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THE WHITE HOUSE

REMARKS OF THE PRESIDENT
AND
QUESTION AND ANSWER SESSION

SPRING BRANCH COLISEUM

8:23 P.M. CDT

THE PRESIDENT: Senator John Tower, Bob Mosbacher, my lady friend on the left, and this fine young Boy Scout on the right, all of you wonderful Texans:

It is really a great treat and a great honor and a great pleasure for me to be in Houston today. I can see very vividly why you consider Houston to be our finest major city. It is very obvious that you believe that Houston represents the future of America. It is a great place to live, a rewarding place to work and a city celebrated for good times and wonderful, wonderful people. Thank you very, very much.

I am impressed, obviously, by the way you have grown at the astounding rate of 1,000 new residents every week. Some experts predict before long Houston will be the second largest city in the entire United States, and if I was number one, I would be scared to death. (Laughter)

But, I am also impressed with the way that you have handled your growth. Houston has kept its budget under control by wise leadership and good management, and I congratulate you and your city officials. But, may I express to all of you my deep appreciation for the wonderful support that your senior Senator, John Tower, has given me but more important to all of you, the wonderful job that he has done for each and every one of you in the great State of Texas.

Let me say as the result of the wise management and the good, wise way in which all of you have participated, the cost of living here in the City of Houston is one of the lowest of any major cities, and I am told -- and this is something that you should be very, very proud of -- that jobs are available for almost everybody who wants one in the City of Houston. Congratulations.

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You have this enviable record here in Houston, but now let me say as we look at the entire United States, we have made very real and tremendous progress in returning all America to prosperity. We are on the right road, and we are going to stay there.

When I first took office, America was entering its worst recession in 40 years. Inflation was running at an annual rate of 12 percent. Last year the unemployment rate was almost 9 percent, but now the situation has dramatically changed for the better.

The Consumer Price Index, our leading inflation indicator, reported a cut in the annual rate of inflation from 12 percent a year ago to less than 3 percent for the first quarter of calendar year 1976. That is a reduction of 75 percent, and that is really putting the brakes on inflation, and we are going to try to do better and better in the months ahead.

Despite the gloomy forecasts of those doomsayers of a few months ago, that unemployment would reach the figure of some 10 percent, we have reduced unemployment steadily and surely, and we are going to keep on reducing it.

In the past year alone, we have added more than two million six hundred thousand more jobs in America, and the Gross National Product is increasing ahead of even our own projection.

We are doing very, very well, and all of you should be proud of it.

Obviously, we still have a lot of work ahead of us to provide more jobs and to reduce the cost of living, but we are on the way.

I am very proud of the progress we have made under my Administration, and I want to continue that record of active, effective action for the American taxpayer, to hold down unnecessary Government spending, which has to be financed out of your tax dollars.

I think most of you know -- and my good friend John Tower reminded me, as well as you -- I have not hesitated to use the Presidential veto, and so far I have vetoed 48 bills. Thirty-nine of those were sustained by the Congress, but the good news, those vetoes which have been sustained have saved the taxpayers of this country \$13 billion.

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If the Congress keeps sending me budget-busting spending bills, I will veto them again and again and again.

I didn't veto all those spending bills simply to save money; I vetoed some of them because they would have entangled America in a few more miles of governmental red tape, and I think we have far too much of that already.

I have faith in the imagination and the energies of the American people. I think Government should help out individuals and businesses where necessary, but otherwise Government should stand back and let the American people get on with the job and do the good job they can do.

Frankly, I don't believe the purpose of Government should be to give us what it thinks we should have, and I don't believe that governments should give us everything we want. The more common sense function of Government is to enable us to earn what we want for ourselves.

I have said it before, but I think it is so, I think, true today, and I hope you don't mind my saying it again: A Government big enough to give us everything we want is a Government big enough to take from us everything we have.

It is very easy to promise things to people when you are a candidate, but when you are President you have a much more serious job at hand. You have to make hard decisions. These decisions are rarely very easy because, as much as you might like to, you can't make everybody happy. But once you have made those decisions, you have to stick by them and be prepared to take the consequences.

