska, Mr. Kenefick, my old friend, President Woody Varner, members of the Cabinet, your good mayor, ladies and gentlemen:

It is a great privilege and a very high honor and a particular thrill to come back to the town where you were born and meet with such friendly and warm receptions from all of you.

I do have to admit I couldn't help but notice that ad in this morning's World Herald, the one that offered to trade eight tickets to this White House Conference (Laughter) for standing room at the Miami-Nebraska game tomorrow. (Laughter) If I had the time, I think I would make the switch myself. (Laughter)

I am here today to listen and to learn. As a native of Omaha, it is good to be back. Although I left when I was extremely young, I don't really remember much about it.

It is a privilege to be in Omaha, and I like what I see in 1975. I am particularly pleased to be in the heartland of the United States, and in this heartland of the United States, the American farmer has produced a miracle of abundance which is the envy of the rest of the world.

Think of it. Less than 5 percent of our country'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, the free world and that behind the Iron Curtin.

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Last year alone, the United States exported, as many of you know, nearly \$22 billion worth of various agricultural commodities. Without these exports, our country would have had a huge balance of payments deficit. Our dollar would have been weakened abroad, and we would be paying far higher prices for all the imports that we get from many, many countries.

The American farmer not only raises crops, but the facts are he raises the overall standard of living of all Americans, 214 million of us.

Yet, the American farmer has too often been made the scapegoat of many of our economic problems. If the price of meat goes up, blame the farmer. If the price of milk goes up, blame the farmer. Well, you and I know the farmer is not to blame for the high prices we have today.

Fortunately, we are making some substantial progress against the battle against inflation. The latest figure shows that the cost of living rose only two-tenths of 1 percent, the smallest monthly increase in more than three years.

Contrary to the finger pointing at our farmers, food prices held relatively stable. The small rise was accounted for by other commodities and other services.

But, let me emphasize this, if I might: The good news of one month does not mean that the battle against inflation has been won. It does mean we can and, more importantly, we will win this fight against inflation if we keep the pressure on.

Let me assure you the victory will not be achieved at the expense of America's farmers. Nor will farmers suffer on the international grain markets from actions of my Administration.

I know there has been some criticism by some for a temporary halt to grain sales to the Soviet Union. If I might, I would like to bring you up to date.

Last year, in a visit to Lincoln, Nebraska, I urged farmers of this State, as well as farmers throughout the country, to plant full crops.

I advocated a policy of agricultural production across the board, full production for the entire Nation.

I am here to tell you that your crops will be sold and at fair market prices. But, just as important, we must get the farmer off that roller coaster of up and down purchases which has been the Russian pattern for the last five years.

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The United States enjoys fruitful and relatively predictable grain trading relations with Japan and many European countries. Farmers under those arrangements know approximately how much will be sold and can plan for it. Stable trade helps the farmer as well as the consumer. That is precisely why we are in the process of negotiating a long-term agreement involving agriculture with the Soviet Union, and agreements along the lines we are now concluding with Poland. We must and we will bring stability, predictability to the planning process of the American farmer.

Let me illustrate: Soviet grain purchases from the United States have fluctuated considerably in the last five years, from a low of about 74 million bushels in one crop season to a high of 524 million bushels in another.

So far this season the Soviet Union has purchased 399 million bushels and I can say to you that Russian sales will be increased beyond that figure, and I think it will be a good figure.

Under the agreements that we seek, fixed minimum grain purchases each season by the Soviets will be established for a five-year period at the going market price. More importantly, these agreements will be in the long-term best interest of the farmer as well as the consumer. Having said that, let me turn to another subject.

I am determined that our energy crisis in America will be solved in the long-term best interests of the farmer and of all Americans. The damaging effects of continued delay in achieving energy independence were dramatically headlined just the other day when OPEC oil producing cartel nations raised oil prices by 10 percent. The arbitrary and excessive OPEC price increases of 1973 and 1974 seriously depressed economic productivity and accelerated inflation, not only here in the United States but throughout the world, in industrial nations as well as underdeveloped nations.

The latest prices, the price increases announced over the last several days will worsen inflation and hinder economic recovery on a worldwide basis. There is absolutely no economic justification for this latest price increase.

It proves beyond any doubt whatsoever that we as a Nation must move quickly and we must chart our own energy program, and there has been too much delay already. Time after time, starting last January 14, I warned Members of Congress that the United States was becoming more and more and more vulnerable to the price increases imposed by other nations.

