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THE WHITE HOUSE

REMARKS OF THE PRESIDENT AND OUESTION AND ANSWER SESSION

HANGAR AUDITORIUM
BARKSDALE AIR FORCE BASE

4:33 P.M. CDT

THE PRESIDENT: Thank you very much, Joe, Governor Ed Edwards, Congressman Breaux, Mayor Allen, Mayor Cathy, General Hoban, distinguished guests, ladies and gentlemen:

It is really a pleasure and a thrill to meet with all you local officials from throughout the great State of Louisiana, and I appreciate all of you coming here on this occasion.

As all of you know, the framers of the Constitution carefully constructed a system in which authority and responsibility, as well as accountability, were to be shared by different levels of Government, as well as by the three branches of the Federal Government. That system of Government, established by the constitutional convention two centuries ago, can be effectively reaffirmed by the United States Congress this year and, very frankly, it must be.

For too long, the reins of power in this country have been gathered tighter and tighter into the hands of the Federal Government. For too long, programs of a narrow, categorical aid multiplied at a great and a growing expense to the Federal budget and to the American taxpayer. By 1972 there were well over 1,000 of these various categorical grant programs, each limited in scope, restrictive in operation and equipped with its own bureaucracy, chipping steadily away at the Founding Fathers' system of shared responsibility and local control.

With the enactment of the revenue sharing program in 1972, the Congress made an important and I believe historic break with this unwise and unhealthy trend.

As the Republican leader of the House of Representatives, I was a staunch supporter of the revenue sharing concept and I have been proud of it ever since, as I think Joe and John, as well as the Governor.

In the four years since the revenue sharing program actually began, State and local governments, as well as States, have proven beyond any doubt whatsoever the merit of local control over local concerns, and I congratulate all of you for the job that you have done.

When you were put in charge, you proved and I knew that you could prove that you know a lot more about what your States, your communities, your cities, your parishes need, much more than the Washington bureaucracy does. That bureaucracy in Washington, D. C. has been held to an absolute minimum in the operation of revenue sharing. Only about one-eighth of one penny of every dollar spent for revenue sharing goes to the Washington bureaucracy. That is an amazing statistic and it is a very encouraging sign that bureaucratic overhead need not rob the taxpayer blind nor bind your cities, your States, your parishes in a maze of red tape in order for a federally funded program to succeed.

Last April, a year ago, I proposed a five-year nine-month extension of the general revenue sharing program. This proposal represented an increase of funding of almost \$1 billion, for a total of \$39 billion 850 million with \$861,400,000 of that going to the State of Louisiana -- one-third to the State and two-thirds to the local units of government.

A year ago, I urged the Congress to take prompt action on this proposal. Well, just a few weeks ago, as Joe and John know, a House committee -- I should say, actually, a subcommittee -- finally started marking up a revenue sharing bill. They are still tinkering with it and putting in jeopardy the planning of 50 States and 39,000 local units of government throughout America.

I don't honestly see how you can establish your budget for the calendar year 1977 or the fiscal year that, in many cases for communities around the country, actually begins on July 1.

Let me assure you of one thing: I intend to keep the pressure on the Congress until they send me a revenue sharing bill that will do at least as good a job as the one that expires December 31. You will also be interested to know that in the last 20 months we have made a good deal of progress toward reducing red tape in the Federal Government. The Community Development block grant program is an excellent example. On my orders, Federal regulations for community development have been simplified and reduced from 2,600 pages to just 25 pages. Instead of filling out five applications totaling 1,400 pages, a community now has to complete only one 50-page application. While processing and approval of these applications used to average about two years, we have reduced that time to less than two months.

When I say I want to get the Government off your back and out of your hair, believe me, it is more than just campaign rhetoric. We have already started and we have a lot more improvements planned for the future.

One of my foremost plans for the future is to balance the Federal budget -- and by the future, I mean no later than fiscal year 1979.

The budget that I submitted in January for fiscal year 1977 represents what I believe will be a major turning point in the course followed by the Federal Government, as it works for the American people. This budget does not hold out any false promise that the Federal Government will immediately solve every problem or achieve every goal of the American people; instead, it reflects a common sense balance between public and private initiatives and between the various levels of Government which I referred to in my State of the Union message earlier this year.