I will tell you one decision that I have made. I made it a long, long time ago and then I reaffirmed it in hundreds of votes over my 25 years in the Congress. I decided that a nation must always be strong militarily -- second to none in this whole world -- and today we are strong, unsurpassed in military might, and I am going to make absolutely certain and positive we are going to stay that way in the future.

I have made the necessary decisions, authorized the essential initiatives, and I will push, push hard the Congress for nothing less than the best. I will veto any defense bill sent to my desk that might compromise our national security.

I am very proud to be the President of a Nation strong enough, determined enough, courageous enough to deter aggression, and as long as I am President we are going to keep it that way. I will spare no effort to keep this great country strong and free.

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My Administration, for the past 20 months, has pursued policies that reflect the common sense and pragmatic realism which today's complex problems demand, not the simplistic proposals that sound so good on the campaign trail. My experience tells me that I just deal with the world as it is if we are to make it the world that we want it to be.

This is particularly true when it comes to the life and death decisions concerning our national security. The decisions made in this very, very vital area must be the right ones. There are no retakes in the Oval Office.

My record is clear. Since I became President I have recommended to the Congress the two largest military budgets in the history of the United States. They were needed to make certain that our military capabilities continue to be strong in the years ahead, as they must be if we are to find the peace and security that we all seek.

I am determined, as I always have been, to keep America's military might totally unsurpassed by any nation on this globe. Yet you know we sometimes get -- well, sometimes when I hear the critics complaining about America's defense policy and American foreign policy, always complaining but never offering any program of their own, I am reminded of one of the finest Texans I ever had the privilege to know in the Congress.

Former Speaker Sam Rayburn served 50 years in Washington with over 3,000 Congressmen and 8 different Presidents. At the end of a long, long day, after he had worked hard to make a better life for America, when he heard from the chronic complainers, he loved to recall what his father once told him, and let me quote: "Any donkey can kick a barn down but it takes an awfully good carpenter to build one up."

Now, as far as the national security policies of this country are concerned, I am convinced that the American people would rather have a President who is constructively seeking to build the foundations of lasting security than someone who spends most of his time trying to kick them down.

Now you and all the voters in Texas have to make your own decision. We have come a long, long way together. We made it out of the worst economic crisis in a generation. America continues to be a nation whose total resources in national defense and agriculture and science and technology and industry make it the strongest and finest nation in the world, in the world's history. We will keep America strong if we continue our sound and steady policy of realism and common sense, if we keep a Government that protects its people's freedoms, respects their independence and responds to its needs, a Government that promises only what it can deliver and delivers everything that it promises.

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In the primary election next Saturday and in the election next November, I hope that I can count on you for your support. I hope we can keep working together to build an even better America in the months and years ahead, because when Texans decide to do something, it gets done, and I would like to be with you when we do it together.

Thank you very much.

Now I am delighted to have the opportunity of responding to questions from those in the audience.

QUESTION: Mr. President, you say that you are against using the Social Security Trust Fund to purchase stocks and bonds in American companies. It is estimated that this fund could possibly be exhausted some time in the 1980s. What is your opinion on how revenues will be raised in the future?

THE PRESIDENT: The question is, as I understand it, the Social Security Trust Fund is in some financial jeopardy. What do I propose to do about the problem?

The facts are that we have roughly \$40 billion in the Social Security Trust Fund at the present time, money that has been paid in by withholding from employers and employees. At the present time, because benefits have been raised and there has not been any significant increase in revenues that have been raised, this 12-month period, there will be a \$3 billion deficit between income and outgo, and next year, unless we do something about it, the deficit will be \$3-1/2 billion, and the next year \$4 billion.

What this tells me -- and I hope it tells everybody -- we have one of three choices: We can either decrease benefits; we can either go in or dip into the general Treasury funds, which is money paid by all the taxpayers; or we can face up to the issue and raise the payments or contributions by employers and employees.

