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THE WHITE HOUSE

QUESTION AND ANSWER SESSION
WITH THE
NORTHERN ILLINOIS NEWSPAPER ASSOCIATION
CHICAGO AIRPORT MARRIOTT INN

4:00 P.M. CST

THE PRESIDENT: Thank you very much.

I will try to answer some of your questions. It is a pleasure to have an opportunity to meet with the Northern Illinois Editorial Association or Newspaper Association, and I understand this is your fifteenth anniversary -- congratulations.

But without further ado, I would be delighted to start the questions.

QUESTION: Mr. President, Federal revenue sharing has become a major source of support for Illinois governmental units, and there is a great concern that is about to be shut off.

What do you see as the future of this program? Will there be changes in its administration? Will it become permanent or is there some way the burden of this tax collecting will be shifted to the communities?

THE PRESIDENT: Almost a year ago, I recommended to the Congress a five and three-quarter year extension of the existing law which expires December 31, 1976.

I recommended that it be extended because I think it is one of the best programs the Federal Government does in seeking to aid State and local units of Government.

By the end of this calendar year, the Federal Government will have contributed to State and local units of Government, I think it is almost \$30 billion.

The administrative cost of this program is unbelievable. It is one of the best records of any Federal aid program. I think less than 100 Federal employees handle the whole distribution of all these funds to the 50 States and the almost 5,000 different units of Government at the local level.

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I think the administrative cost on an annual basis is one-twelfth of one percent -- unbelievably low.

Now, I recommended this five and three-quarter year extension almost a year ago. We have been working with governors, with mayors, with county officials trying to get the Congress to get off dead center.

I was told that yesterday a subcommittee of the House Government Operations Committee marked up a bill which is not the legislation I proposed. It is my understanding that subcommittee has recommended a three-plus year extension.

I am told that instead of adding \$150 million a year to the formula that has been in existence for almost five years, they have cut out that \$150 million add on each year.

I don't like that approach. I think we ought to give certainty with a longer term, and I think we ought to provide the growth factor in the annual funding for the State and local units of Government.

I can assure you and the governors and the mayors and the county officials that we are going to continue to try and get the recommendations that I proposed, which all of them support.

QUESTION: Mr. President, in Florida two weeks ago, when I was there you mentioned that you were going to drop the word "detente", and instead would seek peace through strength. Now, would you mind commenting on how you propose to seek this strength or defense against the 100 or more liberals that we now have in the Congress?

THE PRESIDENT: I think the public will see that they change and that they change to support the \$112.7 billion defense program that I have recommended, which is the largest peacetime defense program in the history of the United States.

I am an optimist that the impact of the public will be sufficient to get any Member of the House or Senate who has been cutting the defense program to support this defense program.

And I suspect if Members of Congress are going to try and slash the defense program in 1976 as they have in prior years, the public will see to it that they will hear about it next November.

I think that is the best way under our system to convince Members of Congress that we must change our defense spending to go from a downward trend to an upward trend, as I have proposed.

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QUESTION: Thank you.

QUESTION: Mr. President, is there still a fuel shortage, and will the price of fuel rise?

THE PRESIDENT: There is no fuel shortage. The shortage could come in any year ahead of us if we were to have another embargo such as we had by the OPEC nations in 1973.

The problem is not an immediate shortage. The problem is that we will be becoming more and more dependent on foreign oil imports. Two years ago, we were relying on foreign oil imports to the extent of about 33 percent. Today it is up to almost 40 percent, and unless we stimulate more U. S. production of oil and natural gas and unless we utilize our vast resources of coal, unless we expedite the construction and installation of more nuclear power plants, unless we more rapidly develop some of our exotic fuels, our dependence on foreign oil will go up, up, up which means that we are more dependent not only on the amount of foreign oil, but the price they charge us.

So if we don't get away from foreign oil imports, we are going to have higher fuel costs. That is why it is highly essential that we develop more and more domestic resources here as our sources of energy.

QUESTION: Thank you, Mr. President.

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QUESTION: Mr. President, there have been several multiple fatality accidents at Illinois railroad crossings in recent months and we have been told that several billions of dollars are in a Railroad Safety Act Fund in Washington. Why can't these funds be released to help this problem?