I have appealed to the Congress to approve my program, or come up with its own program, to free America from dependence on foreign oil suppliers. I offered to compromise again and again and again.

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Two days ago I agreed once more to such a compromise, to the decontrol of domestic oil prices, by signing a bill extending for another 47 days, to November 15, the control of domestic oil prices. And in that period of time Congress can either arrive at either a sound and mutually acceptable plan for phased decontrol or, as an alternative, pass emergency legislation that I have recommended to cushion the immediate impact of decontrol on certain of our domestic aspects of the economy.

If they won't pass a phased decontrol program that is acceptable, then I propose that they move with speed as follows: I propose to assure adequate propane gas for millions of farmers and others living in rural areas, and in mobile homes; I propose to protect heating oil and independent retail gasoline dealers from arbitrary curtailments and cutoff from suppliers; I propose to assure independent refiners of adequate crude oil supplies at reasonable prices; and I propose to protect the purchasing power of consumers through a consumer refund provision in a windfall profits tax on oil companies.

The claim by some procrastinating Members of Congress that they are trying to hold down consumer prices, in my judgment, is just plain nonsense. Obviously, the Congress cannot hold oil prices established by OPEC down. That is beyond their control. Those prices are going up and they produce or sell to us approximately 40 percent of our oil consumed in the United States.

As I see it, the Congress is merely postponing very hard and unpleasant choices that must be made and is attempting to blame high fuel prices on everybody but themselves. This is almost unbelievable. Since controls on domestic oil went into effect in 1971, our bill for imported oil has increased more than 700 percent. Yet a majority in the Congress does nothing to reverse our growing oil dependency and increasing vulnerability to the whims of foreign oil producers.

American people should recognize, if the Congress will not, that the real issue over price controls on oil is not between cheap energy and expensive energy. There is no cheap energy any more.

The real issue is twofold: first, whether we will achieve energy independence to provide us in the long run as a Nation with the lowest possible competitive priced energy; and second, whether we will keep America's wealth in America or send it overseas in ever increasing amounts.

In 1971, the United States paid out roughly \$3 billion to foreign oil producers. In 1974, just three years later, this figure jumped to \$25 billion, about \$360 for every single American family.

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This could top \$32 billion within the next two years if the Congress does not act. And it is estimated that the 10 percent increase that was announced a few days ago will add approximately \$2 billion to the present outflow of American dollars to foreign oil producers.

Now if this money was spent at home in the United States, this \$25 billion would employ roughly one million American workers. It would obviously speed our economic growth. These are American jobs and American salaries that I am talking about.

But that is what American energy independence will achieve for this country. Letting the OPEC oil cartel dictate America's economic growth is absurd. When the price of gasoline goes up at the pump, I want the American people to know exactly where the blame lies. Until Congress acts there is nothing this country can do about arbitrary OPEC oil price increases and there may still be another increase in six months or thereabouts.

So far I have met with literally thousands of Americans at the various Presidential town meetings, meetings which have been characterized as functions to listen and to learn. They have been invaluable to me and to my associates. During today's meetings you have covered a lot of issues in the good spirit of give and take and you have heard from a number of members of my Administration.

It is now my privilege to listen to you and seek to respond to your inquiries. And I understand the first question is to be asked by Mr. Kenefick.

QUESTION: Mr. President, I am John Kenefick, representing the Omaha Chamber of Commerce. On a number of occasions you have indicated a desire to reduce the degree of Government involvement in the affairs of business, particularly small business.

In light of the tendency of Government bureaucracy to perpetuate and enlarge itself, what concrete steps can be taken to accomplish this regimen?

THE PRESIDENT: Mr. Kenefick, a number of things can be done. Every department and agency of the Federal Government can survey its requirements that are imposed on business, on individuals, and seek to eliminate the multitude of forms that require everybody in one form or another to fill out, and this goes to the people who have to fill out forms when they apply for welfare, to somebody who has to fill out a form for a direct Government loan.

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The head of the Office of Management and Budget estimated there are roughly 5,200 such applications or forms now required by various agencies. I told Jim Lynn that he has got to cut that down, and 12 months from now I want a report showing at least 300 to 400 less of those.

Now, there are some other requirements. Various independent agencies--the FCC, the CAB, the ICC, the Federal Trade Commission--they are also on the backs of individuals and businesses.

We have sought to work with them in conjunction with the Congress to get them to eliminate some of their outmoded, outdated regulatory requirements. I must admit, it is harder to achieve than what it appears to be.