The proposal that I made, because I think the people who have paid in and who are paying in and who are receiving or will receive benefits ought to have the security that they thought they were buying -- and if we are to do that, in my judgment the best of the three alternatives is to increase the cost to the employer and the employee for each employee of about \$49 per year, which I think is the best, the fairest and the most certain way to do it.

Otherwise, you are going to get it, the trust, out of the general Treasury, or you are going to reduce benefits for 32 million people, or you are just going to let the trust fund get down to zero. I think we have to face up to the problem, and I have done it and I think it is the right answer.

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QUESTION: Mr. President, my question is, if the Cuban military units in Angola take any more action with respect to the nationalistic movements in Southern Africa, what will be the policy of your Administration towards Cuba if they take any military action in Southern Africa?

THE PRESIDENT: Well, as we have said, I took the lead -- it has been supported by others in the Administration -- that if the 12,000 to 15,000 Cubans who went in and, in effect, with Soviet help dominated Angola, if they were to take any comparable adventurism in Africa or in Latin America, they should know well in advance that we have a number of options -- economic, diplomatic and military -- and we will use the proper option for the circumstances and they shouldn't misunderstand it because we will take charge and we will do what is right.

QUESTION: Thank you, Mr. President.

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QUESTION: Mr. President, the Senate health education bill stated nursing is the one profession that is doing the most help in consumer education today. Do you foresee in your next term of office providing additional funding for the Nurse Training Act?

THE PRESIDENT: About six or eight years ago a former colleague of mine in the House of Representatives by name Frances Bolton -- every nurse in the country knows Frances Bolton. She was the sponsor of the Nurses Aid Act in the Congress of the United States. A nurses training program was established with certain Federal funding to help and assist local hospitals or nurses homes or nurses training facilities.

It seems to me as I recollect the facts that that aid program has very substantially met the need and the demand for nurses, except for those that require a certain specialty. A good many of the facilities for nurses training have been constructed. Most of the basic nurses training programs have been put on a financially sound basis with local, State and Federal assistance.

The area that seems to need the greatest help from the Federal Government's point of view is in the specialty area, and in that area my view as of now would be to support that kind of assistance in the future.

QUESTION: Mr. President, my question is part of the defense bill. Part of the 14 percent increase in your defense budget included the new B-1 bomber. I saw a report on it on television a couple of days ago, and it was reported that it wasn't performing as they expected.

Do you still believe the United States needs a new bomber like this?

THE PRESIDENT: I certainly believe the United States needs a follow-on bomber to the B-52. We have roughly 400 to 500 B-52s operational today. Some of them are 15 to 20 years of age. I don't believe it is right for a President, as Commander-in-Chief, to keep sending out our pilots and crews in aircraft that has had the stress and the strain that the older B-52s have had.

I don't think it is right, and proper, and furthermore if we are to have a flexible strategic capability, we have to have ballistic missiles on the one hand, we have to have nuclear powered submarines on the other and we have to have our long-range, high-performance bombers.

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The B-52s in the period of time ahead are going to be outmoded and outworn. We have to have a B-1 in order to replace those B-52s. We anticipate buying about 255, as I recall the figure. We are in the final testing stages of the B-1. Everything appears at this stage to be performing as the specifications required, and if they are completed, and the testing is successful, we will go ahead in production.

In anticipation of that, I recommended for the next fiscal year's budget \$1 billion 500 million for the B-1 production in the next 12 months.

QUESTION: Mr. President, my question is about two years ago at the height of the oil embargo we imported about 30 percent, or one-third, of our foreign oil, and when this supply of oil was cut off, it severely weakened our economic standing, standards of living and things like this.

Now we import almost 60 percent of foreign oil and we depend for 60 percent of our energy from the OPEC nations and obviously we have become twice as dependent on foreign oil. Do you propose in order to aid this problem-- Project Independence--that we change from 30 percent dependence to 60 percent? Project Independence doesn't seem to be working. I would like to ask you what other system you are going to have to change the problem?

THE PRESIDENT: You are essentially correct. In 1973, when the oil embargo resulting from the war in the Middle East took place, the United States was importing roughly 30 to 31 percent of all oil consumed in the United States. We had an oil embargo, the war was ended, the embargo ended, but in the meantime, our foreign oil suppliers have continued to raise the price of oil and the net result is that we are paying out about \$32 billion a year to foreign oil producers.