We have halted spending trends that increasingly threatened our national security and our national economic stability. I am committed to keeping the level of Federal spending within reasonable and affordable limits, but I am also committed to achieving a better and a more bountiful life for all Americans.

My budget calls for a \$396 billion spending ceiling. The Congress, in its budget process, has taken the initial steps to increase the Federal spending limit by at least \$17 billion over what I proposed. But let me assure you that I am strongly committed to the figure that I have submitted to the Congress of \$396 billion.

I have used my veto 48 times in the last 20 months and, in the process, Congress has sustained 39 of them, and the net result is we have saved the taxpayers \$13 billion.

I believe we have struck a workable, reasonable and honest balance with the budget that I have proposed. We not only have this spending limit, which cuts back the growth in Federal spending by 50 percent, but also we have recommended the Congress approve an additional tax decrease on July 1 of approximately \$10 billion.

This budget promises only what we know we can deliver, and I can assure you that we will deliver everything we promise, this year and for the next five years.

With these general comments, I will be glad to respond to the questions.

Yes?

QUESTION: Mr. President, let me quickly say that in behalf of public officials we appreciate your position on revenue sharing.

My question concerns the construction of the North-South toll road, a four-lane highway that will link North and South Louisiana. We have been told that your Administration favors the construction of this road. We would appreciate hearing your comments on the position that your Administration takes and how you feel about it?

THE PRESIDENT: We do favor the construction of that highway. It is my understanding that the highway bill that is just about to be completed by the Congress has a provision in that legislation, or prospective legislation, that will permit the initiation or the necessary funding for that particular highway -- the North-South Highway -- and, as I indicated, if that legislation passes and we sign it, which we will, as far as I know, I think you will be on the road with the project which you mentioned.

QUESTION: Thank you, Mr. President.

QUESTION: Mr. President, this being a major oil and gas area and with the production of that in this area, we are interested in the future plans for domestic oil and gas. Also, we are interested in whether there have been any ideas given to substitute fuels being used, in the East majorly, for relieving the oil and gas in this area and letting us extend our industry?

THE PRESIDENT: Let me summarize for you the energy program that I recommended to the Congress in January of 1975, 14 months ago. At that time, in my State of the Union message to the Congress, I recommended the decontrol of domestic oil on April 1, 1975 and I recommended the deregulation of natural gas.

Now what has happened from January 15 of 1975 until mid-December of 1975, the Congress pulled and hauled on what to do about domestic oil production, and finally, after almost 12 months, the Congress sent to me a bill that permits me to, on a phase basis, to decontrol domestic oil over a 40-month period. It wasn't the bill I recommended, but I think there was a consensus among many who come from oil-producing States that this was the best bill we could get, as long as I promised to use every provision in that legislation to achieve eventual decontrol.

The legislation was signed -- it was not what I recommended, it wasn't what I wanted -- but since it is law we have already initiated a number of the provisions to get decontrol.

We have recommended, and I think the Congress will approve, the decontrol of residual oil. I believe that within the next month or less the Congress will go along with me in the decontrol of distillate fuel and some time in the next several months we hope to get the Congress to go along with my recommendation to decontrol gasoline.

At the same time, we have initiated the first step in the decontrol under the 40-month provision, and the first step permits us to recommend to the Congress a 10 percent increase in the price of \$7.66 per barrel.

Now that process is going to be submitted to the Congress just as quickly as we can under the law, and we will take every other step that is permitted under the law to get eventual decontrol.

Now there are recommendations and there are efforts to broaden our energy program as a whole. We have got to mine more coal. Last year we mined roughly 600 million tons of coal in the United States. We have to get up to 1 billion 200 million tons by 1985. We are making some headway in that regard.

I expanded the research and development funds for solar energy, for geothermal energy, for nuclear energy so that we can have a diversified energy program in this country, from oil to gas to coal to nuclear power to solar energy to geothermal, and some of these far-out exotic fuels that they are talking about.

The Congress disappointed me last year but we are going to do everything we can to achieve an incentive for oil and gas producers to explore and to produce.

QUESTION: That is wonderful.

