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APRIL 2, 1976

OFFICE OF THE WHITE HOUSE PRESS SECRETARY
(West Bend, Wisconsin)

THE WHITE HOUSE

REMARKS OF THE PRESIDENT
AND
QUESTION AND ANSWER SESSION

WEST BEND HIGH SCHOOL

8:40 P.M. CST

THE PRESIDENT: Thank you very, very much, Governor Knowles, Congressman Bill Steiger, my old and very dear friend, your Congressman from Wisconsin, Mel Laird, Mayor Schoenhaar, Dr. Steinert, students, faculty and guests of West Bend East Suns and the West Bend West Spartans:

It is a great pleasure to be back in Wisconsin and to visit a school where East meets West right here in the gymnasium.

Let me, first of all, pay my respects to the Suns and the Spartans of West Bend, and especially let me thank the girls' track team for letting us borrow the gymnasium today.

I didn't mean to interrupt your practice, girls, but I am trying to get in shape for the big race in November and I appreciate your cooperation.

The purpose of my visit can be summed up in a very few words. As much as I believe in a strong and prosperous automobile industry, I am here to say that this year there is absolutely no reason to trade in your Ford on another model.

After a few brief introductory remarks, I look forward with a great deal of pleasure to answering your questions, and at the outset let me congratulate all of you because I have heard from Governor Knowles and Bill Steiger and others of the remarkable recovery in West Bend from the recent ice storm.

I understand that things are getting back to normal now and I commend you for the community spirit that was so important under these most difficult circumstances.

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Now after some rather stormy weather in recent years it is good to see that America is getting back to normal, too. On the economic front, we are steadily working our way out of the worst recession in 40 years. I won't burden you with a lot of statistics, but I can report to you that all of the economic trends are good. Everything that is supposed to be going up, like the number of jobs in America, real earning for the American workers, sales, investment, industrial production, all of these are on the increase. And everything that is supposed to be going down, like the rate of unemployment, the rate of inflation, the rate of growth in Federal spending, even some prices are going down.

Just two days ago it was reported that the wholesale price index has shown virtually no upward movement overall in the last five months and tonight I can say to you with confidence and without any hesitation or reservation we are on the road to a new prosperity in the United States of America and we are not about to be sidetracked right now.

The best thing about this new prosperity is that it is not based on the shifting sands of political maneuvering and Government gimmicks, but on the solid, permanent foundation of the American free enterprise system.

Oh, there was a lot of pressure on me at the beginning of the recession to take some panic action that sounded good but never worked in the past. Some very distinguished economists and some very concerned Members of Congress urged me to impose, for example, wage and price controls on the American economy. Others urged me to propose massive Federal spending as a stimulus to the economy regardless of whether we could really afford that spending or not.

I rejected both of those suggestions and all of the other quick fix proposals that were wrong medicine for the American economy. The strong economic recovery we are experiencing today has proved me, I think, to be right in rejecting them and most of you remember the wage and price controls that were imposed back in 1971 and 1972, so much pressure was built up under that wage and price lid that when price controls and wage controls were removed, the economy simply got out of control. The rate of inflation got up to more than 12 percent at one point and that, combined with the oil embargo of 1973, helped trigger the recession we are just recovering from at the present time.

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The other proposal was that we spend all kinds of your hard earned taxpayers' dollars to stimulate the economy and put hundreds of thousands more people back on the Federal payroll, but I know, and I think you know, that you can't solve every problem in the world just by throwing a lot of money at it and I was determined not to risk a new round of double digit inflation as the cure for the recession.

As Warren Knowles indicated, over the last nineteen months I have vetoed 46 bills sent to me by the Congress and they tell me that is some kind of a record, and if it is, I'm darn proud of it.

But the really important record is this. We were able to sustain, with the help and assistance of at least one-third of the Members of either the House or the Senate, 39 of those vetoes and without threatening or weakening our economy in any way whatsoever, those vetoes will save the taxpayers of this country \$13 billion, and that's a lot of dough.

