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UNTIL 6:00 P.M. EST

FEBRUARY 7, 1976

Office of the White House Press Secretary

THE WHITE HOUSE

TEXT OF REMARKS BY THE PRESIDENT
TO BE DELIVERED AT THE
50th ANNUAL NASHUA CHAMBER OF COMMERCE DINNER
NASHUA SENIOR HIGH SCHOOL
NASHUA, NEW HAMPSHIRE

I am honored to address the Greater Nashua Chamber of Commerce which has done so much to make the Gate City the gateway to progress.

I wish to congratulate Sam Tamposi as your 1976 "Citizen of the Year." Mr. Tamposi has served not only your community but the entire Nation by his example of what local initiative can do for development. The distinguished honoree has also done some development in another capacity throughout your State but discretion suggests that I confine myself to the achievements for which you are now citing him. I also greet my old friend, Norris Cotton, your 1975 "Citizen of the Year."

Frankly, I have come to New Hampshire to ask for your support on February 24th.

But whether or not you give me your vote, you have already given me great encouragement by showing what Americans can do.

In recent years, when too many leaders of communities -- large and small -- voiced despair and turned to the Federal Government to solve local problems, the Gate City opened its gates to traditional Yankee initiative. You built a showcase of industrial growth, new jobs, new homes, and new hope for thousands of new residents. Your vigorous growth helps to tell the Nashua story. Your community is highly productive and has generated many new jobs. Your story is in the finest American tradition of how local people can solve local problems, of how individuals can respond to possibilities rather than surrender to pessimism, and how this is not only the State of the great stone face but of granite fortitude and granite character.

All Americans can learn from your example of "can do" spirit.

As you join in the celebration of the National Bicentennial we are reminded by the historical Archives in Washington that New Hampshire was a "can do" State from the very beginning.

The First New Hampshire Regiment fought from the first repulse of the British on Bunker Hill, through Valley Forge and Trenton, to the surrender at Yorktown. Your regiment had the longest service record of any unit in George Washington's Army -- a total of eight years and eight months in action.

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The first warship to fly the American flag, The Ranger, commanded by John Paul Jones, was built in your great shipyard at Portsmouth.

If any State can take pride in the Bicentennial, it is New Hampshire. And if any community can take pride in the achievements of this Bicentennial year, it is Greater Nashua. I salute your thriving free enterprise and individual initiative as you build for the future.

What I like most about the Nashua story is that you expose the Nation's pessimists as exemplified in the fable about Chicken Little. You may recall how Chicken Little was hit on the head by a single acorn and then ran around telling everyone that the sky was falling. The fact is that America has been hit on the head by some very heavy acorns in recent years -- recessionary acorns, inflationary acorns, unemployment acorns, energy acorns.

Just a year ago I heard many fearful outcries: that we needed more massive Federal spending programs to save the economy, that a terrible depression was descending upon us, that bread was going to one dollar a loaf, and that the unemployment lines would only get longer and longer.

But I was convinced that we had to take consistent and balanced action -- neither too much, nor too little, the right steps and not the wrong steps. I knew that measures taken in panic would be counter-productive. The proper response would prove, as has been established, that our Nation is resilient, resourceful and sound.

Make no mistake. Things were not good this time last year. 1975 was a year of hard decisions and difficult compromises. But it was also a year of a new realism that taught us something important about America. It restored common sense and the same kind of discipline that kept the First New Hampshire Regiment in the line through Valley Forge to final victory.

The economic discipline we have maintained is justified by this weekend's statistics. They report that the unemployment rate just took the sharpest monthly drop in over 17 years. The number of unemployed is today the smallest since December 1974. Indeed, since 1949 there has never been a greater monthly decline in the unemployment rate.

Employment has increased by 2.1 million since last March. Over 86.2 million Americans are now at work.

We are today headed not only in a new direction -- but in the right direction. It is the right direction because we follow the 200-year-old wisdom that national problem-solving requires far more than a central government which promises too much and delivers too little. A free society, according to Jefferson and Adams, depended upon qualities they called "republican virtues" -- civic virtue, the ethic of honest work, and local control by local people.

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During the recent years of rapid change, more and more people looked to Washington to solve local problems. Too much was expected. Too much was promised. Some citizens felt automatically entitled to a constantly rising living standard without regard to their own efforts, to their individual productivity, or to their personal contribution to the community and to the economy.

Freedom is today misinterpreted by too many to mean the instant equalization of everyone's social and economic situation -- at the public expense -- through the machinery of the Federal Government.

I pledge to you today that my Administration will strive to deliver everything we promise. I will never promise more than I can deliver.

The false premises and false promises of years of social experimentation distorted the Federal system. Power was drained away from Nashua, from New Hampshire, and from every community and state to an increasingly centralized Federal Government -- always bigger, always more powerful -- but not always more efficient nor more responsive nor more protective of our traditional freedoms.

The patriots who built America understood that poverty is abolished by economic growth -- not by government-imposed redistribution of money.

-- They knew that only initiative and work could create a society with economic prosperity and political participation at every level.

-- They knew that local problems are better understood and solved by local people rather than by the bureaus and agencies of a distant central government.

-- They knew that the pendulum of power must never swing too far away from the people.

If this year's Bicentennial is to be more than historic pageantry, we must restore to the people more power to decide how their taxes are spent, how they live, how they work, how they fight crime, and how their children go to school. Should the Bicentennial achieve nothing else, this alone would be a triumph for our heritage.

Despite our recent gains in employment, too many people who want jobs still can't find them. Five out of six American jobs are in private business and industry. I am therefore deeply concerned by the difficulties of various industries like the shoe factories. The Trade Act of 1974, which I supported as Vice President and signed into law as President, provides the mechanism, now activated, to assure that our American shoe factories receive fair treatment. I want such traditional American factories to have access to every remedy provided by law and a full say in their own destiny.

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To create more jobs, there must also be greater incentive to invest without the strangulation of Federal taxation and red tape. I am seeking a reduction in the growth of Federal spending accompanied by a reduction of Federal taxes. My job creation tax incentives submitted to the Congress this year would speed up plant expansion and facilitate the purchase of new equipment. These incentives would concentrate on areas of unemployment in the next 12 months.

We must create the economic climate in America to generate productive, permanent, and private jobs rather than temporary, make-work, inflationary government-sponsored jobs. This weekend we have new evidence that we are going in the right direction. The latest employment figures show 800,000 more people at work in January than a month before. The unemployment rate is down from 8.3 percent to 7.8 percent. We have regained 96 percent of the jobs lost to the recession.

The Nashua Telegraph is correct in saying editorially that I want to create "concrete and lasting jobs in the private sector rather than manufacture styrofoam cutouts which the public sector would have to prop up artificially with public funds." With your participation and help, together, we are succeeding.

I also advocate tax changes to encourage people to invest in their own future -- and that of America.

I want to give moderate-income families tax deductions when they make long-term investments in common stock. I want as many people as possible to be partners, however modestly, in the growth of America.

We must also preserve the vigor and continuity of the family-owned small business and the family farm. These enterprises are the bastions of the real American values. I will submit to the Congress estate tax changes to assure that family businesses and family farms can be handed down from generation to generation. Too much labor and too much love go into these enterprises for them to be sold to pay Federal taxes.

Those who invest in new enterprises, invest in American progress and in jobs for fellow citizens.

An example of job creation is the brewery opened here in 1970. It represents an initial investment of 40 million dollars and now employes 400 people. But I hope no one will contend that the cure for unemployment is to build government breweries to brew government beer.

I don't think the United States Government could make beer for less than 50 dollars a six-pack.

A necessary condition for the success of your brewery and all your other industries is the entrepreneur spirit. This cannot be achieved if the Government is to go on piling regulation upon regulation, and stringing red tape over red tape, and assessing tax after tax to cover new Government spending. Such policies impose an inflationary burden on both business and the consumer -- and I will never lead this Nation down that road to stagnation.

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The people are as fed up with the petty tyranny of Federal regulations today as when patriots defied the tax collectors over 200 years ago and threw the tea into the Boston Harbor.

Some of you have experienced serious difficulties, at the not always tender hands of the Occupational Safety and Health Administration. For instance, I know that some of you would like to throw OSHA into the ocean.

I have studied some valid complaints against OSHA, and concluded that, while everyone is for safe and healthy working conditions, many are troubled by the manner in which this objective is sought.

Congress wrote the law and we must obey it. However, under my authority as President, I have appointed a new director with instructions to deal with citizens as friends and not enemies. I will not tolerate the unnecessary and unjustified harrassment of citizens. If this doesn't stop, I want you to let me know.

Another indication that we are moving on the right track is the Railroad Revitalization and Regulatory Reform Act of 1976 which I signed this week. It upgrades railroad facilities in a way that will keep our recovery rolling. Your State is eligible for several million dollars to improve rail service under this Act.

I am deeply concerned by an issue which has a particular impact on the older Americans, now retired, who have always paid their own way. I refer to medical costs involving senior citizens and their families who suffer ruinous expenses because of extended hospital and nursing home care. I am proposing health insurance to cover any catastrophic illness suffered by anyone covered by Medicare.

After reaching age 65, no person will have to pay more than 500 dollars a year for covered hospital or nursing home care, nor more than 250 dollars for doctor bills in a single year. While we must help those who need it most, we cannot realistically afford federally dictated national health insurance providing full coverage for all 215 million Americans. The experience of other countries raises questions about the quality as well as the cost of such plans.

The time is long overdue for the Congress to renew General Revenue Sharing for the next five years. I asked Congress ten months ago to act on this legislation to bring power back to the people.

The General Revenue Sharing Program is the best example of responsive federalism:

- It provides assistance to State and local governments with a minimum of red tape and administrative expense.
- It returns Federal tax dollars to your community.
- It permits local officials to set priorities and to plan ahead to meet local needs.
- And it doesn't require you to raise local taxes.

From the beginning of revenue sharing in 1972 through the projected total for 1976, the Nashua share will be between four and a half and five million dollars. The sums expended here, according to the wishes of your local officials provided, as of last year, over 1.6 million dollars for public safety, including police and fire departments, over 1.1 million dollars for environmental protection, over 200 thousand dollars for health, and other sums involving social services for the aged and the poor. Almost 5.2 million dollars more would be returned to your community by 1982 under the extension of the program.

From the beginning of revenue sharing in 1972 through the projected total for 1976, New Hampshire will receive 96 million dollars. Under my program, another 125 million dollars of your tax dollars would come back to New Hampshire between 1977 and 1982.

I am optimistic about the future of Nashua, the future of New Hampshire, all of New England and of the entire Nation.

Let no exaggerations of inflation and unemployment blind us to the genuine progress achieved within the last year. Our economy is steadily growing stronger. My policies are designed to keep us on a steady course.

My course is set for a new balance in the relationship between the individual and the government, a balance that favors greater individual freedom and self-reliance.

We must seek a new balance that favors greater responsibility and freedom for our State and local governments. We must have a new balance between spending on domestic programs and spending on defense, a balance that insures we will fully meet our obligations to the needy while also protecting our security in a world that is still hostile to freedom.

The genius of America is its incredible ability to improve the lives of its citizens through a unique combination of governmental and free citizen activity.

It took many years of excessive spending, combined with the four-fold increase in international oil prices, to create the economic difficulties of 1974 and 1975. It will take several years of sound policies and reasoned restraint, to restore sustained, non-inflationary growth.

I will not make promises which I know -- and you know -- cannot be kept. We must restore full strength to our economy as quickly as we can. But, in so doing, we must not re-ignite the fires of inflation. Escalating inflation makes steady growth and full employment impossible. It breeds instability and disruption.

I reject the view that the only way to reduce unemployment is to accept chronic inflation or rigid controls. Inflation and unemployment are not opposites but related symptoms. The way to treat the disease instead of these symptoms is by the use of proven remedies prescribed throughout New Hampshire -- the medicine of initiative, enterprise, investment, development, growth, and just plain common sense taken together with the therapy of hard work.

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We see the results. Your unemployment rate is lower than many other areas of this Nation. You must be doing many things right. I believe in the example that you hold forth -- the living demonstration of what people can do to determine their own fate.

I believe in America because I know the same spirit that inspires Greater Nashua lives in all 50 states.

As we enter our third century, Americans are as strong and resilient as ever.

America's spirit is alive and vigorous in Nashua and hundreds of other Nashuas.

America's spirit is alive and vigorous in Nashua -- and America's spirit is alive and vigorous because of communities like Nashua. Never let that spirit die.

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FOR IMMEDIATE RELEASE

FEBRUARY 7, 1976

OFFICE OF THE WHITE HOUSE PRESS SECRETARY
(Manchester, New Hampshire)

THE WHITE HOUSE

REMARKS OF THE PRESIDENT
AND
QUESTION AND ANSWER SESSION
UPON HIS ARRIVAL
AT GRENIER FIELD

11:25 A.M. EST

THE PRESIDENT: While we are waiting for Susan and Mrs. Ford, I might make a comment or two. It is nice to be back in New Hampshire. I first came to New Hampshire, went to the University of New Hampshire campus in September of 1935, did a good bit of skiing up in New Hampshire in the late 1930s and 1940s or 1941..

I have been here a good many times with Jim Cleveland and others. It has always been a great experience.

In 1975 I had a great trip, going to Concord, Nashua, Keene, Exeter, Portsmouth, a number of other communities, and I am looking forward to this week, as Betty and Susan are.

We think it is a great opportunity for us to come up and get reacquainted and get acquainted with some new friends. We will discuss some of the issues. We will talk about the economy. We will talk affirmatively about our progress in maintaining peace.

We think it is a great opportunity to see all of you and to have a chance to get better acquainted.

With that, I will be delighted to answer any questions from the local reporters.

QUESTION: Mr. President, what is your insight into former President Nixon's trip to China, just three days before the primary? Do you think it will have an effect on your race here?

THE PRESIDENT: President Nixon is going to China as a private citizen at the invitation of the People's Republic of China. He, of course, took a historic step in 1972 in opening China in an attempt to initiate a normalization of relations with a country that has some 800 million people.

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Approximately 10,000 Americans have visited China in the last several years, and President Nixon is going there as a private citizen at the invitation of the Government officials. I certainly am delighted that his health is such that he could go, and I asked him to extend my best wishes to Chairman Mao and the others.

QUESTION: Mr. President, could you give a wave to the crowd?

THE PRESIDENT: Sure. They were very kind and hospitable, and it is delightful for me to be here. I wish it were possible for me to do a little skiing up here again, but they have it worked out so Susan, who is the expert in the family, is going up to Conway and do a little.

I am surprised that some of you haven't asked about my good Press Secretary Ron Nessen's comment.
(Laughter)

QUESTION: Is he going to ski?

QUESTION: They won't let him.

THE PRESIDENT: I have been thinking of taking him up to the headwall and throwing him over. But, Susan well represents the family on the slopes tomorrow.

QUESTION: Mr. President, how do you think you will do in New Hampshire two weeks from today?

THE PRESIDENT: I am optimistic, and Jim Cleveland is a pretty good judge of how people vote in New Hampshire. Jim just whispered in my ear, "Just great," so I will rely on a good authority like Jim.

