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THE WHITE HOUSE

REMARKS OF THE PRESIDENT
AND
QUESTION AND ANSWER SESSION
WITH THE
WHITE HOUSE CONFERENCE
ON
DOMESTIC AFFAIRS AND THE ECONOMY

PFISTER HOTEL

4:30 P.M. CDT

THE PRESIDENT: Thank you very, very much, Bill, Mr. Watson, Mr. Smith, the heads of other organizations that have cooperated so wonderfully in setting up this White House Conference, Congressman Bob Kasten, distinguished Members of my Administration and ladies and gentlemen:

I have been a part of the Federal Government now for some 26 years, and it saddens me to see the ever widening communication gap between Washington and our fellow Americans.

I believe the despair among many, many Americans is over the difficulty they have in making their wishes best known to the people that they communicate to in Washington. This difficulty, I think, can best be summed up on the envelope of a letter I recently received. It was plaintively addressed to President Gerald Ford or Vice President Nelson Rockefeller or Secretary of State, Henry Kissinger or just plain anybody who will listen. (Laughter)

Well, as you have seen during today, I, along with other key Members of the Cabinet and the staff, have come here to listen. We have kept the speeches to a minimum and hopefully our responses to a maximum.

With the reputation you in Wisconsin have for hard work and keen technical knowhow, I look forward to your questions, your concerns, your ideas about the future of our country. But first let me briefly touch on some of the basic directions I think our Nation can and should take in the months and years ahead.

Obviously, the economy is one of our principal concerns. Gradually, step by step, the American free enterprise economy has created over the years a better life for more people than any other system in the world. Yet, in the past year, we have seen it pass through some very difficult times, Recession on the one hand, inflation on the other have strained the economic security of millions and millions of Americans.

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Some of the causes of our economic difficulties were beyond our control. International developments prompted the skyrocketing oil prices. Others were the result of Government activity, such as inflationary spending at the Federal level.

But, on the basis of the latest figures, the darkest days of the recession are behind us. The American economy is starting a sustained recovery that we all desire.

We are not out of the woods yet. However, as far as the recession is concerned, I think a lot of progress has been made.

Unemployment is far, far too high, and must be brought down. We must get our factories producing at maximum capacity again, and while we continue fighting the recession, we must also fight just as hard against rising inflation.

The July increase in the Consumer Price Index was a clear warning that we must not relax for one moment in the battle against inflation, and we will not.

Today, you have already heard from some of the key people, some of the real experts in my Administration on energy, inflation, unemployment and new incentives for the working people and employers.

I hope we can go further into these, into other areas in the questions that I think some of you have saved up.

Thank you very much, and the first question.

QUESTION: Mr. President, my name is Ed Watson, representing the Association of Commerce.

Businessmen are having extreme difficulty operating private business under a burgeoning Federal Bureaucracy with its overabundance of programs, regulations, laws and edicts, and the increasing markets of Governmental report forms they require.

I would like to ask, Mr. President, what progress is being made in your announced effort to turn the tide and ease the bureaucratic burden on business?

THE PRESIDENT: First, when I took office, I took a look at the total Federal civilian employment. Working with the Director of OMB, we decided that we could cut back 40,000 on the total number of Federal employees, the planned number for the next fiscal year.

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I am glad to report to you that we ended up the fiscal year June 30 this year with a reduction of 52,000 less Federal employees than was planned a year earlier.

A few weeks ago, I was in the process of preparing a speech, and I asked how many questionnaires, how many forms have to be filled out by the American people when you put them all together from all agencies.

I found, to my utter amazement, there were some 5,200, as I recall. I couldn't believe it. I have told Jim Lynn -- where is Jim, he is here (Laughter) -- that he better find a way to cut it down, and I am going to monitor it and we are going to have less next year than we have at the present time.

You are all familiar with our determined and, I think constructive effort to get some -- what we call -- regulatory reform, which means the many regulatory agencies in the Federal Government have to start lifting the onerous burden that they impose upon the American society.

I can assure you, with the help of the Congress-- and, in this instance, Congress and myself are working together--so, if we achieve that, I think we will have answered most of the questions that you have indicated.

QUESTION: Thank you, Mr. President.

THE PRESIDENT: Yes?

QUESTION: Mr. President, Donald Haldeman, President of the Wisconsin Farm Bureau Federation and also a dairy farmer from Western Wisconsin.