THE PRESIDENT: There is a program that calls for a very limited number of Federal projects for rail relocations. I can think of several. There is one out in Elko, Nevada. There is, I think, a total of 10 altogether. They are on a sample basis. I don't think the Federal Government can tackle every rail crossing throughout the United States. That is an impracticality. We do attack the problem with our interstate, our primary and our secondary Federal aid to highway programs, and we do have this limited program, but that is not necessarily emphasizing safety.

It has other aspects to it. It is one of those programs that the total impact safety-wise is marginal. The more important way to do it is through the primary, secondary and interstate highway construction program.

QUESTION: Are there Federal monies that can be released that can help pay for the costs that these local agencies would have to undertake in repairing railroad crossings?

THE PRESIDENT: I think there are some limited amounts of funds but we are no longer given the privilege in the Executive Branch to impound funds. We have to submit those to the Congress and if we ask that they be deferred or rescinded, I, quite frankly, can't answer whether or not that limited amount has been referred to the Congress for deferral or rescission and, of course, if it has in either case it has to be approved to disapproved by the Congress.

But I can't give you a categorical answer on that particular program.

QUESTION: Thank you, Mr. President.

QUESTION: Mr. President, I would like to ask you what you foresee is happening to the Social Security program in both the near and the far future. More specifically in the far future, do you ever foresee it becoming a voluntary program?

THE PRESIDENT: I don't see it coming as a voluntary program. I don't think it is the way to handle our Social Security program.

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On the other hand, I think we have to be cognizant of the annual deficits that have developed between income on the one hand and outgo on the other. This calendar year, maybe it is the fiscal year, the deficit is about \$3 billion. Next year it will be \$3.5 billion, the following year close to \$4 billion or more than \$4 billion.

The net result is that if we don't do something about it, the current \$43 billion reserve fund will be depleted because if you take \$3 billion one year, \$3.5 billion the next year, \$4 billion the next year, eventually that \$43 billion reserve fund is gone.

So there are three or four alternatives. You can start tapping the general fund, which I oppose. You can raise the wage ceiling which some propose. I don't think that is the best answer. I recommended in January that to make the Social Security Trust Fund secure, that we add six-tenths of one percent to the employer and to the employee cost which would at the maximum wage ceiling amount to less than a dollar a week.

Now the Congress in an election year has rejected that proposal, but that is only putting off the inevitable. They have got to find an answer under our current beneficiary formula. It is inevitable, something has to be done.

I thought we ought to face up to it this year even though it is an election year, and I regret that the Congress is not facing up to it. That is the honest and realistic thing to do.

QUESTION: Mr. President, last night the second number two man in the Reagan campaign here in Illinois charged you and your Administration with vote buying. I believe Governor Reagan repeated that comment today saying that the announcement of various Federal projects in key primary States just before the election was an attempt to influence the election. I wonder if you could respond to that, if you think that this brings a question of credibility of your Administration.

THE PRESIDENT: Well, I have been in 13 Congressional campaigns and one Presidential nomination campaign. I have always campaigned on my own record. I have never been too concerned about the charges made by an opponent in any one of the 14 campaigns that are leveled at me in a political atmosphere or a political campaign. I don't intend to do it in this case and we will talk affirmatively about what we have done and we will let the voters make the decision. I just don't think it is constructive to respond to political charges in the heat of a campaign.

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QUESTION: Do you think, if I could follow up, sir, do you think that the question of how well research decisions on Federal projects can be called into question as they are announced. In Florida, I think that happened a couple of times in the last few weeks -- a VA hospital in St. Petersburg and a highway project down in Miami?

THE PRESIDENT: There has been no decision made on the Bay Pines Veterans Hospital in the St. Petersburg area. I went out and visited the hospital, which is, I think, an obligation on my part.

I have been working with the Congressmen from that district over a period of several years on the project, but no final decision has been made.

I guess one of the other charges made in the heat of a campaign involve some mass transit announcement, not by me but by the Secretary of Transportation, who is there, it was a decision made in the regular order of business.

But you know a political campaign generates all kinds of charges, and if we waste our time answering them, why we can't talk about the affirmative things that we are doing, we have accomplished, so I just dismissed them.

QUESTION: Mr. President, would you comment on the style of Presidential conduct that was endorsed by former President Nixon in a recently released statement in which he said, in effect, that it is all right for the President to break the law under certain circumstances. Do you agree with that?

THE PRESIDENT: I don't agree with it. I know of no experience that I have had that would bring about any violation by me of either the Constitution or the law, and I certainly don't contemplate violating either one.

QUESTION: Thank you.

QUESTION: Mr. President, do you believe the President of the United States should be looked upon as a sovereign?