QUESTION: Is this the only trip so far planned, Mr. President?

THE PRESIDENT: This is the only definite trip planned, yes, but it may be followed by another.

It is good to see you all. We will see you the rest of the day and look forward to some questions at the press conferences, and I hope you will be at the budget briefing, which will give us an opportunity to respond to the questions that I think are very legitimate, how the Federal Government can help provide services at the local level with Federal funds and give to the State and the municipalities and to the counties and townships the necessary funds to provide services to the good citizens of your State.

Thank you very, very much.

THE PRESS: Thank you.

END (AT 11:31 A.M. EST)

OFFICE OF THE WHITE HOUSE PRESS SECRETARY
(Nashua, New Hampshire)

THE WHITE HOUSE

REMARKS OF THE PRESIDENT
AT THE
50th ANNUAL NASHUA
CHAMBER OF COMMERCE DINNER

NASHUA SENIOR HIGH SCHOOL

9:22 P.M. EST

Thank you very, very much, Mr. Chairman, Congressman Jim Cleveland, Mayor Sullivan, Ross Tait, my old friend Norris Cotton, distinguished guests, ladies and gentlemen:

Let me at the outset thank Mayor Sullivan for the key to the City of Nashua, to congratulate Mary Sullivan for the wonderful recognition she has gotten for the long and devoted and successful service to the Greater Nashua Chamber of Commerce.

I am deeply honored of having the opportunity to be here on this wonderful occasion, a Chamber of Commerce which has done so much to make the Gate City the gateway to progress.

Obviously I wish to congratulate Sam Tamposi, your 1976 Citizen of the Year. I understand that Sam has served not only your community but the entire Nation by the example of what local initiative could do for Government.

The distinguished honoree has also done some recent development in another capacity throughout your State, but discretion suggests I confine myself to the achievements for which you have already cited many. (Laughter)

I also am more than delighted to meet my former colleague of a good many years in the Congress and a very dear friend of many, many years, Norris Cotton, your 1974 Citizen of the Year.

I hope it is not inappropriate, and I hope it is somewhat obvious, but I have come to New Hampshire to ask for your support on February 24. But whether or not you help in that regard, you have already given me great, great encouragement by showing what Americans can do.

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In recent years when many leaders of communities, large and small, voiced despair and turned to the Federal Government to open its gates to solve local problems, the Gate City opened its gates to traditional Yankee initiative. You built a showcase of industrial growth, new jobs, new homes, new hope for the thousands of new residents. Your vigorous growth helps to tell the Nashua story.

Your community is highly productive and has generated many, many new jobs. Your story is in the finest American tradition of how local people can solve local problems, of how individuals can respond to possibilities rather than surrender to pessimism and how this is not only the State of great stone faith but of granite fortitude and of granite character.

All Americans from all 48 or 49 other States can learn from your example of the can-do spirit and I congratulate you for it.

As you join in the National celebration of our Bicentennial, we are reminded by the historical archives in Washington that New Hampshire was a can-do State from the very, very beginning.

The first New Hampshire regiment fought from the first repulse of the British on Bunker Hill, through Valley Forge and Trenton to the surrender at Yorktown, your regiment had the longest service record of any unit in George Washington's army, a total of eight years and eight months of strong tough military action.

The first warship to fly the American flag, the Ranger commanded by John Paul Jones was built in your great shipyard at Portsmouth, which we are not going to close.

If any State can take pride in the Bicentennial, it is New Hampshire. And if any community can take pride in the achievements of this Bicentennial year, it is Greater Nashua, and I salute you for your thriving enterprise and individual initiative as you day by day and month by month build for the future.

What I like most about the Nashua story is that you expose the Nation's pessimists as exemplified in that fable about Chicken Little. You may recall Chicken Little was hit on the head by a single acorn and then ran around telling everybody that the sky was falling.

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The fact is that America has been hit on the head by some very heavy acorns in recent years and recent months -- recessionary acorns, unemployment acorns, energy acorns.

Just a year ago, I heard many fearful outcries that we needed massive Federal programs, spending billions and billions of dollars to save the economy, that a terrible depression was descending upon us, that bread was going to \$1 a loaf and that unemployment lines would only get longer and longer and longer.

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I was convinced that we had to take consistent and balanced action, neither too much on the one hand or too little on the other; the right step and not the wrong step.

I knew that measures taken in panic would be counterproductive. The proper response would prove, as has been established, that our Nation is resilient, resourceful and very, very sound, and we should be very, very proud of it.

Make no mistake, things were not good at this time last year. 1975 was the year of very hard decisions and very difficult compromises, but it was also a year of new realism that taught us something, something important about America.

It restored common sense and the same time of discipline that kept the New Hampshire Regiment in the line through Valley Forge to final victory. The economic discipline we have maintained is justified by the statistics released yesterday. They reported that the unemployment rate just took the sharpest monthly drop in over 17 years.

The number of unemployed is today the smallest since December 1974. Employment has increased by two million, one hundred thousand since last March, at the bottom of the recession. Over 86 million, 200 thousand Americans are now at work. Better than 92 percent of the work force is actually gainfully employed.

We are today headed not only in a new direction, but in the right direction. It is the right direction because we follow the 200-year-old wisdom that national problem-solving requires far more than a central Government which promises too much and delivers far too little.

A free society, according to Jefferson and Adams depended upon qualities that they called Republican virtues, civic virtues, the ethic of honest work and local control by local people.

During the recent years of very rapid change, more and more people looked to Washington to solve local problems. Too much was expected. Too much was promised. Some citizens felt automatically entitled to a constantly rising living standard without regard to their own efforts, to their individual productivity, or their personal contribution to the community and to the economy.

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Freedom is today misinterpreted by too many to mean the instant equalization of everyone's social and economic situation at the public expense through the machinery of the Federal Government.

I pledge to you today that my Administration will strive to deliver everything we promise. I will never promise more than I can deliver. The false premises and false promises of years of social experimentation distorted the Federal system.

Power was drained away from Nashua, from New Hampshire and from every community and every State to an increasingly centralized Federal Government, always bigger, always more powerful, but not always more efficient, nor more responsive, nor more protective of our traditional freedom.

The patriots who built America understood that poverty is abolished by economic growth, not by Government-imposed redistribution of money. They knew that only initiative and work could create a society with economic prosperity and political participation by everyone.

They knew that local problems are better understood and solved by local people rather than by the bureaus and agencies of a distant, impersonal, central Government. They knew that the pendulum of power must never swing too far away from the people in every one of the fifty States.

If this year's Bicentennial is to be more than a historic pageantry, we must restore to the people more power to decide how their taxes are spent, how they live, how they work, how they fight crime and how their children go to school.

Should the Bicentennial achieve nothing else, this alone would be a triumph for our heritage.

Despite our recent gains in employment, too many people who want jobs still can't find them. Five out of six American jobs are in private business and private industry.

I, therefore, am deeply concerned by the difficulties of various industries like the shoe factories in New Hampshire. The Trade Act of 1974, which I supported as Vice President and signed into law as President, provided the mechanism now activated to assure that our American shoe factories receive fair treatment,

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I want such traditional American factories to have access to every remedy provided by law and a full say in their own destiny. To create more jobs, there must also be a greater incentive to invest without the strangulation of Federal taxation and red tape.

I am seeking from the Congress a reduction in the growth of Federal spending accompanied -- and this is crucial -- by a reduction in Federal taxes.

Let me re-emphasize, if I might, we cannot have an honest bona fide tax reduction unless we put a legitimate restraint on the growth in Federal spending. But, if we are firm in our desire to restrain the growth of Federal spending, which has been at the rate of about 11 percent per year for the last ten years, if we just cut that growth in half to 5 to 5-1/2 percent, we cannot only balance our budget in three years, but we can have an additional tax reduction over and above the one that I hope and trust will be extended beyond June 30, 1976.

Let me add one or two other features about taxes. My job creation tax incentive submitted to the Congress this year would speed up plant expansion and facilitate the purchase of millions and millions of dollars of new equipment.

These incentives would concentrate in areas of unemployment in the next 12 months. We must create the economic climate in America to generate productive, permanent and private jobs rather than temporary, make-work, inflationary Government sponsored jobs.

This week we have new evidence that we are moving quite dramatically in the right direction. The latest employment figures released on Friday show 800,000 more people at work in the month of January than in the month before.

The unemployment rate is down from 8.3 to 7.8. This is the largest reduction in percentage since 1960. We have regained 96 percent of the jobs lost to the recession and most of it has come in the private sector, where the greatest opportunity exists for future improvement.

The Nashua Telegraph is correct in saying editorially that I want to create "concrete and lasting jobs in the private sector rather than manufacturing styro-foam cutouts which the public sector would have to prop up artificially with public funds."

I appreciate that dramatic description of what some people want to do, but which I categorically resist, and I thank Herm Foliot and the Nashua Telegraph for those, I think, very perceptive words. I might add with a post-script, it was a very nice editorial.

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I also strongly believe, and have for sometime, tax changes to encourage people to invest in their own future and that of America. I want to give moderate income families tax deductions or tax deferrals when they make long-term investments in common stock.

I want as many people as possible in this great country to be partners, however modestly, in the growth and the strength of America. We must also preserve the vigor and the continuity of the family-owned small business, family farm. These enterprises are bastions of the real American values.

And I will submit to Congress the State tax legislative changes to assure that a family business and a family farm can be handed down from one generation to another.

Too much labor and too much love go into these enterprises for them to be sold to pay Federal taxes.

Those who invest in new enterprises invest in American progress and in jobs for their fellow citizens. An example of job creation is the brewery opened here in 1970. It represents an initial investment of some \$40 million and now employs, as I understand it, some 400 people.

But I hope no one will contend that the cure for unemployment is to build Government breweries to brew Government beer. (Laughter)

Quite honestly, I don't think the United States Government could make beer for less than \$50 a six-pack. (Laughter)

A very necessary condition for the success of your brewery and all your other industries is the entrepreneur spirit. This cannot be achieved if the Government is to go on piling regulation upon regulation and stringing red tape over red tape and assessing tax after tax to cover new Government spending.

Such policies impose an inflationary burden on business as well as the consumer, and I will never lead this Nation down that road of stagnation.

The people are as fed up with the petty tyranny of Federal regulations today as when patriots defied the tax collectors over 200 years ago and threw the tea into the Boston Harbor.

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Some of you, I am sure, have experienced serious difficulty at the not always tender hands of the Occupational Safety and Health Administration. I know some of you would like to throw OSHA into the ocean. (Laughter)

In fact, some of you couldn't be more upset with OSHA' if Ron Nessen was running it. (Laughter)

I have studied, to be frank and honest with you, some very valid complaints about OSHA and concluded that while everyone is for safety and health in working conditions, many are troubled by the manner in which this objective is sought.

Congress wrote the law, and we must obey it. However, under my authority as President, I have appointed a new director with specific instructions to deal with citizens as friends, not an enemies.

I will not tolerate the unnecessary and unjustified harassment of citizens. If this does not stop, I want you to let me know.

Another indication that we are moving on the right track is the Railroad Revitalization and Reform Act of 1976, which I proposed to the Congress last year and which I was pleased to sign into law several days ago. It upgrades railroad facilities in a way that will keep our recovery rolling.

Your State is eligible for several millions of dollars to improve rail service under this act, and I think this is all to the good, not only for New Hampshire, but for the Nation as a whole.

I am deeply concerned by an issue which has a particular impact on older Americans, now retired, who have always paid their own way. I refer to medical costs involving senior citizens and their families who suffer ruinous expenses of an extended hospital and nursing home care.

I have, therefore, proposed health insurance to cover any catastrophic illnesses suffered by anyone covered by Medicare.

I think most of us in our daily lives over the years have known an individual or known a family where there was a catastrophic illness that went on and on and on with the costs and expenses which are impossible to bear. We have to do something about this.

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Therefore, under the proposal that I have suggested, after reaching the age of 65, no person will have to pay more than \$500 a year for hospital or nursing home care, nor more than \$250 for doctor bills in any one year.

But let me add this, while we must help those who need it most -- and in the United States in this category, there are roughly 3 million -- we can not realistically afford Federally dictated national health insurance providing full coverage for all 215 million Americans.

It is not only the cost but, as we look around the world, the experience of other countries raises questions about the quality as well as the cost of such plans.

In another most important area, the time is long, long overdue for Congress to renew general revenue sharing for the next five years. I have asked Congress some ten months ago to act on this legislation to bring power back to the people.

General revenue sharing is a program that I think best exemplifies responsive Federalism. It provides assistance to State and local units of Government with a minimum of red tape and administrative expense. It returns Federal dollars to your community or to your State. It permits local officials elected by you in your respective townships or communities to set priorities and to plan ahead to meet local needs. And it doesn't require you to raise local taxes.

From the beginning of general revenue sharing in 1972, which was a real breakthrough, the projected total for 1976, the Nashua share will be between \$4.5 million and \$5 million. Mayor Sullivan, you know how important it is.

The sums expended in this community, according to the wishes of your local officials, provided as of last year over \$1 million, 600 thousand for public safety, including police and fire departments, over \$1 million, 100 thousand for environmental protection, over \$200,000 for health, and other sums involving social services for the aged and for the poor. Almost \$5 million, 200 thousand more would be returned to this growing, this vigorous community by 1982 under the proposed extension of legislation if Congress will move.

MORE

From the beginning in 1972 through the projected total for 1976, New Hampshire will receive \$96 million. Under the program proposed, which I hope Congress will act upon, another \$105 million of your tax dollars would come back to New Hampshire between 1977 and 1982.

For many reasons -- people I have met here tonight, the people I have met during the day -- I am as optimistic about Nashua and its future as you are. I am equally optimistic about the future of New Hampshire, in fact all of New England, and I must add very quickly, all of our fifty States and 215 million Americans.

Let no examination of inflation or unemployment blind us to the genuine progress we have achieved within the last year. Our economy is steadily growing stronger. Our policies are designed to keep us on a very steady and progressively better course.

The course is set for a new balance, and the relationship between the individual on the one hand and the Government on the other, a balance that favors greater individual freedom and self-reliance.

We must also seek a new balance that favors greater responsibility and freedoms for our State and local units of Government. We must have a new balance between spending on domestic programs and spending on defense, a balance that insures we will fully meet our obligations to the needy while we are also protecting our security in a world that is still hostile to freedom.

The genius of America is its incredible ability to improve the lives of its citizens through a unique combination of Governmental and free citizen activity.

It took many years of excessive spending, combined with a fourfold increase in international oil prices, to create the economic difficulties of 1974 and 1975.

It will take several years of sound policies and reasoned restraint to restore sustained, noninflationary growth.

I will not make promises which I know and you know cannot be kept. We must restore full strength to our economy as quickly as we possibly can. But, in so doing, we must not reignite the fires of inflation.

Escalating inflation, as we all know, makes steady growth and full employment totally impossible. It breeds instant instability and disruption.

MORE

I strongly reject the view that the only way to reduce unemployment is to accept chronic inflation or rigid controls. We certainly don't want either. Inflation and unemployment are not opposite but actually related symptoms.