I have a two-part question that dairy farmers and farmers in general are passing to me, as I further state, and I would like to pass these two on to you at this time.

Will the Government import subsidized dairy products in the quantity which will affect our market price? The second part is, will our Government give us access to world markets free of any form of embargoes or unusual transportation problems?

THE PRESIDENT: We had quite a struggle a few months ago when some of the Western European countries wanted to send in a number of their cheese products to the United States at more or less a subsidized price.

Through negotiations between our representatives from the United States and those in the European economic group, we were able to convince them that they should eliminate that program. I am glad to report that Earl Butz had a significant part in protecting the farmers' interests in that instance. I can assure you in the negotiations that are underway now under former Secretary of Commerce -- now our Special Trade Representative, Fred Dent -- that in those negotiations, predicated on the new trade legislation, that we will protect the interests of

QUESTION: For the benefit of the audience, I have cleared this question with Fran. Ferguson. (Laughter)

Mr. President, I am John Schmitt, President of the State AFL-CIO. Last August there were 4.8 million unemployed and a Consumer Price Index inflation rate of 9 percent. Today there are nearly 8.2 million unemployed and an inflation went up to 12-7/10 percent.

We of the AFL-CIO continue to oppose your economic policies which brought this about, because we believe stimulating production rather than a restricting production is the best way to fight unemployment and inflation.

Do you still believe we are wrong? (Laughter)

THE PRESIDENT: Well, I have some differences with the programs of my good friend George Meany and others associated with him.

When I took office, the inflation rate was closer to 12 percent, and the unemployment was about 5, 5-1/2 percent, as I recollect.

Shortly, thereafter, however, unemployment escalated very rapidly, and the unemployment rate today is far higher than I want it to be.

We have made some slight progress in the last several months. For example, since March of this year, although unemployment has remained too high, we now have 1 million 200 thousand more people gainfully employed than we had in March of this year.

The inflation rate today, for the last six months, averages between 6 and 7 percent. So we have made in that instance substantial progress compared to a year ago. In both cases, the results are not entirely satisfactory.

Now, in the area of unemployment, we have a number of programs. We have extended the unemployment compensation period from 26 weeks to 65 weeks. We have broadened the eligibility so that people who did not qualify under individual State programs are now qualified under a Federal program.

We are seeking through, I think, responsible efforts to increase the Federal Highway program. Bill Coleman over here is expediting some of the mass transportation programs to get meaningful jobs in that area.

Other departments are taking affirmative action to increase employment in meaningful ways without busting the Federal budget.

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It is my judgment that if we keep a steady firm hand on the tiller, as I think we are, with good programs that means meaningful jobs, we will not only lick the unemployment problem, lowering the unemployment rate and increasing the number of people gainfully employed, at the same time not letting inflation get out of hand, because if we do, as was done in 1973 and 1974, we could end up, Mr. Schmitt, with a very serious, far more serious economic problem a year or 18 months from now.

I welcome your suggestions. I will differ with you on occasion. But the main problem we have is to work together -- the Congress, the President and organizations such as you represent.

QUESTION: Thank you.

THE PRESIDENT: Thank you.

QUESTION: Mr. President, my name is John Murry, and I am representing the Milwaukee Society of the Polish National Alliance, and for the benefit of Mr. Schmitt, he took my question, but I do have an alternate one regarding detente. (Laughter) And I was assured that you would be willing to discuss it for a minute or two.

In our relations with other countries, who do not agree with our philosophies, Mr. President, are we relaxing too much, are we bending too much, are we stretching ourselves out too much with the result, Mr. President, we may become a follower rather than a leader in the world?

THE PRESIDENT: Mr. Murry, let me say this very emphatically, by negotiating with the Soviet Union, whether it is on strategic arms limitation, whether it is in mutual balanced force reductions of military personnel on both sides in Western and Eastern Europe, or whether it is over any other questions, this Administration is going to be firm and it is not going to be overwhelmed by any negotiating techniques or programs of the opposition.

Detente is a two-way street. If we are able to get a strategic arms limitation agreement, SALT II, it will mean that we have put a cap on the strategic arms race, which is in the best interest of both the Soviet Union and ourselves. But at the same time, we must be able to verify their adherence to it, and they must have a similar capability as to our compliance.

What I am really saying is that in SALT, we have a unique opportunity to do benefit to all mankind. But let me add a postscript. If we do not get a SALT II agreement, it means that there will be an unlimited nuclear arms race between the United States and the Soviet Union.