THE PRESIDENT: I certainly don't. (Laughter)

QUESTION: Thank you.

THE PRESIDENT: I certainly don't. And I don't expect the public to treat me that way. I don't understand the reason why anyone would raise that question. It is so foreign to our whole society.

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QUESTION: Mr. President, do you have thoughts of inviting Senator Percy into your Administration, and if so, in what capacity?

THE PRESIDENT: Senator Percy has been a long-time friend of mine. In fact, in 1949 or 1950, we were jointly honored with eight other people down in Joliet as ten of the young outstanding men by the judges, so I have known him from 1949 or 1950.

I think he does an excellent job as United States Senator. He has been very helpful to me in this campaign. I think very highly of him personally and professionally, and his political life. He has been helpful on many occasions representing the great State of Illinois, and I have mentioned him as one of a number of potential Vice Presidential candidates, not above or below any of the others, but as one of a number, but other than that, I have no specific plans for having him as an active part of the Administration.

QUESTION: Thank you, Mr. President.

QUESTION: Mr. President, you have mentioned your opposition to forced busing previously, as have several of your predecessors, yet forced busing continues to be a major political issue.

I am wondering if you foresee any changes in the next four years that will change the stance of HEW or the courts on this issue?

THE PRESIDENT: Of course, the problem is forced on the country under a judgment or a decision of the United States Supreme Court that came about the mid-1950s on the basis that it was a Constitutional violation of the rights of individuals to perpetuate segregation in public school systems.

Now, the courts make that judgment. Nobody in the Executive Branch can change that judgment. The problem is that when Congress has tried to change the laws to meet the problem, there is always the Constitutional question involved whether the law violates the Constitution just as the practices did for a good many years. I do think, however, that the courts, in applying the Constitutional principle, have begun to use more reasonable and rational remedies. That is the real problem.

So the courts, when they have used radical remedies, have torn the local communities' society asunder, but when the courts use a rational remedy for the solution of the Constitutional issue, there is a great deal more acceptance by the community.

Now, I have asked the Attorney General and the Secretary of HEW to submit to me any thoughts that they might have or recommendations they might have for what I or we in the Executive Branch might do. They submitted this a week or so ago. I asked them to take two or three of the suggestions and to refine them more precisely.

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I have not gotten their final recommendations back, but I think the final answer really comes in how the Federal courts interpret the Brown decision and utilize it in individual cases at the local level, and I have found some of the more recent decisions more moderate.

I strongly disagree with the radical remedies of forced busing to achieve racial balance. I don't think that accomplishes what we all want, which is quality education.

I think it is harmful to quality education, and I think there are some recent studies that prove that.

So if the courts will be more moderate, and we can help in any other way, I think that is the real answer.

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QUESTION: A very quick follow-up. Do you believe any of the candidates that are now running for President of the United States, if elected, could change the busing situation in this country in the next four years?

THE PRESIDENT: No, because it is primarily within the jurisdiction and responsibility of how the Federal court system interprets the constitutional issue and what remedies they utilize, so there is no law that can underline a constitutional issue, it is a matter of the Judicial interpretation of the factual situation, the constitutional problem and the remedy that is used.

I don't see how any Presidential candidate, other than to have an impact or an influence indirectly on the Judicial system, would have any capability of changing it dramatically.

QUESTION: Thank you.

QUESTION: Mr. President, during the 1974 Health Planning and Resources Development Act in the designation of Health Systems Agencies nationwide, will your program of block grants through HEW force a scrapping of HSA's and, if so, what will replace the planning structure?

THE PRESIDENT: No, my health block grant program seeks to consolidate -- I think it is 15 or 16 -- various federally financed health programs into one block grant to the State and to the local units of Government. What that would do is to give no less money than they have this year, in fact we promised them about a half billion dollars more each year for the next several years.

It is now \$10 billion and it goes up to \$10.5 billion, \$11 billion under our proposal. What it does is to give the same amount of money or more to the States and to the local units of Government for all of these programs and then it depends on how the local or State officials want to utilize that money.

In some States they might want to put more money in Program A and less in Program B. It is a matter of local determination at that point so there is no denial of the amount of money, it simply transfers the decision-making process to the local unit of Government and it does away with an immense amount of red tape because if you have 15 or 16 categorical grant programs, the red tape is unbelievable. If you have one block grant program, you save an awful lot of man hours in the applications and you can reduce correspondingly, I think, a number of Federal employees.

