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THE WHITE HOUSE

REMARKS OF THE PRESIDENT  
AND  
QUESTION AND ANSWER SESSION

CIVIC CENTER CONCERT THEATRE

2:28 P.M. CDT

THE PRESIDENT: Dave, Congressman John Buchanan, Bill Dickinson, Jack Edwards, Mayor Vann, distinguished public officials, members of the Birmingham Chamber of Commerce and guests:

I am delighted to be here in Birmingham, the All-American City, a thriving, growing, energetic, magic city, and I congratulate you and compliment you.

The source of that magic, of course, is a lot of hard work and determination by the people of Birmingham. For sure, the harder you work, the luckier you get. It is an old phrase I have used a good many times and I think it is appropos here in Birmingham.

Twenty-one months ago, America was entering its worst recession in 41 years. I decided, as your President, America would work its way out of that recession rather than trying to spend its way out of that recession.

Some of America's leading economists, politicians and labor leaders thought it best to impose wage and price controls to deal with America's economic problems. Others insisted that we spend massive amounts of Federal dollars to stimulate the economy, despite the danger of kicking off a new round of inflation.

I knew that the way to real recovery in America and enduring prosperity was not through Government quick fixes imposed on us by a bad Congress. I knew that the better course was to get the great American free enterprise system working at full speed again.

I imposed -- and Congress accepted -- a major tax cut for individuals, tax incentives for business expansion and job production, and began a comprehensive effort to restore the confidence of the American people in themselves, in their Government, and in their future.

This effort was absolutely essential if we were to restore the economic confidence of the consumer, a very key element in our recovery policy.

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These policies have been very successful. America, as we all know, is in the midst of a strong and stable recovery. The Gross National Product rose during the first quarter of this year at an annual rate of 7.5 percent. The spendable income of American families has increased by \$100 billion over a year ago.

Farm income is at an all-time high and so is farm production. Productivity among the American workers is strongly on the increase. Since the bottom of the recession, just about a year ago, we have gained 2,600,000 more jobs in America. More Americans, 86,700,000, are gainfully employed. This is more than any other time in the history of our country and, considering where we started from just 12 months ago, that is a pretty good come-back by any standard.

After months and months of higher unemployment and mounting fear, America is getting back to work and faith in the future of America has been restored. We are going in the right direction and I will not be satisfied until every American who wants a job can find a job.

But I am counting on you, who are the real job makers, to put America back to work. The sponsors of the so-called Humphrey-Hawkins bill -- and all but one of the opposition party candidates endorse it -- would have you believe that just by passing legislation with the title of "Full Employment" we could solve our economic problem. That is nonsense.

We will not achieve full employment by letting the Federal Government plan and control the national economy or by relying on the Federal Government to create hundreds of thousands of dead-end jobs at the taxpayer's expense.

My plan is to cut individual income taxes by \$10 billion on July 1 of 1976, to increase the personal exemption from \$750 to \$1,000, to enact an accelerated depreciation allowance, another investment tax credit, and another corporate tax reduction.

This is sound economics and the way to keep our recovery moving at the pace and with the progress that we are making. I want the American people to keep more of the money they work so hard to earn, to have them spend that money the way they want to spend it instead of having to pay more and more for Government programs that are not needed.

The majority in the Congress obviously believe that more direct Federal intervention in our economic recovery is required to keep it going. They believe higher Federal spending on a host of social programs will stimulate a more rapid recovery. They believe an unacceptable price for economic recovery is a new round of higher inflation. They believe that bigger Federal deficits are required to keep the recovery underway. They are very, very wrong.

If the Congress would act sensibly -- and that is asking a lot (Laughter) -- enact my tax cut proposal, we could create such a demand for goods and services that many more American jobs, permanent, fulfilling jobs would be the inevitable result.

This country will need more than 15 million new jobs within the next 10 years to maintain a strong and stable economy, putting more than 15 million people on the Federal payroll -- or even a significant part or fraction of that number won't work. It is the wrong way. If it didn't bankrupt the economy it would surely be the beginning of the end of the private enterprise system in America, and we won't let that happen.

As some of you may know, I vetoed 48 bills in the last 20 months and, in the process, because 39 of them were sustained, we have saved the taxpayers \$13 billion.

If the Humphrey-Hawkins bill gets to my desk, it is a big candidate for another veto. And if, by chance, the Congress keeps sending me more and more irresponsible spending bills, I will use my veto again and again and again.

I have done battle with inflation far too long to let it get out of control again as a result of any irresponsible activity by the Congress.

When I took office as President, in August of 1974, the rate of inflation was soaring at 12.2 percent. During the first three months of 1976, this year, the annual rate of inflation was less than 3 percent. That is a 75 percent reduction and, while the inflation news may not be that good every quarter, we have come a long way and we are going to keep the pressure on to do even better.

