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THE WHITE HOUSE

REMARKS OF THE PRESIDENT
AND
QUESTION AND ANSWER SESSION
AT THE
MID-APPALACHIA WHITE HOUSE CONFERENCE
ON DOMESTIC AND ECONOMIC AFFAIRS

THE HYATT REGENCY HOTEL

4:00 P.M. EDT

THE PRESIDENT: Governor Blanton, Governor Carroll, Governor Waller, Governor Holshouser, Governor Rhodes, Governor Busbee, Governor Moore, Senator Brock, Senator Baker, Congressman Quillen, Congressman Duncan, Mayor Testerman, distinguished guests, ladies and gentlemen:

That concludes my speech. (Laughter) Thank you and goodnight. (Laughter)

I know you have had an interesting and stimulating program. I know from the program that the experts on all of these subjects have spoken to you about what we are seeking to do and attempting to achieve, and they, in turn, have listened and, I am sure, gathered information and suggestions from all of you.

I prefer to concentrate in the area of questions and answers, but if I can take just a minute or two, I would like to emphasize two very serious problems that we face.

I would like to summarize the proposal that I submitted to the American people last night and which is being submitted to the Congress today by the Secretary of the Treasury; namely, a two-part package that must go together.

Number one, a restraint on the growth of Federal spending and, number two, a substantial tax reduction, three-quarters of which goes to individual taxpayers and 25 percent will go to the business community.

Number one, at the end of this fiscal year, the spending for the 12-month period will be roughly \$370 million. If no new program is enacted by the Congress and no changes are made in existing law, in the next 12 months there will be a \$50 billion growth in Federal spending.

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If you look at the curve for the last 14 years, and if we focus specifically on the growth in 1970 on, you will find that there has been a tremendous acceleration in Federal spending that this country cannot tolerate and we must change.

Number two, it is my belief that the American people want a fair, sizeable, substantial tax reduction, and the net result is that we are proposing in the tax reduction bill a \$28 billion tax reduction to coincide as a part of a package with a \$28 billion reduction in projected growth of Federal spending.

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It can be done and I specifically disagree with those who say that the Congress of the United States can't do it. I think they can. It is mandatory if we are going to preserve the kind of society that we want, that the American people want.

Let me summarize very quickly the tax package: An increase in the personal exemption from \$750 to \$1000; an increase, a flat figure for a single taxpayer of the standard deduction of \$1800; a \$2500 flat standard deduction for a family and some modification of the rate structure. In the business field, a reduction from 48 percent, a permanent extension of the investment tax credit and the personal income tax reductions would be on a permanent basis.

I think it is a fair proposition to the taxpayers and the spending limitation can be achieved. I can assure you that all of us are going to maximize our effort to convince the American people so that in turn the Congress will respond.

I believe the Congress can handle the problem of a spending restraint and a tax reduction.

Now, the second point I would like to make is the need and necessity for a comprehensive energy program. Two basic points: One, we have to stimulate domestic production. Number two, we have to conserve. We have been far too long vulnerable to foreign oil control. In the last two or three years we have been literally vulnerable to decisions made overseas, primarily by the Middle Eastern countries.

Four years ago the Federal Government, meaning the United States, was paying out roughly \$3 billion a year to foreign oil producers. Last year we paid out \$25 billion. There has been roughly a four-fold increase in our payments overseas, and with a 10 percent increase announced roughly a week or ten days ago, we will pay an additional \$2 billion a year to overseas oil producers. That money ought to remain in the United States.

If it does, it means, roughly, a million more American jobs. In order to make ourselves invulnerable, we have to stimulate the production of domestic oil, we have to more affirmatively use coal, we have to get into the exotic fuels, we have to expand our research and development, and we are, and we must because the risks are great.

Push what I recommended about a week or ten days ago, the Energy Independence Authority. That proposal will go up to the Congress in draft form and with a message this week and it will be aimed at taking those energy projects that cannot because of the risk or the gamble, be financed by private enterprise and push them so we make real headway in the synthetic fuel area.

We will have to do something in the area of transportation and conservation through this mechanism, through this facility, but we can do it.

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We cannot, in the future, leave the United States vulnerab to energy decisions by nations overseas. The United States, for its own security, for itw own economic progress and headway, has to have more of our energy developed right here at home and we are going to do it.

So with those very limited observations, I would now be delighted to respond to the first question.

QUESTION: Mr. President, I am Tom Stone, President of the Greater Knoxville Chamber of Commerce , and I think I would be remiss if I did not tell you that we that we recognize this Conference as a very unique way to bring the White House to the people.

And I also think that I should -- I believe I am speaking for all the people in this room when I express to you our appreciation for the time and the effort that your staff has put into having these Conferences, and I would suggest to you that you have an excellent staff in the form of Mr. Bill Baroody and John Shlaes and the members of his staff who have been so kind and so easy to work with, and I would hope that you would continue with them.

