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THE WHITE HOUSE

REMARKS OF THE PRESIDENT
AND
QUESTION AND ANSWER SESSION
AT THE
ST. LOUIS WHITE HOUSE CONFERENCE ON
DOMESTIC AFFAIRS AND THE ECONOMY

STOUFFER'S RIVERFRONT TOWERS

4:05 P.M. CDT

Governor Bond, Congressman Taylor, members of the Cabonet, the Administration, ladies and gentlemen:

It is really a great privilege and pleasure to be here in St. Louis, the Crossroads of America, and this very attractive Riverfront Towers.

I have been in St. Louis a good many times in the past and it really is a shame. I can recall rather vividly when big events in St. Louis were held at the Spanish Pavillion. (Laughter)

I do want to thank Secretary Mathews and his alma mater. And I expected to come to Missouri and have to give some odds to Kip on the forthcoming game between Michigan and Missouri. I think the situation is reversed. (Laughter) And we will have some negotiating to do later on, but my bargaining position is infinitely better.

Let me thank you all for being here. I had some prepared remarks which I have thrown away. I just want to get to the questions and the answers.

These White House conferences which have been held in a number of major communities throughout the United States are aimed at the fine people that are leaders in the Administration talking to you, but more importantly listening and learning from you. We think this is the best way to establish communication between people throughout the United States and the people who have some decision-making responsibilities in the Federal Government.

I have been President now about 15 months and we have had our share of problems. We have made headway in most of them; we admittedly have not solved all.

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Some of the most difficult problems involve the economy and energy. In the area of the economy it is my judgment that we have moved out of the bottom and are starting upward with some very encouraging signs. In the last four or five months about 1,500,000 more people are gainfully employed even though the unemployment rate is far too high.

In the area of retail sales, industrial production and other significant signs in the area of the economy there is encouragement, but we are not going to rest in this area until everybody who wants a job and seeks a job gets a job. That is our definition of how we should handle the unemployment problem.

Number two, in the area of energy, we will not be satisfied until the Congress enacts either my program, which I think is the best solution, or their program, which I have not seen yet, (Laughter) and until some program is enacted that gets the United States free of the vulnerability of actions against our interests by foreign oil cartel.

So with those basic observations and comments, I will be glad to turn to the questioning and, as I understand it, the first is Mr. Barksdale.

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QUESTION: Yes, Mr. President.

I am Clarence Barksdale, and I am President of the St. Louis Regional Commerce and Growth Association.

St. Louis, as you know, is the heart of the bread basket of the world and, consequently, we are concerned with the international commerce as far as agricultural products are concerned.

Accordingly, is there any consideration being given by your Administration about using our agricultural production and pricing as a leverage in the international marketplace, such as has to be done by us, by the OPEC cartels?

THE PRESIDENT: Let me emphasize that I consider the sale of our agricultural products overseas vitally important. Last year we sold \$23 billion worth, as I recollect. We bought about \$10 billion worth of foreign agricultural products so that the net gain to the United States in foreign trade was roughly \$12 to \$13 billion. That was significantly vital in our trade relationships around the world.

I believe that we can use food in a variety of ways: One, for humanitarian purposes for those less well off than ourselves but, in addition for a wide variety of other reasons, including foreign policy objectives.

At the present time, we have a top negotiating team in Moscow, for example, negotiating for a long-term sales contract with the Soviet Union so that if and when they buy, they buy under the terms of an agreement, not on sudden stopping and starting, as they have in the past, with 1972 buying a lot and several other years buying very little.

We think it is in the best interest of agriculture for us to have long-term contracts or agreements with the Soviet Union, as we do with Japan, as we do with other countries. We think this great resource produced by less than 6 percent of the American people, those that live on the farm, can be used and in a wide variety of ways, and we are going to do it for the benefit of all the 214 million Americans.

Thank you.

Mr. Douthit?

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QUESTION: Yes, Mr. President. I am Bill Douthit, the Executive Director of the Urban League of St. Louis.