This low rate of inflation is one of the most encouraging of all the recovery statistics that I have cited because it means the boom we are experiencing this year will not go bust next year.

But the most important recovery statistic is the index of consumers' confidence, which is double what it was 12 months ago. In economic terms, that means the American people are spending more money, moving more goods and even willing to borrow again for major purposes for the future.

In broader terms, it means the American people are looking to the future with faith instead of fear. It means that after years of war and turmoil and adversity, of hopes unfulfilled and promises broken, America is ready to face the world and face the future again with optimism, reality and with courage.

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The course we take in the next four years will shape America's future for many, many more years to come. I want to pursue the steady course that leads to peace through strength, from recession to recovery, from cynicism to confidence, from fear to faith. That is why I am delighted to be here to respond to your questions and seek your help and assistance for the next four years.

Thank you very kindly. I will be glad to answer your questions.

QUESTION: Mr. President, I am a ninth grade social studies teacher here at Trussville Junior High School. My students asked me to ask you this question: Are we number one in defense or is U.S.S.R., as some candidates are saying?

THE PRESIDENT: I can say categorically, most emphatically, that the Soviet Union is not ahead of the United States.

I might add, I know of no active duty military leader in this country who will say that the Soviet Union is ahead; all say that we have every military capability -- Army, Navy, Air Force and Marines -- that are fully qualified, fully capable to carry out their assigned missions to deter aggression, to keep the peace and to protect our national security.

QUESTION: Mr. President, as a surgeon here at the medical center, I would like to ask you about a program in HEW. I am with the medical school here and I am very concerned with emergency medical service.

On the stage with you is the Mayor of Birmingham and Commissioner Gloor, of our County Commission, who have devoted a great deal of time and money to improving emergency medical services.

We are concerned with the placement of emergency medical services in the health revenue sharing block grants to States and fear that we will bury it there, that we will not be able to get it going in the more rural areas of our State, in particular.

Is there any possibility you may be able to pull this out of the block grant like you did drug abuse?

THE PRESIDENT: Let me say at the outset, I am very, very familiar with the emergency medical program because a very dear friend of mine at home, you may know, Dr. Mark Vasu, was one of the originators of this whole program throughout the United States, and in Grand Rapids we have had a program like this for almost 10 years, as I best can recollect.

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So I am a very dedicated person to the need and necessity and the constructive benefits of the emergency medical service program.

But here is the problem we face: We have 16 categorical grant programs in the health service area and each of those categorical grant programs have their own Federal bureaucracy, and the inflexibility of handling the money, which is about \$16 billion a year, as I recall -- no, \$11 billion a year, 16 programs -- is that they don't let the local officials who want in Birmingham a better and better emergency medical service program go beyond whatever the Federal Government makes available.

Some other communities may not want or may not feel they need as much in one program as in another. So what we have tried to do is to take those 16 health service programs that are now arbitrarily, inflexibly rooted into law and to add to the money so there would be more money and every State would be held harmless, but give to Alabama the same amount or more money than they got before with less arbitrary, inflexible rules and regulations and to let Birmingham and the State of Alabama decide whether they want to accentuate the emergency medical service program and maybe give a little less to something else.

In other words, I strongly believe, doctor, that you in Alabama would be infinitely better off, you would have far less Federal bureaucracy if we had a block grant program, and then the good citizens of Birmingham or Alabama could make the choices as to which ones they wanted to accentuate or to expand and which ones they might like to reduce.

So, believing strongly in local control and local decision-making, and trying to get away from this overhead and bureaucracy in Washington, I believe the health grant program or block grant program is the better approach.

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QUESTION: We are concerned in particular here with our prison under a court order and such, and Medicaid is eating up most of the funds in the State where if the money comes to the State of Alabama, it will all go to Medicaid and none to EMS. That is our major concern.

THE PRESIDENT: There is no need for that if the aroused people in the State of Alabama -- and after all, I have a lot of faith in the people here, as I do in the other 49 States -- I think they will make the right decisions and emergency medical service is one of the most important programs I know in that group of 16.

QUESTION: Thank you, sir.

QUESTION: Mr. President, I am affiliated with a local magazine called "Region," and I am also representing the Jewish Monitor Today and they would like for me to ask you these two questions.

The first one, Mr. President, is I would like to ask you about your stand concerning our continued support to the nation of Israel. Are you for continuing to extend the amount that we pledged to send to Israel or are you for cutting it?

THE PRESIDENT: Let me answer it this way. For the current fiscal year, which ends July 1 or June 30, I recommended \$2 billion 200 million, \$1 billion 500 million in military assistance and the \$700 million in economic assistance for Israel.

