

FOR IMMEDIATE RELEASE

MARCH 6, 1976

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

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THE WHITE HOUSE

REMARKS OF THE PRESIDENT  
AND  
QUESTION AND ANSWER SESSION  
AT THE PUBLIC FORUM  
OF THE CHAMBERS OF COMMERCE  
OF CHAMPAIGN, URBANA AND RANTOUL

CENTENNIAL HIGH SCHOOL

11:35 A.M. CST

THE PRESIDENT: Thank you very, very much, Ed Madigan, Senator Chuck Percy, Congressman Paul Findley, Secretary Butz, my good friend, Governor Ogilvie, Mr. Fink, Mr. Fitzgerald, Mr. Rasmus, ladies and gentlemen:

It is wonderful to be here in Centennial High School. You won't believe it but I picked out this University of Illinois tie this morning. Obviously, it is very, very wonderful to be here with you today and I was told before I came in that this is the season of March madness in the great State of Illinois.

I don't have to remind you that this is the time of the year for those great Illinois basketball tournaments.

But there are, of course, different kinds of March madness. Do you remember what the doomsayers were saying a year ago in March. It was just about 12 months ago when many, many were predicting that this Nation was literally on the brink of economic collapse. Forecasters were competing with each other to see who could make the gloomiest predictions. I am sure you all remember some of them.

Gasoline was going to be selling for a dollar a gallon, foreign investors were going to pull out their money from the United States as a bad gamble. Trade with the rest of the world was about to dry up. Inflation and unemployment would skyrocket and that grim word "depression" that some of us remember was heard more and more.

This was a time when it would have been easy to stampeed, to forget or to ignore the inherent strength of the world's greatest economy, to turn instead to some quick fix gimmicks. This Administration didn't panic nor did we abandon our principles or our convictions under fire.

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We set a very firm and steady course and stuck to it. What happened? Doomsday never came. The American farmer, the American businessman, the American consumer, the American investor, American workers regained their confidence in the future of this great country as they should and as they have and as they will in the future.

We preserved the integrity of the American dollar and the American economy. Inflation was cut in half, employment has risen by 2 million 200 thousand over last March. We have now recovered all of the jobs lost in the recession and we are going to do better and better month by month because we have the right courses.

And the leading indicators for our economy released last week registered the sharpest rise in six months, investments from abroad in American stocks and bonds grew dramatically. We wound up 1975 with the strongest balance of trade in America's history.

American businessmen and farmers exported more than we imported from abroad, and as many of you know, Illinois earned more than any other State in farm exports in the last fiscal year -- \$1 billion 700 million. The doomsayers, cynics, the skeptics were wrong last year -- way, way wrong. Their gloomy predictions never came true. None of them.

America has returned strong from the recession of last year. And this Administration consistently recognized and encouraged the tremendous national strengths built into this great economy in all 50 States.

What the doomsayers tend to forget is that our private free enterprise system is built on the character and the spiritual resources of a pioneering people. We have not grown flabby. We are tough and we know how to surmount the difficulties through hard work and determination.

No one should underestimate the greatest source of our resources, our people and no one should short-change the vitality and the strength of the free enterprise system. We resisted the temptation to tinker with that free enterprise system. We kept a steady hand on the tiller. Quick remedies, bigger spending, bigger deficits, bigger Government intervention were rejected in favor of a balanced, steady approach.

The result of this approach has been growth and recovery without re-starting the inflationary cycle. This approach has proved or has provided, I should say, an environment in this country where free enterprise can flourish as it will, and that means small business and small farmers, as well. We have made some solid gains in agriculture un'er the great leadership of Earl Butz. The last three years have registered the highest net farm income in history and I am determined that farmers must have a fair return for their hard labor which they do for all of us and we should all be very, very thankful for them.

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We want to keep the nation's grain reserves in farmers' hands, not in Government bins. We want farm exports kept in private trade, not determined by Government boards. We oppose putting farm products under the control of an international body.

We oppose subsidized imports. We want our products to compete fairly in world markets. We have now sold the Soviet Union \$2 billion or more in farm products from the 1975 crop. That is a record, and it is only the beginning of a continued program of export of our products here in the United States.