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And what does that mean? One more destructive power? It also means an added \$2 billion to \$3 billion a year to the national defense budget for the United States.

I prefer an honest negotiation between the Soviet Union and ourselves where both countries and all mankind will be the beneficiaries.

QUESTION: Thank you, Mr. President.

QUESTION: Mr. President, I am Charles Parker representing the Wisconsin State Chamber of Commerce. All day today we have been talking about the need for jobs. My question, Mr. President, is there any chance of legislation that would enable better capital formation so that industry can grow in such a way as to provide an increasing number of jobs?

THE PRESIDENT: Mr. Parker, I made a speech this morning that in more detail will answer the precise question you have asked. But I said at that time that we need more investment by the American people for job creation, for greater productivity in our overall economy.

I do not like the term "capital formation". I would rather have the American people invest in American industry to provide jobs.

And about a month ago, Secretary of Treasury, Bill Simon, testified before the House Committee on Ways and Means on a proposal which we think is one way to do it.

Now there was some criticism, but it is my feeling that if the Congress does not like our proposal to provide investments for more jobs, then the Congress has an obligation to come up with its own answer. We cannot afford, if we are to take care of the 10 million more jobs that are needed by 1980, we must have more investment in America, and our tax laws have to provide some help in that regard.

We made a recommendation. If Congress does not like that proposal, let them come up with another. I just hope they do better than they have done the energy program.

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QUESTION: Mr. President, I am John W. Maxwell, Jr., President of the Board of Directors of the Milwaukee Urban League.

My concerns are similar to those that have been expressed earlier. Since World War II, there have been five recessions and/or depressions. Among the minorities, before there was the opportunity for recovery, there was another situation of decreased economic opportunities. Blacks, native Americans and other minorities have been biting the bullet to the point of lead poisoning.

My question: How long will this Nation, the richest Nation in the world, accept our present unemployment situation, particularly among the 18 to 25 year olds, the Vietnam veteran and the people of the central cities?

QUESTION: Let me, at the outset, say that I recommended to the Congress -- and the Congress did pass -- an appropriation for the amount of about \$450 million for what we call a summer youth employment program.

I was in Chicago yesterday, and I was told by the mayor of that city that that program worked extremely well this past summer and if it worked well there, I hope it has worked well in Milwaukee and other major metropolitan areas.

We have for the last several years had a program designed primarily to help the Vietnamese (Viet Nam) veterans working through the VA and other Governmental organizations. It is tough, but through the combined efforts of a number of departments, we have made substantial progress.

I am not satisfied, but between the educational opportunities under the GI bill and the other efforts that have been made, the GI from the Vietnam war is, I think, doing as well as we possibly can, looking at the overall economic circumstances we face.

Let me assure you from the point of view of a person that grew up during the depression, went to school, worked, I have great personal understanding for those who are out of work for reasons beyond their own control.

The programs that we have tried to implement-- the unemployment compensation program that I mentioned to Mr. Schmitt, where we have extended the coverage and lengthened the period, plus the programs that we have instituted to stimulate the economy; the housing program, where we have invested roughly \$12 billion, as I recollect; under the tandem plan--is beginning to have an impact in the construction business, not as much as we would like.

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As you look at the spectrum of programs I have approved, working with the Congress, I am optimistic, not only for the overall improvement, but for the specific improvement of job opportunities for young people, the minorities, and if we don't go over the deep end with a lot of programs that cost a lot of money that will increase inflation, I think in the months ahead you will be pleased with the results.

QUESTION: Mr. President, my name is Shirley Crinion. I am representing the League of Women Voters of Wisconsin.

The League believes that foreign aid giving should be primarily a response to humanitarianism rather than to further United States security goals. To what degree do you support the separation of military and developmental aid?

THE PRESIDENT: I think in many instances they, of necessity, have to go hand in hand. In some cases, military sales, military grant aid is essential without any economic assistance.

On the other occasion, I believe that humanitarian aid through the PL 480 program, the vast amounts of money that we have made available in food stuffs from the American farmer -- I think it is \$25 billion, Earl, in the last ten or 15 years -- in some instances humanitarian aid with food can stand on its own.

In other cases, I think they have to be intertwined. They are mutually complimentary. So, I think you have to take each case on its individual merits -- some cases on military assistance, some cases humanitarian aid, some cases a combination.