THE PRESIDENT: I am very proud of them and I am delighted to hear public acknowledgement of a fine job they do. They do a good job.

QUESTION: Mr. President, my question: As a representative of the business community struggling to be competitive to provide secure employment and to generate capital that is needed for growth and stability, we generally agree with your proposed tax programs. Our concern is a big if and that big if is Congressional acceptance of a \$395 billion budget ceiling. What hopes can you share with us that Congress will be favorable to your proposal?

THE PRESIDENT: As I indicated, questions have been raised by the Congress or by certain members of the Congress as to whether under their procedures such a result can be accomplished.

Since January I have heard a great deal about the reforms that have been put through the Congress of the United States to make it a better parliamentary body to meet the problems that we face. I think if they put their nose to the grindstone and show a little imagination and a little strength, it can be done. And I believe the American people want it and we are going to go out and do our utmost to sell the American people, and if they have not the mechanism to do it now, the Congress has the responsibility to do it when they get back to work, and we intend to push it.

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QUESTION: Thank you, Mr. President.

QUESTION: Jack Reese from the University of Tennessee, Knoxville.

Mr. President, I should like to thank you for your recent statement on tax reform, specifically the issue of charitable contributions to colleges and universities.

The question I have, however, deals with the severe and perennial fluctuation in Federal support for students at our institutions of higher education. Do you believe that the Federal Government can provide greater stability of funding and programs for higher education so that we can all plan more adequately for the future?

THE PRESIDENT: I am not familiar with any fluctuations from the budget point of view. It may vary or fluctuate at the institutional level but, if I recall accurately, there has been no variation of any significance in the total amount that is made available by the Federal Government to institutions of higher learning. And speaking of the student loans, student grants and all of those programs, I know that amount has been going upward at a rather steady rate and, of course, the educational benefits that go under the GI Bill have, likewise, been increasing at a substantial rate.

I am not familiar with any dip in the funding for institutions of higher learning, but if there are, we will look at it. In my recollection, it was a pretty straight progression.

QUESTION: I think I am referring more, Mr. President, to the fluctuation programs, the starting up and dropping off of various programs.

THE PRESIDENT: Well, what we would rather do, and I think it runs through the philosophy, is to emphasize the programs for the student of one kind or another and give the student the money and let him make the choice as to the institution that he intends to attend.

We will look into it, but I am not familiar with any dips and valleys, or peaks and valleys. I agree there ought to be a certain stability in many of the programs, particularly those affecting the students. It has been a progression upward rather than any decrease.

Thank you very much.

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QUESTION: Mr. President, I am Richard Wilkes, AFL-CIO Appalachian Council. Understanding your concern for the unemployed throughout our country and the job situation and job market today, and the Comprehensive Employment Training Act and the distribution of these monies to the State and local Governments for distribution for training and placement purposes, the Manpower Administration has urged National Manpower Training sponsors and local community organizations who formally sponsor training programs and placement efforts to look to see that Title 1 prime sponsors at State and local levels for continued financing. However, widespread surveys indicate little hope that these organizations will receive any help.

My question: Mr. President, in light of this, do you propose to continue the funding of these programs which have demonstrated effectiveness in the field of job training and placement?

THE PRESIDENT: It is my recollection that under the CETA program we have requested, and Congress has approved, the full funding under the Authorization Act which, for the current fiscal year, is somewhere in the magnitude of \$3,200,000,000 or \$3,500,000,000.

It is my expectation that we will fund or recommend the funding of that program, bearing in mind our current economic problems, at roughly the same level. I think it is basically a good program, it incorporates not only the training programs you are talking about, but the summer youth program, and it would be my expectation that unless there is a substantial change in the economic situation, we hope there will be some gradual improvement and we think there will be.

We will fund at a very substantial level and, hopefully, sufficiently to meet the kinds of programs you are talking about. It is my understanding that in Tennessee you have had for several years a good statewide program in this area.

QUESTION: Yes, sir.

THE PRESIDENT: And if the funding is more or less at the present level, I see no reason why those programs could not continue.

QUESTION: Thank you, sir.

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THE PRESIDENT: Yes, sir.

QUESTION: Mr. President, I am James Putnam, a farmer and President of the Tennessee Farm Bureau Federation. I have a short statement and then the question.

Farmers were asked early this year to go all out for full agricultural production in 1975 with the promise by this Administration that farmers would have access to markets at home and abroad. They have responded with record, or near record, grain crops.

In view of recent action taken by the Government concerning the sale and shipment of grain to Russia and other countries, can we, as farmers and farm organizations, have faith in this Administration to make sure these markets are available to farmers?

