

FOR IMMEDIATE RELEASE

APRIL 2, 1976

OFFICE OF THE WHITE HOUSE PRESS SECRETARY
(Milwaukee, Wisconsin)

THE WHITE HOUSE

REMARKS OF THE PRESIDENT
AND
QUESTION AND ANSWER SESSION
AT THE
WISCONSIN ASSOCIATION OF MANUFACTURERS AND COMMERCE
ECONOMIC FORUM

MARC PLAZA HOTEL

3:32 P.M. CST

THE PRESIDENT: Thank you very, very much, Orville, Paul Hassett, Congressman Bill Steiger, Governor Warren Knowles, distinguished guests, members of the Wisconsin Association of Manufacturers and Commerce:

It is really a great privilege and pleasure for me to have the opportunity of meeting with this group this afternoon, an organization that has contributed significantly not just to the well-being of your own State, but to the well-being and the prosperity of the United States and 215 million Americans.

Let me take this opportunity to say how much it saddened me last week to hear of the death of Wisconsin's distinguished ex-Governor Walter J. Kohler. I knew Walter Kohler. He was a man who worked hard, achieved much both in private service and private enterprise. And I know from my experiences with him he set a high example for all of us.

I look forward to answering the questions that I know you have and I will be delighted to respond as long as you can put up with my answers.

But let me talk for a minute about some good news that I received this morning as I flew out from Washington, D. C., to Milwaukee. We have had some good news on the economic front for the last five to six weeks. This morning the Department of Labor announced at 10:00 a.m., Washington time, that we had another drop in the unemployment figures. The unemployment -- 7.5 -- I think it is well to contrast it with what it was last spring, 8.9 percent. But perhaps the most significant fact given out by the Bureau of Labor Statistics this morning was that we now have, or did have in the month of March, 86 million 700 thousand people gainfully employed, the most ever employed in the United States in the history of this country.

MORE

In the month of March, comparing it with the month of February, there was a gain of 375,000, and if you go back and compare the employment figure with last spring to the present report given out this morning, we have regained 2 million 600 thousand jobs in a period of roughly 12 months. By any standard, as I see it, that is real progress in what we all want, a job for everybody who wants to work.

But in addition, last week we saw the fourth consecutive monthly increase in our index of leading economic indicators. The statistics show that our economy is well on its way to a full recovery and we are going to keep it moving that way. Here is how I see the good news from the perspective of the Oval Office. I think the story behind those statistics is every bit as encouraging as the figures themselves. It is a story of a strong revival in America's confidence. Not only are things getting better, the American people know things are getting better and they are acting on that knowledge.

The statistics say real income is rising. To American consumers that means they have gotten off the treadmill of inflation and are making real progress. The figures say that unemployment and layoff rates are down -- way down. To American workers that means that instead of having to worry about tomorrow, they can look forward to it.

The figures say retail sales, housing starts, automobile sales and new orders received by manufacturers are up. To American businessmen like yourselves, that means new businesses can be started and current businesses expanded, and I improved.

The statistics are good but the United States of America is not composed of statistics. It is composed of people. When those people feel good about where they are going, as they do now, then this country is clearly headed in the right direction. The American people are showing their faith and their confidence in sound, steady, long-term policies that we have proposed and we have followed for the last 19 months. We are going to keep up these realistic policies for a healthy non-inflationary economy.

We are not going to be thrown off the track. We had a good many efforts in the last 19 months to divert us, to roadblock us, to sidetrack us. We were able to prevail in most cases and I can assure you, as we now see the light of day, the sky is getting clearer every day. We are going to keep that same steady, constructive, firm course in the months ahead.

We did, of course, hold off the onslaughts in many cases, not all, of the big spenders in the Congress. As Orville said a few moments ago in introducing me, I vetoed a good many bills in the last 19 months -- 46 to be exact, Orville. (Laughter) We keep a scorecard down there in the Oval Office and it looks pretty good because the Congress sustained 39 of them and the net result is that the taxpayers of this country with those vetoes and that action by the Congress in sustaining them, saved \$13 billion and that is a lot of money.