Let me give you an illustration of how ridiculous Government regulations can become. I understand there is an individual who owns one of these large retail marketing places. He was told by one Federal agency that he had to smooth out the surface that people walked on.

The next agency came along -- in this case, an occupational safety and health organization -- and said he had to make the surfaces rougher so people wouldn't slip. Now, it is just ridiculous to have two agencies of the Federal Government telling the same person, the same organization, to do things differently.

We are trying to straighten it out. The Congress has promised to help. I can assure you, we are going to keep the pressure on them.

Woody Varner, a part-time Michigander. (Laughter)

QUESTION: Mr. President, I am a full-time Nebraskan now, I can assure you. (Laughter)

THE PRESIDENT: A has-been Michigander. (Laughter)

QUESTION: Mr. President, as you know, I am President of the University of Nebraska.

Let me first, on behalf of the educational community, tell you how pleased we are with your choice of David Mathews as Secretary of Health, Education and Welfare.

As President of the University of Alabama, he had a distinguished career, and we are satisfied he will bring those same great skills to your Administration in the service of this country.

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Let me add on a personal note this has been a very satisfying day for me because this is the first time since the Nebraska-Alabama football game in the Sugar Bowl that Dave Mathews has spoken to me. (Laughter)

THE PRESIDENT: He had a bad Tuesday after that first Monday. (Laughter)

QUESTION: I understand the timing of his resignation at the University had something to do with that Missouri football game. (Laughter)

Mr. President, I think all of us are impressed with your response to John Kenefick's question about helping in the regulatory end of the business community. We have similar problems in the educational community.

We did a survey at our institution a few days ago and were shocked to discover that by what we think is a conservative estimate, we are spending between \$200,000 and \$250,000 a year in manpower in filling out Federal forms and reports.

While they recognize there must be some surveillance from the Federal partner in education, we wonder if it might not be in the interest of efficiency and the educational community and good Government to give some consideration to, not in the spirit of proliferation, but in the spirit of consolidation, consider the creation of a separate department of education to deal with our problems?

THE PRESIDENT: I know there have been a number of recommendations in that regard, and since the formation of HEW, back about 1954 or 1955, if I recall correctly, the amount of money and the responsibility of HEW has just exploded.

As a matter of fact, David Mathews' department spends more money than the Department of Defense, and it is probably over the years going to have increased financial, as well as administrative, responsibilities.

I am not yet convinced that we should split it up, but if the problems get greater, if the responsibilities increase, I think we ought to take a look at it.

At this point, I am not convinced there ought to be a split up, taking education out from health and welfare, but as time goes on, I don't think we should just hold on to something because it was good when it was started 20 years ago.

But, for the moment, I wouldn't go any further than to say we will take a look at it, and we will reserve the judgment until the survey comes in.

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QUESTION: Thank you.

QUESTION: Mr. President, William Brennan, the President of the Nebraska AFL-CIO.

I am glad you got to wheat before I did. I am afraid we might get Mr. Butz back in the act. Have you and Mr. Burns about given up on the idea that tight money will slow down inflation?

THE PRESIDENT: As you know, sir, the Federal Reserve Board is an autonomous, independent agency of the Federal Government. They do control the supply of money, and they have an impact, a significant impact, on interest rates by way of the decisions they make.

Our responsibility in the Federal Government and the Executive Branch in conjunction with the Congress is to attack the problem of inflation by responsible fiscal policy.

Now, I think both monetary policy, under Mr. Burns and his associates, and fiscal policy, under the Executive and Congressional branches, must go hand in hand. If we are going to have an irresponsible fiscal policy, I think Mr. Burns, or Dr. Burns, has to try to moderate it with decisions that the Federal Reserve Board makes.

At the present time, they have a policy of monetary expansion of roughly 5 to 7-1/2 percent, and I was talking to knowledgeable authorities the other day, and in the last few days there has been some tapering off of short-term interest rates, which has to indicate that the Federal Reserve Board is trying to judge the circumstances on almost a day-to-day or week-by-week basis.

I do believe the Federal Reserve Board has to have a role. We want them to expand money. We want them to be cognizant of the interest rate problem, but we can't just push them aside and tell them not to do anything affirmatively or negatively because the history of economic conditions does so that they can play a constructive role.

I honestly believe that they are in tune with the problems that we face in the economy in America, and I think you will see a policy that will provide for an adequate expansion of the supply of money and a responsibility as to interest rates themselves.

May I, if I can now, gratuitously answer a question that you alluded to.