THE PRESIDENT: The answer is strongly yes. There has been a temporary suspension for a very good reason. The farmers did go all out. They have produced a record crop of wheat at 2,100,000,000 bushels. They have produced a record corn crop, although we don't have the final figures of about 5,800,000,000 bushels. They have done, in the area of soybeans, also, an exceptional record and a record crop.

Now, we have long-term purchase agreements with Japan and with other countries. We have had some very wide fluctuations in the purchase of grain, corn, wheat and soybeans from the Soviet Union. One year, as I recall, it was around 55 million bushels, the next year it went up to 599 million bushels, and the next year it dropped down to 75 million bushels. The peaks and valleys have caused serious disruptions in our markets in the United States.

Now, what we have done, the Soviet Union has purchased 10.3 million metric tons of grain so far. They have a serious shortage. There were rumors that they were going to come into the market at a very substantial figure. At the same time, we felt, and still feel, that a five year purchase agreement with the Soviet Union agreeing to buy a minimum figure of a substantial amount every year with an option to buy another sizeable number of tons is a better program than having these peaks and valleys and these wide fluctuations and variations.

Our negotiators are in Moscow now, they are seeking to achieve a permanent or a five-year program, as I have described it. If that is agreed to, there will be a removal of the temporary suspension of sales and I am certain that the Soviet Union will come in and buy additional grain in this crop year which will be very, very helpful and will coincide with the promise I made, and in the mean time, we will have gotten an assured market from a sizeable purchaser for the next five years. It is a negotiation which is in the best interest of the farmer and in the best interest of the American consumer, and when the announcement is made -- and I think it will come reasonably soon -- I think farmers as well as consumers will be pleased. And we might be able to combine it, if I could add as a postscript, a deal that will give us some Soviet oil as a part of the overall deal which is good insurance against Mideast oil decisions.

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QUESTION: Mr. President, I am David Switzer, President of the Tennessee Chapter of the American Public Works Association.

In my question, I would like to refer to a House bill, 5247, which was cited as a local Public Works Capital Development and Investment Act of 1975, as sponsored, I believe, by Congressman Jones of Alabama.

This bill asks for an appropriation of \$5 billion for funding 100 percent Federal grants for State and local public works projects. This bill is designed to meet not only the need for a huge backlog of badly needed public works facilities, but also to meet the national unemployment emergency and to stimulate activity in the construction field, where I understand at least one-fourth of the workers are currently unemployed.

I understand that this bill has been drastically cut in the Senate, perhaps back in committee, and I would like to ask, sir, what you would care to comment on the Administration's attitude toward this kind of measure for stimulating the economy and, at the same time, providing local public facilities which are needed for health and safety of the public?

THE PRESIDENT: First, I never make any categorical comment on whether I will veto or approve a piece of legislation until it gets down on my desk, but I am generally familiar with the proposal.

As a preface to that, I should say that under the \$395 billion ceiling that I mentioned last night -- and I reaffirm today -- it makes it almost impossible, if not virtually impossible, to add any new programs, even one such as you have described.

So, it does have a hard and difficult road if we are going to cut the growth in Federal spending because this is the new program.

Number two, we have found over the years that public works per se where you start literally from scratch, they are not the best way to get people immediately employed who are unemployed because of a slowdown in the economy.

It takes time to get these projects moving. In contrast, there is, I think, a little different situation in road building because these are projects and programs that have been underway, planned, et cetera, but I think that many of those projects can be funded out of general revenue sharing, which amounts to about \$6 billion 300 million in this current fiscal year, going one-third to the States and two-thirds to local communities.

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That is money where there are no limitations, no restrictions, and the States and the local communities can use that money for the kind of projects and programs that you mention under this other bill.

So, I would say that is a better way, a more certain way, and the other is a program that will have to come under the \$395 ceiling if we are going to show the kind of restraint that would justify the personal tax reduction that I mentioned of \$28 billion.

QUESTION: Mr. President, LeRoy Brandenburg, NAACP.

Mr. President, the unemployment rate of black Americans being twice that of white Americans, do you feel that the unemployed need some special attention and, if so, what?

THE PRESIDENT: I recognize that the statistics show precisely what you have indicated, and I think we have to approach the problem in two ways.

Number one, we have to get our economy out of the recession -- and we are on our way out of the recession -- so that there will be more job opportunities for all Americans, including minorities. I am glad to report that since March of this year, to the last report several days ago, we have increased the number of people gainfully employed by 1,650,000, so we are making headway in job opportunities in jobs themselves.

From that, we have to recognize the abnormal unemployment in the area of the minorities. Through the Comprehensive Employment Training Act, CETA, we are trying to take the minorities, give them training and get them from training into meaningful jobs.

There are, of course, other efforts that are being made in the field of education. One of the problems is making sure that minorities are adequately educated so they can handle some of the jobs where there are openings, and we are seeking to make special efforts in those areas.