Mr. President, your posture in the public press has appeared to be that of being opposed to busing. Now some well-intentioned whites are opposed to busing, as well as some blacks, but, Mr. President, my question is, how do we achieve quality education without isolating large segments of our population from each other?

THE PRESIDENT: I am glad that you put the emphasis where I think it belongs; namely, quality education.

Quality education under the method utilized by the courts is aimed at forced school busing. That, of course, came out of the 1954 Supreme Court decision.

I firmly say without any hesitation or qualification that if the court says something has to be done, it will be done, as far as this Administration is concerned, no question about that. On the other hand, it is my judgment that there is a better way of achieving quality education for all school children than by the court method.

It is most interesting. A very able black newspaper columnist by the name of William Raspberry, in the Washington Post this morning, said that court order forced busing was not achieving quality education. I wholeheartedly agree with him.

Now what can be a better way to do it? I believe that you can improve the facilities in many of the disadvantaged areas. Too often school boards have neglected some of the plant and equipment in those areas. We should increase the pupil-teacher ratio. I think that would be helpful in upgrading the educational opportunities of young people so they can achieve a quality education.

I believe that the Emergency School Aid Program which Congress approved roughly five or six years ago, it is about a billion and a half a year -- no, it is not quite that much but it is a sizeable amount -- can be focused in on places like Boston, as Secretary Mathews has done, or in Louisville where we are having our current problems; to try and get better faculty, better facilities, better equipment. In my honest opinion, that is a preferable way to achieve the objective of quality education without tearing apart some of the social fabric in some of these communities.

QUESTION: Thank you, sir.

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THE PRESIDENT: Yes, sir.

QUESTION: Frank Gamelin, of the Higher Education Council in St. Louis.

Mr. President, those of us who profited from the GI bill after World War II and are grateful to America for what it made possible for us have long hoped, I think, that it would be possible for every man and woman to obtain from their fellow citizens, through Government, the support necessary to supplement family health to the extent that they could attend the post-secondary school of their choice in the program for which they are eligible.

Do you see any possibility of further implementation of this principle in planning for future spending in higher education?

THE PRESIDENT: We have a number of higher education programs. The GI bill that was originated after World War II is in full operation now and is continuing even though those who are in the military today are not in combat, and that was the general basis upon which the GI bill was initially passed at the time of World War II and at the time of Korea. We spend roughly \$1 billion to \$1.5 billion a year on that program at the present time.

In addition, we have a number of educational programs that are aimed at helping young people who want to go to college and who do not have the financial means to do so. We have a loan guarantee program with any loaning institution. We have basic educational opportunities with BEOG, or whatever the combination is, and there is another one -- I can't recall the name -- but the total amount available in these several programs is about \$1 billion a year. So there is really no reason today why no young person who wants to go to college can't get Federal financial assistance of a substantial amount. It won't cover the whole thing but it will cover a very substantial amount.

If I could add a PS to that, I believe in those programs -- and we recommended a very sizeable budget figure for all of them, roughly \$1 billion -- I am very disturbed at the default rate in those programs where young people borrow from their government and then fail to repay when they get through and get a job. That is an obligation to their government, and it is about a 20 percent default rate at the present time, and it amounts to \$200 million a year, as I recall. I don't think that is playing fair with the people who loaned them the money in the first instance.

I am for the program but young people have as much an obligation to repay their government as they do to repay anyone, and I just think we have got to instill that spirit in them. We are going to loan -- if the Government is going to loan, then they ought to undertake a comparable obligation to repay.

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QUESTION: Mr. President, I am Ann Slaughter and this is Del McClellan. We are Co-Chairmen of the Women's Crusade Against Crime, which for five years has been marshaling citizens to seek improvements in the criminal justice system.

Unhappily, our country has witnessed an increase, rather than a decrease, in crime. Citizens are increasingly frightened by the horrendous acts of criminals. The time has come to return principal consideration to the victims of crime.

This means swifter justice in the courts through outline of unjust delays. This means effective correctional facilities for those convicted. However, impoverished citizens do not have adequate funds for maintenance of deteriorating neighborhoods which breed crime. We need more Federal funds to be made available for our cities.