Common sense told me that the right course to pursue toward economic recovery was to stimulate the growth and the strength of the private sector so I proposed, and the Congress accepted, a major tax cut for individuals to increase their own personal purchasing power. I proposed tax incentives for business expansion and job production in the private sector where five out of every six jobs today where people work and earn a living and I proposed extended assistance to those Americans who had lost their jobs to the recession to help them with the onerous burden until our national economy was revived and its strength recovered.

These were common sense policies and they worked. Last month it was reported that all of the jobs America had lost during the recession had been recovered and just this morning we got some tremendous news. It was announced in Washington by the Department of Labor, the Bureau of Labor Statistics, that we gained 375,000 more jobs in the month of March alone. Today, 86 million 700 thousand Americans are gainfully employed, the most employed in the United States in the history of this country, and I would say that is a pretty good comeback from the problems we had 12 months ago.

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The evidence is unmistakable. These economic indicators are not political fiction, they are hard economic facts. The prospects of prosperity apparently didn't fit into some politician's plans this year -- that is just too bad.

As prophets of gloom sort of rubbing their hands in glee, they can deny the evidence all they want to, but you and I are happy to see America back on the road to prosperity and those other fellow had better just make some other plans for the next four years.

The success of these economic policies proved once again that it does not take a huge Government bureaucracy to solve every problem in America. In fact, piling one bureaucracy on another has been the source of many of the problems that we have been experiencing in recent years in this country. We must never forget one very fundamental truth -- a Government big enough to give us everything we want is a Government big enough to take from us everything we have.

To help guard against the danger of ever-increasing control by the Federal Government, I proposed a five-year-nine-month-extension of general revenue sharing that has worked so well for the past four years. And if I might just pay tribute to one of your former Congressmen, a former Secretary of Defense, who was really the inspirator and the prime promoter of general revenue sharing--Mel Laird.

If there is one thing the Government is good at, it is collecting taxes, as you will all learn again in about 13 days. If there is one thing the Federal Government is terrible at, it is trying to decide the best solution to a local problem. That responsibility clearly should rest with your own local officials, like Mayor Schoenhaar and those others, so the concept of general revenue sharing is to let the Federal Government collect the money and then give it back to local and State Governments to spend it as they see fit under that very watchful eye of every one of you right here in West Bend in Washington County. You can watch them better here than you can back in Washington, D. C.

You know, general revenue sharing is kind of a hometown "do it yourself" project, and in the last four years West Bend and Washington County and the State of Wisconsin have proven that you can do it yourself a heck of a lot better than the Federal Government can and I congratulate you for it.

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Under my proposal for the extension of the existing law which expires on December 31 of this year, West Bend would get more than \$2.1 million. Washington County, including West Bend, would get \$8 million and the entire State of Wisconsin would get more than \$1 billion over the next five and three-quarters years.

But the most interesting fact out of the whole program, outside of the money that comes here to West Bend and Washington County and the State of Wisconsin, I think you will be interested to know that the total cost of the Federal Government's participation in the revenue sharing program is only twelve-hundredths of one percent of all of the money in the program, or to say it another way, that is one-eighth of one penny of every dollar spent on the program. That is pretty low overhead by any standards.

That is what I call holding bureaucracy to the minimum and I intend to see that that trend is encouraged in other Federal programs in the next four years. Some people in the election year have been suggesting we ought to dump \$90 billion worth of Federal programs on the laps of State and local officials to cope with it as they can even if it means raising local taxes or eliminating local programs. Well, we have not heard much about the \$90 billion figure lately but we have not heard either of the proposals have been abandoned.

All of us know that there are some very, very legitimate activities that Government must be involved in -- national defense, Social Security, law enforcement in the Administration of justice, just to name a few.

The important thing is that Government should do what it has to do better, more effectively, more efficiently than it has been doing it in the past, but as I told some of your neighbors over in La Crosse last weekend, we must make sure that Government is always the servant, never the master of the American people.

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The pages of history tell us that our people have made tremendous progress in the last 200 years, no other nation can match us in the combined economic, agricultural, technological, military and, more importantly, moral strength of the United States of America. We are number one in the world and we are going to keep it that way in the years ahead.

