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APRIL 22, 1976

OFFICE OF THE WHITE HOUSE PRESS SECRETARY
(Indianapolis, Indiana)

THE WHITE HOUSE

REMARKS OF THE PRESIDENT
AND
QUESTION AND ANSWER SESSION
AT
BUTLER UNIVERSITY

HINKLE FIELDHOUSE

8:05 P.M. EST

THE PRESIDENT: Governor Bowen, Congressman Bud Hillis, Congressman John Myers, Mayor Bill Hudnut, President Jones, Jack Guest, students, faculty and guests of Butler University:

Before getting into a very short text, I am glad that Governor Bowen mentioned my alma mater. Michigan had an unblemished record. We are the only team in the country that lost three times to Indiana. (Laughter)

Well, it is a very high honor and a very great privilege for me to participate in the Butler University Student Assembly Lecture Series here this evening, and I thank you for the opportunity, and I am deeply grateful to this wonderful crowd.

I admire Butler University for many, many things but I must say that one of your accomplishments is particularly impressive -- that is, the ability of this university to balance its budget in each of its last 20 years. I don't know how many times President Jones had to use his veto to keep the budget in balance, but whatever he is doing it sure seems to work, and I congratulate you.

As some of you know, I vetoed a few bills in my time -- 48, to be exact, in a 20-month period, and 39 of those vetoes have been sustained by the Congress, saving the American taxpayers \$13 billion. And let me say that if the Congress in the future sends down the same kind of irresponsible legislation, we will veto them again and again and again.

But, President Jones, I won't be satisfied until we match your record and balance the Federal budget. With your support and a little help from the Congress, I fully intend to balance that Federal budget within three years and give the American taxpayers another long overdue tax reduction.

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I can also report to you that the worse economic recession America has suffered in 40 years has been replaced by a strong and stable economy. Today in our economy everything that is supposed to be going up is going up and everything that is supposed to be going down is going down. And let me cite you a few specifics:

Today, more Americans are gainfully employed than ever before in the history of the United States. 86,700,000 Americans were working in March of 1976 and that is over 2,600,000 than were working in America a year ago, and that is a lot of progress.

At the same time, unemployment is coming down from a high of nearly 9 percent last May to 7-1/2 percent today. That is still not good enough but that is real progress, and the trend is in the right direction and we are going to keep it there, and we are going to do better and better in the months ahead.

Real earnings for the American workers are up dramatically over what they were a year ago. Total retail sales are up more than 17 percent from last year. Auto sales are up 43 percent. Furniture and appliance sales are up more than 17 percent. Food sales are up more than 9 percent. General merchandise sales are up 13 percent.

The most important factor, however, which I think is extremely vital -- the index of consumer confidence is doubled what it was a year ago. The Commerce Department announced earlier this week that the gross national product rose at an annual rate of 7-1/2 percent for the first quarter of 1976. The consumer price index released just yesterday showed that the annual rate of inflation for the first three months of 1976 was only 2.9 percent -- the lowest quarterly inflation rate since the summer of 1972. Again, that is real progress.

It is very easy to get lost in a sea of statistics when we talk about the economy, but all of these statistics point to one simple undeniable fact: We are on the road to a new prosperity in America and we are not about to be sidetracked now, particularly by bad legislation from the Congress of the United States.

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One of the most important reasons our economic success in recent months has been the contribution of what Earl Butz calls the miracle man of the 20th Century, the American farmer. In fact, the last three years have been the highest net farm income years in American history. And that's a tremendous record -- a tribute to the farmers in Indiana and all of the other 49 States.

I don't think it is a mere coincidence that these three very successful years have been years when the Government let the farmer alone and let him produce without a lot of bureaucratic interference from the Nation's capital.

I can promise you that that is the kind of successful farm policy that I intend to pursue for the next four years. I propose that we continue the farm policies which yielded \$21 billion 600 million agricultural export market last year and will be about \$22 billion this year.

I propose that we continue policies which will enable the American farmer to export an estimated 47 million metric tons of feed grain, an all-time record in the current marketing year. I also urge the Congress to enact my proposal to increase the estate tax exemption from \$60,000 to \$150,000. I want the family farm and other family enterprises to pass from one generation to another and keep them in the family instead of sacrificing those wonderful products of hard work, love, faith to some Government tax collector.