MORE

But our fight to hold down Federal spending has been coupled with major tax cuts -- put more money back into the hands of the American consumer, and the Administration has taken other steps aimed at encouraging the business investments that will be so vital to a sound and future economic prosperity.

In addition to substantial personal income tax reductions, I have urged that the Congress lower the corporate tax rate from 48 to 46 percent. I have also urged the phasing out of double taxation of dividends, broadening stock ownership and easing the burden of estate taxes on small businesses and small farms.

One issue that especially concerns me is the excessive Federal paperwork required of the American people and the American business community.

On March 1, I sent a letter to the heads of all Federal agencies and all departments directing them to reduce the number of reports which collect information from the public at large by at least 10 percent by July 1 of this year. I told them that I fully expected prompt results, and I think we will get them.

I am happy to report that even before I sent the letter, after I had announced in the Cabinet meeting we have already received a net reduction in this area of 108 Federal forms. That is not a lot but that is the beginning of a process that is going to continue and we are going to get results.

I think what we need is productivity, not paperwork, in the Federal Government.

Next Thursday, I will be meeting with the heads of the independent regulatory agencies and I am going to ask them for their cooperation as well.

In addition to reducing paperwork, we are going to keep on working to lighten the burden of Federal regulation and to make sure that all of the rules are applied equitably and uniformly. Regulation is meant to be in the public interest but hamstringing business, tying it up in knots of red tape has never been in the interest of the American public and never will be.

We are going to do everything we possibly can, that we can possibly do in any way whatsoever, so that we can keep America's great free enterprise system strong and healthy. We are off to a good start in 1976 and we are going to keep up the pace.

Thank you very much. I will be glad to answer any questions.

MORE

QUESTION: Mr. President, there are many thousands of people in this State and also in the Nation, of course, who are dependent for their livelihood on a viable shoe manufacturing industry and naturally we were delighted with the recent unanimous findings of the International Trade Commission to the effect that our industry has indeed been deeply injured by a 43 percent penetration of imported footwear.

Would you be willing, sir, to share with us a glimpse of what your official reaction and response to this finding will be?

THE PRESIDENT: I appreciate your bringing this to the attention of this group. It is a very important decision.

The International Trade Commission has made its initial recommendations or findings. It is now being studied and I have a period of time whereby between their decision and my decision to analyze the recommendations made by the Trade Policy Commission.

I think it would be premature for me to give any decision here on that very important item. It is controversial, as you know. It is controversial because some of the consumer groups are alleging that if we take one course of action, prices of shoes will go up.

It is controversial, on the other hand, because of the injury to the shoe manufacturing industry here in the United States. It is also controversial because several of the foreign countries that would be hurt the most if we impose either quotas or any one of the other remedies, our trade with them would suffer, and of course you know it is Spain, it is Italy, it is Brazil.

All I can say at this point is the recommendations I expect to come to me within the next several days from the Trade Policy Commission, and I will make the decision as promptly as I can. It is not going to be easy but we faced some tough ones in the past and we will do our best in the future.

QUESTION: Thank you, kindly.

QUESTION: Mr. President, my interest is in career education and Federal funding for schools. The trend is towards funds going to the State and then being divided up or allocated to the schools.

Is there any chance that part of these funds, instead of going through the States, can be funded directly with special school products that are having a problem getting around to the State headquarters?

MORE

THE PRESIDENT: Are you talking about elementary and secondary, or higher education?

QUESTION: Vocational, sir.

THE PRESIDENT: Vocational?

QUESTION: Yes.