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At the time that we were initiating negotiations with the Soviet Union for the substantial sale this year and the substantial sales of grain for the next five years, it was important to get the delivery of the 10.3 million tons of grain already sold transported and shipped, and my negotiations with Mr. Meany and others resulted in an understanding that these shipments would be made.

As you know, and others know, Teddy Gleason's group is loading the ships, the grain is going out and this assurance is helpful in the sales that will be made this year because there will be a dependability of delivery. That is important, as well as price, as well as the sales overall.

QUESTION: Thank you.

QUESTION: I am Ricky Salisbury, Nebraska Women's Political Caucus.

First of all, I would like to ask that you relay a message to your wife when you return to Washington. This message comes not only from the National Women's Political Caucus, but the American Association of University Women, the League of Women Voters, the Governor's Commission on the Status of Women.

Please express our appreciation to her for her efforts in behalf of the Equal Rights Amendment.

THE PRESIDENT: She must be doing something right. There was a poll taken in Pennsylvania a few weeks ago, and it showed her with a 77 percent performance job approval and mine was about 51 percent. (Laughter)

QUESTION: My question is this: During the deliberation and selection process for your Vice Presidential choice, it was reported by the media that several women were considered for this high office. Is this true, and would you identify these women? (Laughter)

THE PRESIDENT: I can tell you that among those that were considered for the Vice Presidential nomination by me there were several women, but I don't think that I should identify them.

I would like to add, however, we have a very able, as well as attractive, member of the Cabinet, Mrs. Carla Hills. She is really doing a fine job in the Department of HUD, but I really would take Executive privilege if I could -- (Laughter) -- in not naming the women that were on the list and were considered.

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QUESTION: Thank you, Mr. President.

QUESTION: Mr. President, I am Fred Rose, representing the Nebraska Press Association.

I think as members of the Press Association, we would be remiss if we did not commend you and your staff for these Conferences, which certainly indicates an openness in Government.

Our Governor, Jim Exon, Nebraska's number one sage -- and second nationally only to the Secretary of Agriculture (Laughter) -- this morning asked Mr. Butz when the embargo on new grain sale exports would be lifted.

Do you have a timetable on this subject, which you discussed earlier?

THE PRESIDENT: I have our top negotiator and staff in Moscow now. They went back on Monday. We have made considerable progress. I am optimistic, but I have learned a long time ago that until we get something in hand, it is always premature to make any specific announcements.

We are pushing hard. It looks very favorable for something that is good for, as I said, farmer as well as consumer, but I would hesitate to tell you a precise date.

I have learned also in negotiating with the Soviet Union it is better to remain flexible than to pick a deadline. You have a better chance of getting a better deal if you just negotiate from strength rather than binding yourself to a date certain, so I can't give you a date. I hope it is very soon.

QUESTION: Thank you.

THE PRESIDENT: I wish I could announce it today, but I, unfortunately, can't.

QUESTION: Mr. President, John Nelson, President of the Council Bluffs Chamber of Commerce.

In light of the need for high productivity among our industrial workers and the fact that relative to many foreign basic industries that we compete with, the productivity per worker is considerably below, making it difficult for us to compete.

What specific policies can be brought to bear in order to encourage investment versus consumption and Governmental spending in the private sector to modernize our industry?

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THE PRESIDENT: I have been encouraged in the last two months -- I think the Department of Commerce, or the Department of Labor, I don't recall which, indicated that we are now beginning to show clear signs of increased productivity of the American worker, and that is very encouraging.

That is one of the best ways to beat inflation, but in addition, I firmly believe that the investment tax credit, which was approved or expanded -- not approved, as we had it at 7 percent, it is now up to 12, it is really 11, but there is another added 1 percent -- investment tax credit, if properly used, can permit us to modernize our industrial capacity so that we will have better equipment, better plants to challenge the modern European industrial capacity, and particularly the Japanese industrial capacity.

So, we depend upon new machinery, new plants, plus increased productivity of the individual worker. That, in my judgment, is the best way for us to compete abroad with the products of other countries, plus one other thing.

I am sure you noticed for the last five or six months we have had an excellent favorable balance of trade. In other words, we have shipped far more than we have imported.

One of the reasons is the fact that we have managed our problem of inflation better than almost any other country. Our products today are selling better because of our improved handling of the problem of inflation.

A year ago, prices were at the annual rate of 14 percent, the inflation rate. Today, for the last five months, it is about 4-1/2 percent. If we can make that kind of progress, we will compete, we will increase our exports and have a much better economic situation in the United States.