I don't think you and I can write a prescription for the whole world, all the countries in the world that the United States helped. I think we have to look at each case on an individual basis.

QUESTION: Mr. President, my name is Edward Bolton. I am representing the Milwaukee Business Federation.

We appreciate the problems facing minority business are similar in kind to those facing big business. However, we are acutely aware operationally that there is a significant and severe difference in degree. In management, the legacy of unequal and marginal opportunity has left us with limited skills and experiences to face a business climate and tasks that require an above average capacity.

Today's economic conditions more acutely affect minority business than it does the general business sector. Still, we are the last to experience economic upturns and the first to feel the severely critical impact of shortages.

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In the regulatory areas, we have retained several specialists to complete the paperwork who also get theirs off the top and most of that time it seems the rest goes to the IRS. (Laughter)

We are somewhat aware, Mr. President, of the existence of Federal aid and support programs for minority business, but as a rule in the past have not been involved in planning, policy-making, or program decisions.

A quasi poll of our membership indicates a majority of business persons are not familiar with the major Federal programs for minority business, and of the one digit percentage that did respond positively, a majority indicated inadequate results.

My question, Mr. President, is what is your Administration planning to do to stabilize and develop minority business and to mend this communication gap between the Federal Administration and the actual minority business community?

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THE PRESIDENT: The minor business effort is in the Department of Commerce, as I recollect. My impression is that it has done a good job under difficult circumstances.

Rog Morton, I will consult with him tomorrow to see why it is not doing better. (Laughter) So I can assure you that we recognize it is a tough area to take people who are not necessarily trained in business management, to give them an opportunity to undertake an enterprise on their own.

We have to help them with money, with business management techniques, sales, et cetera.

I have had some experience when I was representing the district over in Michigan, and I saw some sad examples of people who had gotten into business and not carefully guided, as they had to meet the payroll, the tax burdens, et cetera. If we are not doing a good job there, we will do our utmost to improve it.

Now, the SBA has a program which is aimed at trying to help with financial assistance. I am sure it does not satisfy everybody, but it is under the management of a good man in Tom Kleppe, and working with Secretary Morton, where there are deficiencies, I can assure you we will try to help in Milwaukee and elsewhere.

QUESTION: Thank you, Mr. President.

QUESTION: Mr. President, Robert Ross representing the Wisconsin Newspaper Association. Two short questions.

One, what is the President's attitude towards striking public employees, especially in the area of vital public services such as law enforcement, fire protection and sanitation?

Number two, does your Administration propose to take any action to prevent or modify strikes in the future?

THE PRESIDENT: If my recollection is accurate, when we made the Post Office Department the Postal Service, the Congress wrote into that basic legislation a procedure, if there were differences between management and labor that they could not resolve at the bargaining table, they had a procedure for negotiation with the appointment, as I recollect, two arbitrators, and they picked the third.

They are, under that law, precluded from striking. That is what the Federal Government has done, and I agree with that approach.

It is my general view that the employees working for any unit of Government that involves public health, public safety, must have an agreement where there should not be a strike, there ought to be a method of negotiation leading to arbitration such as we have in the Postal Service legislation.

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Now, there are alternative ways in which it can be done. One that I think has great appeal is that, if the police or the firemen have a dispute with the city or county officials, that both sides could make their best offer -- management its best offer, labor its best offer -- and have a group of three as arbitrators, not to narrow the differences, but to pick which of the two offers by labor or management is the one in the public interest.

That has been tried in one or more industries that I am familiar with. I think it has considerable merit and, therefore, if we move down the road in that direction, that approach seems to me to be a preferable one.

I think in the case of the Postal Service, the negotiation has not required the utilization of the arbitration procedures. I would hope that in those areas where the Federal Government has no jurisdiction, such as local units of Government, or even States, that either at the State level or at the local level, they will take a look at what the Postal Service has done or the suggestion that I have made.

I think it is the way to settle it and protect the public interest.

QUESTION: Thank you very much.

QUESTION: Mr. President, my name is Father John Raynor, President of the Marquette University here in Milwaukee.

Recent events have substantiated comments that you made at the 1974 commencement of the Ohio University when you said, "Our goal of quality education is on a collision course with the escalating demands for the public dollar."

Your recent veto of the educational bill was accompanied by a statement that you supported educational funding but that national economic and budget conditions precluded your acceptance of the size of the appropriations being recommended by the Congress.