THE PRESIDENT: Well, vocational education, I found, is handled differently in all 50 States. There are some States where they now have the procedure in the individual State where the State handles the Federal and State money and it is allocated directly after that from that level. In other cases, the Federal Government, in effect, goes directly to the community. There is apparently a wide division of opinion in the professional area of vocational training and education. It is not uniform in the United States.

Here is the practical problem we face. I happen to believe that the best way for the Federal education funds to be handled is to take the Federal money, give it to States or to local communities, and let either the State or the local community make the decision how they want to spend education funds.

In the case of elementary and secondary education, we found that it is no problem to move from the present categorical grant program to a block grant program because, in most, if not all States, just plain elementary and secondary education is handled through a State educational director or commissioner or whatever they call him.

We thought we could do this in vocational education but we find there is a vast difference in how it is handled. So we have taken the vocational education program out of the block grant program and are going, at least for the next year, to a continuation of the existing system.

Now, apparently here in Wisconsin, at the local level you have trouble with the people at the State level, so a block grant program to the State would not help you. As I understand your problem, it would compound it.

Just because of this difference we have decided not to go for a block grant program in this coming fiscal year and we are going to undertake in-depth studies to see if we cannot find a better way because, what we are really interested in is getting vocational education to the beneficiary at the local level as efficiently and as effectively as possible.

MORE

I can't give you an answer today because of the wide diversity one State to another how they handle it, but it is a matter that we are studying, and studying very seriously.

QUESTION: Thank you very much.

QUESTION: Mr. President, my concern is with the energy crisis we face and why we don't have a stronger program to provide awareness of the problem conservation of fossil fuels and develop resources that will supplement them?

THE PRESIDENT: Well, in January of 1975 I submitted an 18-point program to the Congress for what we call "energy independence" or "Project Independence." The Congress took from January of 1975 until mid-December of 1975 to get anything to me, and they finally sent down to the Oval Office a bill that had some good features -- four of the titles or provisions that I recommended -- and then a mixed bag in the remainder.

It was not a totally satisfactory bill but we had had uncertainty in the area of stimulating more production for about a year and the uncertainty was causing even more difficulty.

Now the bill that I finally signed -- and I concede with some reluctance -- it ended up over a 40-month period. We will deregulate domestic oil production and, in the process of deregulation, we will at the end of that 40-month period save 3 million barrels per day in consumption and we will, at the same time, increase 1 million barrels per day in production.

Now if they had taken my program, we would have been a lot further ahead, but this was sort of half-way between and it is the best we could get out of the Congress.

Now, one other point that I would like to make, the allegation has been made that, as a result of that legislation, we are drilling for less oil today than we did two or three years ago. That is inaccurate.

As a matter of fact, in 1975 we had an all-time, all-yearly average of 1,660 rigs drilling for domestic oil. That is a matter of record.

In the last month of reports -- I guess it must have been February -- we were slightly higher. So even though the legislation is not the best, it has created certainty and we will end up saving 3 million barrels per day in conservation and we will increase production by 1 million barrels per day.

MORE

In addition, finally, again, after a year, Congress is sending down to me for me to sign next week the removal of the limitations and restrictions on the Elk Hills, California, oil development, which has been a Naval petroleum reserve, and once they let me sign it -- and I will next week -- will give us 300,000 barrels per day in a period of two months. So we are making headway slowly, but it was not satisfactory. I wish it would move faster. But, you know, you just can't tell 535 Members of Congress, unfortunately, that they ought to act with promptness and constructive programs. We have a little trouble with them. (Laughter)

Go ahead, yes?

QUESTION: What about alternate energy sources? We don't seem to have a very pronounced program in that area.

THE PRESIDENT: Well, I suppose you are referring to coal production. In the last several years we have produced 600 million tons of coal per year. That is less than what we produced at any other time in this country -- no, not any other time but less than the previous record.

In the next 10 years we have to increase that about 100 percent and I think we can unless we get some stripmining legislation that will hamper and restrict responsible utilization of surface mines.