QUESTION: Thank you.

QUESTION: Mr. President, Jim Evans, Executive Director of the Urban League of Nebraska.

In Nebraska, over 20 percent of the minorities -- blacks, Indians, Chicanos -- are unemployed, and among the minority youth, the figure is closer to 50 percent. Local business, industry, Government have not been able to provide an adequate number of jobs and opportunities for minorities.

As a result, we have a disproportionate number of young minorities in our prisons and a disproportionate number of young minority mothers on welfare. What plans does your Administration have to try to bring the level of minority unemployment down to that 6 percent level we talk about for the Nation?

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THE PRESIDENT: Number one, it is vitally important to improve the total economic circumstances, lowering unemployment to a figure between four and six percent. We are not there yet by any means, but I think we have made some headway and we will make some more in the months ahead. And that will come about as we improve the general economic situation in America.

In the meantime, we do have programs such as the summer youth program where I recommended and Congress approved roughly \$450 million for this past summer to give jobs to the youth of America who were unemployed.

We have a number of manpower training programs that seek to train an individual for a specific job in industry or in the service area. We have a number of programs that help particularly the less well off continue in the field of higher education. I am sure you would agree with me that the better educated minorities are, the better prospects they have for better jobs.

So we have to get more of them into the main stream of higher education and we are making headway there. Those are the kind of programs that I think, maybe not tomorrow, but in the relatively long circumstances, will provide better jobs and more meaningful jobs than the circumstances are today.

QUESTION: Thank you, Mr. President, but for our minority youth, you know it has been a long time already.

THE PRESIDENT: I agree but the quicker we get out economy back on its feet -- and are making headway -- that is the best way to get most of them in those circumstances taken care of.

QUESTION: Mr. President, Tom McFarland, Teamsters Local Union Number 544.

We would like to ask, what are the tentative plans of this Administration to erase or modify the conflict of agency rule between the National Labor Relations Board and the Equal Opportunity Commission as it relates to organized labor application of the seniority provisions of their contracts? (Laughter)

THE PRESIDENT: Let me just say this: The NLRB is an independent commission or board and the last thing I think you would want me to do is to tell them, if I could, what they should do, because the interference in those independent boards and commissions by a President should not be tolerated. In fact, any such direct interference should be condemned.

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I must say that, if there is a conflict it ought to be resolved by a common sense approach by the NLRB on the one hand, and the other agency on the other. We will look into it.

I frankly confess I am not an expert on this but we will look into it and see what we can do to straighten it out without interfering with the independent status of the NLRB.

QUESTION: Thank you, Mr. President.

THE PRESIDENT: Yes?

QUESTION: Mr. President, my name is Steve Kampfe and I am representing the Nebraska Future Farmers of America.

Mr. President, with the demand and need for well qualified personnel in agriculture and agribusiness occupations, and the decreased number of farm-reared youth, what role is the Federal Government going to play in dealing with this issue in a financial way through vocational education?

THE PRESIDENT: It is my understanding or reaction that in the vocational education program overall, in recent weeks or months there has been an order issued that permits the Future Farmers of America and five other comparable organizations as active participants in organizations that will get financial assistance in the handling of vocational education.

This will be implemented. I think it is a right step and I am sure that the Future Farmers of America as well as the other five organizations will carry out a very constructive and appropriate role in teaching young people who are interested to be good farmers so we can produce a better crop and a larger supply. But that is my understanding of what we are doing with the six organizations such as the Future Farmers.

QUESTION: Thank you.

QUESTION: Mr. President, I am Dr. Holthaus, Dean of the School of Medicine at Creighton University.

I am sure you know, Mr. President, that in the State of Nebraska we have two schools of medicine and two schools of dentistry. Together we produce 255 M.D.'s every year and 142 dentists. This represents 176 physicians per million population and 97 dentists per million population. This is by far and away in excess of the rate of production of any other State in the Union.

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We have done this in response to the Federal mandate and in response to the demands of the American public for more physicians and dentists.

In order to continue to do this at this rate, it is absolutely essential that we continue to receive Federal support either directly to the institution or in the form of Federal dollars available for student loans.

Recently the Federal support of medical and dental education has tended to trail off. My question to you, Mr. President, is: What position will you take in regard to current Federal legislation which is being designed to support medical and dental education?

THE PRESIDENT: I don't recall the precise figures but we have had a substantial program that, number one, added to or built new facilities for medical schools. We have had programs that permit student loans to medical students. We have had programs in the Department of Defense where a person can get rather substantial financial aid if he is going to medical school, providing he agrees to take two or four or five years, whatever the number is, and stay in the Army, Navy, Air Force or Marines.