The way to treat the diseases instead of these symptoms is by the use of proven remedies prescribed throughout New Hampshire. The medicine of initiative, enterprise, investment, development, growth and just plain common sense taken together with the theory of good hard work.

Yes, we see the results. Your unemployment is lower than many other areas of the Nation; you must be doing many things that are right here. I believe in the example that you hold forth, the living demonstration of what people can do to determine their own fate.

America's spirit is alive and vigorous here in Nashua, and America's spirit is alive and vigorous because of communities like Nashua.

Never let that spirit die so we can continue to be proud Americans and proud of America.

Thank you very much.

END (AT 9:55 P.M. EST)

FEBRUARY 8, 1976

Office of the White House Press Secretary
(Durham, New Hampshire)

NOTICE TO THE PRESS

Order of questioners at Presidential Press Conference
Durham, New Hampshire

1. John Whiteman	Portsmouth Herald
2. Miles Clevesy	Plymouth State College
3. Allen Bridges	WKBR
4. Michael Imsick	Catalyst Magazine
5. David Wysocki	WKXL
6. Cathy Wolf	AP-Concord
7. Richard Beyer	WDCR-AM
8. Fred Kocher	WMUR-TV
9. Mike D'Antonio	The New Hampshire
10. Tim Clark	WENH-TV
11. Marc Tapobianco	The Dartmouth
12. Ron Amadon	WGIR
13. William Ayedelott	WLTN
14. Jerry Vaillancourt	WFEA
15. Ro Chamberlin	WUNH
16. Stewart Powell	UPI-Concord
17. Robert Murray	Foster's Daily Democrat
18. Sue Roman	WTSN
19. Doug Cope	WHEB

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Office of the White House Press Secretary

NOTICE TO THE PRESS

THE PRESIDENT'S SCHEDULE

Monday, February 9, 1976

- 10:00 a.m. Signing Ceremony - Older Americans Message
(Probable Press Photo)
- The Oval Office
- 12:15 p.m. Briefing on the Science and Technology Bicentennial
Exhibition at Cape Canaveral
(Probable Press Photo)
- The Cabinet Room
- 2:00 p.m. Presentation of Diplomatic Credentials
(Thailand, Barbados, Central African Republic, Peru)
(Probable Press Photo)
- The Oval Office

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PRESS CONFERENCE NO. 25

of the
PRESIDENT OF THE UNITED STATES

4:01 P.M. EST
February 8, 1976
Sunday

In the Memorial Union Building
At the University of New Hampshire
Durham, New Hampshire

THE PRESIDENT: Good afternoon. Won't you all sit down and relax.

I have enjoyed being here. Ron Nessen has enjoyed being here. The next time Ron comes, I think we will get Ron to ski up here.

Why don't we have the first question?

QUESTION: Mr. President, John Whiteman, Portsmouth Herald.

A survey in a Boston newspaper today says that Mr. Reagan's campaign has contacted more New Hampshire voters than yours, and it suggested the Ford campaign has been out-organized so far.

In an apparently tight race, do you feel the 16 days remaining is sufficient for you to gain enough voters to win this New Hampshire primary campaign?

THE PRESIDENT: I believe in the final analysis the voters in New Hampshire will make a decision on the basis of policies. The policies that I have implemented, the policies that have proven successful, as far as our economy is concerned, turning it around, starting it around on an upswing.

I don't think they will make their decision on the basis of promises or rhetoric.

Secondly, I think our organization is a good organization. I met with seven or eight hundred, maybe more, this afternoon in Concord, extremely enthusiastic, coming from all over the State, and they have done a good job and they will do a good job.

MORE

It is my impression the many times I have been to New Hampshire in the past -- not just in the last month -- will have an impact because of the numerous times I have been in New Hampshire over the last ten or 15 years, I have acquired many friends, many individuals who believe in my policies, so I am not just coming in for a last-minute effort.

I have a vast reservoir of good friends here that I have made over the years, including, I think, three times in 1975. So, ours is not a last-minute effort like some campaigns have been. I have policies that are on the record, and I don't have to say I would do this hypothetically.

So, our efforts in the last several days I think have been a good climax to what we have done over a great many years.

QUESTION: Thank you, sir.

QUESTION: Mr. President, Niles Clevesy, Plymouth State College.

Mr. President, in a February 5 Manchester Union Leader article entitled "Action Irks Governor," New Hampshire Governor Melvin Thomson, Jr., severely criticized your Administration of a ruling by the Atomic Energy Safety Licensing Board which would delay a proposed nuclear energy plant at Seabrook.

The Governor blames the Board for freezing nearly 3,000 badly needed construction jobs in the State, and charged that the delay of the nuclear plants construction is costing the electric-consuming public \$10 million a month.

As I understand it, Mr. President, you called for construction of 200 major nuclear plants by 1985 in the United States. Would you care to comment on both Governor Thomson's charges and how the constant delays in awarding the permits to Seabrook affect your deadline for 1985 for such plants?

THE PRESIDENT: Under the laws passed by Congress, a nuclear regulatory commission has been established. It has the sole jurisdiction to make a decision as to any applicant and any protest made concerning that applicant. Any interference by a President of the United States in that process would be unethical and illegal.

MORE

This President doesn't intend to participate in any unethical or illegal pressure on the Nuclear Regulatory Administration.

That agency, or that commission, will make a decision and will make it on the facts. I think it has taken too long, but that is their responsibility.

As you indicated, I am a firm advocate of many, many more nuclear powered plants in the United States. In January of 1975 in my State of the Union Message, I said it was mandatory that the United States undertake the construction of some 200 additional nuclear powered plants all over the United States in order to free us from the oil cartels in the Middle East.

Unfortunately, that program has been slow in materializing. There have been some questions raised as to reliability and safety of some of those nuclear power plants.

In order to make certain that power plants built in the future are safe, are reliable, I have recommended in the budget for fiscal year 1977 substantial additional funds for the Energy Research and Development Agency, called ERDA.

I think we can still meet the goal of 200 nuclear power plants throughout the United States, and a fair proportion in the State of New Hampshire.

But, I repeat, this President is not going to undertake any unethical or illegal pressure on any independent regulatory agency in the Federal Government. It would be wrong, and I don't intend to do it.

QUESTION: Mr. President, Allen Bridges, WKBR Radio.

When Secretary Coleman announced his decision this past week on the Concorde, is that not an indication your Administration is turning its back on environmentalists?

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THE PRESIDENT: Not at all. Anyone who has read Secretary Coleman's very sizable opinion granting temporary authority for 16 months under very tightly prescribed restrictions, they cannot land or take off before 7 a.m. in the morning and they cannot land or take off after ten o'clock in the evening, and there can only be a very limited number of flights per week. And in the meantime, he reserves to himself the total authority to stop any flights if there are any violations of his particular order.

In addition, he has urged the British and the French and the United States to undertake a comprehensive coordinated effort to study the problems of the ozone.

Many environmentalists have raised theoretical problems as to the impact of Concorde's flying at the speed and at the level as it might affect the ozone. I think Secretary Coleman has written a very excellent, constructive decision, and if this 16-month trial period is carried out, as I believe it will, it will give us some very important information that will permit us to make a final decision.

And I would like to add a postscript. The very limited number of supersonic aircraft that will be flying the so-called Concorde flights are a miniscule number of the total number of military supersonic aircraft that are flying around the world every day.

But nevertheless, we ought to do what Secretary Coleman suggested, 16-month trial period, have rigid regulations, very important testing in the process.

I think it was an excellent decision. I fully support it.

QUESTION: Thank you, Mr. President.

QUESTION: Mr. President, Michael Imsick. In view of the many complications in the establishment of a 200-mile ocean fisheries and economic limit such as free shipping, passage, military access, migratory fish species, the presence of our fishing vessels within 200 miles of other countries and inevitably boundary disputes, would you endorse a temporary 200-mile unilateral economic limit until it can be solved through international agreement?

THE PRESIDENT: This Administration has been working very, very hard in the Law of the Sea Conference. We have another Law of the Sea Conference in New York in late February or early March.

MORE

We now have a draft paper that ~~is~~ substantial progress which meets in some degree or another all the problems that you raise. It would be very beneficial for the world as a whole to settle the problems of the 200-mile limit, the ownership of seabeds minerals, the navigation problems, overflight, on-the-surface use of the sea.

If we could settle all those problems in this Law of the Sea Conference that comes up in late February or early March that would be the best solution. In the meantime, I think it is helpful to have some pressure, if the negotiators dilly dally, don't do something affirmatively, then he ought to recognize the United States feels it is vitally important that we do something to protect not only our game fish but our commercial fish.

Therefore, I have said we will give you the law Law of the Sea Conference through 1976 and some months in 1977 to fish or cut bait. And if they don't, then the United States ought to move unilaterally.

I feel very strongly that way, and I think the negotiators ought to move and stop haggling and finding answers to the problems you are talking about.

Yes, sir.

QUESTION: Mr. President, David Wysocki, WKXL. You said you feel your strategy of running on your record plus your past experiences here in New Hampshire will be successful here.

I am wondering what if it isn't successful. Will you possibly come back here before the 24th and what would determine that trip, and also taking a step further, suppose you lose in New Hampshire and a couple of other primaries, will you take the campaign trail more yourself or will you decide that perhaps being President is more important and drop out of the race?

THE PRESIDENT: We are analyzing whether we will or will not come back before the 24th. No final decision has been made. I have been encouraged by the warm reception, the good results I think that have come from this trip, but we have made no final decision, yet we have another trip as a possibility.

I do expect to first concentrate on being President of the United States. That is a rather full-time job, and I will make that the most important responsibility I have, but on weekends, a time that I think can be taken from that job and do whatever campaigning seems to be desirable, seems to be necessary.

MORE

It will be extra over and above the responsibilities I have being President.

Let me reiterate something I have said before. I expect to do well in New Hampshire. I think we will do well in some of the other primaries, but I have an old adage that I follow, prepare for the worst because the best will take care of itself.

Now, let me say this, I expect to be a candidate for the nomination of the Republican Party in August in Kansas City. I will be there and whatever happens will have no impact on that. I love a good fight. I will be representing the viewpoints and the record that I have, and I think we are going to win before as well as there.

QUESTION: Sir, to follow that up, please. You say you will be preparing for the worst, but suppose you do lose New Hampshire, Massachusetts and some of the others, that will have some bearing, of course, on what your campaigning further on will be. Will you go out campaigning more on your own?

MORE

THE PRESIDENT: Since I don't anticipate the dire results you are speculating on, I really haven't made any plans to meet that contingency.

QUESTION: Thank you.

QUESTION: Cathy Wolf from the Associated Press.

I would like to follow up on that Seabrook question that was asked earlier. Thomson said he was told many, many months ago that one of your top aides had told him that a decision to go ahead with the license would be made by September.

At that time, the NRC Board was still reviewing that proposal. Do you know who that aide was, and was such a promise given?

THE PRESIDENT: I do not know who the aide was that gave that alleged information to Governor Thomson. I don't think any aide in the White House would be that knowledgeable to know when and if the Nuclear Regulatory Agency would make a decision by a date certain.

There are always factors that come out during the process of hearings and consideration by an independent agency. I understand there have been one or two new developments involved in the Seabrook nuclear power plant.

Those new developments inevitably cause some delay because even once the decision is made by the nuclear regulatory agencies, unless their decision is fully backed up by the facts, unless their decision totally complies with the law, they, of course -- it is their decision, it is subject to court involvement.

The worst thing would be for a President or his people to unethically or illegally get involved in that process. That would really slow the matter up.

Now, if a Governor wants to get involved, or somebody on the outside, they do it at their own risk. But, this President isn't going to do anything illegal or unethical concerning that project.

I have strong feelings, as I said a moment ago, that we need 200 more nuclear power plants, and I hope the Nuclear Regulatory Agency moves as rapidly as it can on all of them. But, that is their decision, and I am not going to try to tell them how to do it.

MORE

QUESTION: Well, the Governor made this claim a couple of weeks ago. Had you heard about it at all? Had you heard that he said he had been told by an aide?

THE PRESIDENT: I read it in the newspaper, but I don't think that any person on my staff should try to tell the NRC when and how they ought to make the decision.

QUESTION: Will you check out, Mr. President, whether anyone on your staff had had communication with Governor Thomson on this matter?

THE PRESIDENT: Yes, I will try to do that.

QUESTION: Mr. President, Rick Beyer, WDCR-AM.

I would like to know, was your recent change of heart on the Supreme Court ruling on abortion basically a political move to improve your position in New Hampshire and, if not, I would like to know why you feel that a new Constitutional amendment of the kind you advocated for State control of abortion regulations is necessary?

THE PRESIDENT: My decision adverse to the Supreme Court decision goes back some time. I felt at the time the decision was made that it went too far. I publicly expressed that view at that time, and while I was a Member of the House of Representatives after that decision, I made a decision to oppose the Constitutional amendment that would preclude any Federal Executive, Legislative or Judicial action against abortion, and I felt then -- and it is on the record at that time -- that I favored an amendment that would permit individual State action.

That record was laid out long before I became Vice President or President, so it has no application whatsoever to the current situation.

QUESTION: Why do you think such an amendment is necessary?

THE PRESIDENT: I think that it would be very helpful in clarifying and giving to the individual State -- we have 50 States, and if they want to make a decision one way or the other, if you believe in States rights, I think it is a very proper, very logical conclusion.

QUESTION: Thank you, Mr. President.

MORE

QUESTION: Mr. President, I am Fred Kocher from WMUR-TV.

The Federal District Court in Concord just recently here in New Hampshire ruled that a State law here in New Hampshire allowing voluntary prayer in public schools was patently unconstitutional.

My question to you is, do you agree with that kind of court decision, because there are people in this State and in many States that feel that voluntary prayer is a basic Constitutional right.

THE PRESIDENT: Some years ago there was a United States Supreme Court decision as to whether or not a woman in Baltimore, as I recollect, who had a child who objected to the nondenominational prayer that was conducted in that community.

That court decision in effect said there could be no prayer in public schools in the United States.

I read that decision very carefully. I read the dissenting opinion of Justice Potter Stewart very carefully.

I subscribe to Justice Potter Stewart's dissenting opinion and, therefore, I disagree with the Supreme Court decision which precludes nondenominational prayers in public schools.

I agree with the Supreme Court Justice Potter Stewart, who said the court was wrong.

So, I regret the court decision. I agree with the minority, and I think it is most unfortunate that under reasonable limitations, I think it is regrettable that under reasonable limitations there can't be nondenominational prayer in public schools.

MORE

QUESTION: What course of action would you suggest at this point, let's say, to the Congress or to any group who disagreed, like you do?

THE PRESIDENT: The most extreme course of action would be a Constitutional amendment. When this matter came up, I was the Republican Minority Leader in the House, and Senator Everett Dirksen was the Republican Minority Leader in the Senate. He was a firm advocate of a Constitutional amendment to remedy this situation.

I talked with him many, many times about it because that was one thing he wanted to do because he felt so strongly about it. In the process of my discussions with him, I subscribed to an amendment of that kind.

QUESTION: Mr. President, Mike D'Antonio. Any cuts in aid to education may make entrance to universities impossible for low and middle-income people who cannot pay the entire bill without assistance. Will you please comment on that?