QUESTION: Mr. President, this afternoon, as you approached our great city, you saw Red River, but what you did not see on that river was navigation. This area has worked very, very hard for many years to have navigation on Red River. We would like to see navigation through Shreveport and into Oklahoma. Funds have come very slow for this project.

I just wonder if you have any funds available that you could help us to attain this goal and to have completion of navigation on Red River soon?

THE PRESIDENT: When I found that I was coming down to Shreveport, I suspected there might be a question on the Red River navigation project, and while we were flying down Joe Waggonner and John Breaux reminded me of the interest of this community or this area in the Red River navigation project.

It just so happens that in the fiscal year 1977 budget that I submitted to the Congress in January, there is money proposed to provide for the completion of the levy system -- if that is the right term -- and also for lock and dam number 1 -- the initiation of construction. If Congress approves that budget recommendation some time in fiscal year 1977, that work can get underway.

QUESTION: Mr. President, we are all aware of the plight that New York City found itself in a year ago and we admire your stand on the problem. What would be the Federal policy for other cities, especially larger cities operating in a deficit condition should they call on the Treasury?

THE PRESIDENT: I think the problem that New York City developed for itself should be an example to convince public officials in other communities that they should not permit themselves to get into the same bind. Because I was very firm in dealing with the Mayor and the Governor of New York, we finally worked out a program that I think, if they carry it out -- and they are going to carry it out, or else -- we can get them by their own bootstraps to straighten out their problem.

We did agree to give them some money on a cash flow basis because they have peaks where they get money and they have valleys where they have to spend it and their revenues don't equal their expenditures. But I can tell you that New York City is on schedule as far as we are concerned.

We got a payment just a few weeks ago of their first pay-back. They paid us back \$270 million and they paid us \$5 million in interest. So Uncle Sam didn't do too badly.

QUESTION: Thank you, Mr. President.

QUESTION: Mr. President, I know that the people have lost confidence in just about all elected officials today, from the President on down to the low office I have as an elected official. The people I talk to -- and I talk to them every day in all walks of life and every national convention I have attended -- and they don't believe there is an energy crisis. They think it is like the gasoline stations when they were lined up at the pumps -- they are just getting the prices up.

I wish, if you could see your way fit on a national program -- I know this is one today, I believe your image is the most honest image I know of today -- I just wish you could say what your feelings really are, as I believe there is an acute energy shortage, from the conferences I have attended.

I would appreciate you making your position clear as well as maybe putting the other Presidential candidates on the spot and making them make. theirs clear.

THE PRESIDENT: Let me tell you how acute, how serious the energy problem is. Prior to the oil embargo imposed by the Middle East nations in 1973, October of that year, the United States was importing about 31 to 32 percent of all the oil that we consumed in the United States. Today, we are importing over 40 percent of all the oil that the United States uses domestically and, if my recollection is correct, in one week in March, we imported more oil from overseas than we produced domestically in this country for the first time in the history of the United States.

Now, how does that translate into a crisis? It is a crisis now because we are paying about \$12.50 a barrel for overseas oil. We are spending about \$30 billion to \$35 billion in good, hard U.S. dollars to buy oil primarily from the Middle East, and maybe some from South America. Those are dollars coming out of the United States we should keep here instead of sending it overseas. Those dollars could be used for American jobs here in the United States. That is the first part of the problem.

The second part of the problem arises if and when -- I hope not -- we have another oil embargo. If we have another oil embargo where we are dependent on 40 percent of our oil from overseas, it will be much, much worse than the crisis we faced in October, November, December of 1973. So we not only have a short-term problem of losing American jobs, but we also have a long-term potential threat in case we have another oil embargo.

So, what is the answer? As Joe and John and your Governor know, I submitted to the Congress, as I said earlier, a comprehensive energy program. After all the pulling and hauling, we came out with much less than I wanted but at least we got a start on oil.

We got a terrible disappointment in the House of Representatives on natural gas. We lost by what -- three votes, Joe or John? About three votes. It is just unforgivable, but we are going to keep trying because we can't leave the United States in this kind of a position of jeopardy, and I am going to do all I can to prevent it.