These are some of the policies that this Administration has followed for the last 20 months and some we intend to follow for the next four years to keep agriculture strong and to keep it growing in the United States of America, and I am very, very proud to say that the man in charge of those policies is one of the finest public servants ever to come from the Hoosier State or from any State, the Secretary of Agriculture, Earl Butz.

I have appointed Earl as Chairman of my new Cabinet level Agricultural Committee which will have the central role in developing and directing our Nation's food policy. With Earl Butz as Chairman, you can be sure that his strong, plain-spoken common sense and his enthusiastic advocacy of the American farmer will be well heard in the highest councils of this Government, and Indiana can be very, very proud to claim this exceptionally good man as a native son.

Finally, let me say that as we enter our third century of independence, America has every right and every reason to be confident about its future. When you put it all together, agriculturally, economically, technologically, militarily and, very importantly, morally, I am proud to be an American and proud of America.

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I believe the United States is in the springtime of its life and I look forward to working with all of you to meet the great challenges of the future and to fill that future with new achievement for the Nation that we all love so well.

It is a pleasure to be here. Now I will be delighted to and pleased to answer your questions.

QUESTION: Mr. President, recent improvements notwithstanding, this country still suffers higher rates of inflation and higher unemployment than 10 years ago or 20 years ago. It is cheering news, of course, that our economy is improving. I should like to attribute this improvement partially to the fact that in college you, Mr. President, majored in economics.

The question I pose, why do you not pursue your proposals which would expand productive capacity and thereby could create more jobs, more profit and more tax revenue? Why is that?

For instance, you have proposed deregulation. You have proposed, Mr. President, among many others, the deregulation of national airlines to enhance air travel at lower prices as it happened in the states of California and Texas -- no actions.

Did you know, for example, that in Pittsburgh the manager of a dairy cooperative was sentenced to jail because he sold milk 15 cents cheaper and paid more to farmers than others did? To make matters worse, this is happening when we are fighting inflation.

Mr. President, I fully agree, and this audience fully agrees with you, that the maze of regulation restrains the productive capacity of this nation. So, Mr. President, my question is since you have difficulties in bringing about the general Ford economic policies, why don't you tell the American people in detail about this confusing and unpleasant matter? Just because ordinary politicians evade economic issues, economic discussion, there is no reason for you to do so.

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THE PRESIDENT: Professor, let me very quickly give some background. When I became President, the rate of inflation was 12 to 13 to 14 percent and now that we are down for the first four months of this year to 2.9 percent we must have been doing something right.

But we are not doing as well as we just do and that is why I had recommended to the Congress last year in the State of the Union Message that we cut taxes and that we restrain spending and if the Congress would follow the recommendations that I made last year for a \$28 billion tax reduction, 75 percent of it to go to individuals so they could have more money to spend themselves, 25 percent of it for business so they could have more money to expand and improve their plant capacity, we would be further ahead today than we are.

Now last January, this year, I reiterated that the way to get a more healthy economy, more quickly, is to have an additional tax reduction June 30 or July 1 of \$10 billion and at the same time cut the rate of growth of Federal spending which, for the last ten years, has been 10 to 11 percent to five and one-half percent. The Congress so far has not acted favorably on either of those two proposals. I can assure you that as we go down the remaining months that Congress is in session, I am going to the American people, just like I am here in Butler Stadium, to tell them the way to get a more healthy economy is to reduce taxes in the Federal Government and to reduce Federal spending.

QUESTION: What are your plans for Secretary of State Kissinger in the event that you are elected?

THE PRESIDENT: I said before and I am very pleased to reiterate it here tonight, I have told Secretary Kissinger, I have told the press, I have told anybody who has asked me that he can stay as Secretary of State as long as I am President of the United States.

And let me tell you why. I am the first President, Democratic or Republican, for a number of years who has run for election and that person who occupies the White House could say that the United States was at peace. What does this mean? This means the foreign policy of this Administration as executed by Secretary of State Henry Kissinger, under my direction, is successful, and if you have somebody on a ball team who is successful, you keep him, you don't get rid of him. Our policies are right and good and successful and as long as he wants to stay, he will be Secretary of State under my Administration.

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QUESTION: About gun control, don't you think it is about time we got realistic and banned the Saturday night special? And do you favor taking any stronger measures in the way of gun control other than that?