THE PRESIDENT: Well, the primary responsibility for the financing of a State university comes from the State itself. These are State universities, and the funding for the faculty, for the facilities should, of course, come as a major responsibility of the State.

Now, the Federal Government does put in a very substantial amount of funding in several ways. One, the Federal Government finances a great deal of research and developments in college laboratories. It puts a great deal of money into State and private universities all over the country for basic research, for applied research.

The other approach that the Federal Government does is to give to students who want to attend a university significant financial assistance. In the budget that I recommended for fiscal year 1977, I proposed a billion, one hundred million dollars for the Basic Opportunity Grants program to help students all over the country so that they would have financial resources so they could go to colleges and universities throughout the United States.

This program is focused in on the students who are in need. Now, we have a number of other individually focused programs for the students. We have this guaranteed loan program, and I have to say parenthetically the repayment rate on those loans has not been very encouraging. But we also have the Work Study Group, or program, where on many, if not all campuses, the Federal Government pays, as I recall, 90 percent of the pay that goes to students who work on the campus doing jobs related to the maintenance and so forth of the campuses.

MORE

This program, when you add it all up, as far as the Federal Government is concerned, will be in the range of around \$2 billion for students, period. And in addition, we have the grant programs for many, many studies conducted on behalf of the Federal Government in universities themselves.

Then we have, I should add, a massive dormitory program for State universities and other universities.

I saw a very substantial facility as I drove in to the campus today. I suspect that is a Federally financed -- although I can't be sure -- but it looked like one of the many all over the United States where the Federal Government puts up the money in effect for the construction of dormitory facilities in many colleges and universities.

QUESTION: Mr. President, do you have any new programs in the work to help students who are applying to institutions like the University of New Hampshire where State assistance is low and perhaps they have been cut out by the recent cuts in education funding? Are there any new things aimed at particularly the low and middle-income students?

THE PRESIDENT: I don't think there are any new programs of that kind. Of course, if we get tax reductions for the middle-income wage earner, the way I proposed, the middle-income wage earner will have more money to help send his son or daughter to a college or university.

There is one other Federal program that I didn't mention. It is a very substantial one. It is the GI bill which costs the Federal Government, I recollect, \$3 billion to \$4 billion a year to send ex-GIs to colleges and universities so they can complete their training based on their 36 months entitlement under the Vietnam War program.

QUESTION: Thank you, sir.

QUESTION: Mr. President, I am Tim Clark from the New Hampshire Network.

We have seen reports that Treasury Secretary Simon recently proposed privately to you that the Federal income tax system be simplified by doing a way with all tax deduction and lowering income tax rates across the board.

First of all, did such a proposal reach your desk? Secondly, what was your response, and if it didn't reach your desk, what would your response to such a proposal be?

MORE

THE PRESIDENT: Secretary Simon has talked to me in generalities about a Federal income simplification program. The objective would be to lower income tax rates, but it would take away all or most of the exemptions that are currently in our existing internal revenue code, such as the deduction for contributions to educational institutions, deductions to charitable organizations, and a wide range of other deductions such as those to the United Fund, to the Red Cross, to the rest. That would be the thrust of the proposal made by Secretary Simon. We had a good discussion about it.

I said I would not embrace it. I thought the better way to proceed would be for him and the Treasury Department to study it and then present to me not something orally, but something on paper so that I could analyze it very concretely and very specifically.

I had some experience with a somewhat comparable proposal that I think President Johnson proposed to the Congress eight or nine years ago which, on paper, was a very simple proposal, lowering rates but eliminating virtually, if not all, deductions.

I don't think I got any more mail under any program because every church group, every university, every charitable organization--they didn't want to lose those deductions because that is how we supply the wherewithall for a great many scholarships, a great many worthy projects to help the poor, to help other people in need.

So until Secretary Simon comes to me with a concrete proposal that I can analyze the pros and cons, I am not going to give it the go-ahead sign. If and when that comes, we will make a decision.

QUESTION: Some of the Democratic candidates for President this year are speaking loudly and often about tax reform. If you are not in favor of the Simon proposal, what are your thoughts on reforming the tax system?

THE PRESIDENT: I don't think this proposal to which you refer is the kind of reform that some of the Democratic candidates are talking about. They are talking about a wide variety of many other things.

We have sent up through Secretary Simon some specific reductions or loopholes closings. They are in part incorporated in the bill that passed the House of Representatives in the last session that is now before Senator Long's Senate Committee on Finance. Even though that "reform bill" has some things in it we don't approve of, it does have some we recommended.

MORE

So depending on what the Senate does, I will have to make a decision. I would hope that Senator Long's committee in the Senate would make some modifications. If they do, we could embrace a tax reform bill.

QUESTION: Thank you, Mr. President.

QUESTION: Mr. President, Marc Capobianco, student paper of Dartmouth College.

As a Congressman your voting was never less than 70 percent in support of Nixon policies. As Vice President, you argued for Nixon's programs and staunchly defended him against impeachment. As President you consulted with your President and pardoned him.

How has your Administration definitively distinguished itself in its policies from those of the former President?

THE PRESIDENT: Well, I think one very significant difference is that we have different people in the vast majority of major offices in the Cabinet, in regulatory agencies, we have a new team in many of the major areas of policy determination and policy direction -- the Cabinet, regulatory agencies, et cetera.

We have followed a very middle-of-the road to conservative view in economic policy. It has been a policy decided by me. I didn't go back and look at what the former President did because he didn't have the hard decisions like we had in 1975.

If there is a similarity, it is pure happenstance. The decisions I made in 1975 were mine predicated on the problems that we faced.

Now, in the field of foreign policy, there is an area of similarity. I believe that SALT I was a good agreement. I believe that if we can get a SALT II agreement, it is in the best interest of this country

Let me just point out some of the things that will happen if we don't get a SALT II agreement. In the first place, backfire will run free. There won't be any limitations or constraints on it. If we don't get a SALT II agreement, there won't be any definition of a launching weight and throw weight. If we don't get a SALT II, there will be no limitation on launchers or MIRVs after October 1977.

I happen to feel very strongly that SALT I was a good agreement and it is desirable for a good agreement for SALT II. If that is a similarity you are complaining about, I think it is a similarity that is worthy of support. Where we are similar, fine; where we differ, it is just one of the differences that are likely to take place.

QUESTION: Thank you.

MORE

QUESTION: Mr. President, Ron Amadon from WGIR Radio in Manchester.

Would you accept Ronald Reagan as your Vice President?

THE PRESIDENT: I said I guess a month ago that that was within the realm of possibility. But, I also said quite recently there is a long list of very able United States Senators, present Governors, other public officials who certainly ought to be considered. Any former Governor, I think, certainly would qualify for consideration.

QUESTION: If I may follow up on that, sir, would you agree to debate Mr. Reagan during the primary campaign?

THE PRESIDENT: I don't see any real necessity for it. I have a record. I cast 4,000 votes in the House of Representatives in 25 years on Federal issues. I have been President for 18 months. The public knows what my record is. If they want to compare it to the rhetoric or the words of former Governor Reagan on Federal issues, I think that is a very legitimate study for the American people to make, but I don't think a 30-minute or an hour debate is the preferable way or the better way for the public to find out what the facts are.

They can look at my voting records, and the way I have acted in the White House for the last 18 months, it is on the record, meeting practical problems in a practical way, not with speeches, and they can compare that record with the Governor's record as to what he says he will do and that is a very valid comparison. I don't think that an hour's debate would make any difference.

QUESTION: Thank you.

QUESTION: Mr. President, Bill Ayedelott, WLTN, Littleton, New Hampshire.

President Ford, this is your second political appearance in New Hampshire in the last six months, the first one being this past September on behalf of the candidacy in the special Senate election of Lou Wyman.

At that time, you were supporting him and his record. He was wholeheartedly supporting you and your Administration. Yet, in the outcome of that election, he suffered quite a stinging defeat in what is generally a Republican State.

MORE

I am wondering whether you feel that, or whether you are just regarding that as a personal loss for him despite your appearance in his behalf, or whether it might be considered a valid indication that quite a number of New Hampshire voters are dissatisfied with your policies?

THE PRESIDENT: I think it proves one thing -- that you can't necessarily translate your own record or your own popularity to another candidate. I am not going to speculate on the impact of that appearance where I was very warmly and very generously received by, I think, over 100,000 people in the short span from nine o'clock in the morning until nine o'clock at night.

I am not going to speculate whether that warmth and that very generous reception that was given to me in that September day will have an impact on this election or not.

I think the only time we can really see is February 24, and I am quite optimistic.

QUESTION: In a follow up to that, despite that appearance where so many people lined the motorcade and so forth, despite -- well, perhaps not despite, but up to this time you are coming to New Hampshire, many political experts in this State and also within your own organization are saying that the race with Governor Reagan is going to be right down to the wire, an unusually tight situation for an incumbent executive.

I am wondering, as a politician, as a President, from your viewpoint, what is it that Ronald Reggan is saying that seems so attractive to apparently so many New Hampshire voters and what is your response to that?

THE PRESIDENT: I won't comment on what the former Governor has said that seems, under your analysis, helpful to his campaign. I have a record. We can't say one thing and then do another. We have to deal with reality, and we have and acting with reality, we have been successful in turning the economy around, be successful in foreign policy.

When the chips are down, I think the people will want a proven quality rather than one who hasn't had those hard decisions to make or those difficult actions to take. I will just wait until February 24.

MORE

QUESTION: Jerry Vaillancourt, WFEA in Manchester.

Mr. President, a number of supporters of yours, both locally and from across the country, have come to New Hampshire to criticize Ronald Reagan on such topics as his proposed \$90 billion Federal budget reduction plan, his stand on the equal rights amendment, the status of cities in California when he was Governor, but the campaign between the two of you has been rather squeaky clean, if I may say.

Do we have any reason to assume that what the supporters of your candidacy here in New Hampshire say against Ronald Reagan are really echoing what you really believe or what you would like to say?

THE PRESIDENT: I don't think you can get into a political debate and have it at a right level if you indulge in personalities. I certainly never have, and I never will. I hope that the people that have represented me, or been interested in my candidacy, have asked factual questions, have raised legitimate factual issues.

There are plenty that ought to be raised.

I have often wondered over my experience in politics -- and I ran 13 times for re-election, or 12 times for re-election, once against an incumbent -- and I always believed and I believe today that when you apply for a job, your prospective employer--in this case, the voters--ought to look at your record.

What is wrong with that? When a person applies for a job -- and in this case it is the voters in New Hampshire, and the voters in 49 other States -- those prospective employers ought to look at your qualifications.

My qualifications are on the record, and I think it is a very legitimate experience for the voters here, as well as elsewhere, to see what the record is. Every employer does that, and in New Hampshire you have thousands and thousands of prospective employers. I think it is a very proper thing. Look at the factual record.

QUESTION: What I am trying to drive at, the people who are driving the questions are not the voters, not the prospective employers, but your supporters, your employees, you might say. What the things your supporters are saying, get Mr. Reagan, are they yours?

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THE PRESIDENT: I don't think there has been any serious questioning by them. I understand a number of the New Hampshire State Legislators have raised most of the questions about the \$90 billion proposal. That is what I understood the thrust has come concerning that proposal because those State Legislators, if they don't get the money from the Federal Government for these many programs, they either have to cut out the services to the people of New Hampshire or raise New Hampshire's taxes.

I think those are very legitimate questions by responsible State Legislators.

QUESTION: Thank you, sir.

QUESTION: Ro Chamberlain, WUNH.

Mr. President, in your proposed 1977 budget, why have you given such a low priority to solar energy and energy conservation, allotting only \$91 million for energy conservation out of a \$1 billion 875 million ERDA budget?

THE PRESIDENT: I am very glad you brought that question up. Let's take solar energy to begin with. I may be a million dollars or so off, but in the current fiscal year for solar energy research, Government-wide, it is about \$84 million.

I increased it in the next budget by 35 percent, something over \$120 billion. I personally disregarded the recommendations of some of the people in the Administration who wanted to spend less money for solar energy, and I said no.

I personally increased in at least three cases extra research and development money for solar energy. It is the biggest solar energy program in research and development in the history of the United States.

Now, I don't recall precisely the figures for conservation, but on energy research increases across the board, we increased them over -- I increased them, with a submission of my budget -- by 30 percent. That is not bad -- geothermal, exotic fuels, solar, et cetera -- so we actually went beyond what many of the experts told me we ought to do in research and development, in fossil fuels, across the spectrum.

So, for research, for the new things that can be done to produce more energy other than gas and oil, which in the main we get from foreign sources, we have put forth the biggest research and development budget in the history of the country for energy progress.

MORE

QUESTION: But are you still giving more priority to nuclear energy and instead of something like recycling?

THE PRESIDENT: We, quite frankly, did put more money in for nuclear research and development for two reasons. We want to make any nuclear reactors in the future safe, and we want to make them more reliable, and Government research and development is the best way to do it.

That is why we put the extra money in for R and D for nuclear experiments. I think it is a good investment.

QUESTION: Mr. President, my name is Stewart Powell, and I am with UPI.

Can you tell us, please, what are the domestic and international consequences of the change of power in China, and whether you are upset by Nixon's visit there and, thirdly, whether you plan to consult with him personally or have any member of your Administration consult with him when he returns?

THE PRESIDENT: President Nixon, former President Nixon, is going to China as a private citizen. He was invited by the Government of the People's Republic of China. He called me Thursday or Friday, I guess Thursday, and notified me of his invitation from the Chinese and his acceptance.

I am delighted that his health is such that he can go. I asked him to extend to Chairman Mao and the other leaders my very best. We talked generally about his trip in 1972. There is no commitment on his part to report to me or on my part to ask him to report to me.

We will wait and see what happens on his return. Some 10,000 Americans have visited the People's Republic of China in the last three or four years. I think it is wholesome and healthy that private citizens undertake these trips.

I can understand the Chinese. He was very instrumental in helping to open up the relations between our country and their country. There is no political ramification at all. He is going as a private citizen, at their invitation.

I just learned late last night of the new acting Premier in the People's Republic. I have not had an opportunity thus far to get in full a report from the experts in the State Department and the intelligence community.

I think it is premature for me to make any comment until I have had the full benefit of the experts in this area.

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QUESTION: Mr. President, Bob Murray, Foster's Daily Democrat.

Other than Secretary of State Kissinger, probably the hardest person to keep track of in the Federal Government has been Elliot Richardson. Under the Nixon-Ford Administrations, he has been Ambassador to Great Britain, Secretary of HEW, of Defense and now Commerce.

My question, sir, is, are there specific qualifications for these positions, and if so, has Elliot Richardson, does he and has he had the specific qualifications? And I would also like to know how high up he is on your Vice Presidential candidacy list?

THE PRESIDENT: Obviously Secretary of Commerce Richardson has many, many qualifications. Before he came to the Federal Government, he was an Attorney General for the State of Massachusetts. He was also Governor for Massachusetts. He had long had an interest in serving the Federal Government. He had many broad experiences in private life as an attorney. He is a very well educated, a very able, dedicated person.