My Co-Chairman, Del McClellan, will ask our question.

QUESTION: Mr. President, improvements in the system are very important, but they will be useless without good men and women. Paramount is the need for a return to individual honesty, to respect for personal and property rights.

In this, our Bicentennial year, we ask that you follow the directive of Benjamin Franklin, who in 1880 asked that a moral science be developed to carry personal morality forward with the amazing scientific and engineering feats he so accurately predicted.

Fighting crime without the full commitment of the American people to a return to the moral values which made our Nation great is an expensive and completely hopeless enterprise.

As Mr. Seidman told us at lunch -- and I think I quote him properly -- he is looking for new directions to go back to old truths.

I am asking if you could not convene a working task force to develop guidelines toward a revival of spiritual values as inscribed on our coins, In God We Trust, appoint men and women of wisdom from churches and schools, and homes, and then could you please use your good offices to spread these principles of right conduct through the printed word, news media and television, which would again lift the spirit of our people and encourage the return of heroes to our land?

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THE PRESIDENT: I made a speech this morning, or this afternoon, where I made some comments that I think would fit in very neatly with the observations made by both of you.

I think that we have got to seek the strengthening of the family, in the first place, and the strengthening of our individual ties to the church in the second.

I believe that all of the money we have spent -- and we have spent a great deal of money at the Federal level, about \$800 million a year in the last three or four years -- for what we call Law Enforcement Assistance Act programs, Federal money to States and local units of Government, and unfortunately despite that vast expenditure of money, the crime rate continues to go up.

So, money itself will not meet the problem. The basic one is how we can strengthen the family, the church, our moral and spiritual values.

I will take under consideration the establishment of a national commission or committee, but I think it is more basic than that. I think the leadership has to come from the clergy, from civic leaders, from others in the local area.

I will certainly consider it, but I think we ought to take a look at other alternatives aside from money, and money at the Federal level really has not solved the problem.

Thank you very much.

QUESTION: Mr. President, my name is Sugarman. I represent the Ozark Chapter of the Sierra Club.

We have a great many problems in the St. Louis region, stemming from the Corp of Engineers relentless promotional activities on the Mississippi River and on our agricultural flood plains and on our scenic Ozark streams.

The Council on Environmental Quality has recently conducted a special review of the Merrimack Basin Dam project in Eastern Missouri, but has been blocked by the General Council from publishing their findings. Meanwhile, citizens would like very much to debate the issues knowing the facts that CEQ has developed.

Mr. President, will you ask the CEQ to make their findings known to the public on this and other similar projects?

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THE PRESIDENT: I am generally familiar with that project. I will find out the details from Governor Peterson and his associates at CEQ. I would certainly consult with him as to whether or not those findings by him should be made public.

I don't think it is appropriate for me to make a commitment at this time. Their procedures, I would assume, would call for such documentation being made public, but I think it is the better judgment for me to consult with him and his associates before making any categorical commitment.

I can assure you that whether they are made public or not, they will be made available to the proper authorities within the Government and they will be considered by all of those who have a responsibility in making the final decision.

I think we have to incorporate in any decision-making process whatever EPA or CEQ or the Corp of Engineers, the Department of Interior, the Bureau of Reclamation, the Forest Service and others ought to have an input but at some point somebody has to make a decision.

As long as the flow of information is free and those who have that responsibility analyze at all, there has to be a cut-off point, and once that process has been concluded, and I think in this case it will--then we either proceed or don't proceed, depending upon what a responsible official decides.

QUESTION: Thank you.

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QUESTION: Mr. President, I am Roger Guyot, President of the World Trade Club of St. Louis.

We are concerned regarding the trend towards reduction and elimination of assistance to Midwest business firms engaged in international trade. Specifically, we believe the case for the Domestic International Sales Corporation, otherwise known as DISC, that this as an incentive is as important now as it was in 1971. U.S. companies need a tax stimulus to compete on equal terms with the foreign governments who subsidize their producers and their industries. Would you comment, please?