I can't quote you the precise figure, but it has been substantial both in buildings and financial support to the universities, or the medical schools, and as to students.

I don't want to kid you that we are going to recommend a substantial increase in this area. I think I have to be very honest and very frank with you. We have had a good program. We will continue a responsible program, but I don't think it is fair to you or to any other medical school or dental school to say that we are going to substantially increase the ratio of Federal support. We will continue but I think States have to be active participants, as they have in many cases, but we have a serious financial crisis in the Federal Government with a deficit this fiscal year of better than \$60 billion, and the probability, if Congress has its way, of it being over \$70 billion.

So the likelihood of any expansion of any Federal programs is not encouraging. We will do our best, as I think the Federal Government has in the past, but I can't stand up here and promise there will be an expansion when I see the overall fiscal problems facing the Federal Government.

QUESTION: Thank you, Mr. President.

QUESTION: Mr. President, I am Morris Miller, representing Ak-Sar-Ben, the Midwest's largest civic organization. We specialize in support of all types of agribusiness activity.

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My question is this: Do you contemplate negotiations with nations other than the USSR for long-term contracts covering our sale to them of agricultural products?

THE PRESIDENT: As I indicated, we are also in the process of negotiating with Poland. The Secretary of Agriculture had their comparable agricultural leader in the government here last week, or this week, and we are making very substantial headway with them.

Of course, they have not been as large a buyer and don't potentially have as large a purchase program as the Soviet Union, but we believe that the more agreements we make with countries such as Japan, the Soviet Union, Poland, and others, the better it is for agriculture over the long haul. It is easier to do it with States such as Poland and the Soviet Union because they buy as a government and, if you make such an agreement, I think it is a good investment and we will do it with any government that will give us a long-term purchasing agreement so that they take our agricultural products at fair market prices in the marketplace, and we have some great prospects in the relatively near future.

QUESTION: Thank you, Mr. President.

QUESTION: Mr. President, I am Carl Spelts, President of the Nebraska Association of Commerce and Industry.

There is no doubt that the big concern of the business and industrial community in Nebraska is inflation, excessive inflation, and it is the consensus of opinion that the cause of this inflation is excessive spending at the Federal level.

The question is: What can you and your Administration do to convince Congress that continued Federal spending will be the ruination of our economy and, also, what can we, as an association, do to help?

THE PRESIDENT: I feel very strongly that the excessive spending at the Federal level is a basic cause of inflation. A \$60 billion deficit of the Federal Government this year, this 12-month period, is bad. It will be that much worse if Congress forces us to spend another \$10 billion, which will make it \$70 billion, or another \$20 billion, which will make it \$80 billion.

Now we are making some headway. I vetoed 38 bills since I took office about a year ago. (Laughter) All but several have been sustained, sustained by one-third or better. Those that have been sustained have saved roughly \$6 billion.

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And I am going to veto some more if they keep sending them down with excessive spending. It just has to be done if we are going to preserve any fiscal integrity.

I have found recently in the Congress a greater realization of this problem. First, in 1974 they passed a new budget act which sets a spending ceiling by April 15 every year on expenditures, and I think both Senator Curtis and Senator Hruska would agree with me that that requirement has made the Congress considerably more responsible at least in the recognition, if not in the action, on how to handle spending.

But how we educate the American people, I think this has to be done in our schools, in our various civic organizations, through the news media. A \$60 billion to \$70 billion deficit this year and another one of \$30 billion, \$40 billion or \$50 billion next year -- that is not healthy as we try to combat the problems of inflation.

So I just hope everybody understands it is not that we want to be penurious, because virtually every program this year got as much or vitally more than they got last year as required by law. And we just can't go on without taking some firm, tough action.

QUESTION: Thank you, sir.

QUESTION: Mr. President, Jim Wengert, Secretary-Treasurer of the Iowa Federation of Labor, AFL-CIO.

I think you have touched on my question by one of the other gentlemen that asked it, so I will kind of rephrase my question.

Because we just got over the State AFL-CIO convention here in Iowa a couple of weeks ago, and I think the State of Iowa, at least from our membership standpoint at that convention, was that we don't want handouts in this country. We want jobs.

Along that kind of a theme, could you support a program in this country that the Government of this country would become the employer of last resort so our people can get jobs?