Now, in January of 1975 I recommended an energy independence program that called for the decontrol of domestic oil by April 1, 1975, the decontrol of new natural gas as quickly as Congress would act. Unfortunately, the Congress dillyed, dawdled, delayed, debated and didn't get an energy bill before me in the Oval Office until December, almost 11 months later.

That was a marginally satisfactory bill. But, you are exactly right. Because Congress has not acted to provide incentives for oil production in the United States and has not provided the necessary regulation, deregulation for natural gas, we have not increased our production here in the United States. In fact, there has been a slow decline.

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So, today the United States is buying from overseas sources about 40 or 41 percent of foreign oil or foreign products. If we had an oil embargo today like we had in 1973, we would be in a serious crisis in this country.

Now, what are we doing about it? We are gradually decontrolling oil prices. We are trying to get Congress to move on deregulation of natural gas. We are trying to increase the construction and operations of nuclear power. We are in the process of research and development for solar energy, for geothermal energy, and we are doing some far out research in some of the so-called exotic fuels.

It is going to take us, even with the Alaskan pipeline, at least until 1985 to get the job done the way we want it done. But, we are trying. If we had a better Congress to work with, we would be a lot farther ahead.

QUESTION: Mr. President, after Ronald Reagan made his remark concerning the Panama Canal issue, you stated that you thought that a man that made a comment like that couldn't be a competent President.

I was wondering, would you consider Ronald Reagan to be competent enough to be your running mate in 1976? (Laughter)

THE PRESIDENT: First, let me correct the record. I said that a person that would cut off negotiations for the future arrangements of the Panama Canal would be acting irresponsibly, and I repeat that here tonight.

I say it would be irresponsible to cut off the negotiations which were initiated by former President Johnson in 1965 and carried on for the last 12 or 13 years.

Those negotiations are aimed at the preservation of our national interests in the Panama Canal.

We are going to negotiate. No decision has been made to maintain the operational capabilities, the maintenance capability and the defense capabilities for an extended period of time into the next century during the economic lifetime of that Canal.

We are not going to give up our national interests in the preservation or the utilization of that Canal, period.

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Now when anybody says we should terminate negotiations, what does that mean? It means that we will undoubtedly have the riots and the bloodshed that took place in 1964 when 24 people, including 4 Americans, were killed. It will undoubtedly mean that we will incur the enmity, the antagonism of 309 million people in Latin and South America, including 25 nations. And it undoubtedly would mean that in order to preserve peace and to protect the Canal, we would have to send an additional 10,000, 20,000 more American GIs down to defend the Canal. We can avoid that and protect our national interest by continuing the negotiations.

Now, to answer the basic question that you asked me -- (Laughter) -- I understand in the heat of a political campaign that sometimes statements are made that, if they had the responsibility to exercise the responsibility, they wouldn't be quite as wild and, therefore, having been in some political campaigns and understanding that people get overexcited and make sometimes exaggerated statements and campaign charges, well, we will take a look at it after we get the nomination in Kansas City. (Laughter)

QUESTION: Mr. President, my question is that, why has the United States lessened its hard line stand against Third World and Communist countries, and I am speaking in reference to the recent resignation of Daniel Moynihan as our representative to the United Nations?

THE PRESIDENT: In the first place, that is not an accurate statement -- that we have changed our attitude in any way whatsoever in the United Nations. First, let me be quite frank, I appointed Pat Moynihan to the United Nations. He was carrying out my policy in the United Nations the way I wanted it carried out, and he resigned only for personal reasons. So there is no change in the policy between the days of Pat Moynihan and the days of Bill Scranton, who is now our Ambassador there. Both of them have been, are and will carry out my policies, and they are firm and strong on behalf of the United States of America.

QUESTION: Thank you, Mr. President.

I guess all we have left is to say, Mr. President, we are behind you -- we are behind you today and Saturday and in November.

Thank you.

END (AT 8:52 P.M. CDT)