THE PRESIDENT: Last year, I submitted to the Congress a comprehensive anti-crime bill which included a number of provisions aimed at controlling the illegal use of guns, and let me cite you what they were:

Number one, I proposed to the Congress that we make it a mandatory certain penalty for anybody who commits a crime while in the possession of a firearm. In addition, I suggested to the Congress that we tighten up the control of these cheap handguns called Saturday night specials.

A few years ago the Congress passed legislation to prohibit the importation of Saturday night specials from overseas, but the people who make them overseas, what they did to evade the law was to send the part to the United States and they have been assembled in our country.

Now, those cheap handguns are not guns that any gun fancier keeps. Those guns are cheap, inaccurate guns that ought not to be on the street, and we not only ought to prohibit their importation but we ought to prohibit their sale in this country.

Now, one other thing that I did recommend, we have about 10 major metropolitan areas in this country where guns have contributed very significantly as a weapon in the numerous murders that have taken place in those areas. In order to try and control the illegal use of guns in those major metropolitan areas, I have asked the Congress for additional funds for more people for the Alcohol, Tax and Firearms Division of the Department of Treasury so that they can do a better job in those areas.

Now let me add one final feature: I don't want anybody in this audience to get the wrong impression. I am not for the kind of gun control that some people advocate. I do not believe we should penalize the legitimate owner of a firearm, period.

I, therefore, am opposed to the registration of a gun owner and I am opposed to the registration of handguns.

QUESTION: Mr. President, my question is this: If the voluntary Army is not sufficient for our national defense, will there ever be a need for another mandatory registration for military service?

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THE PRESIDENT: We now have 2,100,000 men and women in the Army, the Navy, the Air Force and Marines. We are able to sustain that active duty manpower under the voluntary Army, Navy, Air Force and Marine program.

I happen to be a great advocate, have been for a long time, of an all-volunteer military force. I think it is working. As a matter of fact, because of its success we have not only gotten more recruits than we need but we have been able to increase the intelligence level of those who are being accepted so we are not only getting volunteers for a longer period of time but the intelligence capability of those who are recruited is above what it was when we had the draft.

I am absolutely convinced that as long as we have a well-led military force, as long as we create the right environment, as long as we pay them a proper wage and as long as we inspire them, I think we can get all of the active duty military personnel that we need under a voluntary program and, therefore, do not need to utilize a selective service program.

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QUESTION: What is your idea of making the primary election similar to the November election so that we can vote for the person and not declare our party?

THE PRESIDENT: That is a very interesting suggestion and I think it certainly merits some considerable study. As a matter of fact, I believe our whole Presidential primary system needs some in-depth analysis by the Congress and the Congress must do it because you will have to amend the Constitution in order to have a nationwide Presidential primary, and I happen to believe that at a minimum we ought to have regional primaries for Presidential nomination and your suggestion would fall into a category that ought to be thoroughly investigated at the time the Congress takes a look at the Presidential primary system, period.

QUESTION: Thank you, sir.

QUESTION: Mr. President, I am a Butler student and because of this I am concerned because in recent years college graduates have had a hard time getting jobs once they are out of school. Do you have any encouragement for us, and do you have any solutions to this problem?

THE PRESIDENT: Yes, I can be encouraging to you. The students who graduate in 1976 from Butler or any other college or university will have a much greater opportunity for getting a job than those who graduated in 1975. In June of 1975 we were at the trough of the economic recession and it was very, very difficult for any graduate to get a job but in the meantime, as I pointed out earlier, in the last ten to twelve months we have increased those gainfully employed in this country by 2 million 600 thousand and we are at an all-time employment record of 86 million 600 thousand.

Now that does not mean that job opportunities are going to flow to your doorstep but, may I add parenthetically, that has not been the case -- well, many other graduates in other years have had the same experience but, anyhow, we have about 2 million new, young labor market entrants every year, including college and university graduates. We have to expand our private sector because five of the six jobs in America today are in the private sector; one out of six are in Government.

So if you are going to really expand job opportunities, you have to expand our private sector by tax incentives so that companies will accelerate their modernization, so that companies will move into areas of high unemployment and build the plant more quickly, so they will have an investment tax credit to improve their efficiency.

We have to help industry in order to help college graduates because that is where your job opportunities really are.

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QUESTION: Thank you.