And the fact that I had confidence in him as our Ambassador to Great Britain, to ask him to come back to be Secretary of Commerce indicates my strong feeling that he is an outstanding public servant.

I mentioned his name the other day among ten or maybe more prospective Vice Presidential candidates. I think that is a clear indication of my additional feeling concerning his capabilities, but to list them or to put him in a certain place on the ladder, I think is premature as far as Vice President is concerned.

QUESTION: Mr. Ford, are there specific qualifications for these top Government positions, and if there are, is Mr. Richardson that versatile to hold these different positions such a short period of time?

THE PRESIDENT: One of the very excellent qualifications he has is excellent administrative responsibility. He has always been known as an outstanding administrator, to get an organization working smoothly with a minimum of red tape, with the best service to the customers, so to speak, the American people. I think everybody would say that he has been and is today an outstanding administrator.

QUESTION: Thank you, sir.

MORE

QUESTION: Sue Roman, WTSN Radio.

Mr. Zarb was recently in New Hampshire lobbying for the deregulation of interstate natural gas prices, but your critics have charged that this will skyrocket prices, and they also say this is inconsistent with the continued regulation of gasoline and oil prices.

How do you defend this position?

THE PRESIDENT: The answer is very clear. You either deregulate natural gas and get more American natural gas or we buy more foreign oil. It is just that simple.

Now, I happen to think it's better to develop our own resources, and in the long run you won't pay significantly more, and we will not be at the whim and fancy of a foreign oil cartel.

Under the present circumstances, our domestic oil production is going down. Under present circumstances with regulation of natural gas, domestic gas production is going down. And if we don't deregulate natural gas, there will be in a relatively short period of time virtually no domestic natural gas, which means we have to buy more and more foreign oil.

I would rather use our natural gas rather than Arab foreign oil. And, therefore, I strongly feel that the deregulation of American natural gas is in the best interests of this country.

QUESTION: Thank you.

QUESTION: Douglas Cope, WHEB Radio.

Mr. President, there have been reports that the Soviet Union is using radiation listening devices in our embassy in Moscow. How will the presence of these listening devices affect Soviet-American detente?

THE PRESIDENT: I don't think that is a matter that ought to be discussed at this stage. I have heard rumors concerning it, but I don't think it is a matter that ought to be discussed at this point.

QUESTION: Will Mr. Kissinger be briefing you on this subject?

THE PRESIDENT: The proper authority in the Federal Government will.

QUESTION: Thank you.

THE PRESIDENT: If it is true, it's a very serious situation.

THE PRESS: Thank you, Mr. President.

THE PRESIDENT: Thank you all very, very much. It's nice to be here. Have a good day -- the rest of it.

END

(AT 4:55 P.M. EST)

FOR IMMEDIATE RELEASE

FEBRUARY 7, 1976

OFFICE OF THE WHITE HOUSE PRESS SECRETARY
(Concord, New Hampshire)

THE WHITE HOUSE

REMARKS OF THE PRESIDENT
AND
QUESTION AND ANSWER SESSION
AT THE
BUDGET BRIEFING FOR THE STATE OF
NEW HAMPSHIRE ELECTED OFFICIALS

RUNDLETT JUNIOR HIGH SCHOOL

12:30 P.M. EST

THE PRESIDENT: I am extremely grateful for the fine turnout. I look forward to the opportunity to say a few words and then respond to your questions concerning the budget and its relationship not only to New Hampshire, but to the country as a whole.

I brought with me a copy of the Federal budget for fiscal year 1977. In the preparation of a document of this magnitude, we have to make certain forecasts: The status of the economy, Gross National Product, all of the factors that go into anticipated revenues and what we think are wise decisions as to expenditures.

We had some good news yesterday that could have a very beneficial impact on the budget. The Department of Labor announced that the unemployment figures for the month of January went from 8.3 down to 7.8, a half percentage point reduction in one month and the largest reduction in the unemployment percentage since 1959.

We also had in that release from the Department of Labor an indication that in that one-month period there were 800,000 more people gainfully employed, so that it indicates that since March, at the bottom of the recession, through January, some two million one hundred thousand more people had been gainfully employed.

Actually, we have regained 96 percent of the job losses that took place during the depths of the recession. Now, that is not good enough. Seven point eight is too high, but it certainly is on target, if not better than what we anticipated in the process of putting together this budget.

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Now, let me give you several very broad guidelines that we used in preparation of the budget. I believe very strongly that we have to get a new balance in the Federal budget between the people who were the beneficiaries of some of the benefits and the taxpayers as a whole.

I believe that we also have to develop a new relationship between the Federal Government on the one hand and States and local communities on the other. This balance is vitally important if the Federal system that we believe in is to continue and grow, not only in strength but in services, and the delivery of services in the best way.

The program that I think in the budget you are mostly interested in would be general revenue sharing. Under general revenue sharing, which went into effect in 1972, total number of States and local units of Governments that have been beneficiaries -- 39,000.

Some \$23 billion has been transferred from the Federal Treasury to State and local units of Government. By the end of this calendar year, almost \$30 billion in Federal funds will have gone to State and local units, with virtually no strings attached whatsoever.

In the State of New Hampshire, as of this date, Federal revenue sharing has totaled \$75 million plus. By the end of this calendar year, some \$96 million will have been paid to the State, to ten counties, to 13 cities and to 221 townships.

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Now the program I have recommended and recommended in 1975 is for the extension of the existing program, which expires on December 31. I have recommended a 5-3/4 year extension that involves almost \$40 billion, approximately a billion dollars more over the five-year span than under the present program.

We have added roughly \$175 million a year as a growth factor. I think this is a sound program, and if some of the charts would be opened up here -- this chart shows the figure of \$75 million as of this date. It shows the distribution -- State government, \$25 million; counties, \$6.6 million; municipalities, \$23.7 million and townships, \$19.9 million.

Here is the distribution for the total of 96 million which will be paid or will have been paid at the end of the present legislation on December 31. And this is the figure for the program that I recommended last year to follow on to the present program, which expires on December 31.

You see it is a growth factor that I described a minute ago.

Now here are some of the individual payments that have been made to a sample of townships, counties, cities. It also shows what would be expected with the new program that I have recommended.

Now, the thrust of this program -- and this is the important point -- this is Federal money that goes to States, cities, counties with no strings attached. And it shows here the kind of distribution, and it covers in the utilization, education, public works, community programs, hospitals, et cetera.

Now the interesting part about this program, we hear a great deal of complaint about the overhead. This year there will be approximately \$6 billion distributed. Less than 100 Federal employees take care of it at a total cost of one-twelfth of one percent for the whole distribution of the Federal money, actually for less than \$3 million, \$6 million go back to the State, to the counties and to the cities.

I think that is a pretty good record of efficiency, and you in your respective areas have virtually total jurisdiction on how you spend the money for your constituents. I think this is a good program, and I urge you to help us to get the Congress to move because the new program of 5-3/4 percent of almost \$40 billion has to be extended.

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I was talking to some mayors from the State of Ohio last week. They, under their State law, have to present their budgets or prepare their budgets by July 1st. And if this law isn't extended shortly, every mayor in the State of Ohio will either have to provide more taxes to pay for services that have come from Federal revenue sharing or they will have to drop the services because they can't, in Ohio as I understand it, operate their cities in a deficit.

So it is vitally important that we get this larger and longer program enacted into law so that you can budget in your respective communities and your State.

We appreciate any help you can give. It will be very beneficial, I think, for a good program.

Now, with those general remarks, I will be glad to answer any questions.

QUESTION: Mr. Ford, I went to the Virginia Seminary. My daughter went to Virginia Seminary and graduated last year. John Harper studied under me in New Hampshire when I was director of the Episcopal Church. Nice to have you.

THE PRESIDENT: We lived for a few years in Alexandria, Virginia, about a half mile from there and used to go to church services up at Emanuel on the hill. You are familiar with it.

QUESTION: That's where my daughter graduated from there and I graduated from there. Nice to have you in New Hampshire, and please remember me to John Harper when you see him.

I don't want to talk rough, tough and commercial but I remind you, scriptures which you will hear in the Presbyterian Church talk more about money than anything else. (Laughter)

In New Hampshire, we live on sin, and we preachers are against it. For example, we have horses, we have puppy dogs, we have lotteries and cigarettes, but our biggest source of revenues in New Hampshire comes from the sale of beveraged alcohol.

Now, we Episcopalians think it's all right to take a drink, and we think this is one of God's great gifts, but there are some of us, Mr. President, like myself, who are alcoholics. And we are much concerned about your budget.

MORE

I was down last week. I had my button with me when I appeared before Mr. Kennedy. I made somewhat of a hit with some of those Democrats down there before the Senate, so I am with you.

But my problem is your budget, which you submitted this week, cuts the alcohol research money by \$2 million, cuts your training by 300 percent; that is, money for kids and for training.

It also is going to cut out 50 percent of your treatment money if block grants go through.

Now, Mr. President, we can't afford to see this happen, and how can we make a believer out of you?

THE PRESIDENT: Let me indicate that under the block grant health program, we have recommended \$10 billion for 15 categorical blocks.-- categorical programs. This is as much money as is available for the 15 programs in the current fiscal year. What we have proposed is to take those 15 categorical grant programs, give you the same or slightly more money and let each State decide how it wants to spend its share of that \$10 billion.

Now, if in the State of New Hampshire they want to take its proportionate share of that \$10 billion and put its money on the programs you have described, the State of New Hampshire could do it.

We have not cut back the dollars in the health categorical programs. We have simply said, eliminate the categorical grant programs, take the same amount of money, or slightly more, and then each State can decide whether they want to put more or less money in any one of the 15 categorical areas.

There is no less money, In fact, we have promised that in fiscal year '78 we would add a half billion dollars and in fiscal year '79 we would add another half billion dollars so there is a hold harmless provision. But we think the State of New Hampshire is better qualified to make its decision on how it wants to distribute its share of the health block grant program, and I am sure with your persuasion you and your associates in this program would be very fortunate to get at least what you have gotten in the past and probably more.

QUESTION: Thank you, Mr. President.

THE PRESIDENT: Yes, sir.

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QUESTION: Mr. President, I am Martin Gross, Mayor of the City of Concord. I very much appreciate your comments in connection with general revenue sharing. It is a very, very important program for us in this city, and your endorsement of its continuation is very much appreciated.

I think, frankly, you are speaking to the converted in this room about general revenue sharing. The question I have for you, sir, is where is the opposition coming from? This program makes so much sense. It almost is like endorsing motherhood to say you are for general revenue sharing, but where is the opposition coming from and how can we help combat it?

THE PRESIDENT: I can't imagine any really legitimate opposition. But, bear in mind that I, in a message to the Congress last summer, recommended its extension.

I thought there would be no problem. It has so much merit. But, here it is January, or February now, and there hasn't been a bill reported out of either a committee or a subcommittee for its extension.

I can tell you where the opposition comes from. It is the same group, primarily, that didn't want it in the first place in 1972.

There are those who like to build their own little fiefdom so that they can take credit for this program or that program, and the net result is a terrible maze, but it gives to individuals or groups that have a particular interest in a certain program almost total control and jurisdiction.

They want expanded categorical grant programs. They want the decision-making made in Washington, not in Concord.

Now, that is one group. They just want their own hand in the decision-making process.

The other group is an element that doesn't believe in the concept, period. They just don't think you should take Federal money and send it back to the States without any control or strings.

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I think this is a very honest opinion, but I believe that the Federal tax system is more equitable than most State tax systems, and that this is the way, under a well-agreed to formula, to get the money back so you in Concord and others can make your own decisions.

I have been talking with the Governors, and county officials and with municipal officials trying to get them to get moving to put pressure on the Congress to get the program through.

I have asked the Vice President to take charge of that effort, and you are going to see some activity, and I think we will get it through. I don't know what your budget situation is in Concord, but if they took away that money from your budget in Concord, you would either have to raise taxes or discontinue services or programs.

Therefore, we have to get a tremendous groundswell of public interest, and I am going to do this in New Hampshire, and will do it elsewhere, just so the public understands what will happen in Concord and elsewhere if this program isn't extended.

Thank you.

QUESTION: Thank you, sir.

QUESTION: Mr. President, I am Rob Trowbridge. I am the Chairman of the Senate Finance Committee here in the State, and I am interested in your remarks on general revenue sharing as in that capacity I have prepared for the last four years -- and I think most selectmen here know it -- a report of where revenue sharing was spent in New Hampshire, county by county, town by town.

It is very interesting, Mr. President, that one of the big areas that the towns of New Hampshire use this money for is for general hardware rather than software, if you want to distinguish.

You know its trucks and its plows and its things like that, which they have difficulty with. One of the problems with revenue sharing now -- and I think this news conference goes both ways, as well as for you to get our views as for us to get yours -- is that there is a limitation that you have to spend the money within two years.

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Many, many towns in New Hampshire would love to be able to put this money into capital research building up to buy the plow or the truck or whatever comes down the road. I think that when you say there are no restrictions on general revenue sharing, you might have someone look back again because there are more restrictions than you might believe.

Frankly, I think you could be a big help not only to us but to every other State if general revenue sharing were exactly what it was meant to be: block grant. If you want to put it into savings, fine. If you want to spend it, fine. I think that is what will help New Hampshire most.

THE PRESIDENT: I remember the debates on the floor of the House in 1972 when this issue was raised, and the argument on the other side was simply this: That the Federal Government was operating then and is operating today in a deficit.

If the Federal Government borrows money to give it to the States or the community and then those communities put the money in the bank and draw interest on it, it makes it a little difficult to justify the program.

Here the Federal Government is borrowing money to give it to communities and States so they can put it in the bank and draw interest.

That is the other side of the coin.

The basic concept is that this is for immediate needs, whether it is buying trucks for the fire department, or doing something for the police department, or any one of a number of other programs.

It would seem to me -- I know this has happened in some Michigan communities -- as long as they know that money is coming, they could plan on a building program and they could finance it over a period of two or three years with this money assured as a way of paying their obligations.

QUESTION: I suppose it is the two-year period that is too short for that kind of planning. I think that is where you don't get the money until after the town meeting. It comes in and you have already missed a year. It is just the way it works out in New Hampshire. It doesn't allow you to do that, and that is where I think somebody should look back at that.

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THE PRESIDENT: I recommend you go down and testify before the House Committee on Government Operations, or go over to the Senate Finance Committee, which has jurisdiction in the Senate.

It is a very legitimate, I think, difference of opinion. I just wanted you to know what the other side of the coin is, and I listened to that debate on the floor of the House and rightly or wrongly, that is the decision the Congress made.

QUESTION: Thank you, Mr. President.

THE PRESIDENT: Thank you very much, sir.

Yes, sir.

QUESTION: Mr. President, I am Selectman William Morrison from the town of Gilford. I just want to let you and Ron Nessen know the skiing is great up there right now. (Laughter) That is Gunstock and Mt. Rowe. (Laughter)

THE PRESIDENT: You know, I really learned to ski up here in New Hampshire, and after I heard about Ron's famous, or infamous, comment, I made the suggestion to him he ought to go up on Tuckerman's and somebody ought to throw him off the side of the mountain. (Laughter)

QUESTION: Mr. President, I am very pleased to hear your revenue sharing views, and I share the opinion of the last speaker regarding the limitations on the funds, the time limits, and I think something should be done about that.