THE PRESIDENT: I was in the Congress in 1971 and voted for the legislation that incorporated DISC. I believe DISC is just as important today as it was then. It helped to expand our trade at that time. I think it can be beneficial in expanding trade at the present time, giving incentives for the expansion of our trade.

I would hope the Congress in its deliberations would not rescind the legislation. This Administration will not recommend the abolition of the DISC program.

QUESTION: Mr. President, I am Randy Parent, President of Vocational Industrial Clubs of America.

Just how much monetary support is being given to the vocational education in the future, and what is being done to promote the growth of the vocational education?

THE PRESIDENT: It is my best recollection that in the traditional vocational education program there has been a gradual increase -- if my memory is accurate, it is about \$300 million a year. Is that roughly right?

Well, I can tell you that it has been on an increasing scale, and I think that figure is roughly right.

Now in addition to the traditional vocational education programs we have what is called CETA -- Comprehensive Educational Training Act, CETA -- and (Laughter) it has been funded this year at a figure of \$3 billion 200 million.

Included in that program was \$450 million for the summer job training program for young people, which was very helpful -- it had some aspects of vocational education.

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The remainder of the CETA program is aimed at vocational training primarily for those people who are out of work of one occupation and seeking employment in another occupation. So roughly \$2.5 billion is available in that aspect of the program plus the traditional high school and vocational education program.

Now that is a lot of money -- I think it has generally done a good job. But what has bothered me about some of the vocational educational programs and some of the CETA training programs is that we have a training program that does not necessarily relate to an occupational area where there are job opportunities.

I know from my old experience in the Congress that we used to establish -- not we but the Department -- job training programs, and then all of a sudden when the program ended there were no job opportunities in that particular employment field. I think there has to be a better coordination in finding out where the job opportunities are, the shortages exist, and then train people for those shortages rather than just train them for an occupation where there are no job opportunities. I think we can do a better job spending that much money in this aspect of vocational education.

QUESTION: Thank you.

QUESTION: Mr. President, I am Geraldine Berry, Board Member for the St. Louis OIC. My question was just asked but I have another.

Many of the social and training programs which have aided the poor, the minorities and the disadvantaged were begun under other Administrations. Your Administration has continued some of these programs either through transferring them to other departments and then to the creation of the Legal Services Corporation.

Mr. President, my question is: Are there any other social programs that you might have in the planning stage that might alleviate some of the many ills of our community? If not, what can the poor and the disadvantaged expect from your Administration, particularly in terms of full employment and hope for the future?

THE PRESIDENT: I think the best opportunity for those that are disadvantaged is to have a healthy economy, and let me tell you the burden of not having one.

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This past year we have spent between \$18 billion and \$20 billion in unemployment compensation by the Federal Government itself. In addition, we have had a tax loss so the net result of not having a healthful economy has been very substantial.

What we have to do is stimulate the economy so we have less unemployed and a bigger tax base or a tax base with a greater depth. Now if we can get the economy going, we won't have to have as many of these so-called aid programs as we have at the present time. We could cut back and should cut back in a responsible way in the food stamp program, the welfare program, if people are working.

Now the Vice President is undertaking, beginning in about 10 days or two weeks, a series of meetings with the Domestic Council in 9 or 10 cities throughout the United States where there will be opportunities for individuals or groups to testify in the area of welfare, food stamps, training programs, the whole range in this area, and it will be a wide open opportunity for groups and individuals to testify whether they want more of them or they want less of them. It won't be a stacked house, I can assure you.

So we will get some ideas from the people in this operation under the Domestic Council headed by the Vice President. At the moment, it is my honest opinion we have got enough programs; we just have to make them work better. We have some that are top-heavy with Administration. We have some where the benefits are paid through error, and that is unforgiveable in this kind of a society. We have some where the instances of illegality are far too high.

It is a very strong belief on my part that we can make the programs we have run better and then we won't have to worry about new programs because we have got them to the extent of about 1,000 categorical grant programs in the Federal Government, and if that isn't enough, then I am really mystified. A thousand categorical grant programs ought to be sufficient to handle the problems we have at the present time. We just ought to make them work better, and I think we can.