QUESTION: Mr. President, I am a student here at Butler University from Cincinnati, Ohio.

My question is, do you feel that the recent controversy concerning EPA's chest study on the health effects of sulfur dioxide will have any major effect on the present air regulation?

THE PRESIDENT: Well, you are referring to the recent decision by EPA that said, as I recall, the previous decision they had made involving catalytic converters that sulfur dioxide was a very serious problem but now have downgraded that danger, to some extent.

I have to rely quite frankly on the technicians and scientists, the engineers. If the EPA, after more thoroughly analyzing the results of the tests of the catalytic converter, have come to that conclusion, I think it is the responsible position for me to stand by them.

QUESTION: Thank you.

THE PRESIDENT: Do you agree? I am not an engineer or a scientist and when they say sulfur dioxide dangers are not as great as they thought they were six months ago, I think the responsible position for me to take is to support them.

QUESTION: Mr. President, I am a Butler student.

I would like to ask you what, in your opinion, does the Republican Party have to offer to the college student?

THE PRESIDENT: I think it can be summarized very quickly. If I were a college student graduating in 1976, I would be a supporter of the political party that has given to this country an opportunity in our economic system to have job opportunities, to get us out of the kind of recession that we were in caused by oil price increases and agricultural price increases. I would support a party that believes in the free enterprise system and not a government-regulated society. And I would also support a political party that could say that our country, through good foreign policy and military capability, was at peace, and that is what we have and that is what we are going to continue.

QUESTION: Mr. President, I am from Evansville, Indiana.

On several recent episodes of Saturday night life you have been portrayed as being -- (Laughter) -- shall we say, clumsy. Do you think that by portraying you this way this has possibly increased your popularity among the average American?

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THE PRESIDENT: Well, I have not quite thought of it that way. (Laughter) But if that is the end result, I am delighted to have that conclusion.

Well, to be serious for a moment, I think in the world in which we live you have to expect the bitter with the sweet and you have to take a little kidding here and there. You have to expect some sharp barbs in a political campaign, and you have to expect various people in the press and elsewhere to have a lot of fun with those kinds of things. You just have to let it roll off your back like water off a duck's back, and that is what I did.

QUESTION: Thank you.

QUESTION: Mr. President, I am the editor for the Kokomo High School Red and Blue.

This Saturday I will be attending a student Congress here in Indianapolis and, at that time, I will be debating a field which concerns the Internal Security Committee. For my own personal information, at that time I would like to know, why was the Internal Security Committee abolished last year?

THE PRESIDENT: You are speaking of the Internal Security Subcommittee of the Senate Committee on the Judiciary.

Well, I think you will have to ask the Senators. I am not a Member of the United States Senate. The decision was made by a majority of those Members of the august United States Senate, and why they did it I can't honestly tell you because that is totally a decision involving the Legislative Branch and if I, as President, or any President ever told 100 Senators what they should do with internal housekeeping, I don't think any of them would ever speak to me again.

But, in all seriousness, I think that is a matter that you would have to ask the majority of that legislative body why they did it. They had had it for 30 or 40 years and their decision has to be justified by the people that made that decision.

You ask me about the Executive Branch and I will answer any question, but to answer questions concerning the Congress, I am not up there any more.

QUESTION: So you can't answer the question?

THE PRESIDENT: Yes. Go ahead.

QUESTION: You don't have the answer?

THE PRESIDENT: I can't give you a --

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QUESTION: Mr. President, this will be the last question.

THE PRESIDENT: Let's have one here, one there, and then one back over here. How is that?

Let's have two and two. Go ahead.

QUESTION: Mr. President, I am a member of the City-County Council of Indianapolis, Indiana. Many of us, and I am sure many councilmen across the land, are concerned about the future of Federal revenue sharing.

I am concerned about your position now and what your position might be in 1977 and the three following years?

Thank you.

THE PRESIDENT: Well, I was one of the original sponsors of revenue sharing back in 1972, and I did all I could to get the legislation through the Congress at that time, which we did for a five-year period. That legislation now expires December 31, 1976, and almost a year ago I recommended to the Congress the extension of that program for a 5-3/4-year period with a \$150 million growth, in addition, each year.