My question is, in light of your directive to Federal agencies to solve the problem between educational needs and adequate funding -- this question is two-fold -- has your Administration examined new funding policies that would be possible?

Secondly, is it likely that the Federal Government once again will study broader entitlement programs such as voucher systems in an attempt to expand equality of access to education at all levels?

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THE PRESIDENT: Let me say, Father Raynor, that if I recall precisely the budget that I submitted for education, primary as well as secondary, and higher education, for fiscal 1976, it was a higher figure overall, in each case above the corresponding figure for the preceding year, is that correct?

I am almost certain that is correct. Now, that may not be enough in the minds of the prospective beneficiaries, but I think it does show a recognition that we know you have had higher costs, at either the higher education level or the primary and secondary level.

The Congress--I know how they operate, I was there for a few years (Laughter)--they have been under pressure to increase beyond what I proposed. It seems to me that what they have appropriated is far more than can be justified under our Federal budgetary restraint we have at the present time.

I might add, in a postscript way, our experience on vetoes in the past, this past few months, has been that the Congress sends down a piece of legislation that in dollars is either too much or in other ways does not coincide with some views we have.

By vetoing it and getting those vetoes sustained, it means that the Congress has another opportunity to look at whether they did the right thing or the wrong thing when they sent the bill down in the first place.

The veto is a constitutional authority given to a President. It is not a negative, it is an affirmative authority. In every instance where there has been a veto sustained, we have had further negotiation with the Congress, and the net result has been a reasonable compromise.

I think we can do the same thing in the field of education.

On the other question, I am a firm believer that the public educational system educates children better if they have competition from nonpublic schools, whether they are Catholic, whether they are Lutheran, whether they are Jewish, whether they are Christian Reform in the Dutch background that I had in Michigan, competition in education makes better education for all children.

Unfortunately, under the Constitution, as recently interpreted by the Supreme Court, some of the plans, like the one in Minnesota or the one in Pennsylvania, were thrown out.

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I hope we can find in a Constitutional way a proper and legal way to help those nonpublic schools so that they can compete adequately and effectively with the public school system because the public school system is better off when they have somebody challenging them to see which system can best educate the American children.

QUESTION: Mr. President, I am Jim Jesinski, representing Wisconsin Teamsters Joint Council No. 39.

This morning Secretary Butz, in his presentation, alluded to one of the problems facing the trucking industry; namely, deregulation.

If you are successful in making changes that will increase competition, then in theory, at least, the public would benefit from reduced rates with the industry realizing reduced profits.

Considering that this is an industry of high capital investment, our concern is what steps will you take to insure that the profit structure will be sufficient to continue to encourage investment in this industry?

THE PRESIDENT: I looked over, and tentatively approved, a working paper that will provide for some changes in the ICC's control and jurisdiction over the trucking industry. When I get back to Washington, I intend to have some further meetings with people in my Administration, and prior to the submission of any proposals to the Congress, I intend to meet with representatives of the trucking industry and representatives of the Teamster's organization.

I am convinced that we can stimulate competition in the trucking industry without ruining the capability of that industry to survive and compete in the transportation area overall.

It will probably be another two or three weeks before we finalize our recommendation, but it will be done only after we have had consultation with not only management on the one side, but labor on the other.

I believe there are some areas, big areas, where competition can be improved, but I don't want to prejudge it until I have had those consultations.

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QUESTION: Mr. President, I am Lois Quinn representing the Wisconsin Women's Political Caucus. We are extremely concerned about the availability of child care for mothers, for the children of mothers who work, often because they are the single heads of the household or because two family incomes are required to meet daily expenses.

There are presently about 900,000 spaces in licensed day care centers for children to serve more than 6 million pre-school children whose mothers are in the work force. The Mondale-Brademas bill presently in Congress would provide services for these children.

Will you sign this bill when passed by the Congress and, if not, what alternatives do you propose for families needing child care for their children?

THE PRESIDENT: I presume the bill that you refer to is similar to the one that was very ardently proposed by an old friend of mine, Ogden Reid. And if that is the same bill, in all honesty, the cost is so unbelievable it just cannot be included in a budget in the atmosphere in which we are living.

Now, as you have indicated, under legislation passed about six or seven years ago, we do provide for day care centers up to around 800,000 working mothers. This is a program tailored specifically to the working mother who goes out, gets a job, provides for the income, and her children are taken care of in these day care centers.