QUESTION: Thank you.

QUESTION: Mr. President, I am Bill Vorbeck, President of the St. Louis Police Officers Association.

It is our opinion, the St. Louis Police Officers Association, that one of the most productive ways for federally-funded agencies and commissions to operate at the local level, such agencies as LEAA, are to have input from the grass roots.

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Therefore, my question is: Does the Government have any plans that would permit local police associations to nominate one or two of their members to federally-funded local boards so that the police officer on the street can have some input into the agencies' programs?

THE PRESIDENT: Under the LEAA, Law Enforcement Assistance Act, that was passed about 1967 or 1968, the money goes to the State and then is filtered down to the local communities. The basic law provides that there shall be a commission at the State level -- and I think each State has a different title, but it is a board or a commission that operates at the State level for the distribution or the recommendation for the distribution of the money that goes to the State for funneling to the local units of government.

I think it would be helpful in each State to have that kind of representation. On the other hand, not knowing how each State sets up its boards -- some States may have 20, some may have 5 on that board -- I am just not familiar with that detail -- but there ought to be some representation, let me put it in that context. How much, I am not qualified to say. There should be a point of view on that board from people who are on the firing line, so to speak.

QUESTION: Thank you.

THE PRESIDENT: I hope I didn't get the Governor in trouble. (Laughter) I didn't get in trouble with the Governors, let me put it that way. (Laughter)

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QUESTION: Mr. President, I am Joe Snyder of Gallatin, Missouri, the Missouri Press Association which represents the small city and small town newspapers of our State.

Many people are becoming quite concerned about the strikes that are directly affecting various levels of Government. We have seen law enforcement officers, firemen, teachers, garbage collectors and postal workers -- and I didn't mean to tie those two together (Laughter) -- strike or threatened strikes against the Government, and I am told that the Armed Forces are themselves not immune to overtures from those who would like to organize them.

Now, my question is, how far can these movements go without jeopardizing the historic role of public service jobs, and when does this type of pressure and coercion by those working for Government and paid from tax money begin to approach the degree of rebellion or insurrection?

THE PRESIDENT: At the Federal level, there is no authority for Federal employees to strike. In fact, if I am correct, I think it is prohibited. It is particularly so in the Postal Service. There is, in Postal Service legislation that was enacted in 1969 or 1970, a procedure by which if the new management of the Postal Service and the labor unions can't agree, there is an arbitration procedure set up whereby any irreconcilable differences can be mediated and decided by this arbitration board, and it is binding.

That is the only instance that I am familiar with in the Federal Government where this procedure is used. It has never gone that far. There has been negotiations on two or three occasions that were difficult, but there was never any need to utilize that procedure.

I feel that in the area of non-Federal Government employees -- and I am now getting into an area where I have no authority or jurisdiction, so I am only expressing an opinion -- that in the area of health and safety and security, there ought to be in that area -- like we have in the Postal Service, which involves for the Federal Government a great responsibility -- there ought to be some arbitration that ends in a decision if the two parties can't negotiate it.

It seems to me that the population as a whole, or citizens as a whole, need some protection, as we have in the Federal Government, for the Postal Service in State and local units of Government, and in some States that has been the case.

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There is a procedure that I think has merit that has been tried in some areas of labor-management differences where you have an arbitration board and if they can't agree, then each party -- labor on the one hand, management on the other -- submits its best offer for settlement and then the arbitration board has to pick one or the other. They can't divide them in two.

What does this do? It gets both management on the one hand and labor on the other hand to make the best possible offer in the hopes that their view will be accepted and it does not give to the arbitrator the right to cut it down the middle, which I don't think in most cases is very good, and in this case where it has been used, it has been very successful. I would urge that as an alternative to the usual arbitration procedure.

QUESTION: Mr. President, Florence McGiffin, President of the Missouri Federation of Women's Clubs.

Some of our members have just returned from their spring buying of wearing apparel. Most of the merchandise is higher by 20 to 25 percent. What can be done about the rising prices?

THE PRESIDENT: The best way to battle inflation, or one of the best ways, in my humble opinion, is to get the Congress to stop spending a lot of the money that they are trying to throw away.

