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THE WHITE HOUSE

REMARKS OF THE PRESIDENT
AND
QUESTION AND ANSWER SESSION
AT THE
BUFFALO GROVE SENIOR HIGH SCHOOL

BUFFALO GROVE, ILLINOIS

8:20 P.M. CST

THE PRESIDENT: Well, thank you all. Thank you very, very much. Governor Dick Ogilvie, Senator Chuck Percy, Congressman Bob McClory, Mayor Fabish, Mayor Ryan, Dr. Miller, students and guests of Buffalo Grove High School:

What an inspiration to be here in Buffalo Grove High School with this wonderful student body, this tremendous faculty. It is great to be here to celebrate the Bicentennial.

I want to say how deeply grateful I am that Margaret Church is here. She has been a long-time friend of mine. I had the privilege of serving with her husband in the Congress, and it is a great honor and privilege of serving many years with her in the House of Representatives. She is one of the outstanding women in this country, and, Margaret, it is wonderful to have you here, and I thank you.

I wish my wife, Betty, was here, but she left Washington last Monday and went to Arizona, to California and came back and met me here in Rockford last night. She has undertaken a mission around the country, and she asked me to express her apologies for not being here, but her mission is to try and get my votes up to her polls. (Laughter)

And if she does, we are bound to win, believe me.

I do want to congratulate you on this tremendous school here at Buffalo Grove. I understand there is a very sizable crowd in your filled house, and I regret they could not all crowd in here, but let me say to them if they are listening that we will come over and see you when I get through here. I am looking forward to it and thank all of them for being here even though they could not be in the gymnasium this evening.

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This is the last stop of our visit to Illinois this week, and I am especially glad to be winding up this trip here because, quite frankly, I have a good many friends in this area right here in Buffalo Grove.

I am told that my daughter, Susan, has a friend who teaches in this high school. Well, we'll call that a secret then. Even though this is an open Administration, it is up to you to find out.

And a week ago, my son, Jack, was traveling in this particular area speaking -- I guess I better send Betty and Jack out here. Well, I am delighted that he did so well. I hope it covered into the political arena as well as into the social side.

Quite frankly, I look forward very greatly to the opportunity of answering your questions, but before that, let me make a few brief remarks.

I ask you to think back for a moment how things were about a year and a half ago. If you will refresh your memory, our country was badly troubled. Our national spirit had been weakened by a long and divisive military conflict and by the shocks of a political situation that had much in the way of abuse.

Our national economy had been weakened as well, and in its unhealthy state, it was threatened by the unprecedented double threat of recession as well as inflation. That was the situation confronting me when I moved into the White House in August of 1974.

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My top priority was to get our Nation back on its feet and to restore confidence in our Government. I set about conducting an open and a responsible Administration. Following the dictates of the law and of my own conscience -- straight talk, not to promise more than I could perform and to produce everything that I promised.

I refused to be panicked into dangerous economic policies that would have threatened our country's long range growth and prosperity. The statistics show that our economic policies have been the right ones. Inflation is less than half of what it was in August in the fall of 1974. All the jobs lost during the recession that hit us have now been recovered, the last report for the month of February shows that we had 86 million 500 thousand people gainfully employed reaching the all-time peak of employment in the history of the United States but those statistics don't tell the whole story.

Consumer confidence is again on the rise and rising rapidly and Americans are buying cars and retail goods at an increased rate. Americans again feel confident to invest in their future and their Nation's future. Our inflation rate is still too high and there is still too much unemployment but we are taking firm steps in the right direction and we are going to keep up the pace that is now moving very, very rapidly.

For one thing, we are going to keep down the cost of living by keeping down the cost of the Federal Government. We are going to improve those Federal programs that do work and get rid of those Federal programs that don't.

Take revenue sharing, if we can, for a Federal program that does work. It is cheap to administer. The running cost, or the cost of administration are less than one-twelfth of one percent for every dollar handled. The much-- in the way of funds, some \$5 billion a year, cost the least of any Federal program that we administer and it goes from the Federal Government to the State Government to the local Government across this great land. It combines the efficiency of the Federal revenue sharing system with the accountability of your local Government.

Under the current five year general revenue sharing program which ends this December, Illinois State and local authorities will have received over one and one-half billion dollars. It has been a good investment at the State and at the local level. It has helped to maintain local community services. It has helped to educate your children. It has helped to keep your taxes down.

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Revenue sharing by any criteria has proven its value and its realistic appraisal of the Federal Government's role. That is why with the help of the Congress I intend to extend and to increase this program because realism and common sense is what we want, not rhetoric.