Yes, I think we have made substantial progress going through a period of trauma, difficulty, trial and tragedy. Yes, but the strength of the American people, the strength of the Government that we have, has proven, I think, not only to us but all the world that America is strong and is going to keep strong, but there is more to be done and that is why I am asking for your support next Tuesday and next November and in the challenging years ahead.

Thank you very, very much.

Now, let's have the questions -- the best part of the program.

QUESTION: Good evening, sir.

THE PRESIDENT: Good evening, how are you?

QUESTION: Doing fine, thank you.

You were touching most of the subjects on taxes and such but I wanted to go off into another subject on gun control. Were you for it, against it -- what are your stands on that?

THE PRESIDENT: I have long been an adamant opponent of the registration of guns or the registration of gun owners, period. Let me add, if I might, one or two sentences to that. I believe that we should pass legislation to make mandatory certain penalties for those individuals who commit a crime in the possession of a gun, period.

And I also happen to believe that we should, in those areas of heavy crime where we know from the records that the so-called Saturday night specials, the cheap handguns, are used in great numbers to commit a crime, to commit murder, then we ought to beef up the law enforcement people in those areas to try and stop that kind of attack against our society.

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QUESTION: Mr. President, you expressed some concern that the Supreme Court went too far in its decision legalizing abortion and allowing abortion on demand, for any reason, on the mother. Yet, you have been reluctant to support a human life -- or to call for a human life amendment.

Mr. Ford, does it not concern you that over a million human beings are killed each year in the United States by abortion?

THE PRESIDENT: The facts are that I do think that the Supreme Court decision went much too far. I also happen to believe that all or most of the amendments that I have seen introduced in either the House or the Senate likewise are too inflexible and also go too far. Furthermore, as I am sure that others who are familiar with the legislative process know, as a practical matter you won't get two-thirds of the Members of the House of Representatives and 75 percent of the States to pass it anyhow.

But the more important point -- and this is the point that I make -- I think we can get reasonable remedies in this area that reflect the moral conviction of the individual, that protect the mother in case of rape, in case of any health problem.

In my judgment, there is an area between the two extremes that will protect a good share of those that you are talking about -- the one million. I don't think you can get it by a Constitutional amendment, and I think the Supreme Court went too far, but, in my judgment, this is a very personal moral decision and I think working in the legislative way and working with the Court we can come up with a better solution than the one we have at the present time.

QUESTION: Thank you.

QUESTION: Mr. President, I am concerned about the economic stranglehold labor union bosses now have on large segments of the working population. While it is not adequate by any means, it does seem to me the Taft-Hartley law is the last bulwark or buffer preserving the job-related liberties of the individual worker.

I would like to extend my congratulations and sincere appreciation for your veto of the common situs picketing bill and ask the following question: Exactly, what is your position concerning future attempts by the union power structure to destroy or further weaken the Taft-Hartley law?

THE PRESIDENT: In 1949 or 1950 I voted against an attempt to repeal or weaken the Taft-Hartley Act and my attitude today is precisely the same. I believe in the Taft-Hartley Act. I would not vote to weaken it or to rescind it.

QUESTION: Thank you, Mr. President.

QUESTION: Mr. President, I would like to ask you what your stand on detente is and why?

THE PRESIDENT: Well, as I think most of you know, we are not using that word any more (Laughter) but I think that is immaterial. I am really concerned about the results from our negotiating with any power.

The point that has to be understood is that two, for example, super powers have to negotiate at arm's length and we, being one, have to be absolutely certain and positive that in the process of trying to ease tensions, to relax tension, so we don't fall into a nuclear holocaust with the world turned into ashes, that we don't weaken ourselves and in the process of trying to negotiate responsible positions, where we don't give up more than we get--and that is the attitude--we also must protect our national interest.

We don't want to go back to the cold war where everybody sat with a happy finger on the trigger of a nuclear capability. We want to reduce those tensions. We want to reduce our nuclear capability in a mutual sense so that the possibilities for a nuclear holocaust are less and less and less, but we have to do it in a responsible, constructive, mutual way.