Let me be specific, instead of being perhaps facetious.

Last November and December I spent a good share of my time trying to put together the budget that by law the President has to submit to the Congress in January for action by them prior to July 1 of that year.

When we sat down and literally spent hours, low and behold, we found that despite our efforts to turn the squeeze to cut back employment, roughly 40,000, everything we could do, we ended up with a deficit of \$52 billion. \$52 billion.

I was dumbfounded. Then we submitted that to the Congress and under the new Budget Act that Congress passed a year ago, they now have a responsibility to analyze the budget, set their spending limits and come up with their deficit.

After I submitted the budget in January or February of this year, there were screams and hollers that I was a spendthrift. But, you know what happened when they had to sit down and do the same job? They came up with a budget deficit figure of \$68 billion and now, despite that cut-off point that they set, they have now gone above it about \$4.5 billion, so it is \$70 billion or more.

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Somewhere along the line, we have to start controlling some of the programs that have gotten out of hand. I think we can, but if we don't, these deficits, which will range between \$60 and \$75 billion this fiscal year and probably one of \$30 to \$50 billion next year, inflation will be very difficult to control, to get a handle on.

Now, there are other things that can be done, but this is the one where the President and the Congress have a responsibility, and I can promise you to the extent and the authority I have, that we are going to keep vetoing spending bills that go beyond the budget I submitted, and that was high enough, as far as the deficit was concerned.

Take the education bill that I vetoed this last week. The Congress overrode it 300 and something to 30 or 40 in the House, and in the Senate it was 70 something to 12.

That single education bill will add \$300 million to spending in this year and \$800 million next year over and above what I recommended, and I recommended more for this year than was made available last year.

So, we didn't cut anything back. But, as long as they keep sending appropriation and spending bills above a reasonable figure, I am going to veto them. I hope the Congress will finally awaken and find that they are the principle contributors to inflation in this country.

QUESTION: Mr. President, I am Bob Kelly, the President of the Advertising Club of Greater St. Louis.

We applaud and support in principle the Government guidelines which set forth certain things to be followed concerning faith and truth and accuracy in advertising. However, before the Congress today there is a bill which would prohibit the utilities of the Nation from continuing to advertise their services to the public.

We feel this is a very clear and serious infringement on their right of free speech to communicate with their customers and potential customers. If a bill of this sort did reach your desk, what would your position be?

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THE PRESIDENT: I am often asked that question by Members of Congress as they go down the line in the legislative process. I don't think I should treat you any differently from them. (Laughter)

My answer to them is, I will give you an answer to that legislation when it is placed on my desk because there is a long, hard row between the introduction of a bill and its consideration by a committee, its consideration on the floor of the House and Senate, et cetera.

Often times, about all that is left in a bill is its original number. (Laughter) So, I learned a long time ago never to endorse or say you will vote against or veto a bill just by number. I got caught in that the first year or two I was in Congress.

What I am saying is, basically, I don't think there should be any prohibition against people or organizations exercising their right of free speech, and that is a very fundamental issue in this country, and it ought to be true of individuals or cooperatives or partnerships or any other organization, but I don't think I ought to say to you I am going to veto that bill, not having read it and including the fine print, which is often most important.

QUESTION: Thank you, Mr. President.

THE PRESIDENT: Bill just reminded me, one, I am taking too long to answer the questions and, therefore, we ought to cut it off, but as far as I am concerned, we will finish, so go ahead.

QUESTION: Mr. President, my name is Arthur Stoup. I am the President of the Missouri Bar.

The Bar is noted with growing distress the incursion of the Federal bureaucracy and, at times the Congress, in the matters of property rights and individual freedoms which by Constitutional intent or by custom the States have in the past determined for their citizens.

Mr. President, could not this Administration use its considerable influence in directing Federal agencies and requesting the Congress to recede from a policy of expanding the Federal role in these matters and permit the States and local communities to decide what is best and what is needed for their citizens?