I think those are basically the programs that have to be pushed in order to meet the problem, and it is a serious one in the unemployed among minority youth, particularly.

QUESTION: Thank you.

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QUESTION: Mr. President, Anne Gillenwater. I represent the Commission on the Status of Women.

First, I wish to express my appreciation for the interest and concern that has been demonstrated by our First Lady for women's issues.

THE PRESIDENT: All of the polls I have seen, she does much better than I. (Laughter)

QUESTION: My question. Since the Equal Employment Opportunity Commission is inoperable, and there has been no concerned attempt to address the serious problems of women, we want to know what attempts are going to be made by this Administration to answer our needs in employment, child care and women's future role in today's society.

THE PRESIDENT: Are you speaking of EEOC?

QUESTION: Yes.

THE PRESIDENT: We just appointed a very fine person as the new Chairman, and I just submitted the name for reappointment -- I apologize, I can't think of her name -- Mrs. Walsh. Under the new Chairman, I think you will see some very strong, affirmative action by EEOC, as I think it should, not only among minorities, but as far as women are concerned.

He is a very fine person. I know him personally. He comes from an excellent background, and it is my opinion that you will be very pleased with the new efforts by that organization under his leadership.

QUESTION: Thank you.

QUESTION: Mr. President, Jack Kaiser, the UMWA. Excuse me. I am a little excited. (Laughter) I am representing the United Mine Workers of America, Health and Retirement Fund, and I am a coal miner myself.

If the coal miners are to maintain the production of this essential energy source, we need just a few basic things. We need good education for our children. We need medical care for our families and we need safe working conditions.

My question, Mr. President, is this: What is being done to make sure that one part of the Government works with the other? When we try to get a doctor to move into our community, we hear that he won't come because of the problems of housing and education. Teachers will not come because of the problems of housing and health care.

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Who is going to help us put together the answer to these different parts of the same problem?

THE PRESIDENT: In the case of doctors, we have several programs. One of them is where the Federal Government gives a scholarship or grant or other financial assistance during their period of training in return for them to spend several years -- I don't recall the precise number -- in a rural area.

This program has been in effect three or four years, as I recall, perhaps longer. This, I believe, is a good way to get general practitioners in rural areas. It is my recollection -- I was reading, as I came down today, of a program that you have in Tennessee under the auspices of HEW, as I recall, to have sort of a circuit rider doctor that would help very tremendously in meeting the problem you are talking about.

There was a program in education -- I think it is still in effect -- that gives loans or grants to those seeking to teach, providing they spend "X" number of years in the educational field, and they would get a forgiveness for the loan or grant that was given to them.

I think that is still in effect, is it not, John or Bill?

The Teacher Corps Program, which is aimed at meeting that particular problem, I recognize fully that you need doctors and teachers, and I believe those two programs at least in part can be helpful.

QUESTION: Mr. President, I am Ed Ray, representing the Tennessee Press Association.

You look well, hale, hardy, and we are all glad you do, very vigorous.

THE PRESIDENT: Thank you.

QUESTION: That prompts what I am going to say.

Vice President Rockefeller and Treasury Secretary Simon, among others, have suggested that editors and other news media representatives downplay on their presentation to the public of an instance dealing with attempts upon your life.

The argument is that such news, and I quote, is "stimulating to the unstable." Now, those who defend detailed coverage of recent such incidents contend that for the press to do otherwise would be an abuse of the public's right to know and, in effect, would be an erosion of the free press and a free society.

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Now, Mr. President, I don't recall your having spoken out on the subject, but I would like to hear from you.

THE PRESIDENT: Let me say, Mr. Ray, I believe the press should accurately and fully report any such incidents. I think they have an obligation to do just that, and I, under no circumstances, would urge the news media to do otherwise.

QUESTION: Mr. President, my name is B. F. Reed, and I am President of the Turner Elk Horn Mining Company, with headquarters at Drift and Floyd Counties, Kentucky. We are part of Appalachia.

The coal industry, of which I am a part, has great problems in responding to your plans for development of the domestic coal industry. One of the devastating problems is implementation of the Clean Air Act, which has already stopped production of utility coal in the Appalachian region. I am told now that the Senate committee bill, Public Works Committee bill, will further increase our trouble and make impossible the goals that you have set for the development of the industry.

My question is: What further can this industry do, what plays can be called to help to resolve the problems brought about?

THE PRESIDENT: In the energy program that I submitted in January, following the State of the Union Message, I recommended certain amendments in the Clean Air Act that would modify -- not wipe out, but modify -- the existing law so there could be more flexibility, permitting energy generating plants to transfer from oil to coal.

Those amendments, as I recollected, were approved by Russ Train, who represents EPA, as well as Frank Zarb, who represents FEA.

Unfortunately, as I understand it, the Senate, instead of taking our amendments, have come forth with about a half a loaf, and the net result is it won't really solve the problem, which is greater utilization of coal and a lesser dependence on foreign oil.