As a result of the agreement we concluded last fall, I can assure you that we were tough bargainers, Yankee traders in the process. American farmers are going to have a regular market in Russia from 1978 through 1980, with no less than six million tons of corn and wheat each year, and maybe, maybe, much more.

American agriculture is the heart of our great economy. I intend to steer a steady course to assure that agriculture remains prosperous and our farmers get their full share of America's burgeoning prosperity.

Let me add this: The right kind of leadership in Washington, experienced with the complexities of Government familiar with the ways of the Congress, knowledgeable about the multitude of our programs, has a far better chance of a guiding, steady, balanced course than those who would hide behind a blanket denunciation of our national Government.

Rhetoric is no substitute for practical achievements. Generalities offer no substitute for tested, proven, successful results. It took a confidence borne of experience to say no to the doomsayers who called for more and more spending.

It will take an understanding borne of experience to continue the progress we will make in the months ahead. We still have a long way to go before we achieve complete recovery, but we are on the way and nothing is going to stop us.

Farm income is improving, business is improving, employment is going up and unemployment is going down. Inflation has been cut in half, and the budget I submitted in January and those I plan to submit in the next four years will bring fiscal self-control to the Federal Government.

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You can't operate your farm or your business or your lives paying out more than you take in. You have every right to expect your Federal Government will behave in the same responsible manner, and it will under this Administration. In short, we are moving in the right direction. We have proved the doomsayers were dead wrong.

I am proud of our record, and I am proud of the American people, and with your help we will build an even greater and greater and greater America together. Thank you very, very much.

Thank you very much, and I will take the first question.

QUESTION: I am a farmer and hog raiser. My question, Mr. President, is: The world of demand for food is great and the American farmer can produce more food than can be consumed in this country.

Still, our question is the number one question. What assurances do we have for free, uninterrupted access to the world markets, which are so important to our livelihood and to our country's balance of payments?

THE PRESIDENT: We have increased our agricultural exports significantly over the years. We have great trading arrangements with Japan, with Eastern Europe, with Western Europe, and we now have a five-year trading agreement with the Soviet Union.

I would say the circumstances are literally nil that we will have any interference with our export operations in the years ahead. I want to be honest and frank with you. I don't believe in kidding anybody.

I don't think any President should say categorically no. Catastrophies come up that we can't forecast or can't anticipate. But, as we look at our programs, as we look at the demands -- I would say today as I said yesterday -- to a group of farmers, the chances of any interference with our export programs in the future are literally nil, and I think that is pretty good assurance, under the circumstances.

QUESTION: Good morning, Mr. President.

As a member of the highway construction industry, I compliment you on your position on the common situs legislation.

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My question relates to the Federal highway system, which was constructed basically on a cost pro rata of 90-10 percent, Federal and State funds. What would your position be for proposal for proportionate funding of maintenance of this vital asset since the Federal Government today puts in no funds whatsoever toward the maintenance of that construction?

THE PRESIDENT: The Federal Government, as you indicated, since the mid-1950's, under the interstate highway program, has contributed 90 percent of the construction of the interstate system.

We are roughly 85 percent completed, as I recollect the latest figures, and in three years, or maybe four, we anticipate with some very minor exceptions to have the interstate system of, I think it is, 42,000 miles completed.

I don't think that we should get into maintenance until we have completed construction. Once we have completed construction, I think the President, working with the Congress, ought to take a look at what our resources ought to be and where we ought to spend them.

Now, even though the interstate system is completed, we have got a lot of primary and secondary roads in Illinois and Michigan and Wisconsin that still have to be constructed. So, we have got to balance the completion of the interstate system, the completion of our primary and secondary roads, our so-called farm-to-market roads.

Then, I think we can take an honest look to see what we ought to do in the area of maintenance. I don't think I should make you categorical promises because we are three or four years away from the completion, certainly, of the first segment of the interstate system.

QUESTION: Mr. President, I am from Champaign. You have given women all the equal rights they want to work in your campaign for re-election. Many women hold responsible positions in your local, State and national campaign organizations.

If you are re-elected, in part through the efforts of these women, how do you plan to let women participate in your Administration? For example, would you consider a woman as your Vice Presidential running mate?