I have been dealing with the realities of the Federal Government, not just in the last 19 months but during a quarter century of service in the House of Representatives. I believe my experience has a lot to do with what I can accomplish and have accomplished for the American people.

One thing that my experience has taught me is that America needs strong defenses to keep it secure and at peace. I believe in peace through strength. If we are strong enough, we can deter aggression, we can maintain the peace and we can take care of our national security against any challenge from any quarter.

As a Nation today we are second to none in military strength and I, with the help of the Congress, intend to keep it that way.

Another thing that my experience has taught me is how to use the machinery of the Federal Government for the well being of the American people. For example, I came into the White House facing what some people call the veto proof Congress but I used my veto, in fact I used it 46 times and had an 85 percent batting average on those vetoes.

Those 39 successful vetoes which were upheld by the Congress, you the American taxpayer have been saved \$13 billion in Federal spending and that is progress by any standard.

I think my opponents or adversaries in the Congress of the United States know that I fully intend to keep pressure on the budget buster. If they send down more veto prone bills, they know that if they have excessive spending in them they will be vetoed one after another, and with the same kind of sensible approach to Federal spending we have taken this year we can have a balanced Federal budget in 1979.

That means that additional Federal income tax cuts will be possible putting money back into your pocket instead of having it spent by the Federal Government for programs that in many cases cannot be justified. A balanced budget is only a very important part but a part of the balanced policy which I intend to pursue throughout the Federal Government.

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As I see the picture today, we need a new balance of power between Federal, State and local authorities, a new balance of responsibility between the individual citizen and the Government which serves him, a new balance between those who pay taxes on the one hand and those who benefit from them on the other.

All of these elements of a new balance will give our great Nation a new strength and a new stability. We will have a sound and very solid base on which to build an even greater America, an America that will continue to be a source of inspiration and the best hopes of the entire world and that is what we want for this generation and for the next generation and for the generation to follow.

Now I look forward to the opportunity to answer the questions. The gentleman on my right, I guess.

QUESTION: I have one question. In the topic of revenue sharing, do you anticipate any changes in the manner in which the funds are distributed to the States, counties, townships and cities?

THE PRESIDENT: Well, the program that I recommended for the present law that expires December 31 of this year I proposed a five and three-quarter extension with the same formula, the basic formula is predicated on three main factors -- population, the task factor as far as the local unit of Government is concerned, and, thirdly, the number of disadvantaged people in a particular area. That is the current formula that was agreed to by the Governors, by the mayors and the county officials.

Now in recommending the extension which calls for roughly \$6 billion a year from the Federal Treasury to the States and local units of Government, I recommended a growth factor of \$150 million per year. This I thought would take into account some of the expansion that was needed with more population, et cetera.

Now the Congress has been very dilatory in not acting on this proposal for an extension. I recommended the extension almost a year ago and until yesterday there had been no action in either the House or the Senate. The House Committee on Government Operations yesterday proposed an extension but they eliminated the growth factor that I recommended and they cut it to, I think, three years and three-quarters years instead of the five and three-quarters years. I hope that the actual Committee on Government Operations and the Congress as a whole will buy the full extension and incorporate the growth factor because I think it is right, I think it is a good program and we can see evidence of the benefits all over the country.

QUESTION: Thank you very much.

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QUESTION: Mr. President, my question deals with the Middle East. I would like to know if you can explain for me how in the current edition of Newsweek Magazine, Donald Rumsfeld said that the United States would ultimately supply Egypt with guns and other things, and that the Secretary of State disagreed with him and said it is in our best interest.

THE PRESIDENT: Well, first let me make an affirmative statement. The only request from the Executive Branch to the Congress is for six C-130 transport aircraft, nothing else has been requested of the Executive Branch to the Congress.

What happens in the future after the C-130 has not been decided, so the issue is six C-130s at a cost of \$39 million.

Now, the question is legitimate to ask why are we selling for cash six C-130 transports to Egypt? Let me explain the background.

For a number of years, primarily under Nasser, but originally under Sadat, Egypt had an almost entire dependence on the Soviet Union. In the last several years through our diplomatic initiative, the Government of Egypt has turned away from the Soviet Union and turned to the United States. That is 50 million people, the largest population in the Middle East.

I think it is to the advantage of the United States to have Egypt turn away from their former friends and become friends of ours. So I think we should encourage. We should give as much as we possibly can economically and in a responsible way militarily to Egypt.

Now, I think we have to put this in proper perspective as well. This Administration, as other Administrations in the United States, Democratic as well as Republican, have been committed to the security and the survival of the Government of Israel.