What I am fearful of in the Reid-Brademas-Mondale bill, if they are the same, and I suspect they are, you will find that in many, many cases -- at least under the Ogden Reid bill -- it was not just for working mothers. It provided day care help and assistance for a good many people who could afford to pay for day care center care for their own. And I do not think Uncle Sam ought to pay for or subsidize that kind of a situation.

QUESTION: Mr. President, my name is Robert Brown, and I am here as President of the Inland Daily Press Association, which represents 500 daily newspapers located in the Midwestern part of the country.

First of all, I want to congratulate you and Mr. Baroody on this splendid conference. Anything which improves communication between your Administration and the people is bound to have beneficial results.

However, to give you one example, as recently as this month, we have noted that your Administration has kept from the public an important negative study about international atomic safeguards. Today Secretary Kissinger engaged in delicate negotiations in the Middle East which will involve certain commitments on the part of the United States. These commitments and, in fact, others made elsewhere in the world can have profound implications on our citizens. My question is, Mr. President, will you, as President of the United States, assure us that any commitments made here or elsewhere in our negotiations with foreign governments be reported truthfully and in full detail to our citizens?

THE PRESIDENT: Let me assure you any participation that the United States has in the negotiations between Israel on the one hand and Egypt on the other, any involvement that we have, or any prospective involvement, will be submitted to the Congress, whether it is dollars or otherwise, because the Congress in this case, under this Administration, is either going to be a partner in it or they are going to reject it.

We are not going to have any indecisiveness as to whether the Congress approves or disapproves. They are going to be a partner in it, and they will have to vote yes or no. This is the only way I think we can make sure that both the Executive and Legislative Branches of the Government work together and are on the same team.

I am not going to prejudge what those terms are because they are very delicate negotiations at the present time in the Middle East. Whatever is agreed to by them, the Egyptians or the Israelis, where we have any involvement, will be sent to the Congress. They will have to vote yes or no as to whether they support it. This is the only way to do it.

QUESTION: Thank you, Mr. President.

QUESTION: Mr. President, I am Robert Foote, representing the Greater Milwaukee Committee, and we appreciate the efforts that you and your Administration are making to turn this country back to the people.

After a few of these White House Conferences across the country, how do you now judge the mood of the people? Are we ready to go to work solving our own problems, or do you think we are going to continue to ask for more help from big brother, more and bigger Government? (Laughter)

THE PRESIDENT: I think there is a greater recognition today than at any time since I have been in the political arena -- which goes back to 1949 -- that the Federal Government is not the answer to all the problems that beset individual Americans, State or local units of Government.

The conclusion has finally been reached, after the multitude of programs that were approved by the Congress in the 1960s, that all of those programs put together just have not solved our domestic, social and economic problems in this country.

I guess Jim Lynn pointed out this morning we have over 1,000 categorical grant programs. As you look at the cost, the number of employees involved, they just don't balance out in many, many cases as the answer to the problems here at home in Milwaukee or Grand Rapids or elsewhere.

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It is my judgment that we have turned the corner, and I am going to be out as much as I can indicating that we at the Federal Government level have to help the States and the local units of Government with money and less categorical grant programs because I happen to believe that the mayors and the Governors and the State legislatures have a far better understanding of the local problem and can, with the help of the Federal Government in money, solve some of those problems better than my dictation from Washington, D.C.

MR. BAROODY: Mr. President, unfortunately we have time for only one more question.

THE PRESIDENT: Can I ask you to make it three?

MR. BAROODY: Yes, sir. It is your option.
(Laughter)

THE PRESIDENT: We might even go a few more.

QUESTION: Mr. President, I am Frank Kessler, and I represent the German-American Societies of Milwaukee.

I wish I had been question number 13 because Mr. Brown took the punch out of my question.

We all know that the United States has a considerable Armed Force spread all over Europe. Their purpose, of course, is to support our European allies in keeping the Russians from taking a foothold in Western Europe.

Newspaper reports say that Secretary of State Kissinger has made quite a few commitments to Israel, and I have two questions.

You can say yes or no (Laughter) if for reasons --

THE PRESIDENT: Can I say maybe? (Laughter)

QUESTION: -- if for reasons of security you won't answer question number one, I will accept that.
(Laughter)

Question number one is, in addition to financial help, do we have to send in the Marines?