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THE PRESIDENT: I have already said, and I will repeat it, that I think we ought to judge people in public office on the quality, not necessarily on whether they are a man or a woman.

We have some outstanding Republican women, along with some outstanding Republican men, who ought to be considered by the convention and myself and other leaders in the consideration of a Vice Presidential candidate.

I might add a postscript. I am very proud of what we have done in my Administration in the recognition of women. I have a Cabinet officer, Carla Hills, who is Secretary of HUD. The head of the National Labor Relations Board is Betty Murphy, a woman.

We have the first U.S. Ambassador to Great Britain, Anne Armstrong. We have two other newly appointed Ambassadors, one to Nepal and one to Luxembourg, both women. We have given recognition in many sub-Cabinet offices to women. They make a significant contribution, and we are proud to have them.

I can assure you that we will give the same consideration in the future, including the consideration of qualified women, as far as potential candidates for Vice President.

QUESTION: Mr. President, I am a doctor from Rantoul. The medical community is gravely concerned with the malpractice crisis, and the rising cost of malpractice insurance. If this continues, it will have a catastrophic effect upon our current health care delivery system.

My question is, do you visualize any relief of this situation from the Federal level?

THE PRESIDENT: I am very familiar with the crisis that has arisen almost in every State across the United States. California had a very unfortunate situation. My State of Michigan is faced with somewhat comparable circumstances. Anyplace you go, the cost of malpractice insurance has risen 300, 400, 500 percent.

The net result is that the doctors of this country are faced with buying the insurance with the necessity of added costs in health care throughout the United States. These matters have generally been handled at the State level, and I think properly so. But, if these circumstances expand, become more acute, more serious, reaching near disaster proportions, I think the Federal Government would be neglectful of its responsibilities if we did not in some way first study the problem, and if there is a Federal answer, submit it across the country.

I don't think we are at that point at this time, but it is something that certainly ought to be analyzed by the proper authorities in Washington, and it will be.

QUESTION: Mr. President, I am a peet marketer. As you know, the peet marketers have been under some form of price and allocation control since 1971. Because of their small size they are incapable of dealing with all of the Federal Energy Agency regulations and the repeated investigations covering the same periods of time.

For example, one of the sentences in a recent FEA regulation is longer than the Gettysburg Address. The Energy Policy and Conservation Act requires that these controls be eliminated. Just how quickly may we expect this to happen?

THE PRESIDENT: I think the head of the Federal Energy Administration, Mr. Frank Zarb, will be submitting some proposals under this new law in the very near future. I can't recall the precise date, but it will be timely done. As a matter of fact, it is long overdue. If we could only deregulate domestic oil and gas we would have a lot greater supplies and the marketing system would work a lot better, but I think in the specific case you are talking about -- those regulations -- getting rid of the regulations will be coming along rather shortly.

QUESTION: Mr. President, I am from Rantoul. I also have a question concerning energy. The country has noted your concern with the energy crisis. In view of developing shortages of fossil fuels and problems involving the use of nuclear energy, what is being done by our Nation, and the Federal Government in particular, to develop alternate sources of energy such as wind, sun, tide, geothermal sources and so forth, and in your opinion, is sufficient effort being applied to meet the gravity of this situation?

THE PRESIDENT: I think that is a very significant question because our domestic supplies of oil are decreasing. They have been decreasing every year since 1973 and until we get the Alaska Pipeline completed and that 2 million barrels per day start to flow, it is going to go down more rapidly. And as long as the Congress won't enact deregulation of natural gas, our domestic production of natural gas is going to continue to go down and the net result is we will be more and more and more dependent on foreign oil.

And for the last year the import of foreign oil has gone up every month, literally every day. So what we have to do is to take a look at nuclear energy, but also some of these exotic fuel sources that you mentioned.

Let me, in a broad sense, tell you what we have done. For the Energy Research and Development Agency, ERDA, I recommended about a 30 percent increase in research and development in the fuel sources that you mentioned.