It does not do us any good to have 10 times more power than we have today, which would blow up the earth 20 times. We have to negotiate from strength to get a mutual advantage for the safety of our country and the protection of mankind throughout the globe, and that is what we mean by negotiating from strength.

QUESTION: Mr. President, we are very honored to have you here tonight, sir.

In nearby West Bend, at the Cedar Lake Home, many of the residents have asked me to find out your views on the elderly?

THE PRESIDENT: I am a firm believer in the Social Security program. I believe that it has not only helped immensely those who retire at 62 or 65, but I think it has also been of great help and benefit when the husband, for example, dies at 40 and there are survivorship benefits.

I think there are other great advantages such as the disability portion of Social Security. I think we must be certain and positive that the retirement benefits and the other benefits that come from the Social Security program are made certain, and this is where the problem arises.

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At the present time in this 12-month period there will be \$3.5 billion more money going out of the Social Security Trust Fund than comes in. Next year it will be \$4 billion more out than comes in.

At the present time we have roughly \$40 billion in the Social Security Trust Fund. By the early 1980s there won't be any money in the Social Security Trust Fund unless we do something to protect its economic stability.

I took a hard bite at the bullet and came up with a proposal that I think will protect the integrity of the financial security of the Social Security Trust Fund. Unfortunately, the Congress wants to postpone it a little while longer. The longer they postpone it, the harder it will get to solve the problem.

But as far as this President is concerned, he is going to face up to that issue as he has faced up to every other issue, and I am not going to kid you one bit. We are going to protect the financial integrity and security of that trust fund for the benefit of our older citizens.

QUESTION: Good evening, Mr. President.

THE PRESIDENT: Good evening.

QUESTION: I am really pleased to have the opportunity to ask this question at long last to a person who can really answer it.

THE PRESIDENT: I hope you are right. (Laughter)

QUESTION: For years I have wondered why the Federal Government cannot do anything about instigating a real true and just program of tax reform. By that, I do not mean giving more deductions to those that already have them. I am sick and tired of reading where 200 people, millionaires, pay no taxes, where our Vice President pays no taxes.

Tell me, do you believe we can have tax reform for the average citizen?

THE PRESIDENT: Let me answer it in two ways: Number one, last year I recommended a \$28 billion tax reduction with 75 percent of it going to individuals and -5 percent of it going to businesses to stimulate jobs and increase productive efficiency. In the 75 percent of the tax reduction bill that I proposed to the Congress for the benefit of individuals, what we tried to do in the restructuring of rates was to give some overdue relief to the middle income people who have taken a beating in the last 10 years under our tax schedules.

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QUESTION: I am sorry --

THE PRESIDENT: Unfortunately, the Congress went along in part, not in whole. There was a tax reduction program but, in my opinion, it was tilted the wrong way.

But now let me give a second response. I don't mean to be partisan but I want the record to be clear, and I don't know whether you are a Democrat or a Republican, but I will tell you this: I have heard in the 27 years since I have been in Congress, tax reform -- that has been an old song that has been sung and sung and sung and Mel Laird and Bill Steiger have heard it a long time along with me.

The party in power in the Congress of the United States has the responsibility, and the Democratic Party has controlled the Congress 38 out of 42 years and they have not passed a bona fide tax reform bill. If they want a majority, doggone it, they ought to perform. That is all I am saying.

QUESTION: Mr. President, I am currently vice president and I am also planning on running for president next year of the West Bend High School's FFA.

My question is that with many of the problems being faced today by younger people in securing jobs, I was wondering what you see as the future for them in securing a job in an agriculture field?

THE PRESIDENT: Well, I have been encouraged from the reports that I get from the Department of Agriculture that more young people today are going to our agricultural universities and colleges than at any time in the history of the United States. There must be a lot of young people who have faith in agriculture as an occupation, and I think that faith is justified, and let me tell you why.

We now have 215 million Americans in this country. As we look around the world the population is burgeoning -- it is really exploding. The demand for food is going to get greater and greater and greater because we have more people, and countries and people are getting more affluent.