You don't have to convince me. We are in agreement with you. I think what you have to do is go down there and sit on the doorstep of the United States Senate and the United States House of Representatives and tell them what the problem is and convince them that our proposal is right if we are going to be invulnerable to foreign oil cartel price decisions. That is it.

QUESTION: Thank you.

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QUESTION: Mr. President, I am Tom Green of the Tennessee River Valley Association of Nashville, Tennessee. With the Number One Army Corps project of the United States is the construction of the Tennessee Tom Bigbee Waterway. This huge project involves new job opportunity waterway development and energy conservation. What is your position on continuing the construction funding of the Tennessee Tom Bigbee Waterway connecting Mid-America with the Gulf scheduled for completion in 1981?

THE PRESIDENT: Probably the first Public Works project I ever heard about on the floor of the House was the Tennessee Tom Bigbee River Project when John Rankin was literally the only sponsor of that proposal in the House of Representatives. It was approved or authorized; it has had funding. It is a sizeable project. In the budget for fiscal 1976 we did recommend funding, I don't recall the precise amount. It is my judgment that there will be additional funding recommended in fiscal year 1977, but until I see the recommendations of the Corps of Engineers, which have not as yet come to me, I cannot give you any precise figure.

I do support the project, I think it ought to be underway from a point of view of construction, and I think we ought to set a target as to the completion. It does save -- what is it, about 1600 miles if it goes from the Tennessee River down to the Gulf of Mexico?

QUESTION: About 350 miles, I believe, Mr. President.

THE PRESIDENT: Well, it is a very sizeable saving of transportation. This Administration is for it. The best evidence is the recommendation we made for fiscal 1976 and I am certain we will make a recommendation for fiscal 1977, but until the Corps of Engineers gives me their recommendation, I am in no position to give you an exact figure. It will be included; how much is the question.

QUESTION: Thank you, Mr. President.

QUESTION: Mr. President, I am Carl Holcomb, and I represent the Appalachia Regional Conservation Commission of the Sierra Club. We want to compliment you on your interest and concern for this rich and wonderful section of our great country.

My question is this: Your nomination of Mr. James F. Hooper to fill the vacancy on the TVA Board of Directors has caused a great deal of discussion and controversy among the people of this area of the valley, in the national media and in the halls of Congress.

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We feel that this is a very important position nationally as well as locally, and in view of this we would like to have you tell us of the significant qualifications of Mr. Hooper for this very important position.

THE PRESIDENT: There are three on the Board, there are three spots on the Board. Mr. Hooper's name was submitted out of a list of about ten or twelve. It was submitted to me. The nomination is before the United States Senate, it is before the Committee that has jurisdiction. That Committee is in the process of conducting its own investigation, and the report from that Committee will be submitted shortly, I am told, with its recommendation, and if it is favorable, it will go to the floor of the Senate.

At the time that Mr. Hooper was selected, we did look into his business qualifications, into his other qualifications, and the judgment was that he was qualified for the position, but this is now a matter for the United States Senate under the confirmation process. I don't think I should go any further than that. The nomination is there, it is now a decision for the United States Senate to make.

QUESTION: Thank you, Mr. President.

QUESTION: Mr. President, I am Roy Meade representing the National Association of Manufacturers.

As you know, individual stockholders, the backbone of our free enterprise system, have left the market in droves and it is necessary for them to return before we have the viable stock market. What are your views on double taxation of dividends, graduated capital gains tax when equities are sold at a profit and a liberalized capital loss treatment when sold at a loss?

THE PRESIDENT: Well, in the response to the first question, Secretary Simon about a month ago went before the House Committee on Ways and Means and recommended the Administration's view that we should find a method of integrating taxation of corporate profits and the dividends paid to individual stockholders. Unfortunately, that recommendation was not treated too favorably by the House Committee on Ways and Means.

We submitted that proposal because I believe that if we are going to create jobs, we have to create the wherewithal for investment so that the plant and the machinery can be purchased for the development of the job market.

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Now, we have a tremendous need and necessity for investment capital for job creation. Now, if the Committee didn't like what we recommended, then they ought to have, or they do have the obligation to come up with some answers of their own.

Now, in the second question, the House Committee, in its consideration of handling of the sale of the profit coming from the sale of securities last year, made some modifications. As I recall, we didn't take any particular stand on that.

And the last question, I have forgotten what the third point was.

QUESTION: Liberalized capital loss treatment when sold at a loss.

THE PRESIDENT: Well, I don't think the Administration has taken a stand on that particular issue. If we have, it is a detail that I don't recall.

QUESTION: Thank you, Mr. President.

QUESTION: Mr. President, I am Arden Miller of the American Public Health Association.