THE PRESIDENT: I certainly think we should, and we are trying to do that. One of the pieces of legislation which was enacted three and a half years ago fits into that precise philosophy you are talking about very properly. It is called general revenue sharing, where roughly \$6 billion a year goes from the Federal Treasury, a third to the States and two-thirds to cities and counties, et cetera, without any strings, and that program carries out precisely what you are talking about.

The money goes from the Federal Treasury, having been taken in the first instance from the taxpayers of this country, but going back to States and local units of Government without any strings attached for the exercise of local control in the expenditure of that money.

We are trying to incorporate in many of the programs what we call block grants. Jim Lynn a year ago, when he was Secretary of HUD, got the Congress to consolidate six or seven, eight categorical grant programs into one and giving to the local community much more authority without Federal bureaucracy analyzing every individual project.

So, we are aiming in that direction. We are trying to do it, and I think we are making some headway, but with a thousand categorical grant programs, that is a tough job, and every one of them has their own little constituency. They want everybody else's program changed, but theirs is different, so it is a hard process, but we are working at it.

QUESTION: Thank you, Mr. President.

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QUESTION: Mr. President, my name is Robert Cohn and I am Chairman of the Regional Forum of the East-West Gateway Coordinating Council. I have used up my time with just the title.

We are charged with the responsibility, as a group of private citizens -- 21 of us -- to go over in some detail these 1,000 categorical grant programs that operate in the St. Louis area, and we are just a group of private citizens. We find that in more cases than not we serve as a mere rubber stamp for some bureaucratic requirement or deadline.

Now in addition to this very welcome White House conference to provide meaningful citizen input, are there any other plans or programs as part of your program of cutting red tape and opening up these activities to the people, to reduce this, and to provide for meaningful and realistic citizen input on federally-funded programs?

THE PRESIDENT: I can't give you any added ones beyond this kind of approach plus what the Vice President is undertaking with his meetings in the 9 or 10 communities around the country, but it has been my observation with all of this talent from the Cabinet and top places in the Executive Branch, and most of them have been to -- three-quarters of them -- that they get the message.

The problem is to have them give the message down below and then have it carried out, but we are trying to do it and let me give you an illustration.

I made a speech, oh, several months ago, and I said there were 5,200 forms that people in toto in the United States had to fill out -- 5,200. And it sounded terrible and I said we were going to get rid of them or some of them, and Jim Lynn is in charge of that responsibility.

A year from that speech I am going to ask him how many forms we now have and it darn well better be under 5,000. (Laughter)

QUESTION: Thank you.

QUESTION: Mr. President, Jim Cope, from the Missouri State Medical Association.

The children born during World War II baby boom will go on Social Security in about 2000 to 2025. Children from our present near zero population growth will hit the labor force at about the same time. It has been estimated that there will be three or four people going on to the Social Security roles for each one entering the labor force.

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Please, sir, could we have your comments, and what are the long-term plans for meeting this situation?

THE PRESIDENT: There have been several recent studies on the adequacy of the trust fund, the payment schedule to meet the obligations under Social Security. The picture is not encouraging, to be frank with you. There are a number of suggested ways to make certain, to make positive that the beneficiaries down the road are guaranteed enough or are guaranteed what they were led to believe they would get.

Some alternatives are just to take any deficiency out of the general fund. Others recommend that the present withholding of both the employer and the employee be increased. What is it now? About 11 percent for both employer and employee.

One proposal is to increase both contributions. Others say don't worry about it, it is not as bad as the actuaries or the experts tell you, and don't do it for political reasons one way or another.

I think maybe we can get by a year or two, but in a relatively short period of time more is going out than coming in of the trust fund and we have roughly a year's funding available. Unfortunately, they are all in Government bonds so the Government will have to cash in those bonds to pay these people and then go out and borrow more money to finance the Federal Government.

But it is a problem and we have got to face up to it. The best estimate I have seen is that by the year 2000 if we don't do something we will be in a serious deficit with no reserve, and not enough to pay the beneficiaries. So we have either got to get it out of the general fund, increase the wage limit, or we have got to increase the taxes or we have got to put a cap on the benefits. The benefits today are escalated on a cost-of-living basis and they are putting the sanctity of that trust fund in some jeopardy down the road not too far away.