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In the case of solar heat, I recommended -- the current level is about \$80 million a year in research for solar -- I recommended for the next fiscal year \$116 to \$120 million. We have increased the research and development for geothermal. We have increased the research funding for wind. All of these areas which today contribute very little and our energy supplies can be significant if we get a breakthrough through research in five years from now or certainly ten years.

I can assure you, we have literally given to the scientific community all of the money that the experts tell me we can responsibly spend. They won't produce it overnight, but the potential is there, and with the funding that the Federal Government is putting in, I think we will have a breakthrough in those exotic fuel areas.

QUESTION: Mr. President, I am from Rantoul, Illinois. Would you care to further comment on the status of your proposals concerning the increase in Federal estate tax exemptions?

THE PRESIDENT: Back in the 1930's by law the estate tax exemption was set at \$60,000. It has not been increased since that time. And if you just take the escalation in the cost of living, it ought to be considerably higher.

In order to retain the stability and the strength and the contributions of the family farm and the family-owned business, I have recommended that the Secretary of the Treasury submit to the Congress in the regular procedure two things that ought to be done. One, to increase that exemption from \$60,000 to \$150,000. And in addition, I have asked the Secretary of the Treasury to testify and recommend to the Congress that there be a moratorium in the payment of estate taxes for a period of five years and then a period of ten years where the remaining estate tax would be paid on a graduated basis with a 4 percent interest rate, so the net result is we increase the exemption and we also spread out the payment of whatever taxes are still left.

The net result is we can retain the ownership of a family-owned farm within the family and we can retain the ownership of a family-owned business within the family. I think this is wholesome for America and I hope the Congress responds affirmatively.

QUESTION: Mr. President, I am a student at U of I. Lately the third world nations have been pushing in the UN for more power and we have had Patrick Moynihan and he has done a great job in the UN. He reversed the position of the United States that we had taken in the UN in the last few years. I wonder if you expect Governor Scranton to keep this up or go back to the conservative way we have been doing things?

THE PRESIDENT: Let me remind you, I appointed Pat Moynihan to be the UN Ambassador. I gave him the instructions to do as he did at the United Nations, and he did a superb job and I am very proud of him.

For very personal reasons, he made a decision to leave the United Nations. What he tried to do was to tell some of these nations that they could not continuously pick on the United States and then ask us to be generous with them.

He was carrying out my foreign policy. I can assure you that Bill Scranton will do precisely the same thing and he will continue that policy in the future.

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QUESTION: Mr. President, I am from Champaign.

There is a bill, H.R. 2963, in the House Agriculture Committee, to create a Federal Grain Insurance Corporation, FGIC, to insure contracts in elevators as the FDIC does for deposits in banks.

Is this safeguard for America's grain farmers likely to be passed in this session, so it will be just as financially safe to store a bushel of grain in an elevator as it is to store a dollar in a bank?

THE PRESIDENT: That legislation, as I understand it, is sponsored by Paul Findley over here, the Congressman from your State. He is on the Committee on Agriculture. He could probably more authoritatively answer that question, whether Congress will pass it or not.

I can't precisely tell you the status of that legislation in the Committee on Agriculture. I think on the surface it seems to have some merit, but you asked the question, is Congress going to pass it. Well, you have got a Senator and three Members of the Congress. They are probably better authorities on what Congress will or won't do than I am.

Sometimes I wish they would move a lot faster and on some occasions I wish they would stop -- not these people, but the majority -- sending down to Congress these crazy inflationary expenditure bills.

As long as I have opened up a new subject (Laughter) -- you know, in the last 19 months I vetoed 46 bills sent down from Capitol Hill. I guess that is a record. But, I know what they were trying to do. They were trying to bust the budget. I vetoed 39 of them -- I vetoed 46, and they sustained 39, and we saved the Federal Treasury and the taxpayers \$13 billion, and that is progress.

QUESTION: Mr. President, I am President of a bank in Rantoul and also President of the Illinois Bankers Assocation. Naturally, you are going to have some financial overtones to my remarks and also to the question.

A few years ago the Hunt Commission was formed under the previous Administration for the purpose of proposing reform in the financial industries. The recommendations by the Hunt Commission were used as the base for the recently passed bill, No. 1267, in the Senate, known as the Financial Institutions Act.