THE PRESIDENT: I might say Dr. Arthur Burns just recommended that. So let me put it this way: It all depends on how you define it. Dr. Burns -- and I talked to him about it the other day -- his thought of the Government being an employer of last resort -- and he spelled this out in a speech down in Atlanta -- is that you hire people at less than the minimum wage but you give them a job on the theory that, if they are working at less than the minimum wage it is an incentive for them to go out and find a better job. I don't think that is what you are thinking of.

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QUESTION: No, I am not. (Laughter)

THE PRESIDENT: So that is why I think you have to define what you are talking about as the Government being an employer of last resort.

I was about to say earlier I was glad to see the Iowa AFL-CIO and Arthur Burns agreeing.

QUESTION: No, that isn't true.

THE PRESIDENT: But obviously in this case you don't.

I think that the present program of unemployment insurance with the extended material we have, which is enough incentive to get people to look for jobs, is better than a massive program.

Now I am not saying we don't have massive programs to some extent. We have public service employment jobs now that cost us about \$4 billion to \$5 billion a year. Now that employs roughly 350,000 people who are not otherwise employed, and that is done primarily through your city and State agencies.

For us to undertake a job to hire everybody, I think is not the right approach. We want jobs emphasized in the private sector and, if we handle our affairs properly, we won't have to resort either to extended unemployment compensation or employment with the Government as that agency of last resort.

That is an easy phrase but I just think there are enough problems in it that we ought to find other answers primarily in the private sector.

QUESTION: Thank you.

QUESTION: Mr. President, Wendell Gangwish, one of the farmers that you referred to a number of times earlier, speaking on behalf of the members of the Nebraska Farmer Bureau Federation.

First of all, I want to commend you and your Cabinet for bringing the conference to Omaha, and Secretary Butz did more than a commendable job in setting the tone for the conference.

Now in Nebraska we have a little bit more than above average football team. We think --

THE PRESIDENT: We thought we had one at Michigan, too, but they had a little trouble, but they are going to do all right. (Laughter)

MORE

QUESTION: When our boys come on the field to play, the referees officiate the game and call the plays by the same rules for both teams. You have taken a strong stance in the decontrol of oil which, to me and to us, is saying that the marketplace is the place to establish price.

Now some two to three years ago we were witnessing price controls. We saw these controls lifted with one exception--beef. Now we are currently witnessing some restriction in feed grains.

My question is, Mr. President, we would like to be one of the teams and have the game called by the same rules. We kind of look at this as somewhat of a bending of the rules. We would like to see the marketplace the determining place for the price of agricultural products.

THE PRESIDENT: Before answering your very appropriate question, wouldn't all of you like to have Michigan beat Missouri on Saturday? (Laughter)

QUESTION: No, no, no. (Laughter)

THE PRESIDENT: I have said, and I will repeat it here, I do not think that wage and price controls are the right remedy for a healthy economy in the United States, period.

I am not familiar with any controls we have on the price of agricultural commodities, including feed grains. We have a temporary suspension of world sales to the Soviet Union, but for a purpose of making the market for agricultural products -- corn, wheat, feed grains -- better, and I think of four to six weeks delay at the most is the best way to get that assured market.

In the meantime, as I recall grain prices--what is it, wheat is about \$4.20; corn is about \$3.05. I have forgotten what soybeans are -- \$5-something, is it? We are going to see that the farmer gets a good price, fair price in the marketplace, but we are also interested in having him an assured market over a long period of time from a buyer that will buy a lot of corn and wheat, et cetera.

If we can just be a little patient for this interim where we haven't had any precipitous drop in wheat and corn prices in the last month -- have we, Earl?

SECRETARY BUTZ: They have increased.

THE PRESIDENT: As I say, I think they are in pretty good shape, but we want a big market and that in the long-term is in the best interest. And a little time, if you are a little more patient, we will get a good deal for you.

QUESTION: Thank you, Mr. President.

MORE

QUESTION: Mr. President, I am Paul Amen, representing the Lincoln Chamber of Commerce.

Here in the Midwest we sense that pressure is building in Washington to have the Federal Government rescue financially New York City. What is the Administration's position at this time?

THE PRESIDENT: How many here would urge that the Federal Government bail out New York City? (Laughter) Here is one gentleman.

New York is in terrible shape. Even after the indications that they were going to straighten out their problems under a three-year program, they are going to have a deficit between income and outgo this year of \$1 billion.

That is unbelievable. They won't get to a balanced budget even under this program of austerity until three years from now. They are in a fiscal bind caused by bad management for the last ten or 12 years.