In addition, we are increasing our research and development to get a cleaner and a more efficient utilization of coal, which is our greatest natural resource in the energy field, and, in addition, in the more exotic fuels, solar energy and geothermal energy, I increased in next year's budget the research and development funds in solar from about \$80 million to \$120 million -- all that they asked for and more, too. But that is not something we are going to get tomorrow. It is probably three to eight years off before we have any really meaningful solar energy program.

Geothermal -- it is limited to a great extent by the area in which you can find this source, but we also increase the research and development programs in that area.

One other area -- nuclear power. We now have 55 nuclear power plants in operation all over the country. I think we are building another 60 at the present time. There was a slowdown a year ago for financial reasons, for rate reasons, for environmental reasons, and just red tape, but I believe that they are safe. As a matter of fact, the figures that I got the other day from the head of the Nuclear Regulatory Agency said that there is one chance in 5 billion that there will be a person injured as a result of a nuclear power plant disability. Those are better odds than being hit by a meteor and they are better odds than being hit by lightning. (Laughter)

MORE

QUESTION: Mr. President, this is an economic forum, I am told, and the question I have, while it is simple, has considerable economic impact today. Do you intend to invoke the cooling off period in the Taft-Hartley Act in the present Teamsters strike?

THE PRESIDENT: I intend to anticipate that the negotiations between labor and management will result in a contract and I received a telephone call last night late from Secretary of Labor Usery who felt that progress had been made. I received a call from him earlier today just before landing here. He was increasingly optimistic, although he said they still had one or two very difficult problems to resolve.

I think it would be harmful as far as the current negotiations for me to say I am going to do this if you don't do that. They are making headway. I am optimistic that they will solve their problems, both as to money and the various other issues, and I don't think it would be constructive for me to indicate what I am going to do because I think they are going to solve it themselves, which is the best way under the American system.

QUESTION: Mr. President, my question has just been answered. (Laughter) I thank you.

QUESTION: Mr. President, if the Congress fails to reenact Federal revenue sharing, State and local budgets will really be wrecked and there will be a likelihood of substantial tax increases on the State or the local level. What is the prognosis for a reenactment of revenue sharing prior to December 31?

THE PRESIDENT: I appreciate your bringing up the subject because I think this is one of the most essential pieces of legislation that Congress should have acted on a few months ago. Let me illustrate the magnitude.

Under the present general revenue sharing legislation which was enacted in 1972 and expires December 31, 1976, the State of Wisconsin in toto for the State and local units of Government will have received \$750 million, roughly, with the State getting one-third and the local units of Government getting two-thirds. Now, this law expires December 31, 1976.

A year ago in April I urged the Congress to extend it for a five and three-quarter year period and asked for a growth factor of \$150 million per year. And if the Congress were to enact what I recommended, the State of Wisconsin in that five and three-quarter year period would get \$1 billion again divided one-third to the State and two-thirds to the local units of Government.

MORE

You put your finger right on it, Senator. If that is not enacted by the Congress, the State of Wisconsin will lose a substantial amount of money, and every county, every city, every township--and some money also goes to the Indian tribes here in Wisconsin--will lose what they have been getting for five years. And if you look at how States and local units of Government has used the money, they have used it for public safety, they have used it for education, they have used it for a wide variety of things. If Congress does not act, they will either have to cut the services at the State and local units of Government or increase the taxes. And Congress has been negligent. Congress has failed to do what they should have done. I know some people say that this is not a good program. Some people allege that there is too much overhead. Let me tell you how much overhead there is.

In the case of general revenue sharing, it has been distributed roughly at the rate of \$5 billion 400 million a year for the last five-plus years. It costs the Federal Government one-twelfth of one percent to handle these transactions to 39 local units of Government and 50 States. Now that is not bad overhead. And it does exactly what it is aimed to do, to give money collected under our Federal tax system back to the States and to the local units of Government so the decisions are made at the local level, and I think it makes a lot of sense, it has worked well and if Congress does not extend the existing law, you are going to find either a great loss of services at the State or local level or you are going to have to increase taxes.