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QUESTION: Then is part of the red tape you proposed to dispense with the proposed Health Systems Agencies under HEW?

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

QUESTION: The Health Systems Agencies under HEW that is being formulated right now.

THE PRESIDENT: No. Well, the Federal agency would be reduced because instead of Federal agencies making the decisions you would have the decisions made at the State or local level where I think they can be done in a far better way.

I don't think we have any sanctity about the wisdom of Federal authorities. I think there is just as much, if not more, practical wisdom at the local level.

QUESTION: Thank you.

QUESTION: Mr. President, earlier you praised the Federal revenue sharing program but small communities are finding it increasingly more important to make use of other Federal programs and increasingly more difficult to meet the complex and frequently changing guidelines to qualify for those programs.

Can you, sir, offer any hope for simplifying the bureaucratic process and for making it easier for small communities to deal efficiently and effectively with the Federal Government?

THE PRESIDENT: Yes, I have recommended four major block grant programs that all or in part would answer the problem you are talking about. One, health services. We are proposing 15 or 16 categorical grant programs going into one.

Primary and secondary education plus vocational education plus child nutrition programs plus aid to the disabled would also be a block grant program and would reduce significantly the number of applications that local units of Government would have to make for educational Federal funding.

We also have proposed the social services be consolidated into a block grant program and also the Federal nutrition program.

All of these in one way or another, some more than others, would reduce the burden of applying for Federal categorical grant programs. We would actually take about 60 categorical grant programs and cut them down to four, and that is a lot of progress, I think, from the local as well as the Federal level.

QUESTION: Thank you.

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THE PRESIDENT: Let me give you an illustration and why I am convinced it will. Up until 1974 we had seven different categorical grant programs for urban development. We had the Urban Development Program, the Model Cities Program -- we had seven of them. When we did away with the seven block grant programs and turned it into a community development program, one allocation to a community, we reduced the number of forms significantly. We have reduced the number of Federal employees significantly, and we have reduced the burden on the local units of Government in a meaningful way.

If we could do it in that program, I see no reason why we cannot do it in the other four programs that I have mentioned.

QUESTION: Thank you.

QUESTION: President Ford, this past year you vetoed a bill which would have mandated stripmining companies to immediately restore the environments after the stripmining is completed. If you are elected and such a bill came before you again, what would be your position then and why?

THE PRESIDENT: If the same bill came before me? Of course I would veto it because of several things. One, it would have slowed down our answer to the energy program. It would have slowed down significantly the development and expansion of our coal mining throughout the country. It would have reduced the number of jobs in this country at a critical time when jobs were very important.

There could be a stripmining bill that I would sign and I have indicated about ten different amendments to that legislation. If they were adopted, yes, I would accept them, but that bill that they proposed would have hurt our energy program, would have cut down on the number of jobs in this country during a very critical time. In the meantime, it has been interesting, there have been a number of States -- not a number but a few States that have moved ahead in their own stripmining legislation and I think this could be a very good alternative.

But if they would modify the bill I vetoed which was sustained by the Congress, I think I would accept it.

QUESTION: Could you just mention those States that have made progress?

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THE PRESIDENT: I cannot give them to you by name, but it is my recollection that about 25 States as of now have passed strip mining legislation. I understand the State of Illinois has good legislation. I know the State of Ohio does. I know the State of Pennsylvania does.

A number of States do have good legislation that meet the requirements of the individual State and if more would do it, it would obviate the need for Federal legislation.

QUESTION: Thank you.

QUESTION: Mr. President, we found in a recent poll taken of our readers that one of the major reasons why the people in our area are not backing you is because of the pardon of Mr. Nixon. Do you think that the pardon will hurt you in the remaining primaries or, more specifically, in the general election?

THE PRESIDENT: I really didn't do it for political purposes. As I said in the statement that I issued at the time I signed the pardon, I was convinced that if we had this turmoil going on with prospective court action for a long period of time, it would continue to divide the United States, the people of this country, and I made the decision just because I thought it was in the national interest -- not in his interest but the national interest -- to get that tragedy, that trauma period behind us.

I did it, I did it at the right time and I am convinced that it was right.

Now the political ramifications I can't judge, that is up to the public in the primary. It is up to the public in the general election, but I am convinced it was right in the national interest and I would do it again.