I am concerned, as I know you are, with the well-being of this country's children. By your public statements on welfare and by your veto of the Children's Nutrition Bill, you have indicated some ways in which you think it is not appropriate for Government to give assistance to families of low and marginal incomes to raise their children. Do you recognize that there is any societal responsibility to assist parents in raising their children, and, if so, what are the intentions of your Government to meet that responsibility?

THE PRESIDENT: I certainly do recognize that those who, for one reason or another, do not have adequate funds for the raising of their children or for their own sustenance or are unable to have an income, the Government does have a responsibility. Let me take, for illustrative purposes, the Child Nutrition Bill, which I vetoed several days ago.

Under the bill that came from the Congress, it lifted the ceiling for the Child Nutrition Program to a figure of over \$9,000. In other words, a family that had an income of over \$9,000, that family's children would qualify for free lunches. I think that is far too high, I don't think it can be justified.

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Now, that is from the point of view of who should get free lunches. I certainly wholeheartedly endorse free lunches across the board for those children who come from any family below the established poverty level and I think the income level there is \$5,500. There is no question that the children that come from a family of that level are deserving under the free lunch program but I just as strongly feel that the Government as such has no obligation to give free lunches to children of a family that has an income of over \$9,000.

And I must say, I was quite disappointed to find that today the House of Representatives overrode my veto by 370-something to 18. But let me assure you that aside from the humane aspects -- and I strongly support the feeding of children as I have indicated -- this will add over \$200 million to expenditures during this fiscal year and it is somewhere in the magnitude of \$600 or \$700 million over expenditures in the next fiscal year, and all of that, of course, comes out of that \$395 billion ceiling we are talking about.

Yes, sir.

QUESTION: Mr. President, my name is James Somerville and I am representing the Commission on Religion in Appalachia.

The basic stance of the Commission on Religion, which is a cooperative mission enterprise of 18 separate Christian unions, has expressed in its purpose which is that of taking a position of advocacy with respect to the people of this region in the name of Jesus Christ. To be an advocate in Jesus' name seems to us to command advocacy in that style, the style of the Nazarene. The Gospel teaches that this means giving up the prestige of rich and the powerful and taking on that condition of the disenfranchised.

In some feeble way, very feeble way, this is where we stand and intend to stand. Now, from that posture, and I feel entirely inadequate of trying to stand there, but from that posture we see that no issue in our region has come up from the grass roots more consistently and more dramatically than that of stripmining.

I know of no citizens' group anywhere in this land we call Appalachia that has said, "Let's keep on strip mining." I do know of lots of coal company interests that have seemed to say stripmining is good for America.

Mr. President, you have vetoed two stripmining bills. Would you, in this moment, show us how your veto of those bills has been good for the people of the Appalachian Mountains; and if you can do that, sir, will you tell us now this Administration, your Administration, will compensate this people for the devastation of strip mining.

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THE PRESIDENT: Let me assure you, I don't condone irresponsible stripmining under any circumstances and the best evidence of that is the fact that after the veto in 1974 and after the veto of 1975 we submitted to the House and the Senate specific amendments that would make a stripmining bill acceptable. It would have been a well-balanced stripmining bill if the Congress had responded and considered and approved the amendments that we recommended, and I would hope even today that the Congress would take their bill and add to it the amendments that we believe are good.

Now, you know, the Federal Government is not the only governmental agency that can meet the problem of stripmining and I know of at least two States in Appalachia that have excellent stripmining laws. Ohio.

Is Jim Rhodes here? I think Jim would say that Ohio has a first class stripmining bill and it works extremely well. I have heard about it a number of times from one of my former colleagues, Wayne Hayes, who says that is the standard.

Well, in Appalachia the Ohio legislation in effect takes care of the problem. In the State of Pennsylvania, they have a good stripmining bill and maybe other States in the Appalachian region do have good stripmining bills. I know those two for sure.

So even if we don't get a Federal stripmining bill, there is no reason why your States can't act affirmatively as Ohio and Pennsylvania have done.

Now, let me explain two very practical reasons aside from the environmental features, and our amendments would, in my judgment, meet all or most of the environmental problems. Under the legislation that I vetoed, you would find that there would be a substantial loss of jobs, and, number two, you would find under the legislation that I vetoed we could not, under any circumstances, meet our goal of 1 billion 200 thousand (million) tons of coal in ten years.

We are presently at the rate of 600 million tons and we have to double that, and we can do it with good legislation but we could not, in my opinion, with the legislation that the Congress sent me.

Now, we are willing to negotiate with the Congress, we are willing to work with them to come up with an acceptable bill, but they want it their way or nothing and I don't think that is the way to find a solution to the problem.

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QUESTION: Mr. President, I am Mrs. Harry B. Caldwell from North Carolina. I am representing the North Carolina State Grange and the State Granges in this region.