Mayor Beame is not totally responsible for it. His predecessors were contributors. They have a tough job. There is, at the present time -- and I see no prospect of any change -- any Federal bailout.

We, I think, have to be cognizant of what might happen in financial markets. Not only the banks in New York City, but banks all over the country, hold bonds and paper from the City of New York.

But, I think there are remedies within existing law that can ameliorate many of those problems. I don't think that the Federal Government ought to step in and, in effect, begin to manage the City of New York. I didn't recommend that the State of New York move in, but they did, and now they may have compounded the problem.

Nevertheless, I find little sentiment in the Congress -- and obviously I found very little here (Laughter) -- for the Federal Government to come in and bail out bad fiscal management over a period of time in the City of New York.

QUESTION: Thank you, Mr. President.

QUESTION: Mr. President, Beverly Evertt, representing the American Association of University Women.

MORE

I would like to shift gears, if I may, and get us a little bit into international economics. I would like to ask that of the demands, six or seven of them, made by the Third World countries in regard to the new economic order, which do you see as being of benefit both to the United States and to those nations?

I am speaking of the release of debt. I am speaking of the sovereignty over natural resources, and that list of six or seven that has been brought out in the United Nations of late.

THE PRESIDENT: Of course, at the seventh special session that took place a month ago, Secretary Kissinger made a very broad speech in response to the demands of the underdeveloped nations. They, of course, talk about a new world order. We don't think their problems, the sale of their natural resources, necessarily argue for a new world economic order.

We would rather talk in terms of taking each one of the commodities and handling them on a case-by-case basis -- zinc, tin, bauxite, coffee, et cetera.

So, we are not going to be a part of any scheme to establish a new world order, a new world economic order. I want that crystal clear. But, we will work with those nations, as Secretary Kissinger said, on a case-by-case basis of trying to assure them of adequate income from their natural resources.

The approach that we took with Secretary Kissinger's speech has created a totally new and a very beneficial attitude by these countries vis-a-vis the United States. Instead of just slamming down our foot and saying we won't talk with you or we won't try to solve the problems -- and that hard-line attitude was exacerbating our relations in the United Nations -- we now are really in an exceptionally good position to work with, deal with and get support from these underdeveloped nations.

I think the best example was our agreement that we would sign and become a part of the tin agreement. That gesture on our part, which won't have any adverse impact on the United States, has helped in a very constructive way our relations with these underdeveloped countries.

So, rather than talk about some theoretical new world economic order, we are going to talk about how you solve your problem, and that is, produce some good results for us in the United Nations.

QUESTION: Thank you, Mr. President.

MORE

THE PRESIDENT: Bill just tried to cut you off, but I will be the good guy. (Laughter)

QUESTION: Being number 17, and last, it was a question of whether we would make it or not.

Mr. President, I am Charles Wilson of Red Oak, Iowa. I am the Chairman of the Iowa Manufacturer's Association.

We are concerned with the apparent lack of public understanding of the fiscal economies and of the very great importance of fiscal responsibility. This is leading us to, we believe, or is the cause of, many detrimental effects; for instance, very massive welfare programs, which are very expensive and which lead inevitably to lower productivity.

Another example would be the expensive over-regulation of industry and of the country in general, the cost of which must be passed on to the consumer.

Our question: We would like to know what steps are or can be taken, or what we can do, to improve the public understanding of the fiscal responsibility of our Government?

THE PRESIDENT: To some extent, I may have answered that question earlier. I think it is an educational process, and the sooner we start, the better, with the youth of America. They really have a bigger stake in the future of this country than some of us older folks.

If they can be taught that the United States, by any standard of comparison, has produced more freedom, more material goods and more benefits than any other country throughout the world, present or past, then I think they will get an enthusiasm for it.

It has to start in the school system. It has to start in the home. It has to start in various organizations, through the Future Farmers of America, et cetera.

I think we are making some headway, and we can't quit just because it is slow progress. When I travel -- I don't care where in the world -- I come back and say how lucky I was that I was born in the United States and I am a citizen of this country.

That doesn't mean that we solved all our problems. Far from it. It doesn't mean that we can't do better. It doesn't mean that we should be complacent and satisfied. But, when you take a look, wherever you go, we have more opportunity, more freedom, more material benefits, and we should just thank our good Lord that we are Americans.

MORE

We should continue to work at improving the situation, and we can through the educational process. I don't have a pat formula, but I sure have faith that it will happen.

Thank you very much.

END (AT 5:39 P.M. CDT)