So I urge you to twist the arms and telephone and write your Members of the House and Senate and tell them to get moving, they have had plenty of time to act on it, and the sooner the better.

Let me tell you why. I had 12 mayors from Ohio in the other day and under their State law a mayor of a city in Ohio has to publish his budget for the next calendar year by July 1 and if Congress has not enacted this by July 1, whatever the City of Dayton or the City of Akron or the City of Cleveland would get, they cannot include it.

So they either have to reduce services and publish that in their budget or, on the other hand, they will have to say if you want the same services, we are going to have to increase your real estate taxes, utility income tax or city sales tax.

MORE

Bill Steiger is a real authority on this because he was a great pusher of it for a good many years, along with Mel Laird and others in Wisconsin.

Well, that is the story, I am sorry it took so long, but, boy, get your people from Wisconsin moving.

QUESTION: Mr. President, one of the most serious tax strains that we have got both at the State and Federal level is public assistance. The system is fraught with waste, fraud and mismanagement. We have done a number of things here in Wisconsin at the legislative level, State level, but there are a lot of things that we cannot do because we are prevented from doing that by Federal Health, Education and Welfare regulations. We all think that we need welfare reform. We realize that this mess was not your doing, you inherited it, but what are you going to do about it in the coming months and coming years as our President?

THE PRESIDENT: Well, let me say that you at the State level in many ways are hamstrung, that we in the Executive Branch are hamstrung, too, because we have to carry out the laws as they are passed by the Congress. What we have got to do is change the basic law.

In 1972 and again in 1974 I voted for a complete junking of the existing welfare program and voted for what I thought was a great improvement and it obviously was not perfect; it passed the House twice, it was called the Family Assistance Program -- much better than the present system we had.

I think in 1977 we have to come up with a comprehensive reform of existing welfare, something like -- although I am not going to embrace it entirely -- the Family Assistance Program that was passed by the House in 1971 and 1972.

I think there are some areas of improvement in this particular area. But when you take, for example, food stamps, the food stamp cost today to the Federal Government is something over \$7 billion a year. Last year I sent up to the Congress a recommendation to tighten it up, to take away from people who have incomes over the poverty level the food stamp participation they were involved in and give more to the people below the poverty level, and in the process we could have knocked off 600,000 people, as I recollect, and could have saved \$1 billion 200 million. Congress has not done a thing.

Now, then, they told us in the Executive Branch to do something and they took away over a billion dollars and said "now you save some money," but didn't give us any additional authority.

MORE

Well, we have finally sent some regulations up that were published in the Federal Register that will save \$1 billion 200 million. I think it is a good approach, but it is only a piecemeal one because that program is only a part of aid to dependent children--welfare. We have got more welfare programs when you put them under a broad tent, than you can count, and we have to have a single comprehensive program, and I can assure you come January of next year, if I am in the White House we will have one for you.

QUESTION: Thank you.

QUESTION: Mr. President, my question to you, sir, may have two points to it.

Our deficit for this year will be very heavy. The Government debt is extremely heavy and, as I see it at this moment, Mr. President, this is bound to continue for some two or three years at least. I think one of the problems in connection with the deficit is, number one, that we have spent a great deal of money for defense spending, and from what you have said before, this is justified under the circumstances.

I am wondering, Mr. President, if the circumstances are such with our country that conditions will improve to the point where the expenditures for defense spending will be greatly lessened and in that way help curtail the expenditures of our Government in that regard.