THE PRESIDENT: Well, I believe, sir, that it would be inappropriate for me to comment publicly on any of the most delicate negotiations that are going on at the present time.

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QUESTION: Okay.

Question number two is (Laughter) in case it is necessary for us to supply help to the State of Israel, in case of open Soviet support of an attack by the Arab States, can we count on the assistance of the Armed Forces of our European allies or do we have to go it alone? (Laughter)

THE PRESIDENT: Number one, (Laughter) one of the reasons why the United States, through Secretary Kissinger and myself, is working so hard to try and get Israel and Egypt to negotiate a further settlement of their differences in the Middle East is to avoid a confrontation between the Arab States and Israel.

I concede if we had a resumption of the 1973 Middle East war, it is hard to forecast or predict what might take place. As you know, in 1973, the Yom Kippur War, no European State became involved. As a matter of fact, if my memory is accurate, most of the Western European countries sided with the Arab nations and against Israel.

You will also recall at the height of that war there was a considerable amount of information to the effect that the Soviet Union was beginning an alert which could conceivably have involved the sending of Soviet troops into the Middle East.

We, of course, at that time, took some action on our part to alert our forces and warned all nations that we would not tolerate outside assistance.

I get back to my original comment. One of the reasons we are working so hard to work with Egypt and Israel is to avoid a repetition of the Yom Kippur War of 1973.

I think we are going to be successful. I am optimistic, although there are the hardest points yet for resolution between them.

It is in our interest, it is in Western Europe's interest, it is in the interest of the Soviet Union, not to have that volatile area again erupt into what would be the sixth war in the last 25 or 30 years.

That is why we are making every possible effort, reasonably, responsibly, to avoid it.

QUESTION: Thank you, Mr. President.

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QUESTION: Mr. President, I am glad that you over-ruled Bill Baroody, otherwise I would have gotten cut out.

My name is Glenn Anderson, and I represent the Wisconsin Federation of Cooperatives which is a voluntary organization of some 325 cooperative corporations which has 300,000 members living in each county of the State of Wisconsin.

The members of this Statewide organization are very concerned about the availability of energy and its costs. Cooperatives provide some 50 percent of the fuel and fertilizer for our State's farmers.

My question is divided really into three parts. One, if a comprehensive energy bill is not passed, what will be the cost and availability of fuel to farmers?

Also, will natural gas be available to our dairy and food processing plants, and, lastly, will crude oil be supplied to our farmer-owned cooperative refineries?

THE PRESIDENT: If the Congress does not pass my energy program, which I submitted in a comprehensive way in January, or if they do not come up with their own program, which they have not done thus far, our energy vulnerability becomes greater and greater to forces outside of our control.

I cannot understand why there should be the present stalemate. The Congress either ought to take what I proposed or come up with their own solution. But to sit there and do nothing is unforgiveable.

Now, the second question -- or the third -- as I recollect, was whether we, the Federal Government, would guarantee to farmers crude oil, or heating oil, or gasoline, or diesel oil. We will do the best we can, but the Congress does have to give us some tools.

And if we do not have the tools, or if we do not have the crude oil, there is nothing we can do about it.

Now, on the second question involving natural gas, going back better than a year, I recommended the decontrol of natural gas in the United States. Why? Because, unless we do, you are not going to have natural gas that is available in Texas and Louisiana and in Oklahoma, for example, crossing State lines to States like Wisconsin, Michigan, North Carolina, New Jersey, Virginia, Delaware, Maryland, et cetera.

The people who own that commodity in those three States, or maybe a few others, are not going to sell that commodity at a price that they do not believe is fair. And the net result is that the gas in those States will remain there, will not get to Wisconsin, or Michigan, or the other States, and the worst aspect of it is -- and it is already happening -- those States are enticing Michigan industry -- I know for sure -- to move from Michigan to Texas where they can sell them the natural gas at any price they want to charge them.

MORE

Now, I do not think that is right, and I think the Congress is negligent in not deregulating natural gas so that it can continue to come to our State, to your State and to the other States.

I just hope there is a massive lobby to get the Congress to move. I saw some statistics the other day involving North Carolina and New Jersey. If we do not get more natural gas moving through interstate pipelines from the source to those two States, the economic disaster in those States will be serious.

And again, I do not understand why Congress has not acted. You know you can say the price might go up, but which is better, to have the gas for jobs, for homes, for factories, for schools at a price that you will have to pay, or not have it?