QUESTION: Mr. President, yesterday Mr. Kissinger made some remarks in Boston which some of your opponents have said were overtly political. Have you discussed your campaign with Dr. Kissinger, and if you are re-elected, will he be the Secretary of State?

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THE PRESIDENT: I have said on more than one occasion that Dr. Kissinger can stay as Secretary of State as long as he wants to. I think the way to judge the success of a Secretary of State is to look at the results, and when you look at what has been accomplished -- and let me enumerate several of them -- first the United States, through its efforts, through my efforts, achieved a great breakthrough in the Middle East.

We have had four wars in 25 years in the Middle East, and by the work that we did with Israel on the one hand, and Egypt on the other, we have been able to take a second step with the Sinai agreement that cools down that volatile controversial complex area.

That is success, and we were able to do it because those two countries believe in Dr. Kissinger and believe in the United States. That is a plus, and I think that is the way you judge a Secretary of State.

Now, it is rather interesting that some Presidential candidates have criticized the Secretary of State for pointing out what the Congress has done to impede more progress in foreign affairs or foreign policy.

Well, they have been doing that for a year. I think it is perfectly legitimate for me or the Secretary of State to respond to those charges, and I intend to do so where I think they have been wrong.

I think they were wrong in what they did in the Trade Act of 1974. I think they were wrong in how they have handicapped us in trying to get a solution to the Cyprus question.

I think they have been wrong in a number of other cases. If they are going to attack our foreign policy, I think we have the legitimate and proper role to respond, and I certainly intend to.

QUESTION: Have you discussed this with Dr. Kissinger, your campaign?

THE PRESIDENT: We don't discuss the politics of it. We discuss whether we were right, and what we ought to do in the future to make our foreign policy work; and what we have done, we are proud of, and what we intend to do will be in the best interests of the United States. We don't discuss the politics of it, no.

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QUESTION: Thank you, Mr. President.

QUESTION: Mr. President, the indicators show we are headed for a period of economic growth. Is there any point where you will put on the brakes to prevent renewed inflation, or increase of the inflation rate?

THE PRESIDENT: Well, as long as the inflation rate is going down, which it is -- when I took office it was over 12 percent per year, it is now down in the range of 5-3/4 percent to 6 percent. The trend is down. We see no reason whatsoever why that trend should change. As long as the trend is there, we will continue to use the economic policies that we have been utilizing.

I can't foresee anything that would get us to change our economic policy.

The rate of inflation is going down, unemployment is going down, employment is going up and the net result is we are making very significant headway -- more than we anticipated in January, incidentally.

And as the Chairman of the Council on Economic Advisers said several days ago, if this continued improvement also continues to improve, we will undoubtedly have to re-evaluate our forecasts which could have an impact on our budget and a number of related matters.

I am just pleased that we are making headway, and I see no reason why we should change our economic policies.

QUESTION: Thank you, Mr. President.

QUESTION: Mr. President, you just talked about the inflation rate going down. What kind of employment picture do you see for new high school and college graduates this spring, and what kind of advice would you give them?

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THE PRESIDENT: That is a serious matter because approximately one million-eight to two million new job applicants come into the labor market every year and they primarily come from high schools and colleges. The youth unemployment rate is higher than the national average for everybody. We have got to expand the economy, the domestic or the private sector of the economy, to absorb that influx. I think the best place to do it is in the private sector where five out of six jobs in our society now exist.

And how can we do it? First by having a general tax reduction larger than the one the Congress approved. Number two, by having specific tax incentives to private industry so that private industry will move into areas of high unemployment and build plants and buy equipment this year rather than wait for two or three years. That will provide jobs.

In the meantime, I think we have to fully fund what is called the Comprehensive Education Training Act, CETA, so that those who graduate without a skill can be trained for a skill where there is a demand, and there are areas in our employment across the country where there is a shortage. That particular legislation and the funding we have provided will help in that regard.

I believe as the economy improves, and it is, that the prospects for next spring or this coming spring are an awful lot better than they were last year. I can almost be certain of that. There is no reason why it should not be.

QUESTION: Thank you.

QUESTION: Mr. President, the Northern Illinois Newspaper Association expresses its appreciation to you for this press conference. We also are pleased to have shared this press conference with the Washington press corps and the Chicago press corps.

Thank you, Mr. President.

THE PRESIDENT: Thank you very much. I am grateful to have a chance to meet with you, and good luck. I am glad you included some of those friends of mine over there. (Laughter)

Nice to see you all. Thank you.

END (AT 4:40 P.M. CST)