So there is going to be a guaranteed market for agricultural products from the United States, and as long as that market exists, if you are able and willing to work, I think the occupation of a farmer is a great prospect for young people and I would urge you and others to get into it.

Did you have another question?

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QUESTION: Yes.

I also have a presentation to make to you. At our last meeting -- and we just had one this last week -- the members voted unanimously to elect you as an honorary member of our chapter, and I would like to present you with this plaque. Please accept this with the compliments of our chapter.

THE PRESIDENT: Thank you very, very much.

QUESTION: You are welcome, Mr. President.

THE PRESIDENT: I had an opportunity about a year and a half ago to speak to the Future Farmers' National Convention out in Kansas City, and also had an opportunity a few months ago to meet the leaders of each State of the Future Farmers and, believe me, they are impressive as members and they were certainly impressive as officers of the respective States.

Congratulations and thank you very much.

QUESTION: Thank you very much, Mr. President.

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QUESTION: Good evening, Mr. President.

I would like to know about what Ronald Reagan stated Wednesday night. He said that Kissinger stated that he is in office to keep the United States in place second and Russian first. I would like to know what you think and what you plan to do about this.

THE PRESIDENT: Well, in the first place, Secretary of State Kissinger said that never was stated by him, and I understand that this afternoon that former Governor Reagan said that he had not seen the quote but he had heard somebody who had heard it from somebody else as an alleged quote from Dr. Kissinger. Now that is not a very credible way to quote somebody. It just, in my opinion, was careless, irresponsible work in writing a speech that was to be made to a good many millions of Americans. If you are going to quote somebody, you ought to have the facts, and in this case they didn't.

QUESTION: Good evening, Mr. President. I would like to know what you think has been your most important decision as President and why? (Laughter)

THE PRESIDENT: Well, there were several. It seems some days like that is all it is all day long.

I would say that probably the one that took the most forceful action was the decision to make certain that the MAYAGUEZ, the merchant ship, was recovered from the Cambodians. That was probably one of the most meaningful decisions because that ship was attacked, it was seized by the Cambodians and we sent in our forces to get it back and we got it back. That was a tough decision.

QUESTION: Thank you.

QUESTION: Mr. President, I would like to ask you after hearing you encourage these young boys to go into agriculture, my husband and I have a beef farm and after struggling for ten years we still have a hard time making ends meet.

You just mentioned that prices are coming down. Well, it seems to me that the only thing that comes down is the beef price. We get about the same price we got ten years ago, and everything we buy is so high. I would like to know why it always seems everything is done for dairy farmers and so forth and there is no parity on beef and we hear very little about the beef farmers plight.

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THE PRESIDENT: I would agree with you that the beef production industry is one of the few aspects of agriculture that has no Government program as such, but as I remember over the years the Cattlemen's Association and the various organizations that represent the beef producing industry always wanted Uncle Sam to keep his hands off of the cattle business, and when you do that you are bound to have some fluctuation.

I met several days ago with the Secretary of Agriculture in his new Agricultural Advisory Group that I have established to give me the input on decision-making for all agricultural decisions and I asked about beef prices, I asked about hog prices, and it is his judgment and the judgment of the experts -- and there is some evidence to show it now, not enough but some -- that beef prices are on the way up and in the period of three to four months you are going to see a quite different situation from what it is today. And I certainly hope so because I agree with you that beef prices today are too low, they are below parity if there was a program. But from all the signs that the experts can put together, the beef business is going to be a lot better in about three months.

QUESTION: Okay. Thank you. Then I will hold my steers three more months, and if the price does not go up, you are going to hear from me.

THE PRESIDENT: Let me add a couple of things that relate particularly to the beef business. You know, a year or two ago a number of people sold their beef to some of the stockyards or to some of the processors and in one or two instances they went broke and the people who had sold their beef took a licking.

Now that is not fair. Legislation has been approved, and I support it. I think this is a way in which we can protect the producers of beef against the bankruptcy of the beef processors, and this should be helpful. I think it is desirable legislation.