We will maintain that commitment, and to show the good faith of our effort in this fiscal year and next fiscal year, the United States Government -- I have asked the Congress to approve \$3 billion, 500 million in military hardware for the Government of Israel.

Now, compare that, if you will, to put things in proper perspective, \$3 billion, 500 million, against \$39 million. Now, we want to do both. I think it is the right move to help turn the Middle East to a place of peace rather than a place of war, and this is our total objective. The Sinai Agreement was a major step forward, and if we do it right working with Israel as well as Egypt and others, I think we can expect a responsible constructive, permanent solution to those volatile, complicated difficulties of long, long standing in the Middle East.

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QUESTION: Thank you very much.

QUESTION: Mr. Ford, what do you think of the EPA's proposal to raise the gross standard of light trucks to 8,500 pounds. That would put them in the same category with car exhausts, and they would be catalytic converters. What the manufacturers have done with vehicles, the ones that were under 6,000 pounds which is the one that is currently --

THE PRESIDENT: Would you repeat that, please?
I am not sure that I -- (Laughter)

QUESTION: What I am trying to get at is what do you think of the EPA's proposal to raise the minimum gross weight from 6,000 to 8,500 pounds on light trucks. If this is done, that will put them in the same category with car pollutants, it will require catalytic converters.

THE PRESIDENT: I must confess that I am not intimately familiar with all the prospective or in existent regulations of EPA. I know that the Environmental Protection Agency in the past has tried to push perhaps too far in some of their regulations. I believe that they have become more realistic in recent months but I can't give you an honest answer to that because I am just not sufficiently familiar to discuss it in any depth.

If you will write out the question, give me your name and address, we will find the answer for you.

QUESTION: Thank you.

QUESTION: Mr. President, my question. You stated that you would hope for a balanced Federal budget in 1979. When you came into office, you said that you were going for only a \$60 billion deficit. Now it stands at \$80 billion. Could you please tell me what your plans are to reduce that deficit to a zeroing out by 1979?

Thank you.

THE PRESIDENT: When I submitted the budget for fiscal year 1976, which was submitted in January of 1975, we had not yet been able to forecast with any precision the depth of the recession that we expected and when the budget was submitted in January of 1979 for the fiscal year that began July 1, 1975 and ends June 30 of 1976, we anticipated that the deficit would be in the magnitude of approximately \$60 billion.

Unfortunately, the recession was much more severe than any of the economists or any of the experts anticipated and the net result was we received less revenue than we anticipated and we had a far greater pay-out in unemployment compensation.

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As I recollect, when we submitted this year's fiscal year budget, we anticipated that unemployment compensation would range in the magnitude of about \$6 billion because of the depths of the depression -- many more people unemployed and many more people unemployed longer -- the unemployment compensation went from about \$6 billion to approximately \$19 billion and between less revenue and more unemployment compensation the net result was instead of a \$60 billion deficit we are going to have a deficit of approximately \$74 billion, not \$80 billion.

Now that is too high. Even \$60 billion was too high, but when you consider the fact that we had the worst recession or the worst economic time since the depression, we were lucky not to do worse. In fact, some of the doomsayers predicted that we would not have a \$60 billion deficit but a \$100 billion deficit. You remember those figures. They didn't materialize.

Now where do we stand for this coming fiscal year? I have recommended a budget with an expenditure figure of \$394.2 billion with an anticipated deficit of \$43 billion. Now if the Congress will hold the figure of \$394.2 billion and not go beyond it, they are already forecasting that it will go beyond it, but if they will hold the line with me with improving economic circumstances this year rather than conditions that got worse last year, we can reduce that \$43 billion anticipated deficit but for the next fiscal year as we project it out we anticipate on the basis of economic conditions that we believe would be in existence in fiscal year 1978, and bear in mind we are forecasting in December of 1975 and January of 1976, we would have a deficit, as I recall, of about \$19 billion and then the following fiscal year, which is fiscal year 1979, we would have a balanced budget. That is what is reflected in the budget that I submitted in January to the Congress of the United States.

With the Congress holding the line, and I hope they will, and with improved economic conditions, we can do even better.

QUESTION: Thank you.

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QUESTION: I would like to know why the detente with the Russians is alienating the Chinese?

THE PRESIDENT: Would you repeat that again, please?

QUESTION: The detente with the Russians seems to be alienating the Chinese because --

THE PRESIDENT: Well, our policies with the Soviet Union, on the one hand, and the People's Republic of China, on the other, are predicated on what is good for the United States, not what is good in our relations with one country or with another country.

Our whole foreign policy is based on what is good for America. That is the basis of it. We deal with the Soviet Union on the one hand, and we deal with the People's Republic of China and other friends or adversaries on the basis of what is good for our country, and we don't play one against the other, whether it is the People's Republic or the USSR.