Also, I realize one of your problems, that the Congress is a "do nothing" Congress as far as I am concerned, and a lot of people that I know, if they haven't thought of it first, the idea isn't any good. I think a lot of your ideas are really great.

THE PRESIDENT: Thank you.

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QUESTION: One of the ideas that you brought up is a fact that we should give more incentive to businesses, small and large. I believe that the incentive could be a tax credit, and I think this could be up to 50 percent for employers who would hire extra persons over and above their normal staff and over their projected growth.

This would be monitored by the IRS, would eliminate bureaucrats, more bureaucrats, and it could be administered very easily, the money would be direct, it would help the business and it would help employment. This is the name of the game right now, I think.

THE PRESIDENT: We looked into that program, and there is a great deal of merit to it, but in analyzing it in depth, there are more administrative problems than would appear on the surface. It is something that I think we ought to take another look at because there is, in the broad sense, merit because it gets business to keep people on the payrolls rather than putting them on unemployment insurance or welfare.

That is the overall approach, but there are pretty serious administrative problems, but I decided that rather than go that route to stimulate business and to increase employment, to recommend that there be an added investment tax credit to those companies that would move in to high unemployment areas with new grants to buy new equipment, if they would do it within the next two years.

We think time is of the essence, and the legislative proposals is now before the President, and it would accelerate the amortization schedule in effect for these companies that would move in to high unemployment areas build a plant, buy equipment and modernize their productive facility.

We opted for that over the program you suggested for reasons that we thought were valid. We will continue to study the suggestion you have made. It was a close call.

QUESTION: Thank you, Mr. President. I also think that in doing this, we have to think about the cost of administering it. Most of the bureaus that we have, money doesn't get filtered down to the objective promptly, and I think that is what we have to really study.

THE PRESIDENT: I am sure you know we do have a program here, the Federal Government subsidizes for a limited period of time a portion of the wages of an employee who is employed who is not qualified at the time he takes the job.

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This is a way to permit the employer to hire someone who has very little skill and put him on the job so he earns both from what he gets from his employer and both from the Government so he can take care of his family. This is another approach, somewhat like the one you are suggesting. That is the effect in a somewhat limited way.

QUESTION: Thank you, Mr. President, and good luck.

THE PRESIDENT: Thank you, sir. Yes.

QUESTION: Mr. President, I am Mary Kane from Portsmouth. Mr. President, under your recommendations under impact aid, our small city stands to lose over a quarter million dollars.

We have many students who now are employed in Federal installations who live in private housing. I would like to ask you to reconsider the inclusion of Item B under your impact aid.

THE PRESIDENT: That is a longstanding area of disagreements. I am sure you are familiar with Category A programs where the pupils live on a base. They are imposed on the local school districts. We fully funded that program.

QUESTION: Yes, I understand.

THE PRESIDENT: Category B is the one you describe. There is a Category C which Congress added which I strongly disapprove of and they have added another one for public housing, and the net result is in the budget for this fiscal year. There is roughly \$800 million or thereabouts, isn't there, Paul?

Now Category B, we finally agreed, would be funded at about 70 percent, not in the next year budget, but in the existing budgets. The practical problem is how can you justify people who live in the town but work in the Federal installation and add extra money for the subsidization of the local school system.

Let me give you the grossest example. My wife and our four children lived in Alexandria, Virginia, for 17 or 18 years. Our children went to the public schools in Alexandria. I was a Federal employee. My children were counted as Government employees, and the City of Alexandria got a subsidy for each of our four children. Now, that just doesn't make sense.

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QUESTION: Well, Mr. President, we are not getting any taxes from this Federal installation, and if these children's parents were working in private industry, private industry would be paying a tax to our city, so we justify it that way.

THE PRESIDENT: What installation?

QUESTION: Portsmouth Navy Shipyard, which employs the parents of quite a few of our children.

THE PRESIDENT: All children living on the base are counted in Category A.

QUESTION: Yes, I understand that.

THE PRESIDENT: We are not going to close Portsmouth Naval Yard.--(Laughter)

QUESTION: Thank God for small favors.

THE PRESIDENT: -- Under no circumstances, and I am sure you wouldn't want it closed.

QUESTION: Certainly not, but you cannot blame me for trying, Mr. President. I am just asking. (Laughter)

THE PRESIDENT: You have almost persuaded me. (Laughter) If we could get Members of Congress off the dole as far as impact aid is concerned, because they can afford to pay the necessary taxes to Alexandria or to Montgomery County or any of the other county school systems, it is just totally indefensible.

What it amounts to in my case, and I have used this many times because it is accurate. My taxpayers in Grand Rapids, Michigan, are helping to subsidize my school taxes in Alexandria, Virginia, and it just doesn't make any sense, and that is the kind of screwed up system that Congress has imposed under impact aid in many, many cases.

QUESTION: Maybe we could compromise with a payments in lieu of taxes, Mr. President. Thank you very much. (Laughter)

QUESTION: Mr. President, I am Charlie Richmond, a select man from the Town of Warner, and I have a problem. (Laughter)

I was noticing in your pretty blue book, in fact I was talking with another select man from Hooksett, that our budget committee just wouldn't put up with a fancy publication like this. (Laughter)

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However, I noted happily that highway outlays are rising to \$7 billion in '77 according to your recommendation. Warner is pretty typical, 1,800 people, 15 miles of State and Federal highway, 65 miles of town maintained roads, 21 bridges, two of which we had to close last year. This is my problem.

We were notified by the State that we could qualify for rural road assistance and that it could be used as a 70 percent Federal match of our 30 percent for expenditures on the bridge, which we need.

We have been lucky to get the Army Reserve to put in a bailey bridge to hold us for a couple of years until we can get a permanent one up. But we were told to qualify for the Federal funds, we would have to build a \$260,000 bridge to span a 47-foot stream.

The Town of Andover, about 20 miles up from us, just finished a bridge designed by a registered professional engineer, designed for 20-ton load, which is really all we need to get a firetruck across, 25 cars a day, a school bus and a mailman. (Laughter)

What I am asking is, would it not be possible for Federal agencies to take a look at prudence in design and recognize that, doggone it, maybe we could do for \$60,000 the job that needs doing.

We are not looking for a Lincoln Continental, we want to get across the doggoned river. (Laughter)

THE PRESIDENT: Let me ask you, is this a primary, secondary or interstate highway? (Laughter)

QUESTION: This is a Warner town road, the bridge has been there for over 200 years. This will be the fourth bridge to go in place.

THE PRESIDENT: Well, there is under the Federal program a category -- I have forgotten the precise title, but let me give you what I think is a better answer.

Number one, last year I recommended for an extension of the Federal aid to highway program, the abolishment of all the categorical grant programs for the Federal aid to highway program except interstate, and I recommended that one cent of the Federal gas tax go back to the States.

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Now, unfortunately the Congress hasn't approved that. Under that program, there would have been a block grant to the State of New Hampshire, which could have had greater control over the utilization of that money so that your State highway authority in conjunction with the local authorities could have made that decision for the specifications without having some engineer in Washington, D.C., do it.

I think that makes a lot of sense, but the Congress wouldn't buy it. I can tell you why, they like to keep their fingers on certain specific programs.

In this case, under the existing law, my impression is that I just don't see why a Federal highway engineer should draw the specifications for a town road in Warner. I just don't see by what authority they have that jurisdiction.

But let me tell you this, if you will get me the facts, write them down, give them to me, we will find out.

In all honesty, it doesn't make sense. My program would have avoided it, but we have to deal with realities.

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QUESTION: I think the real point in contention is that the funds are going to the State and the State is setting the specifications and not allowing the town to supply an adequate design by a professional engineer to qualify.

This was a State amount that was quoted to us, and we can't get at the money because the State is administering it.

THE PRESIDENT: I respectfully suggest you go to Concord and ask them. (Laughter)

QUESTION: Thank you, Mr. President.

THE PRESIDENT: Thank you, sir.

QUESTION: Mr. President, when I married a native and moved to the State some 15 years ago, one of my mother's good Southern friends asked her what State New Hampshire was in. (Laughter) Sometimes when I take long looks at information such as the budget package you have given today, I wonder if many of the people in Washington know what State we are in.

I am particularly interested in the question of mass transportation. I notice in your budget, as stated by the Selectman from Warner, there is a huge increase in highway taxes. There was a considerable increase, as a matter of fact, in mass transportation.

I notice further, however, that most of that money seems earmarked for the expansion and betterment of the already existing mass transportation systems, particularly from Washington to Boston.

All over New England we have an old saying that you can't get there from here, and if you are trying to get anywhere by mass transportation in this State, it certainly is true. We have kids going to college in the Western part of the State who can't get home, 90 miles away, without going to Boston to get there.

I wonder how far down the road you see Administrations, and Congress, and the Senate, waking up to the fact we need mass transportation in rural areas and trying to appropriate money to encourage cooperative small rural innovative mass transportation systems?

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THE PRESIDENT: Let me make one comment. There is no increase in transportation taxes. The Federal gas tax stays at 4 cents a gallon. As I indicated, I recommended it be reduced 1 cent and that 1 cent go to the States.

But anyhow, we have three basic mass transit programs. Under the Federal aid to highway program, a local community, if it wants to take its highway money off of construction for highways, it can make that decision and utilize that money on a local mass transit program.

I think they are doing that in Boston. I know they are doing it in Washington, D.C. I know they are doing it in many, many communities. They don't feel they need more highways. They feel they need more mass transit, so they have that flexibility out of the highway money.

Number two, I signed in late 1974 a new mass transit bill that provided approximately \$11.2 billion over a five-year period. Now, that money is earmarked for mass transit exclusively.

If I recall accurately, there is a rural mass transit or transportation aid program. I must admit that it is funded at a far lesser level than metropolitan areas, but there is a program, and I know that some parts of the country are engaged today in rural mass transit programs, if that is the right term. Has the State of New Hampshire applied for any funds for that program?

QUESTION: I don't know at the State level, sir, but on our city level -- I am from Portsmouth. It is very hard for us to get the ear, the eye or the attention of anyone in the regional Federal offices. Maybe it is a matter to be dealt with at the State level.

THE PRESIDENT: In the case of Portsmouth, the City of Portsmouth can take whatever money it gets from the Highway Trust Fund and utilize it for a mass transit program in the City of Portsmouth.

Now, there is another mass transit program that has been on the statute books six or eight years, called UMTA -- I can't remember what it means, but it is UMTA.. (Laughter) It is funded at around \$100 million a year, as I recall. I was too low. It is about \$1.8 billion.

Now, that program, again, I think is probably aimed at the major metropolitan areas. But, there is a Federal program for rural transportation demonstration projects and otherwise, and you can go to the regional office. If they don't give you satisfaction, you call Steve McConahey on the Domestic Council staff on State and local unit relations and we will find out what the problems are as far as your community is concerned.

MORE

QUESTION: Thank you very much.

QUESTION: Mr. President, I am Patty Blanchette, State Representative from New Market.

You mentioned the unemployment figures which were released by the Department of Labor yesterday. I know you know what I am going to ask you.

Yesterday morning when those were released -- and we all heard that 800,000 more people were gainfully employed -- we agreed it was good news also, but by the end of the day we were also hearing that those figures were inflated because for the first time the department had used a new system in calculating those figures.

I was wondering if you would care to comment on this or if this is indeed true?

THE PRESIDENT: Let me go back just a bit. Under law, periodically a group of professional economists and statisticians take a look at how the Department of Labor accumulates its data for the purpose of releasing unemployment figures.

Late in 1975, this group got together, looked at the existing system for the Department of Labor, and decided that there had to be some improvement in the collection and the analysis of that data.

On the basis of that professional group making these recommendations, they did revise all of the unemployment figures of 1975. Some of them were higher, some of them were lower, but it was the recommendation of a group of professional economists and statisticians that had nothing to do with politics.

Now, the figure that was given to me, and I believe it is accurate, is the figure of 800,000, and this came from Mr. Shiskin, who is the head of the Bureau of Labor Statistics, and he is a thoroughly reliable career non-professional (nonpartisan) person.

So, I will stick with what they told us. I think it is accurate and the reason, if there is any variation, is the one I gave that in a professional way, as required by law, they moved to a new system.

But, the fundamental facts I think are completely accurate.

QUESTION: Thank you.

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QUESTION: Mr. President, I am Mike O'Keefe, State representative from Portsmouth. I have become quite concerned in the last year about the plight of some of our older veterans attending college here in New Hampshire and throughout the country.

I have been teaching night school for New Hampshire College, and I have several of these people in my government classes.

The reason I am concerned is that many of them, when they got out of the service, got married, started a job and began to raise their families and then after several years, decided they wanted to go to college and increase their education so they might be able to move up in their profession or things of this nature.

But they are now faced with an arbitrary cut-off date of May 31, 1976, where they will lose all educational benefits.

I was wondering, Mr. President, if you might consider supporting legislation similar to what Congressman D'Amours of New Hampshire has put in, I believe it is House Resolution 9428, by which these vets, so long as they are attending school and are working on a degree, would be able to continue to receive payments up and to the entitlement they earned when they were in the military service.

THE PRESIDENT: Under existing service, a GI is entitled to receive those benefits for a ten-year period. In other words, he got out of the service and at any time from that date for the next ten years, he can take GI educational training.

I think this is a fairly decent, fair opportunity for a person, and there are many, as a matter of fact, who recommend it ought to be cut back.

I have listened to the arguments, and I have not heard of any proposal to extend it, but the facts are, at the present time it gives a ten-year period between discharge and when the benefits expire.

How long does the Congressman want to permit it, indefinitely?

QUESTION: No, sir, the situation is that the individual, while in the service, has picked up a certain amount of entitlement for educational benefits, at least 36 months.

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Now, many of these people, as I mentioned before, didn't go to school when they got out of service. They got married, they raised a family and now later in life want to go to school. And many of them have a year to two years left to get their degrees when their entitlement runs out.

What the Congressman's bill would do would allow them to continue to receive benefits until they receive their degree so long as they were within the original entitlement.

THE PRESIDENT: The concept that began in World War II was that those who served in World War II in combat and had been deprived of an educational opportunity should be given an opportunity to go back to school and there was this cutoff first at eight years, now at ten years.

I will take a look at it, but we did find, or have found that there were some professional students. (Laughter) And we have to look at the equity across the board and we will take a look at it. But I am somewhat dubious that it would be extended.

QUESTION: Thank you for your consideration.

QUESTION: Mr. President, my name is Murray Clark. I am a representative to the General Court here in New Hampshire from the Town of Lincoln up in the White Mountain region, Sherm Adams' town where Loon Mountain is and excellent skiing is also available. (Laughter)

And I am sure the State of New Hampshire would be glad to have you up at Cannon Mountain and Franconia Notch. (Laughter)

THE PRESIDENT: I would love to come there some day.

QUESTION: Now, so the matter, I would like to know what is your opinion on the millions of illegal aliens now in the U.S. feeding at the public trough and filling jobs that should be available to U.S. citizens?