This legislation is now being considered in the House under what they call the Financial Reform Bill of 1976. This legislation, if passed, in its present form would seriously discriminate against the bank customer.

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For example, the savings and loans and other thrifts would be allowed checking accounts, consumer lending and trust powers. This in essence would give them the main functions of a bank, but they would still retain the interest differential which would allow them to pay a quarter of a percent more to their savings customers than would the banks be able to pay.

Banking does not mind competition, but if others come into the banking ball park to play, then the same set of rules should apply.

My question then is this: Since the present bill in the House is 217 pages long, and much time is needed to study it, and hopefully amendments will be made to that bill, is the Administration pushing for fast passage of that particular bill or would it be possible for this to be delayed possibly as long as a year to enable the authorities there in Washington, as well as the banking and other financial industries, to consider this and get a more meaningful bill and a more equitable bill passed?

THE PRESIDENT: As I understand it, the Hunt Commission or committee was formed three or four years ago. It took several years of intensive study by a group of experts representing all segments of the financial community.

They made recommendations. Those recommendations were submitted to the House, as well as the Senate. The Senate, in the Senate Committee on Banking, held extensive hearings, I am told, and the Senate has passed the legislation.

The House Committee on Banking and Currency I understand has also held some hearings. I can't tell you the precise number, but it is a proposal that has been on the agenda for three or four years. That has not been a sudden, unexpected proposal, so all parties -- the proponents as well as the opponents -- have had an opportunity of educating the Members of the House as well as the Senate, and I am sure that the Congress is going to give it the deliberate consideration that it ought to get.

I don't think I should say, "Give it another year." There has been four years of study on the matter, and if the Congress or the House of Representatives continues to move ahead responsibly, I don't think we should ask for any delay. There has been very ample time for this whole matter to be considered.

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As I recall, it was before the House and Senate for two years in the last Congress, and this is the second year of this Congress. So, it seems to me there has been time for all parties to have their day in court, but I expect the House will hold hearings and act in the committee and take action in the Senate.

There are a lot of good points in there. There are controversial points, but those who object ought to get to the committee, get friends on the floor of the House, to take their cause.

But, just to ask categorically for another year of study when we have had four or five, I can't say that I will do that.

QUESTION: Mr. President, I am from Rantoul. I am in the petroleum business, also. I was very encouraged by remarks you made about the Government getting out of the free enterprise system. I think everybody would look forward to that.

However, as early as December of 1975 you signed a bill into law that gave the FEA 40 additional months of control over the oil companies, and you continued the present entitlement program.

Now, according to the oil company experts -- and I realize there are Government experts and there are oil company experts -- but this will create more dependency upon foreign crude, which is climbing every day and is up to over 40 percent at this time.

We talk about these things, but when will Government quit tinkering in free enterprise?

THE PRESIDENT: In November of 1974 I got the results of about a year's study called Project Independence that gave us a blueprint for making us independent from foreign oil sources. In January of 1975, I submitted an energy program to the Congress and in effect it would, number one, deregulate natural gas.

It would in effect deregulate the domestic oil industry, but the Congress, after milling and hauling and taking 12 months, sent down to my desk this legislation to which you refer. It was about half good and about half bad.

But, the alternatives of vetoing it in my opinion were worse than accepting it, and with great reservations -- and I so stated -- I accepted it.

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Now, we are implementing it, and we are going to get rid of the red tape and the limitations under it just as quickly as we can. The Congress set the 40-month period. I did not ask for it. They set it, and we are going to get rid of it just as fast as the law will provide, and we are going to permit the escalation over the 40-month period so that we can hopefully stimulate more domestic production.

QUESTION: We could use all your help.

THE PRESIDENT: Well, we have a more important issue right now. The Senate passed a good deregulation bill for natural gas. The House really did a bad job, and the net result is we are going to have no incentive to increase domestic natural gas production, and every day that we get less and less U.S. domestic natural gas production -- and it is inevitable -- it means we buy more and more and more Arab foreign oil.

That is not good for the United States. So, if you want to twist some arms with some Congressmen and tell them to make up for the mistake they made, then we can really move forward in this energy production business.

QUESTION: Mr. President, I am Doug Mills, a local banker.