For the next fiscal year, which begins October 1, I recommended \$1 billion in military assistance for Israel and \$600 million for economic assistance. So, for a 25-month period, because we have a transitional quarter in there, because we are going from one fiscal year to another, I recommended \$4 billion 300 million for military and economic assistance to Israel. That is the most any President has ever recommended for the State of Israel.

Now, the big controversy, the big controversy comes because some people allege that there was a pledge to give an additional \$500 million for three months. I never gave that pledge to anybody, and I am the only one in a position who can give that in this Government at the present time.

I happen to think because every adviser that I have, whether they are military assistance advisers or economic advisers, they tell me that the amount that I have recommended, which does not include the \$500 million for the transitional quarter, was fully adequate for the economic and military security and survival of Israel.

So, on the basis of the advice given me by experts, I think \$4 billion 300 million in a 25-month period is pretty good support for the State of Israel.

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QUESTION: Thank you. I have one other question. Also, I would like to ask you what is your stand on sending arms to Egypt to be used against Israel?

THE PRESIDENT: I think the way you put it is not the accurate way to describe the situation. (Laughter)

QUESTION: This is the question that was given to me.

THE PRESIDENT: As all of you know, the State of Egypt under President Sadat has taken some very strong and, I think, dramatic action in breaking off their economic but more importantly their military dependence on the Soviet Union. This is a great step forward for peace and stability in the Middle East.

Now, for many, many years, starting under Mr. Nasser and for a few years under President Sadat, the Soviet Union was supplying massive arms to the State of Egypt.

President Sadat has decided he doesn't want to be dependent on the Soviet Union anymore. He wants to be free to deal with the United States or anybody else, and it is my judgment that this is a breakthrough for peace and stability in the Middle East and the real issue at this time is whether or not the United States Government should sell six C-130 aircraft, which are transports, at a cost of \$49 million.

Now, I really don't think six C-130 aircraft are going to have any adverse military impact on the State of Israel. Therefore, I think we should sell those aircraft to Egypt to show our good faith and to be as a part of an encouragement for Egypt to have its independence from any outsiders, including the Soviet Union.

QUESTION: Thank you.

QUESTION: Mr. President, I am an assistant sales manager of a local foundry, and we deal in chrome and other metals.

I would like you to clarify, if you can, our stand in Rhodesia with regard to majority rule because I understand if majority rules it will become a dictatorship or obviously a Communistic situation, and we deal in chrome. (Laughter)

THE PRESIDENT: It is a very good question. (Laughter) It is a good question, but first let me say, I was looking at some statistics just the other day and the actual amount of chrome that America buys from Rhodesia is about 5 percent of the total we buy worldwide. So, there are plenty of sources of chrome all around the world, and it is not just Soviet chrome.

As a matter of fact, Soviet chrome is only about 12 percent of what is purchased by this country. The rest comes from a number of other countries. So, chrome is available on a worldwide basis and we buy most of it from other sources.

Secondly, the policy that we are trying to enunciate in Africa is the following:

Number one, we believe in self-determination. Isn't that an old American tradition? Isn't that how America became America? I don't think we want to abandon self-determination. It is part of our life, it is part of our history.

Number two--and this is the real crux of the argument--under no circumstances would we be a part of any development there that did not guarantee minority rights, including white minority rights.

QUESTION: Thank you, sir.

QUESTION: Mr. President, you spoke earlier and proudly about your veto record, and justifiably so. I wanted to ask in regard to the latest version of the Election Campaign Act, since it has a very strong and very definite anti-business bias, particularly in regard to Congressional action committees, and since this bill appears to be more than slightly revised, and in lieu of your past veto record, would you consider vetoing it if the legislation passes?

THE PRESIDENT: Since the Congress has not yet completed action--the House of Representatives voted on it this afternoon; I think the Senate will vote on it later today or maybe tomorrow--I have not yet seen the final version, and I have learned a lot in dealing with this Congress, and I want to read the fine print.  
(Laughter)

It is not what I recommended. It has been improved in the last 72 hours, but whether it is sufficiently improved to permit me in good conscience to sign it, I must take the time tomorrow when I get to the office to look at it with great care before making a final decision.

Yes, sir.

QUESTION: Mr. President, I am with the Insurance Investment Consultants. I am President of the Birmingham Chapter of Carter Life Underwriters. The subject is national health insurance. I would like for you to give us your stand on the role of the private insurance sector in the delivery system of national health insurance as it might get to your desk for approval?

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THE PRESIDENT: First, I am categorically opposed to the approach, the so-called Kennedy bill, which would totally Federalize the health insurance program.

I did not recommend in my State of the Union Message this year any health insurance program because of the critical physical situation that we have in the Federal Government. I did seek to, or tried to convince the Congress that we ought to try to restrain some of the costs in the medical, in the Medicaid programs, for example.

I have made no firm commitment as to any national health insurance except that I am very strongly opposed to the Kennedy approach.