May I add one more point, Mr. President? The other point is I heard that the deficit for this fiscal year would be about \$50 billion. That sum of \$50 billion, Mr. President, is enough money to employ 5 million people at \$10,000 a year. I have read your account as you first spoke here tonight and it is very encouraging to see the improvement in that regard, but these are problems that you inherited, Mr. President, and I am just wondering if, one, you could tell us what the circumstances really are so far as our country is concerned to give us an idea as to whether in the very near future circumstances or conditions will improve, that those expenditures for armaments or defense will be lessened and, secondly, if the current economic situation will be such that our deficits will be decreased?

In other words, Mr. President, I just don't want to see the national debt keep on going and going until it gets to the breaking point.

MORE

THE PRESIDENT: Well, let me take the first part of your question. The rate of growth in Federal spending for the last 10 years has been approximately 11 percent per year. When we were putting together the budget for the next fiscal year beginning October 1, 1976, we found that if we didn't recommend a change in the law, everything stayed as it was, there would be a \$50 billion increase in Federal spending just because of the growth factor. It would go from \$370 billion up to \$432 billion, as I recollect.

I decided that if we were going to get to the root of the problem we had to cut the growth in Federal spending from 11 percent per year down to 5-1/2 percent per year. So I recommended a budget for the next fiscal year of \$394.5 billion and I cut a lot of things.

I cut the food stamp program. I ordered no new starts in public works and a whole raft of things.

Now I think it is a sound budget but even that budget provides that we will have a deficit of \$43 billion. The one major program -- major, I say -- where we increased, was in defense. Let me take a minute to show you the trends that have been developing here.

Seven or eight years ago, out of a total pie of Federal spending the Defense Department got roughly 44 percent of every dollar spent by the Federal Government. The Defense Department got 44 percent, roughly, out of every dollar in taxes that you paid, and domestic programs got roughly 32 to 33 percent.

In the current fiscal year, because of this growth factor primarily in domestic programs and the relative stability of spending for defense, in this fiscal year, out of the total pie Defense gets 24 percent and domestic programs get over 50. It is just an almost total reversal.

Now in the budget that I submitted for next year, we turned the corner. I cut back on domestic programs and I increased the spending for the Defense Department by 11 percent because we cannot keep squeezing Defense down, because if that rate of increase in domestic spending and the rate of decrease in defense spending were to go on, in, I think, 25 years you would not have one soldier with one gun.

The defense budget that I recommended this year, the biggest in the history of the United States in dollars, reverses the trend and takes us up to roughly 25 percent in defense spending in the corresponding reduction in domestic spending. I think it is the right decision. It increases readiness today, it increases our capability in the two or three years ahead, and I add this: If the Congress were to take the budget that I submitted for next fiscal year and the two years' productions, we would have a balanced budget in three years and we could afford to have a reasonably sizeable additional tax reduction.

MORE

QUESTION: You just answered my question, Mr. President, in that I was going to ask you, if you were elected, would the budget be balanced during your next Administration?

THE PRESIDENT: I guarantee that.

QUESTION: You just said three years.

THE PRESIDENT: I guarantee that.

QUESTION: Mr. President, I presently have the privilege of commanding a Naval Reserve unit here in Milwaukee. You touched on my question in answering the gentleman's question here, but in absolute terms, Mr. President, can we continue with talks of defense budget cuts and in the case of military and Naval expansion on the part of the Soviet Union and still expect to be number one in the world?

THE PRESIDENT: We have to continue on the trend that I recommended for fiscal year 1977, which is an upturn both in real dollars, in current dollars and a percentage of our total Federal expenditures. Furthermore, we have to get the Congress to stop slashing the defense budget recommendations.

Over the last six years Congress has cut \$32 billion out of defense appropriation bills recommended by Presidents and they cut \$7.5 billion out of the one that I submitted to the Congress last year, and we are working very hard to try and keep the Congress from cutting this one, and I think we are making headway.