Last fall, and last winter, you called on the farmers of America for all-out production, and you indicated that they would have the assurance that you would give them full support in receiving reasonable prices for the things that they produced.

Just recently -- I believe it was last week -- Secretary Earl Butz, in a meeting in Chicago, again called on the American farmers to go all-out in producing the food and fiber needed for our Nation and to help meet the needs of the world in 1976.

Now, farmers are born optimists. They really want to produce, but they need the assurance that they will receive costs of production, plus a reasonable profit.

My question is going to be in three parts, all of them related.

How do you propose that farmers will receive fair and reasonable prices if they produce the abundance called for by the Government?

They are related. Do you want to answer that one now?

THE PRESIDENT: I would be very glad to.

I indicated earlier that we did ask for full production, and the farmers responded in corn, wheat, soybeans. I indicated we have a temporary suspension, but only for the purpose of getting an assured market of a substantial amount over a five-year period.

I think it is fair to point out that since the suspension, which is in effect now for about five weeks, the price of wheat on the market has gone up from around \$3.75 a bushel to \$4.05 a bushel, so even with the suspension of sales to the Soviet Union, there has not been any drop in the wheat market.

I believe that is likewise true in the corn market because everybody knows that the Soviet Union is going to come back into the market this year and in addition, we will get a five-year agreement with an assured market of a substantial amount.

MORE

QUESTION: Now, what are the features of the new farm bill that we will have next year that are being proposed by the Administration?

THE PRESIDENT: I believe that the Administration feels that the existing law, which is market-oriented and permits the farmer to sell his product in the market rather than to sell it to the Government and have the Government store it is the best approach.

So, it is my feeling that this legislation is basically sound, it has resulted in full production, and we have gotten rid of the storage problem. With corn at about \$3.15 a bushel, as I recall, and wheat at about \$4.05 a bushel--I have forgotten what soybeans are, they are about \$5.00-plus a bushel, whatever it is--that we are in the right area and we have got a fairly sound program.

QUESTION: Then you feel optimistic about the future and we can go home and tell the farmers to go ahead and plant?

THE PRESIDENT: You sure can, and the more you plant, the more you will sell, and we will be in a strategic position to use our bountiful harvest for humane purposes and other purposes around the world.

The farmers are going to get, in my judgment, a fair price in an open market.

QUESTION: Mr. President, Bill Bowden of the Southern Growth Policies Board. Governor James Holshouser of North Carolina is Chairman of our Board this year.

There is a broad agreement that there is a decline in the rate of productivity growth in the United States, and I should add this is particularly true in the Southern United States. In the past several years, which has contributed to inflation and to recession, to unemployment, it has placed the Nation in a vulnerable position in trying to compete with other nations for world markets.

Senator Percy of Illinois and Senator Nunn of Georgia have been bipartisan sponsors of a bill called the National Productivity Act. It has been approved by the Senate. It appears to be headed for approval by the House.

The Productivity Act provides for a national center to review Federal legislation and agency operations for their impact, plus or minus, on the ability of this country to be productive. The bill also encourages joint labor, industry and Government efforts to improve production and work conditions.

MORE

Lastly, and perhaps most importantly, Mr. President, the bill provides for a Federal policy to approve the use of human resources for improved work quality. I might just say, as an aside, we have never had in this country a Federal policy and an apparatus for the transfer of science and technological information after private enterprise and the local Government in the same sense as we have had through cooperative extension of the Smith-Lever Act for the improvement of productivity in the rural sector and improvement of the quality of life of rural people, and so we see the seeds of this sort of thing in the National Productivity Act.

Would you comment, sir, to the extent that you can, your attitude towards such legislation?

THE PRESIDENT: I think it should be said, first, that of all segments of our society in the last 20 years that have shown the greatest degree of increase in productivity it has been in American agriculture.

They have plunged forward and produced more per man, shown the greatest increase of any segment of our society for, I think, 5 percent of the American farmers produce enough for the other 95 percent and sell substantial amounts overseas.

So, the farmers have done a superb job. We have to do better in other areas.

Now, we have had for about four years a Productivity Commission.

QUESTION: That is correct.

THE PRESIDENT: That Commission was established on the recommendation of a former Secretary of Labor, George Shultz. It is in operation now. I think the law is about to expire, and there is some criticism of it. Whether it is justified or not, I honestly can't tell you.

The criticism is primarily in the House of Representatives. I think it can be justified. The annual expenditure or appropriation is about \$1 million 500 thousand. I am for that approach. I believe that it is worth that investment. I think the problem is not convincing those of us in the Executive Branch, but convincing the House of Representatives that the existing law ought to be extended.

In effect, I would recommend that it be made permanent so that it is out there as an instrument of trying to increase productivity in our society. It is the best insurance against inflation. It is the best insurance against foreign competition.

MORE

QUESTION: Thank you, Mr. President. That is very encouraging.