As long as we are talking about caps, I recommended that we put a cap this year of five percent on Federal Government pay, on Federal retirement, Social Security, the whole range of things in order to get away from the budget deficit I described a few minutes ago. The present law says that every September I am supposed to recommend a cost-of-living increase for Federal pay. Well, the cost-of-living increase by this commission was 8.66 percent and by a new law passed just a month ago, Congress and judges and people in the Executive Branch were included.

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I had the temerity to recommend that that 8.66 percent be five percent rather than the higher figure. I am led to believe that my efforts to keep that difference which amounts to \$1 billion 600 million -- just \$1 billion 600 million -- will be overridden by either the House or the Senate. I hope you write your Congressmen and your Senators and tell them to stand firm and tough. This is just indicative of the kind of problems we are in -- in a financial bind, at the present time.

QUESTION: Thank you, sir.

THE PRESIDENT: Yes?

QUESTION: Mr. President, Earl Dille, President of Associated Industries of Missouri, and I would like your position on the issue of the legalization of common situs picketing at construction projects.

THE PRESIDENT: I believe that the legislation originally introduced should be vetoed. I believe that there are amendments that have been added, that will be added, if they are added to force local union responsibility, then the legislation ought to be approved.

I know the arguments that the building trades have gotten wage hikes of too high or too great an amount, and the people say, "Don't change the law."

My answer to that is they have gotten them under the present law. If they are inflationary, they came under the present circumstances. What we are trying to do with the amendments that we have advocated is to get some responsibility at the local level and if they don't achieve local responsibility the international unions have the right to veto it. I think that is a better way to achieve wage stability in the construction field and if those amendments are approved, I will support it; if they are not approved, I will veto it.

QUESTION: Thank you, sir.

QUESTION: Mr. President, I am Bill Parrish, Chairman of the Missouri American Revolution Bicentennial Commission.

One of the hopes of the Bicentennial is to revivify the positive aspects of American life so that the celebration becomes a catalyst to a rededication of the American people to work together to build a better future. We are finding a great enthusiasm for this throughout Missouri.

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You talked just briefly about this in relation to the crime situation, but I wonder if you could give us a little more elaboration on how you think we can better focus in on this problem through the Bicentennial to get a better grip on moving forward with America.

THE PRESIDENT: I believe our theme for the Bicentennial should be the rights of the individual operating within the law. I think the individual in the third century of our country should be free of mass education, mass industry, mass government. I think the right of the individual operating within the law without the heavy hand of government or any of the other massive organizations running it, if we can achieve that, I think it will accomplish what you are seeking to accomplish.

QUESTION: Thank you, Mr. President.

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QUESTION: Mr. President I am Homer Elisha Sayad of the Arts and Educational Council of St. Louis.

St. Louis has one of the most successful arts council in the country. In 13 years it has raised over \$14 million in private funds for the benefit of our cultural organizations. The National Endowment for the Arts, under its very able Chairman Nancy Hanks, has done much to stimulate the support toward the arts from the private sector.

The arts are not a luxury, as some may think. They are a softening and humanizing factor and a very essential quality to our life.

Is your Administration committed to the continued growth and development of Federal support of the arts to the National Endowment, and will you oppose tax measures which would tend to discourage and inhibit private contributions for the arts?

THE PRESIDENT: It is my recollection that in the budget I submitted in January the arts and humanities program was one of the very few that got an increase. The particular one you refer to, the arts, I recommended approximately \$85 billion, about a 10 percent increase over the previous fiscal year.

The arts for the public, it is my recollection our deductions are appropriate under our Internal Revenue Code at the present time. I think that is accurate. So, I am not going to recommend it be deleted.

Then let me say there has been some criticism tha we didn't have in the White House now an input in the arts and humanities. Well, I have got a pretty good one in our family, and she is a lot more influential on me in this area than any appointed person. I am married to her, and she does pretty well by it. (Laughter)

Thank you very much.

END (AT 5:07 P.M. CDT)