We are seeking to improve to move to normalize our relations with the People's Republic of China, and when I visited Peking in December of last year, I had extensive talks with Chairman Mao and others, and I can assure you that in many areas, the United States has a total agreement with the People's Republic of China. In other areas, we have vast differences. We don't agree with their political philosophy, their economic system. We totally reject it, but we have an identity of interest in some areas with them.

On the other hand, we can have an identity of interest with the Soviet Union in certain areas, and we can totally disagree with them as we did in the case of their aggression and adventurism in Angola. When we agree, that does not mean that we agree with the philosophy or the ideology of the Soviet Union, we totally reject it, but in the world context, the United States has to deal on a day-to-day basis in a realistic way in trying to do what is best for ourselves primarily, our allies, and in order to maintain a world in which we can have peace and security simultaneously, and that is how our day-to-day operations of foreign policy operate, it is not favoring one against the other or vice versa, it is pragmatic, it is practical to protect our ideology and thoughts, deep beliefs that we have in freedom, liberty and individual opportunity.

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QUESTION: You stated in Champaign on Saturday that you personally felt that the Supreme Court decision on abortion went too far. I am wondering how far do you feel it should have gone?

THE PRESIDENT: Well, let me give you the whole answer for the benefit of those who were not there.

In my opinion, the Supreme Court decision did go too far. It, in effect, permitted what can be categorized as abortion on demand.

On the other hand, the proposals that are made by some for a Constitutional amendment, I think, are far too restricted. My own view, and this is a view that I hold very deeply, is that the question of where we should go or how we should handle it is a deep moral issue, and I don't believe that you should have ironclad decisions by a Supreme Court or an ironclad Constitutional amendment on the other side.

It is my feeling when these deep moral issues are involved that you should not be rigid in what is sought to be done by either the courts, on the one hand, or the Constitution, on the other..

I think that people who have moral convictions and beliefs can handle the problem of abortion in the right way. I have faith in people that they will, and I don't think they should be bound on the one hand by a certain decision of a Supreme Court or by a rigid Constitutional amendment on the other.

QUESTION: Since your nomination in August seems almost certain -- (Laughter) who would you consider for Vice President with you in November?

THE PRESIDENT: Well, David, I am delighted to hear your optimism. (Laughter) But I have been in enough political contests and enough athletic competitions to know that you don't win until the final whistle, and we are going to be working at that to make sure that your forecast is accurate.

But to answer the substantive question, I have said, and I am delighted to repeat, we have a wealth of fine Republican potential candidates for Vice President. We have some outstanding governors. We have some outstanding Members of the Congress. We have some other people who have held public office or who have been involved in public service. So we have a wide variety of outstanding talent from which we can pick.

I could go through the list, but a number of them would be outstanding running mates and would make outstanding Vice Presidents, and I don't have any worry that we can have a first-class person on the ticket, I hope, with me running after that convention in Kansas City.

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QUESTION: Thank you.

QUESTION: Good evening, Mr. President. I have so many questions, I don't know where to start, but I suppose I will start with the one that I think affects me mostly.

As a young working girl of 23, I am starting to look ahead even now 40 years to my retirement, which I think is what any good counsel would advise, and if I am starting to look at what percentage of my salary I am putting now into Social Security and what percentage of it I am putting into taxes, and I am thinking that 40 years from now -- Social Security is in bad shape now -- what am I to expect, and what am I going to work for for the next 40 years?

THE PRESIDENT: I think you raised a very legitimate question, but I think there are some very good answers to it.

In the first place, I hope you understand that Social Security is just not for retirement when you reach 62. A good many people don't realize that if you are married and have children, that if you should pass away at 35, they get very substantial benefits right then for a substantial period of time.

If you should become disabled -- and I hope that never happens, but if you should become disabled at the age of 25, you would have disability payment for the rest of your life.

So there are many, many additional benefits over and above just what you will get when you are 62 or whenever you retire. That is one reason why Social Security payments are as high as they are because there are broad gauge benefits that are not known by or not used by the mass of people who are covered by Social Security.

Now, to get to the other question, is there going to be a Social Security Trust Fund available to pay you when you do retire, that is a very legitimate question because at the present time, we have about a \$43 billion trust.

At the present time, this calendar year or fiscal year, the deficit of income and outgo is \$3 billion, next year the projection is it will be \$3.5 billion, and the next year it will be over \$4 billion.

In a relatively short period of time, that \$43 billion trust fund will be zero unless we in Government have the courage to step up to the issue, and do one of several things to make it solid and financially sound.