QUESTION: Mr. President, my question concerns the information, at least the ideas that we have relative to their existing or soon to exist in Louisiana, a vacancy in the judgeships of one of the districts. We have been given the impression, also, that some of our highly elected officials have expressed possibly a concern for the appointment for a black to fill that position, that pending position. Would you comment on what the situation is relative to this matter?

THE PRESIDENT: It is my recollection that in rather recent months there have been four vacancies -- two in the Eastern district and two in the Western district of Louisiana. The Department of Justice recommended to me the names of two individuals for the Eastern district and those names either have been or will shortly be submitted to the Senate for confirmation. I don't recall their names.

There is the process now going on for the clearing and eventual submission of names for the Western district. There are four or five names that have been recommended by various people now before the Department of Justice. The Department of Justice takes the names of individuals who have been recommended, they go to the American Bar Association in the area, or in the State, and they ask the Bar Association to determine whether they are well-qualified, qualified or unqualified, and, after the Bar Association has submitted their recommendations to the Department of Justice, then the Department of Justice submits the names to me.

There have been no names submitted to me for the Western district. Those two vacancies are still unfilled. I would assume that within a relatively short period of time, I hope anyhow, those recommendations will come to me for approval.

I do know that among some of the names that have been submitted—as I recollect there are about five, maybe several more— included in that group are one or two blacks. But I can't tell you what the Department of Justice is going to recommend because they haven't completed the process yet.

QUESTION: Thank you, Mr. President.

QUESTION: Mr. President, I am Jack Clayton, a member of the Bossier Parish School Board and a retired football coach.

THE PRESIDENT: Well, I am an old has-been, too, in that sense. (Laughter)

QUESTION: Yes, sir. (Laughter)

THE PRESIDENT: It looks to me like we both played about the time when the ball was round. (Laughter)

QUESTION: Yes, sir, that is about it.

Mr. President, my question was not regarding the school board but rather about football there. This is good football country, and I know there are a lot of good football fans here. I just wondered since you were a good football player, I wondered if you might tell us one of the outstanding or the outstanding moments in your playing career?

THE PRESIDENT: Jack, those stories get better and better the longer you get away from reality. (Laughter)

The reason that happens is there are fewer and fewer people who are around to tell the truth. (Laughter)

I think probably the most exciting experience I had was playing 58 minutes in the Shrine East-West game for the crippled children's hospital in San Francisco on January 1, 1935.

QUESTION: Mr. President, I would like to ask a question. I am very concerned about the eight million plus estimated illegal aliens in this country and would like to know what you propose to do about this question?

THE PRESIDENT: I fully share your concern. We have anywheres from six to eight million illegal aliens in the United States. In order to meet the problem, I recommended in the budget that I submitted in January, after consulting with the Attorney General, after consulting with the Immigration Naturalization Service, after consulting with the Customs Department, I recommended that we increase the personnel in the law enforcement agencies for the purpose of apprehending and deporting illegal aliens.

We have in past years apprehended a lot of them, but they are not kept and actually deported. They go to the court or whatever agency they are called before and they are not actually deported. They are detained for a limited period of time so we are going to accentuate with more personnel and more money the actual apprehension, detention and deportation. The emphasis is going to be on deportation.

QUESTION: Thank you, Mr. President. I want to say that the late Paul Bagwell would have been really proud of your answer.

THE PRESIDENT: Thank you. You knew Paul. He was a great guy.

Yes, sir?

QUESTION: Mr. President, the environmentalists are causing our cities to spend about a third more money than we really feel like we should spend. In our little city, for instance, we get our water from our local lake and the environmentalists tell us now that we are going to have to put a sewer line around to catch the water that comes from the filteration plant and put it into our sewer system merely because they say we are polluting the streams when all that is in this water is filteration from the lake.

In other words, we are putting back in the lake what we got out of the lake. Is there any room for improvement or help that the cities are going to get as far as environmental protection is concerned?

THE PRESIDENT: The basic legislation that established the Environmental Protection Agency does impose rather rigid and very high standards as far as clean air and clean water is concerned.

QUESTION: Yes, sir.