Now, when I first became President there was an Administration bill before the Congress that would have proposed a form of national health insurance, but that program would have used the private health insurance companies in the giving of the services to the beneficiary.

But, I have not in 1976 endorsed even that because I just didn't think under the current circumstances that we could afford it.

We will constantly study the problem to see if we can get some cost control, to see how the private insurance companies meet the demand and, as I understand it, about 86 percent of our total population is now covered by one form or another of health insurance, but I can say one thing for sure -- the Kennedy bill, never.

QUESTION: Thank you.

QUESTION: Mr. President, I would like to ask, since there has been so much controversy concerning Africa and Communist control, what country has the strongest trading potential as far as American exports are concerned?

THE PRESIDENT: What African country has the strongest export potential as far as the United States is concerned?

QUESTION: As far as American exports are concerned.

THE PRESIDENT: Of course we have had, probably among the so-called black African countries, our strongest trading has been with Liberia. But historically I think that may be true, but there is a great, great potential for us in all of the countries in Southern Africa. That, frankly, is one reason why we wanted or why I as President wanted to make sure that the Soviet Union and Cuba did not dominate Angola, because that is potentially a very rich country with all its oil and other natural resources.

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Frankly, that is one of the reasons why I was terribly disappointed that the Congress would not go along with a minimal expenditure of how we could have helped the two parties that were contesting with the MPLA.

But, if we can keep the Soviet Union primarily, or Cuba, to a major extent, from dominating countries like Angola, we have a vast export potential in Angola and in other Southern African countries. I would not want to rate them or rank them one over another. But, those countries have literally millions and millions of dollars of natural resources which they can sell to us.

In return, we have an opportunity to develop export trade with them, providing we do not let the Soviet Union or any of its satellites come in and dominate like they have in the case of Angola.

Can we take two more?

QUESTION: Mr. President, I am a sales representative with Strickland Paper Company. I would like to know, since Congress seems to be intent on making our country a welfare state similar to Great Britain, what is your stand on a guaranteed annual income?

THE PRESIDENT: I have never believed that a guaranteed annual income was the answer to any of our problems. But, that doesn't mean under any circumstances that I am in agreement with our present welfare program. When you add up all of the welfare programs we have, including food stamps, I think it is a mess and something has to be done about it.

May I give you an example of how we are trying to do something about it? Last year I proposed to the Congress some legislative proposals to fully cut down the kind of abuse that we have been getting in the food stamp program. This is almost unbelievable. Back in 1971 the food stamp program started as a way to get rid of some of our agricultural surpluses, and it cost us about \$100 million, as I recall.

Today, the food stamp program costs the United States Government \$7 billion a year and about 17 million people are currently getting food stamps of one kind or another, or one amount or another. A year ago I recommended legislation that would have actually given more food stamps to those who are needy and cut off entirely those people who don't need or don't honestly qualify for food stamps.

Congress didn't do anything, so finally in January or February of this year I had the Department of HEW issue in the Federal Registry the necessary administrative action to save \$1 billion 600 million in food stamps.

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That waiting period, after you file an announcement in the Federal Registry, expires this week and those regulations are going into effect unless somebody comes in and gets a court order prohibiting it, but we are going to put them into effect. It will be the first honest attempt to get some control over the food stamp program.

QUESTION: Thank you, Mr. President.

QUESTION: Mr. President, I am a sophomore at Shades Valley High School here in Birmingham. I am asking about a swimmer from the University of Alabama who is trying to gain citizenship to swim in the summer Olympics this year, Johnny Skinner. Would there be any chance, like the winter olympic skier this year, for him to get his citizenship? We have had petitions going around during basketball games and so on. Would there be any way, or could you maybe help us help him (Laughter) get his citizenship? (Laughter)

THE PRESIDENT: I am not familiar with the details of that particular case. (Laughter) Let me say this, that the usual process, if there is no existing procedure under present law for one or more of the United States Senators from Alabama or one or more of the seven Members of the House of Representatives of the State of Alabama to introduce a bill to get it passed by the House and Senate and send it down to the White House.

That can be done rather quickly if you have the right sponsorship and the right case to present. I would strongly suggest that if you haven't already, you get hold of either one of the two Senators or both and the Congressman that represents the district, try to get the bill through the Congress, and we will look into the facts. Somebody from my staff will talk to you or if you will get the facts to them, we will see whether there is any provision in existing law that would permit me to grant the necessary authority.

In the case that you speak of, it was actually a case that required legislative action first and as a result, I could do nothing until Congress passed a law granting an exception to the existing law for that particular individual that you mentioned.

But, we will take a look at it. I hope if you haven't done so, you will get in touch with your Members of Congress in both the House and the Senate.

Thank you all very, very much. It has been a privilege and a pleasure to be here.

END (AT 3:04 P. CDT)