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I felt that we could not bypass the issue with the situation deteriorating, so I recommended to the Congress that they increase the payments by the employer and the employee by six-tenths of one percent, which would be less than a dollar a week for the person with the highest payment. That would come to \$49 a year. That would be the one who pays the most. That is the increase.

Now, that would make the fund solvent. The Congress apparently is not going to face up to the issue. I think that is deplorable, it cannot be justified because it will make it more difficult a year from now, but I understand it is an election year, and I just think it is bad, but we have to deal with reality. We have got to face the issue and either make it financially sound by additional taxes or reduce benefits, or you end up taking what the deficit is out of the general fund, and I am totally opposed to that solution.

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QUESTION: I think that we should get some power in more countries because if we don't, the Communists are just going to take over the rest of the world and they are going to attack on us.

THE PRESIDENT: Could you repeat that again, please?

QUESTION: I think we should get more power in other countries because if we don't, the Communists are going to take over the world and going to attack on us.

THE PRESIDENT: I think that your concern is a very legitimate one. This country has to be strong enough internally and domestically with our economy and with our will and we have to have sufficient military capability to protect us externally. If we don't have the wherewithal internally and externally and the will to defend freedom, what you are saying will take place, but I happen to be an optimist that your father and your father's friends and a lot of other Americans all over this country will defend freedom, will be willing to support an adequate defense budget to make America strong so that we can handle the problem of Soviet and any other aggression by Communists and we will make it a safe country for you, young man.

QUESTION: Mr. President, maybe this is not a good question to bring up at a political rally for you, sir, but it is an issue that I think affects everyone and that touched the country for a long time and this is Watergate. I would like to ask you, sir, and I am sure many of the reporters have asked you before, if our country is based on justice and on the laws that make up that justice and our court rooms and all our public facilities are here to protect that justice and you, sir, are there to protect that justice, why you would pardon Mr. Nixon for something that we are not sure that he has done. You pardoned him for all crimes that he may have committed or that he did commit, and I am wondering why you would want in such an open Administration to keep us so in the dark?

THE PRESIDENT: I was sworn in as President in August of 1974 and for the first month of that Administration the country was continuously divided as it had been for the previous 18 months and it was perfectly obvious to me that with the economic problems that we had and the challenges we still had in Southeast Asia that we had to get that unfortunate incident or circumstance in our country off the deck and concentrate on building our economy and protecting America. And so I made the conscious decision that for the good of the country -- not for Mr. Nixon's good, but for the good of the country -- the best way to do it was to handle it the way I did, and I am glad that I did.

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Before I did it, I checked with the responsible people, the Special Prosecutor, and I was led to believe that there would be continuous charges, potential if not real criminal charges, and this whole problem would have gone on for a long, long time and our country would have become more divided, and the basis upon which the decision was made then was to bring back some unity in this country and to get that long nightmare off our back, which I think it has.

QUESTION: I would like to know if you do become President, what is your major goal you will try to reach while you are in office?

THE PRESIDENT: Could you repeat that again, please? Speak into the microphone, if you would.

QUESTION: While you are in office, what is the major goal you are going to try to reach?

THE PRESIDENT: Well, I think you have to put it on two grounds; one, what we want to do materially for the country and what we have as our long range goal and objective.

From the material point of view, we want a prosperous healthy economy so that people have an opportunity to be gainfully employed, to work and to enjoy themselves and we want a country that is strong enough to protect freedom here and to work with those who want freedom elsewhere, but the long range goal of this country ought to be -- this is the vision or the dream that I think we ought to have for you and those your age -- we want freedom, freedom from mass Government, freedom from mass education, freedom from mass industry and mass labor.

We want individuals to have that great opportunity, the freedom that was enjoyed by our forefathers more than 200 years ago. That is what we want for you and those like you when you are the age of many of the people in this auditorium or this gymnasium. That is the long range goal and I think we are making some headway toward it.

QUESTION: Mr. President, I would like to present my thanks on behalf of this school and everyone in it and the entire neighborhood for you being here and explaining the policies that have illuminated a lot of people who may have been in the dark about these kinds of things. It will enable us to vote in a much more intelligent manner, so I am highly appreciative of the fact that you came here, not just the fact that you are high in principle.

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THE PRESIDENT: I would like to thank again the administration of Buffalo Grove and the wonderful students and the fine faculty, and I would especially like to thank the people who came who are not connected with the school system and to offer a special compliment and congratulations to the young people and others who have asked such fine questions.

It has been a great inspiration and a wonderful opportunity to be here in Buffalo Grove.

Thank you very, very much.

END (AT 9:08 P.M. CST)