THE PRESIDENT: Wasn't there a Doug Mills that was a basketball coach and athletic director?

QUESTION: He is a few years older than I am, but I was named after him, yes.

At the present time, citizens not participating in a pension or profit sharing fund may invest a maximum of \$1,500 per year in individual retirement accounts. We know these as IRAs. Would you support legislation that would permit and encourage all citizens to provide for a portion of their retirement through the mechanism of the IRAs, or the individual retirement accounts?

THE PRESIDENT: I was a supporter of what we call the Keogh plan, and I am sure you are familiar with that. That has been increased from \$1,500 to \$2,500, as I recollect. There is the IRA program. I have recommended something along this line so that individuals can invest in American corporations and get a tax deferral.

In other words, I think it is \$1,500 a year. If they invest in American corporate securities, they can then get a deferral of their tax and pay the tax when they retire at the retirement age. I happen to believe very strongly in supplemental retirement programs, whether it is Keogh or any one of the others. So, anything that can be justified within reason, the answer is categorically yes.

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QUESTION: Mr. President, I am from Champaign, Illinois. As Superintendent of Schools, I am rather concerned with the problem of funding public education, particularly in these days. So I have what you might call a composite question which is really related more to the immediate future than today.

I would like to know what your views are on the role of the Federal Government in that partnership with State and local Governments in the general funding of education, what proportionate share you see the Federal Government bears when such a partnership develops, and how you see the Federal Government going from categorical aid to general aids, and how you see the role of the President in producing such movement?

THE PRESIDENT: You have opened one of my favorite subjects. At the present time the Federal Government has roughly 27 categorical grant programs for primary, secondary, vocational and education for the disabled. Twenty-seven of them, as I recollect. Each one has their own bureaucracy.

In each case separate forms have to be filled out. It is an endless, discouraging process, I suspect. Every educator that I talked to tells me that.

Now the Federal Government in the last fiscal year or in the current fiscal year is contributing roughly \$3 billion 100 million in all of these programs. In my judgment, the best way for Uncle Sam to make an investment in primary and secondary and other educational areas is to junk all those categorical grant programs and to put them all in a block grant program, add a sweetener to get the support, and that is what I did.

I have submitted to the Congress a \$3 billion 300 million program and have said that if we go to block grants from categorical grants, we will add \$150 or \$200 million a year just to make sure that adequate funding is available, and we have agreed to hold harmless every school district and every State in order to get away from this paper-shuffling which must drive all of you crazy and just adds to a lot of tonnage in paper down in Washington.

Let me summarize it this way. Instead of worrying about whether forms are filled out correctly, we should be more concerned about how we educate our children. That is the crux of the matter.

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Just be quiet a minute. I am being urged to end the questions, but I also heard as I was coming in the admonition that only questions could be asked by all of the people in this distinguished group right out in front here.

Now if we can do it orderly, we will take one question from over there in the seats and one question from over here, so if somebody in these seats will stand up and ask a question, I will be glad to answer it. Speak up now.

QUESTION: Mr. President, how can we restore more honesty in Government?

THE PRESIDENT: There have been, unfortunately, instances of dishonesty in Government at the local and State and in the Federal level, but I do have to say this -- and I have had a great deal of experience with Federal as well as State and local individuals -- I think people in Government do as well in that area as people in other professions or in other areas. We have a few in business and labor and education and others that don't meet those standards either.

But I think the American voter group or public can spend more time looking at the candidates, making their judgments, and then they will be darned sure to get honest people 100 percent in the Federal Government.

QUESTION: Mr. President, would you give us your views on the abortion issue and the recent controversy which has swept through our country?

THE PRESIDENT: The question is raised about the controversy which is very deepseated, very controversial, as to what to do in the field of abortion. We have fine, decent people on either side and a good many in the middle on that issue. I happen to believe that the Supreme Court decision went too far.

On the other hand, I think some of the constitutional amendments proposed likewise go far too far. I think there is an area where we can find an answer and it is not way over here and it is not way over there and some of us are trying to achieve that proper balance.

I thank you all very, very much for the opportunity of being here.

END (AT 12:25 P.M. CST)