One other answer in response to the young man is, you know, we recommended about three weeks ago new legislation in the tax field that would permit a family farm to go from one generation to another and we recommended two procedures or two provisions to take care of this.

One, to increase the exemption from \$60,000 to \$150,000, and, secondly, to extend the payment of any estate tax liability over a 25-year period with a five-year moratorium, and the interest that would be paid, if any, would be four percent.

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So we want to keep the family farm in the hands of one family and this way I think we can help passing it on from one generation to another; and if the Congress will pass it, it will be a great step forward.

QUESTION: Mr. President, I am a student here at West Bend High School. It was reported in our local newspaper tonight that you play a big part in deciding where your itinerary goes. I was just wondering -- and I bet a lot of other people were, too -- why you decided to come to West Bend tonight?

THE PRESIDENT: Well, I had heard so much about all the nice people here I just decided I wanted to come to West Bend.

As a matter of fact, we go to the Congressmen, we go to the people like Governor Knowles, and they give us recommendations, but, in all honesty, I had heard that West Bend had many similarities to some of the communities and the kind of people I represented over in Michigan. I thought they were great people and, in all honesty, I did want to come here to this kind of a community.

QUESTION: Okay. Thank you.

QUESTION: I live here in West Bend. I am going to ask a simple question and I hope I get a simple answer. (Laughter)

I was wondering why you want to run to be the President this year? (Laughter)

THE PRESIDENT: I will try to make it simple. (Laughter)

When I became President, in August of 1974, this country was having very serious problems. There was great distrust of Government and we were on the brink of a recession. We were having 12 to 14 percent inflation. Our allies around the world were uncertain as to what the United States would do. Our adversaries were in a position where they might have taken advantage of us. We have had 19 to 20 months of tough problems. I think we have made a lot of headway but the job isn't done and I would like four more years to finish the job and turn it over to my successor in better shape than it is and a lot better shape than it was August 8, 1974.

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QUESTION: Thank you.

QUESTION: Mr. President, I am from Belgium, Wisconsin, and I would like to know what kind of relief, if any, you have for the small farmer where the husband dies and the wife, because of a high inheritance tax or whatever, is forced off the farm because she can't pay -- for the young people of this country who really would like to own their own farm but can't afford it.

THE PRESIDENT: Well, the estate tax changes that I mentioned a moment ago increasing the estate tax exemption from \$60,000 which was established in 1942 to \$150,000 would, in many, many instances, I think, handle the problem you are talking about as you describe it, a small farm, and then the other provisions to extend the payment of the estate tax would also be helpful if the farm was worth more than \$150,000. That is one way to help insure the transfer of the property and have it kept in the same family from one generation to another.

Now for a young farmer that wants to start fresh, the odds are tough, I agree, but you have got some good bankers around here in West Bend and the SBA and others, I think, can be receptive particularly if you have got a good earning record, a good credit record, and know something about the business.

Then, of course, there is another way in which the property can go from husband to wife without any estate tax imposition and that is if it is put in joint ownership. That is an easy way to transfer it without any estate tax problem.

We will do one more here and then one more over on the right.

Yes?

QUESTION: Mr. President, I would like to know why the minimum wage is lower than what most people get that are on welfare.

THE PRESIDENT: Why, the minimum wage --

QUESTION: The minimum wage is lower than what a person can get on welfare.

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THE PRESIDENT: I don't think it is --

QUESTION: It most certainly is.

THE PRESIDENT: Now there are some instances where you have aid to dependent children and a woman, if she has five children, or whatever the number is, it is possible that she will get more, particularly if you include food stamps, and any one of the other programs. But a single person on welfare, if my memory is correct, cannot get more in welfare than he or she would get under the minimum wage. Is that correct, Mel?

I think I have got two good witnesses here but we all three might be wrong, but I think that is right. And if it isn't right, it's wrong. (Laughter)

QUESTION: My name is Becky Elliott and I am from West Bend. I wanted to know if you think you are going to beat Jimmy Carter and the rest of the other guys for the President?

THE PRESIDENT: Well, I think I can beat all those guys. (Laughter)

Thank you.

END (AT 9:28 P.M. CST)