Now so far the Congress has not acted. A committee in the House of Representatives has approved a modified program. We are doing all we can at the White House to get the Congress to approve that legislation, but I think the best pressure to get the legislation has to come from Indianapolis and Grand Rapids and San Francisco, from the people who know that if that program does not go through -- as I recall, the State of Indiana as a whole gets in the five-year period about \$1 billion, two-thirds of it to cities and towns and counties, one-third to the State -- and if that program is not extended, cities, counties, towns and the State of Indiana will either have to cut back services or will have to increase taxes. It is just that simple.

So if you are interested in preserving services or interested in not having an increase in taxes, then you ought to help us get the Members of Congress to move on this legislation, and I will be for it in 1977 just like I was in 1972 and 1976.

QUESTION: Thank you, Mr. President.

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QUESTION: Mr. President, I, too, will be participating in the Student Congress this Saturday and my bill involves the Federal role in education. I was wondering, in view of the fact that high school graduates (inaudible) enter college has been declining if you would be supporting any special programs involving education?

THE PRESIDENT: I submitted to the Congress in January of this year a revised Federal aid to education program that would do away with 26 categorical grant programs and give the same amount of money with a \$200 million or \$300 million bonus but do it in what we call a block grant approach.

In other words, the Federal Government would give the money to the State and to the local units of Government without a requirement of matching and instead of giving it in 26 pieces it would go in one piece, so that at the local level -- and this is the crux of the matter -- at the local level the people in Indianapolis or Kokomo or South Bend or Fort Wayne could make the decision themselves how they want to spend that money on their education program in their hometown.

I think that makes much more sense than having Federal bureaucrats in Washington in 26 different cases telling the people in Indianapolis how to spend their money.

QUESTION: Thank you, Mr. President. Let me ask this question. I am one of many thousands of Federal employees who are trying every day to do a job for the people, to cut costs, and I believe we are doing it with the resources we have. My question is, however, I was also one of the Federal employees who had their cost of living increase cut and now I see in the news every day union contracts being negotiated and the Government allowing increase in living costs in their weekly income or monthly income.

My question is, you said earlier tonight that you wanted to cut inflation, and you have cut inflation. But where does it stop? What is the minimum?

Next fall the auto workers will be negotiating a contract. If they get an increase in living cost, we all inevitably will pay for that and the Government's Federal employees might have to have their cost of living increase cut again. I am just wondering what your plans are for cutting inflation and what is the minimum inflation rate?

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THE PRESIDENT: Well, I wish the rate of inflation was zero -- the country would be a lot better off. And we have made a lot of headway, as I indicated.

But let me give you the story of what happened last year as it involved the almost 2 million 500 thousand Federal civilian employees. And I agree with you that they, as a whole, seek to do -- try to do a good job. They have got a lot of silly rules imposed on them by the Congress that make their job harder, but aside from that last year when the cost of living amount of 8.6 percent was anticipated, I had to take a look at what that cost would be to the Federal Government with a deficit that we had and the burden that we had on all of our society.

So instead of recommending an 8.6 percent pay increase, I recommended a 5 percent pay increase and the Congress approved that reduction from 8.6 to 5 percent.

Now I know that somebody who was expecting 8.6 and got 5 is disappointed, but let me say this in all sincerity. A Government employee who is classified, who has Civil Service status, is not the victim of the peaks and valleys of an economic recession. There are few, if any, layoffs in the Federal Government. Once a person is on the payroll and has his Civil Service status, it is seldom, if ever, that he is unemployed, so he does not have to face the problem like auto workers have or any other private sector employee.

So, in my judgment, the fact that you got a slightly less pay increase is offset, to some extent, by your more or less guaranteed annual wage.

QUESTION: I understand that and I agree with you, but I just hope we can stop, that we don't have to ask for any more increases, and I know you do, too. Do you have any answers? I guess no one does and I guess you don't either.

THE PRESIDENT: Well, I think the program that I have pursued for the last 20 months has shown significant progress in trying to get a handle on the rate of inflation. When you can go from 12 to 13 percent down to 2.9 percent, by any standard that is pretty good progress, and we are going to do better.

Well, let me thank you, President Jones, and all of the students and faculty at Butler and all of the citizens of Indianapolis and Kokomo and every place else. It has been a great privilege and pleasure for me to be here. I am deeply grateful for this opportunity. These kinds of public forums are healthy and are the strength and the bulwark of America -- we ought to do more of it.

Thank you very much.

END (AT 8:51 P.M. EST)