It is just that cold and unanswerable. We will do the best we can, but if you can lobby the Congress, I will appreciate your help.

QUESTION: Mr. President, I am Marshal Loewi, representing United Communities Services of Greater Milwaukee's combined United Fund and Planning Council.

We would like to know if it would be possible to set up a direct working relationship between the policy-making Federal officials and the voluntary or private planning service delivery agencies of major cities at Milwaukee? The purpose being to make the most of our collective dollar and leadership resources in responding to human needs?

THE PRESIDENT: I do not know why those arrangements cannot be established. Primarily those services would come from HEW, I would believe. There is no reason, in my judgment, why that arrangement cannot be established, and we will make a note and get our new Secretary of HEW to try to move them.

QUESTION: Thank you very much, Mr. President.

QUESTION: Mr. President, I am Bertram McNamara, President of the Board of Regents of the University of Wisconsin System.

College-aged students are finding it increasingly difficult to finance their education. The so-called needs criteria used in Federal aid programs cuts off eligibility at about \$9,000 of family income. The recent Census Bureau study shows that almost 70 percent of all American families are thus ineligible.

Furthermore, the Department of Labor's modest family budget without higher education requires about \$14,000 annually. This means that the Federal aid programs discriminate against the middle income families, including both blue collar and white collar workers.

Is your Administration aware of this problem? If so, what program changes are contemplated?

MORE

THE PRESIDENT: It is my recollection -- and I stand to be corrected, if wrong -- that we recommended in the three or four programs -- the loan guarantee program, the basic opportunity grant program -- and what is the other one -- well, there is another one -- a work study program. Better than a billion dollars, as I recollect, has been made available in this current fiscal year for student assistance.

This is higher than it was last year in total. It seems to me that that is a lot of money to either grant or loan and, if there has to be any correction in the figure -- you quoted \$9,000 -- it is my best recollection that there is a criteria established by law and there has to be a change in the law. Is that correct? That is my understanding.

So, if there is a change, we will have to work with the Congress.

But let me add one thing. We have had these loan programs to students in higher education for a number of years. It is awfully disappointing to see the very poor repayment schedule of a lot of the students.

I looked at the figures the other day, and you get some variation, but as I recall, it is somewhere between 25 and 10 percent -- how you judge it.

Now that is not a very good record from students who have borrowed from their country. And it better be better.

QUESTION: Thank you, Mr. President.

MORE

QUESTION: Mr. President, my name is Orville Mertz. I am Chairman of the Wisconsin Manufacturers' Association.

The question I had dealt with the actions that you are taking selectively to deregulate business for the benefit of our total economy. You really have virtually answered that question to my satisfaction already, so let me just say our hearts are with you, Mr. President, you and your team, in the job that you are trying to do and are doing.

Thank you.

THE PRESIDENT: That concludes the 19th, but there is a gentleman back here who has been standing, and I will be glad to answer his question.

QUESTION: Mr. President, I want to thank you. My name is William Mosby. I am President of the Long-shoremen's Local 815, Milwaukee.

I asked this morning Secretary Butz a question. I asked again Secretary Coleman that question. I met him before in various places.

I would like to ask you a question. I am sort of in the same position that you are -- (Laughter)

THE PRESIDENT: I am glad somebody shares those problems. (Laughter)

QUESTION: I have a lot of people that I am the President of their organization and a lot of them are out of work, the same as you, President of this wonderful United States of America, and a lot of us are out of work, our people.

About five or six years ago, military units came and did a survey of the Great Lakes District as far as shipping military cargo. We have not heard why they did not ship the military cargo through the Great Lakes.

Is there anything you can do about that and let us have some information on what can be done because we do know that military cargo is being shipped through other ports, and I think that not only Milwaukee, but the ports in the Great Lakes, are equipped, efficient to handle this work.

MORE

THE PRESIDENT: I must confess I am not certain on this precise problem. I appreciate your calling it to my attention.

As one person who was a long fighter for the St. Lawrence Seaway, which permitted ocean shipping to come into the Great Lakes and shipping to go out, off-hand, without anymore information than I have, I don't understand why military hardware can't be shipped from Great Lakes ports to wherever the destination is.

QUESTION: Thank you, sir.

THE PRESIDENT: And we will see what we can do about it.

Thank you.

END (AT 5:30 P.M. CDT)