THE PRESIDENT: The law that was passed about four years ago also established a water resource commission -- I have forgotten the exact title -- and mandated that that commission come back with recommendations for the Congress and the President at the time the present law expires. As I recall, the present law expires either this year or the middle of next year.

That commission has submitted its report, and in its report it recommends that there be some modification of the standards, not so much a lowering of the standards, but an extension of the time span for cities and industrial plants to meet the standards. So, you don't have to do it all tomorrow.

Now that report, which is a very sizeable volume, is before the Congress and before the White. House. The chairman of that committee, appointed I presume by my predecessor, was then the Governor of New York, now the Vice President, and the vice chairman of that commission is Senator Ed Muskie of Maine.

I am told that the recommendations of that commission were unanimous, except for Senator Muskie, who thought we ought to stay with the present standards and the present time span. I just present that because Senator Muskie is a very influental person and we have got to get, I think, a lot of support to support the recommendation by this commission, which will alleviate some of the problems you are talking about.

QUESTION: Yes, sir. Thank you.

QUESTION: Mr. President, we have time for one more question, please.

THE PRESIDENT: Fine.

QUESTION: Mr. President, here in North Louisiana we are just as concerned about balancing the budget, but in our school system through the Federal programs we have been cut back considerably and, of course, our interests, like your interests, are with the education of our young children, and we would like to know what is the progress through the Federal Government to re-establishing our funds?

THE PRESIDENT: I suspect you are talking about impact aid?

QUESTION: Yes.

THE PRESIDENT: This is a long and controversial subject, but under the recommendations that I made, I said there should be full funding of category A, there should be a substantially reduced funding of category B and no funding for category C and D, as I recall.

Now, the Congress every year has disagreed with me, as they disagreed with my predecessor and disagreed with President Johnson and disagreed with every other President back to President Eisenhower. I understand your situation, but I think you have to understand our problem.

The whole impact aid program was initiated at the time of the Korean War, where we went in -- not we, but the Federal Government -- went in and took land, built a base -- Army, Navy, Air Force, Marines -- took away the taxability of that land and at the same time put military personnel on that base and those people had children and they had to have an education.

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Now, category A, as you know, is full funding for all personnel who live on a base and for their children.

Category B, as I recall, is where a person works on the base but lives off the base and his children go to school in the local school system. Now, that situation is quite different than the person, the military or civilian individual who works on the base because he doesn't pay any taxes. But, the person who lives off the base, owns his home, or rents it, there is a local taxing capability for that home.

Now, whether I like it or not, or whether my predecessors like it or not, I suspect Congress will do what they have done in the past. They will probably fully fund A and B, maybe C (Laughter) but let me tell you how bad it has gotten. A is all right. We are fully for that. B you can argue a bit, but they added a new one a little while ago, a year or two ago.

Now, the Federal Government has impacted aid for public housing. That, I think, is pretty ridiculous and cannot be justified but they keep adding a little bit every other year or so and the net result it destroys the integrity of the program A on the one hand and possibly B in the second.

So, it is not a minor A when you take it all throughout the United States for all the military installations. It totals about \$600 million. That is what the whole package costs. That is not what I recommended. But that is what the total package for all impacted aid costs the Federal Government for all installations, about \$600 million.

So, we are talking about big money, not a little.

One other comment. I don't mean to imply John or Joe are involved, but what really burns me up -- and let me illustrate it by my own circumstances -- Betty and I lived in Alexandria, Virginia. We bought and lived in a home where we had four children. All of those children went to the public schools in Alexandria, Virginia, and graduated from there.

Every year in October Betty and I would get a slip, "Does your father work for the Federal Government?" Yes, I, as a Congressman, worked for the Federal Government. Our children were counted for impacted aid for Alexandria, Virginia, and all Congressmen's children are, whether they live in Montgomery County, Maryland or Prince George's County, Maryland or Arlington County in Virginia.

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Now, there is no justification for my children or any Congressman's children being counted for impacted aid to help the local school district. It just cannot be justified. What it means is that my taxpayers, when I represented Grand Rapids, Michican, were subsidizing my public school taxes for the City of Alexandria, Virginia, and that ain't right. (Laughter)

Thank you all very much.

END (AT 5:15 P.M. CDT)