THE PRESIDENT: We have anywhere from 6 million to 8 million illegal aliens in this country, which is roughly the total amount of unemployment in numbers in this country. It's a very serious matter, and let me tell you what we are trying to do about it.

Number one, we are working very closely in a new program with the Mexican Government. That is one point of entry where there has been this tremendous increase. The cooperation that we are developing with the Mexican Government, I think, will produce some results in stopping the flow on the one hand.

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When I was in Mexico about 18 months ago, I personally talked to President Echeverria about it.

Number two, this budget, this budget I have here, we have recommended additional employees for the Emigration and Naturalization Service so that they can do a better job of finding illegal aliens on the one hand and seeking to get them deported on the other hand.

Now, there is one other thing we are trying to do. I have favored legislation that has passed the House last year, as I recall, that makes it mandatory for an employer to ask whether a prospective employee is an illegal alien. That would be very helpful.

Unfortunately, the Senate has not approved it. But that would make the Administration of this program much, much better. So between better cooperation with Mexico primarily, through more employees to try and find illegal aliens and get them deported, and through prospective legislation, I hope we can make some significant advancements in solving the problem that you are talking about, because it does add to our unemployment, it does add in many major metropolitan communities to the welfare burden.

Those jobs ought to be available to legally, or legal emigrants or certainly American citizens. We are working on it as much as we can because I recognize the difficulty.

QUESTION: Thank you very much.

THE PRESIDENT: Thank you.

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QUESTION: Mr. President, John Hoar, Jr.

The other day you signed a bill which we have been looking for in this State concerning the railroads. I congratulate you for doing that. This encompasses certain provisions and clarifies certain provisions of the Regional Rail Reorganization Act, which we have been looking for.

We have a bad situation in this State, being dependent on one railroad basically. That railroad, or a large part of ConRail, is in a very tenuous condition. We are not unique in this country.

However, my question is, what do you see for the future of railroads and developing of the railroads and encouraging rail traffic, both freight, and I will put in parentheses "passenger" because that depends a lot on the success of the freight.

THE PRESIDENT: The Congress did pass the bill I signed last week. I recommended it. It involved \$6 billion 200 million. It provides for rebuilding of roadbeds, provides for refinancing and consolidation of the New York Central, Penn Central, and it provides for reorganization of the Northeast Rail System.

We have an excellent Secretary of Transportation, who I talked to before I signed the bill, and he has promised to move as rapidly as possible to get the bill totally implemented.

I can't give you the precise timetable, but he understands the urgency, and I can assure you that we are going to press very vigorously. The Northeast Corridor Rail System must be rebuilt, must be vigorously updated with new equipment, running equipment, with roadbeds that permit the traffic to move much more rapidly, improved station facilities and rail freight yards.

It is a comprehensive program. It is the first one ever approved in this country.

In addition to that, of course, we do have the Amtrak program, which is primarily -- or if not primarily, exclusively -- aimed at passenger traffic. That program, I think if Congress would not impose omit some of the totally uneconomic lines, we could do a better job.

But, we will carry out the law, and that ought to provide in the areas where it is needed and justified improved passenger traffic. The real problem in the freight traffic is a roadbed that is not sufficiently strong, if that is the right term. In some areas of the country, freight traffic has to go at five miles an hour.

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QUESTION: Right here in Hampshire. (Laughter)

THE PRESIDENT: It is uneconomic from the rail point of view and not good service from the point of view of the customer. But, this legislation I signed will significantly increase the roadbed improvement operation.

QUESTION: Thank you, Mr. President.

THE PRESIDENT: Thank you, sir.

QUESTION: Mr. President, I am Hilda Fleisher, a representative from Manchester. I am on the health and welfare committee, and I am concerned because there is a Federal program that is giving the State a good deal of trouble.

This is Title 20 of the Social Security Act, which replaces Title A of the Social Security Act, and it has to do with supportive services for people who are on welfare or nearly on welfare, low-income people. These are services like daycare, transportation for the elderly, meals on wheels, elderly homemaker services and so on.

As I understand it, Congress replaced Title 4-A with Title 20 and there were two purposes, aside from the general purposes of it, and one was that we should be accountable for the funds that are distributed and the second is that we should broaden the group of people who may be eligible for these supportive services. They are not money payment programs. They are really supportive services.

Now, we have found that the accountability part is enormous. In fact, it is causing so much trouble that we can't expand the base at all. I am concerned as a State representative because our welfare workers are spending as much as 85 percent of their time on paperwork, 15 percent of their time with clients.

I am concerned because I am associated with the private agency that administers the homemaker service and I have talked to other people in agencies. Their staffs are spending so much time in the paperwork, verifying whether someone is eligible.

If a mother comes in and has six children, 20 forms have to be filled for each one of those children and for herself, and this is absurd.

WE find we are spending an enormous amount of time just doing paperwork, shuffling papers, at the private agency level, at the State level, trying to see what happens to those papers. We have to look at them when they come in.

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I just wonder, who is accountable to us for all of this waste of our time?

THE PRESIDENT: The points you have made convinced me that we ought to approach the problem of delivering these services in a different way. The net result is in one of the four block grant programs that I have recommended, we attack the problem that you are talking about.

Here is what we call a mess chart. (Laughter) What that shows is the 15 health service programs from the Federal Government to the local and State units of Government. That shows where the money comes from, who runs it and the Federal Government cost and all the cross lines that end up down here with the beneficiary.

The one on the right -- no, that is all the same one. We have one here on education, too. But, what you are saying is best illustrated by this particular mess chart.

You have 15 categorical grant programs with all the verification, all of the application, and the net result is you waste half of your time and a good share of your money in paper shuffling.

Now, what we propose to do is to take the money from the Federal Government and give it to the States, and with a passthrough in some cases for local units of Government, and let them take the total amount of money and utilize it at the State or the local level as you in New Hampshire decide you ought to spend it, and you -- or the people working in the program -- are only accountable to the Federal Government in total.

You don't have to apply for it except for one application.

Now, we have to get the Congress to go along with this. But, it will save you money, it will save you time, and your clients will get much better service and more funding in reality.

So, I recognize the problem you are talking about. We have to get the Congress to do this, and any help you can give us would be gratefully received.

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QUESTION: That sounds very good, but you will still be asking us to be accountable for that money and still want to know that it is going to the right people and for the right purposes.

THE PRESIDENT: We will give you the money for the social services program on the one hand or the health programs on the other.

Now, we have to have some understanding of where you spend it. We can't give it to the State for either social services or health and then have it go for highways.

We do have to have some record keeping, but you don't have to go through a multiplicity of applications in health -- 15 programs. You can make one application for a block amount, get the money and then, at the State and local level, you make the decision. As long as we are convinced that the money is going for the overall purpose, we are not going to come looking over your shoulder and have one investigator for every one of your social workers.

It is just the opposite. Under the present system, it is totally impossible. Paul O'Neill is the expert here on this program, but isn't the overhead about 15 to 20 -- about 10 percent on this program as we look at it, and we can reduce that to what percentage, Paul?

This is an interesting statistic, if Congress would go along with that. We could get rid of 2,300 Federal employees and have 50 left, so that shows you how many fewer -- (Laughter) -- how many fewer Federal employees would be bothering you.

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QUESTION: Nevertheless, we do have some control over how that Title 20 money is spent. We make a State plan and we make the decision in the State how the money is to be spent. Nevertheless, one of those 50 people in Washington, or several, would still be saying, "prove to us you spent it right."

And what bothers me, Mr. President, is that there are people in Washington who are doing their darnedest to see that we do not spend that money for the services the Congress wanted.

THE PRESIDENT: I am sure that you will be less harassed with 50 employees than 2300. (Laughter)

QUESTION: I hope so.

THE PRESIDENT: So at least we will make headway in that regard. Now, Paul --

MR. O'NEILL: We are designing legislation at the President's direction and we have been working with the Mayors, the Governors, and County officials and, in the draft legislation that we now have, we would require that the State do its own plan and the State do its own auditing and that the responsible commission at the State level simply certify to the Federal Government that it has met the intent of the statute and that would be the end of it.

QUESTION: And we would be hiring those 2300 people. (Laughter)

THE PRESIDENT: Let me tell you how it works with general revenue sharing. In the first year or two the Federal Government did have its own auditing procedures. But I think in most States today, the Treasury Department, the U. S. Treasury Department has worked out with the respective States their own auditing system.

How many States? There must be 40 or more have now worked out a system under general revenue sharing so there isn't a Federal investigator coming and checking on how general revenue money is spent.

As Paul O'Neill has indicated, that is the same concept we would hope to have in this area.

QUESTION: Thank you.

THE PRESIDENT: Yes.

QUESTION: Mr. President, my name is Charles Pugster. I am the Mayor of the City of Claremont from the other side of the State.

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Your interest in skiing seems to elicit comments and I would be remiss if I didn't bring to your attention a community-based skiing area we have in Claremont called Arrowhead and its unique position is that the operation of this skiing area is volunteer based among our citizens.
(Laughter)

But coming to the question I have, the environmental and safety legislation that is prevalent amongst us, I am not concerned with the objectives. I support the objectives of these pieces of legislation but I am concerned with problems that are arising out of the implementation. And in particular I can go back to our own area and community. Some industries and some businesses, not just industries, the manufacturing people, have had to curtail employees and employment. Others have had to completely cease their operation simply because they were not large enough in capital to support an investment in these areas or they had to so increase the cost of their product that they became non-competitive.

This meant losses of jobs, losses of local revenue and a tremendous problem locally. My question is, in terms of trying to assist these small and medium-sized commercial and manufacturing establishments throughout the whole country, what can the Administration do to influence the administration of this legislation to perhaps influence immediate and total tax concessions that would provide immediate capital that they could make at least an investment into this problem area, or influence amendments to the law so that both the environmental and the safety objectives could be met but it would be fair to these segments of the economy and pose fewer problems to us here in New Hampshire that do not have large, huge corporations that have tremendous resources?

THE PRESIDENT: Let me clarify one thing. You are talking about the Environmental Protection Agency, not about the Occupational Health and Safety Organization. You are talking about the former, the Environmental Protection Agency?

QUESTION: Yes, we are and some of the safety implementations are administered with a great deal more of feeling and understanding. This we can say.

But still there are areas there that appear to be actually -- well, they don't make too much sense when you come right down to it.

THE PRESIDENT: In the case of the EPA, they have, in my opinion, been too inflexible in some of their decisions as to certain standards. I think we have gotten a little different objective.

We have a fine person in charge of it, a man named Russell Train. I think there is a realization now in and out of Government that we can't make up in a few years for all the environmental evils we have perpetrated on the country over a period of a hundred years.

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So there is, I think, a little more flexibility on the part of EPA. If you have a specific case, I would recommend that you communicate it to us. I think there is some flexibility. if there is a hardship involving the closing of a plant and the loss of jobs.. It depends on the kind of damage to the environment in each case.

On some occasions -- we have just had a tragic thing happen down in Virginia. You may have read about it, this Kepone, a chemical. For some reason or another that was not promptly or adequately handled by either the State or the Federal authorities. So you almost have to handle each case on an individual basis.

Now as to the tax incentive, there is a provision in the Internal Revenue Code that gives to business a tax write-off up to a certain percentage for the funds they expend in improving their plant and equipment to meet EPA standards.

I know that some small companies that have a bad cash flow have not been able to utilize that but it is available and I think it is 20 percent, as I recall. But anyhow there is such a provision and I think a good many companies I know have used it. But there are some, I am sure, that for economic reasons, can't finance it.

But the concept is good. Whether it can meet every particular plant's problem or not depends on the individual plant.

QUESTION: Part of our problem, Mr. President, is not solely with the existing plants but with our problem of trying to make a turnover of jobs available as we have the ebb and flow of companies moving in and out and trying to attract new industries and new companies, that they come in and are immediately faced with this type of a problem and this is why I address the administration part of it and are there things we could do from the administrative part rather than through the channel of amendment, which takes so long to process?

THE PRESIDENT: We will take a look at it but I do know, as I said a moment ago, there is, I think, a more understanding and flexible attitude today than there was three years ago.

QUESTION: Thank you, Mr. President.

THE PRESIDENT: Yes, sir.

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QUESTION: Mr. President, John McDonald, State representative from Manchester, the home of the McIntyre Ski Area. (Laughter)

Mr. President, both of our New Hampshire Senators are actively pursuing legislation which would, in effect, cut one of the links in the marketing chain of one of the major oil companies wherein they would not be controlling oil from the wellhead to the pump.

If such legislation is passed, Mr. President, would you sign this type of legislation or veto it?

THE PRESIDENT: You are talking about the proposals for divestiture?

QUESTION: That is correct.

THE PRESIDENT: Either horizontal or vertical, and there are a number of proposals in the Congress. I think there is one that has been reported by a Senate committee or subcommittee that would provide for divestiture.

I have no sympathy for the joint oil companies as such. In fact, we are being blamed because FEA and others are watching them too closely.

But anyhow, I don't think divestiture is the way to solve the problem. It seems to me that a well managed oil company, big or small, is the best way to solve our energy problem and to just tear them apart I don't think answers the problem.

We have, as I recall, about 10 to 15 major oil companies. They reaped a financial bonanza a year or so ago. They are having a less desirable year at the present time, but to tear them up, in my opinion, is not the best way to get them to get in and help us solve the energy problem.

So I am against just the kind of legislation that I think you are talking about.

QUESTION: Thank you, Mr. President.

QUESTION: Mr. President, Representative McLaughlin from Nashua.

Would you care to comment on the U.S. Coast Guard's encroachment on the inland waters of the State of New Hampshire? (Laughter)

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THE PRESIDENT: I think you are talking about the problems involving Lake Winnepesaukee?

QUESTION: Yes, sir.

THE PRESIDENT: And there is another one I cannot pronounce. Well, as I understand the history of the situation, several years ago a highway had to be built across the channel. At that time, it was decided by the Coast Guard that they had to give a permit and they determined that those were Federal waters.

Now, I have never been to those lakes, so I can't describe the situation in detail, but the matter has gone personally to the Secretary of Transportation. He has written to the Governor and he makes two suggestions for the solution.

Number one, there is a possibility of remedying the situation by the State, instead of putting a State tax on the boats, put a State tax on the use of ramps on the two lakes. That is one possibility.

The other possibility is for the Congress to pass legislation which is being drafted by the Department of Transportation, which excludes those two lakes from Federal jurisdiction.

I am sure the Department of Transportation will be working with your Members of the House as well as the Senate. It seems to me the better way to solve the problem is to get Congress to make an exception in this case.

As I understand the geography, until they put this highway bridge across there, they were never considered navigable waters. But some bureaucrat decided that they had to grant permission under the existing highway legislation, so they granted the permit on the basis that they were navigable waters and once they are navigable waters then the Federal Government has jurisdiction and your State tax is illegal.

I think the better way to do it is one of the two alternatives recommended by Secretary Coleman to get specific legislation, which I believe can be passed without too much trouble, and it would exclude those two lakes from the category of navigable waters. If that is done by the Congress, I will sign the legislation.

QUESTION: Thank you, sir.