Now, one comment I would like to make on our defense capability, if I might. There have been questions raised as to whether we are behind. Let me make a very categorical statement: The United States is industrially the strongest Nation in the world. When we take into consideration the fact that we are unsurpassed in military capability, when we take into consideration the fact that we have the greatest industrial capability in the world, when we take into consideration that we produce more on our farms than our people can eat and wear and we have a net balance of trade of \$22 billion overseas, when you take into consideration our science and technology capability in America, we are number one and we are going to stay there.

May I add a footnote to that. You are a Navy Reservist, as you indicated, and I spent four years in the Navy. You know, 1,000 gun boats don't compare with 14 carriers and a good many Naval cruisers and all the other high-powered fire-power ships that we have. So we ought to compare apples and apples, not oranges and apples, when we are talking about a naval capability. That is the only honest way to make a comparison. Our Navy is first class and it is going to stay there.

MORE

QUESTION: Mr. President, that makes me feel great. Thank you, sir.

QUESTION: We are in the retail business, the ski business, among other things.

THE PRESIDENT: Good. Can you get me some that will keep me from falling down? (Laughter)

QUESTION: We would like to have you come visit us.

Today, we seem to be getting an awful lot of attention in the media of the abuses of the CIA and the FBI and so on, but we don't get much attention from the abuses that we businessmen, especially small businessmen, get from organizations like the EEOC and OSHA and some of the others.

It is very difficult, especially for a small business, to protect ourselves against this sort of a thing. We don't have the funds for the legal talent it requires.

Is there anything that can be done for us?

THE PRESIDENT: The one that has worried me the most, and I know Bill Steiger shares this, is the way that the OSHA law has been implemented. Now, it is not much solace to you but if the law that originally came out of the Committee on Education and Labor in the House of Representatives had become law, OSHA would have been 10 times the monster that it is in many respects at the present time.

Isn't that right, Bill?

But, anyhow, basically the Executive Branch does -- basically, I say -- what the law requires. On the other hand, I have to admit -- and I have had enough experiences when I was in Congress where I had complaints from people in my district just like you are inferring here -- that the people who go in and inspect your plant or inspect your facility have had the wrong attitude. They appear on too many occasions to be prosecutors rather than trying to solve the problem and help the solution.

Now, the new head of the OSHA -- I have forgotten his name now but he is a new man and he is given directions by the Secretary of Labor to change the attitude and we will have to wait and see because, if they do it right, they will correct the things that are wrong. If they go in there like they are trying to run your business, you are not going to cooperate and you are going to have nothing but trouble. So unless the law is changed, we have to follow it, but the people who run it have to have a different attitude and, by gosh, we are going to try and get it.

QUESTION: Thank you, Mr. President.

MORE

THE PRESIDENT: Just one more.

QUESTION: Mr. President, you are advocating the removal of economic regulation for the trucking industry. The industry and many of our national organizations are opposed to deregulation, even the Teamsters are opposed to deregulation.

Do you see this becoming a political issue and a political question in the months ahead?

THE PRESIDENT: Well, with all respect to the motor carriers and the Teamsters, I respectfully think you are wrong. (Laughter)

I happen to think that -- first, I concede that is a tough duet to try and lick, but we honestly felt that the recommendations we have made are not as serious to the industry as a whole as the people you represent think it is. Now I don't think the Congress is going to pass it, but I think it is a mistake just to say that the existing system is good because I don't think it is good. I think it can be improved and I hope that your industry and the Teamsters would work with us because I think we can strengthen your industry and we can help the economy overall rather than just keeping something because it is that way.

We find the same thing in the airlines. I am being very frank, you know. The airlines don't want their current situation with CAB changed. They have gotten used to it. They got a lot of lawyers who enjoy it. (Laughter) And the net result is we are in the status quo even though the circumstances have changed significantly.

So just to sit by and accept the status quo I don't think is the way to approach the problem. Now maybe you have got a better answer, and, if you have, come on up and we will talk to you.

QUESTION: Thank you, Mr. President.

THE PRESIDENT: Thank you.

END (AT 4:22 P.M. CST)