THE PRESIDENT: We have got about two more, so let's go ahead. I will be the good guy and let Bill be the bad guy.

Go ahead, sir.

QUESTION: Mr. President, I am Harold McPheeters, with the Southern Regional Education Board.

I too would like to thank you and all these very impressive leaders of your Administration for coming to our region, to our questions and our discussion.

I would like to ask a question about interstate regional cooperation. We have, in this region, two, I think, successful examples of interstate regional cooperation in economic and development programs in the TVA and the Appalachian Regional Commission, both of which are largely Federal.

Yet, there are many other domestic problems which I think lend themselves to this kind of interstate regional planning and cooperation, such as the training of rare health and scientific personnel, certain environmental planning, certain specialized economic programs and so forth.

We have several interstate organizations -- some are interstate organizations of the States themselves, some are professional organizations, and associations that could work in this area.

However, the Federal Government tends to deal with the States State-by-State. Now, I realize you are President of the United States, but is it likely that the Federal Government will use more of this kind of regional interstate cooperation and planning and action?

THE PRESIDENT: I see no reason why we should not, and we do have our Federal Regional Council, which is supposed to coordinate the various departmental programs in the region under their jurisdiction.

Now, that is at the Federal level. It does not have a corresponding group, necessarily, at the State level, but in those areas where it makes sense geographically, I would hope that we would not be hidebound by arbitrary State lines, and to the extent in the areas of health and education where it makes sense, we would proceed with the establishment of regional or other geographical organizations to meet a practical problem.

I don't think we should be circumscribed by just arbitrary State lines if another approach is the better one.

MORE

QUESTION: Thank you.

QUESTION: Mr. President, I am Roger Hibbs, representing the Mid-Appalachian Chamber of Commerce.

As you are aware, sir, New York City has been suffering from fiscal irresponsibility, if not gross mismanagement, for many years. What, sir, in your opinion will be the effect of the United States economy should New York City default on its obligations, and do you plan to bail them out with Federal taxpayer dollars?

THE PRESIDENT: I have been told by a number of economic experts that if by chance New York City should default and can't borrow the money to meet its current operating expenses, that the impact of such action or of such occurrence happening could be containable, as these experts tell me. That is the phraseology they use.

I have heard enough of them say that that I believe that it is accurate. The more serious problem is if New York City can't meet its obligations, can't borrow the money, or have it from other sources, now that we have the problem of New York State having some difficulties, but I can't believe that a State with all the wealth that New York State has can't meet that problem.

The problem of New York City is a serious one. I have great sympathy for the people of New York City. I do believe there is a solution, but it has to come from the local and responsible State authorities or the local city authorities.

There is no legislation at the Federal level that would permit the Executive Branch to move in and do anything under these circumstances. The Federal Reserve Board has certain authority that can help in the financial community, but neither it nor the Federal Government per se has any authority to bail out New York City.

Most people don't recognize that in either this fiscal year or last fiscal year the Federal Government made available in various programs to the City of New York about \$3 billion 500 million, roughly 25 percent of their revenue.

So, the Federal Government has not been negligent in trying to help the City of New York over the last several years. They are in a lot of trouble, and it has not happened overnight, and so far, there has not been any viable program presented that I have seen that will get them out of their difficulty, but we will have to wait and see.

I hope they can make it, but the Federal Government, or the Executive Branch of the Federal Government, has no authority to do anything.

MORE

QUESTION: Thank you, Mr. President.

THE PRESIDENT: Out in Omaha a week or ten days ago, I asked an audience like this when the question was asked how many in the audience would recommend that the Federal Government move in and rescue New York City. I asked this very solemnly, and I asked it very seriously.

How many in this room would recommend that the Federal Government go in and take care of the financial situation the City of New York has?

It is a serious matter, but it would have a very serious impact on our structure.

QUESTION: Mr. President, thank you for coming to Tennessee, and we welcome you here.

I represent the Stop Equal Rights Amendment group in East Tennessee.

THE PRESIDENT: Excuse me. I didn't hear.

QUESTION: I am Dorothy Warnacut from Etowah, Tennessee, and I am an East Tennessee Chairman for Stop the Equal Rights Amendment. I think you have heard of that amendment. (Laughter)

You have met with pro Equal Rights Amendment representatives, and we want to know if you would please grant us our equal rights to meet with you? (Laughter)

THE PRESIDENT: I am not familiar that I have met with any group such as you describe. I was in the House of Representatives and voted for it, so my record is clear.

It is now out of the Congress, and it is in the hands of the various State legislatures or in the hands of the people in the respective States. That is a procedure that is proper under our Constitution, and individuals pro and con at the State level now have the responsibility to decide under the Constitution whether there should be a ratification of that action taken by the Congress.

I thank you very, very much. It is a pleasure and privilege to be here.

END (AT 5:14 P.M. EDT)