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QUESTION: Mr. President, I am John Scorpo, Selectman from Hudson, and I am happy to hear you are going to continue to try to expand the general revenue sharing because that has allowed Hudson to obtain very good services without having to increase our tax rate almost 10 percent.

However, when we try to get some assistance to comply with the Water Pollution Control Act, we seem to run into all kinds of restrictions. I noticed in your proposed budget that you are recommending a 70 percent increase in sewage treatment facilities.

Then as I read further down the line, you mention there is pending legislation that might reduce the Federal commitment from 333 billion down to 45 billion on a long term basis.

I was wondering if you would comment on that?

THE PRESIDENT: Well, Congress five years ago, as I recollect, passed an \$18 billion program for Federal aid to local units of Government for sewage treatment plants. The law expires, I think, next year, if I recall it correctly.

Now, under the present law, you are correct that there will be \$6 billion 900 million spent on local water pollution units, which is 60 percent more than last year, and I think it is 90 percent more than two years ago.

Now, under the proposed law, we are recommending some changes and one, for example, we don't think that Federal money should go in to a local water treatment plant and participate in a ten-year growth factor.

Under the present law and under the present funding, the Federal Government pays for a ten-year growth factor. The Federal responsibility should be to catch up so that the local community at the present time is able to handle the sewage treatment problem up to the standards at the present time.

Now, the community ought to look down the road at the growth factor and, when you crank that factor in that I have discussed, it does account for a significant part of the reduction in the funds that we are proposing. And there are some other modifications which we think, in the long run, are proper, now that we are going to be more or less caught up in the local communities around the country. There will still be a lot of money there, but it won't be as much because of the one or two factors that I have described. There will be money there, and we have recommended it and I think it will be adequate to handle those communities that didn't qualify or didn't apply under the current program.

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I can assure you that we believe that a Federal contribution is right, but it has to be tailored to meet the needs at the end of this law, or at the termination of this law, not just the same amount as we have had for the last four or five years.

QUESTION: Thank you, Mr. President.

QUESTION: Mr. President, Costas S. Tentas Chairman of the New Hampshire State Liquor Commission. I also want to welcome you to New Hampshire. It's nice to see you again.

THE PRESIDENT: Thank you.

QUESTION: And I want to convey to you the best regards of my counterpart in Michigan, Stan Thayer.

THE PRESIDENT: We both have monopolies.

QUESTION: We certainly do.

THE PRESIDENT: It makes a lot of money for Michigan. I don't know about New Hampshire.

QUESTION: More so in New Hampshire. One of the areas of concern to not only New Hampshire but all the sister controlled States, which are 18 plus one county, Montgomery County in Maryland, is the amount of Federal taxes that are tied up in State funds.

Our association, which is the National Alcoholic Beverage Control Association, which is based in Washington, has been reviewing and at the present time there is some \$115 million tied up in all these 18 controlled States. Specifically for New Hampshire, of our \$10 million inventory, we have some \$6 million of excise taxes tied up.

We have been looking at it carefully with DISCUS, which is Distilled Spirits of the United States, where if at some time the Federal Government will look quite favorably to either the deferment of taxes or possibly the return of some of these funds to the individual controlled States and the open States.

THE PRESIDENT: Let me see if I understand the problem. When your Commission or the one in Michigan buys liquor, they have to pay the Federal tax and you have the inventory on hand until you sell it through your various channels.

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QUESTION: Which includes the Federal taxes?

THE PRESIDENT: Right. I wish I could say yes.

QUESTION: I wish you could, too. (Laughter)

THE PRESIDENT: But we would be treating you, your State differently than we would any other wholesaler. And that is what you are, you are a wholesaler. If we treated Michigan and New Hampshire differently as a wholesaler than we treat others, I think we would have a significant number of complaints. (Laughter)

QUESTION: Our proposal would be that all States be treated equally. That the deferent of taxes be made and then a creation of bonded warehouses within each respective State to monitor those taxes due the Federal Government.

THE PRESIDENT: You know we need a little money, too, and you are making money. (Laughter)

I am sure your organization, you and Stan Thayer will be talking to my people in the Treasury and others in the Congress, but give us a little breathing space on that, will you?

QUESTION: Thank you very much, Mr. President.

THE PRESIDENT: Okay, two more.

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QUESTION: Mr. President, my name is Peter Shapiro, and I represent Concord in the General Court and also in the City Council. We don't have any ski areas, but there is a great cross-country area in my backyard around the corner, if you want to go.

My concern is--and I think it is the concern of a lot of my friends--that education is the strength and the backbone of the country. My son, at the end of your next term, Mr. President, will be getting ready to go to college, and I am wondering what plans you have or what programs you propose to present that will allow those people in the middle areas the ability to have their children attend college and, specifically, the private institutions as opposed to public institutions.

THE PRESIDENT: We have a couple of financial aid programs for students. The emphasis, I must admit, is primarily what we categorize as the needy student and under the Basic Opportunity Grant program, BOGs, we recommended in this budget \$1 billion 100 million.

We also have several other programs. We have a work program, a work incentive program, so a student on a campus can get employment under the direction of the school or university.

We also have a student loan program, which has helped countless thousands. There are one or two other programs, but those are basically the programs. Then, in addition -- and this, I think, is a very fundamental question -- in the tax reduction bill that I recommended last year, which the Congress did not accept in toto, I recommended that a better tax break go to the middle-income people because over the years -- I know from being in the Congress -- there has been an increasing burden put on the middle-income individual, whether he is blue collar or white collar.

In the tax reduction proposal that I submitted with the State of the Union, the economic report, I reiterated that. That will help if Congress passes it. The kind of people who are from \$9,000 to \$25,000 a year. It is a segment of our society that at the Federal level has gotten short shrift compared to others, and I think fundamentally in the long run that is the best which to handle and help the problem you are talking about, plus the individual student aid programs I have indicated.

QUESTION: Thank you, sir.

THE PRESIDENT: One more.

MORE

QUESTION: Mr. President, George Roberts, State Representative from Gilmanton.

In the Northeast we are particularly concerned about the cost of oil, particularly for home fuel oil, and I understand, under your budget, you have a comprehensive program for independence from the foreign nations by 1985.

Could you briefly state how the State of New Hampshire would be affected by that in that interim, and what is your position on the use of nuclear energy as a fuel substitute?

THE PRESIDENT: Let me answer the last part first. A year ago in January in my State of the Union Message, I laid out the things we had to do in order to get energy independence, and one of them was that we had to build 200 new nuclear power plants in the United States between then and 1985.

The unfortunate part is that that program has slowed down for several reasons: One, financing; two, a great many lawsuits filed by environmentalists and others and some concern on the part of people that there was a safety factor.

Now, I strongly believe in a nuclear power program. We have to.

Now, in the meantime, to get over some of these questions that are being raised, I put into the budget -- again, this budget -- a significant increase in funding to check reliability of these power plants, and there has been some evidence where there have been breakdowns.

Two, safety. With the money that we have recommended here, I think we can improve not only reliability but safety. If that is done, I am convinced that we should move much, much faster in our nuclear power program.

We have a new nuclear regulatory agency that was split off from the Atomic Energy Commission, and that agency is supposed to be working on an accelerated basis to handle the applications and the challenges that come on individual plants.

I do not think that I should speak specifically about any particular matter that is in litigation before the nuclear regulatory commission because I am advised if I should that it might be, under the court action, another reason for delaying this Seabrook project down here in your State.

MORE

I am strongly for nuclear energy. I think it has to be accelerated. With the research and development, with the pressure on the NRC and with the better financing situation, I think we are going to see more movement in nuclear power throughout the country.

Now, overall, again in January of last year I proposed a comprehensive energy program that would get us energy independence or sufficiency by 1985. It included a number of things: One, something to stimulate domestic production.

Domestic production of oil and gas in the United States has been going down dramatically since 1972. We are now producing considerably less gas and oil today than we did three or four years ago. We have to give an incentive for people to go out and drill for gas and drill for oil.

In the meantime, we have to have conservation programs. We have to have programs that permit an easier transfer from oil to coal. We have to provide an incentive for insulation of homes. We have to put pressure on the automotive industry to increase the efficiency of their automobiles, and I am glad to report--it is public knowledge--that in the last two years, under this pressure, the automotive industry in the United States has increased their efficiency about 27 percent and they are selling more cars because of it.

They are going to have a good year this year as our economy burgeons.

Now, all of these things put together are aimed at getting us away from dependence on foreign oil. The Congress thus far has passed four of the 13 programs I recommended. We hope to get them to do some other things, to free up the Navy petroleum oil in California, which would give us 300,000 barrels a day more.

If we can get them to move in the relaxation of some of these tests and these limits that they have imposed by law, we can, I think, move more rapidly.

We got a setback last week. The House of Representatives made a bad mistake, in my opinion, in not deregulating natural gas. It is unbelievable. It lost by four votes, or 202 to 196, as I recall. It is just unbelievable.. All they are going to do is keep gas in the ground, and we will be buying more foreign oil.

MORE

That doesn't make any sense, but that is what they have done temporarily. We hope to find a way out of it. But, I am convinced we have made a little headway, not enough, and I am going to keep pressure on the Congress because we have to get some of those laws changed, we have to get some new laws.

One final comment. There are some so-called exotic fuels. Let me tell you -- solar energy, geothermal energy, and even some more exotic than those. In the research and development fund in this budget, I increased research and development money for solar energy by, I think, 35 percent.

It went from around \$85 million a year up to \$112 or \$115 million in this budget. We are pushing as rapidly as we can on solar energy. We have a considerable amount of money in here for geothermal energy. We have some for even more exotic fuels. But, that is the long-term. It is not going to come overnight.

But, with research and development money of the magnitude I have proposed, we can make significant progress, and we are going to keep after it.

QUESTION: Thank you, Mr. President.

THE PRESIDENT: May I first thank you for being so patient and asking tough, unrehearsed questions, and I have benefitted from them and I hope it has been helpful to you.

I invite you now to go down the corridor, where there will be a reception in the gymnasium, and I would like to meet as many of you as I could personally.

Thank you very much.

END (AT 2:02 P.M. EST)

FOR YOUR USE AND INFORMATION

Office of the White House Press Secretary

THE WHITE HOUSE

TRIP OF THE PRESIDENT TO
NEW HAMPSHIRE

FEBRUARY 7 & 8, 1976

PRESS POOLS

SATURDAY, FEBRUARY 7, 1976

PRESS POOL #1 - Air Force One Pool Andrews Air Force Base to Grenier Field, Manchester, New Hampshire.

AP - Cormier	Time - Fischer
UPI - Thomas	Boston Globe - Nyhan
AP Photo - Bregg	ABC Crew (2) - Romero/Larsen
UPI Photo - Heikes	ABC Radio Engineer - Jennings
AP Radio - Rodgers	

PRESS POOL #2 - Travel Pool Grenier Field, Manchester, New Hampshire to Rundlett Junior High School, Concord, New Hampshire.

AP	Washington Post Photo
UPI	ABC Crew (2)
Time	CBS Crew (2)
Boston Globe	NBC Crew (2)
AP Radio	ABC Radio Engineer
UPI Photo	Lighting Technician
AP Photo	
Time Photo	
Newsweek Photo	

PRESS POOL #3 - Reception for Budget Briefing Participants, travel pool from Rundlett Junior High School, Concord, New Hampshire to Thurber Residence, Nashua, New Hampshire. (Depart press area in reception.)

AP	Time Photo
UPI	Newsweek Photo
Business Week	Washington Post Photo
Los Angeles Times	ABC Crew (2)
Mutual	CBS Crew (2)
AP Photo	NBC Crew (2)
UPI Photo	CBS Radio Engineer
	Lighting Technician

(MORE)

SATURDAY, FEBRUARY 7, 1976

PRESS POOL #4 - Travel pool from Thurber Residence to Nashua Senior High School, Reception, return to Thurber Residence following Presidential remarks. (Assemble 5:20 p.m. Holiday Inn Press Center.)

AP	Newsweek Photo
UPI	Washington Post Photo
U.S. News & World Report	ABC Crew (2)
Chicago Daily News	CBS Crew (2)
CBS Correspondent	NBC Crew (2)
AP Photo	NBC Radio Engineer
UPI Photo	Lighting Technician
Time Photo	

SUNDAY, FEBRUARY 8, 1976

PRESS POOL #5 - Travel pool from Thurber Residence, Nashua, New Hampshire, to Bedford Presbyterian Church, and travel pool to Rundlett Junior High School, Concord, New Hampshire. (Assemble 9:20 a.m. Holiday Inn Press Center. Church coverage limited to writers only.)

AP	Newsweek Photo
UPI	ABC Crew (2)
New Yorker	CBS Crew (2)
United Features	NBC Crew (2)
UPI Audio	ABC Radio Engineer
AP Photo	Lighting Technician
UPI Photo	
Time Photo	
Washington Post Photo	

PRESS POOL #6 - Travel Pool from Rundlett Junior High School, Concord, New Hampshire to Mills Residence, Durham, New Hampshire. ((Depart press platform at conclusion of Presidential remarks.))

AP	Newsweek Photo
UPI	Washington Post Photo
New York Magazine	ABC Crew (2)
Kansas City Star	CBS Crew (2)
NBC Correspondent	NBC Crew (2)
AP Photo	CBS Radio Engineer
UPI Photo	Lighting Technician
Time Photo	

(MORE)

SUNDAY, FEBRUARY 8, 1976

PRESS POOL #7 - Travel Pool Mills Residence to Memorial Union Building and return to Mills Residence. (Depart Memorial Union at 3:35 p. m.)

AP	Newsweek Photo
UPI	Washington Post Photo
Newsweek	ABC Crew (2)
Newsday	CBS Crew (2)
ABC Correspondent	NBC Crew (2)
AP Photo	NBC Radio Engineer
UPI Photo	Lighting Technician
Time Photo	

PRESS POOL #8 - Travel Pool from Mills Residence to Lundholm Gymnasium. (Depart Memorial Union Building at 6:20 p. m.)

AP	Newsweek Photo
UPI	Washington Post Photo
Kiplinger Washington Editors	ABC Crew (2)
Baltimore Sun	CBS Crew (2)
CBS Correspondent	NBC Crew (2)
AP Photo	ABC Radio Engineer
UPI Photo	Lighting Technician
Time Photo	

PRESS POOL #9 - Travel Pool from Lundholm Gymnasium to Pease Air Force Base, Portsmouth, New Hampshire. (Depart press platform at conclusion of Presidential remarks.)

AP	Newsweek Photo
UPI	Washington Post Photo
Newsweek	ABC Crew (2)
Cox Newspapers	CBS Crew (2)
ABC Correspondent	NBC Crew (2)
UPI Photo	CBS Radio Engineer
AP Photo	Lighting Technician
Time Photo	

PRESS POOL #10 - Air Force One Pool Pease Air Force Base, Portsmouth, New Hampshire to Andrews Air Force Base.

AP - Cormier	Cox Newspapers - Glass
UPI - Thomas	ABC Correspondent - Compton
AP Photo - Bregg	CBS Crew (2) - Bargamian/Gerlach
UPI Photo - Heikes	CBS Radio Engineer - Conklin
Newsweek - DeFrank	

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