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THE WHITE HOUSE

REMARKS OF THE PRESIDENT
AND
QUESTION AND ANSWER SESSION

WHEATON COLLEGE

10:10 A.M. CST

THE PRESIDENT: Thank you very, very much, Todd, Dr. Armeding, my good friend, Congressman John Erlenborn, and my good friend, Chuck Percy. I didn't see John Anderson here but if he is, John Anderson, who is also a very good friend of mine, Mayor Barker, students, faculties and guests:

It is obviously a very great privilege and high honor for me to have the opportunity of visiting the garden spot and particularly Wheaton College.

Quite frankly, I look forward a great deal to answering some of your questions but let me make a few opening observations and comments.

Wheaton College is, I think, a fine, fine example of those privately supported institutions which have contributed so much to America's greatness and America's progress. The heritage of these private colleges and universities dates back to the Middle Ages and to such great institutions as the Universities at Paris and at Oxford.

In America it is interesting to note more than a dozen colleges were founded even before we became an independent Nation. Wheaton College shares in this very distinguished tradition of private higher education. Thanks to the vision and to the dedication of private citizens and organizations, there are now more than 1500 privately supported colleges and universities in America with a combined enrollment of more than 2 million students.

These institutions provide a reservoir and a training ground for national leadership and talent. I am both complimenting on the one hand and competing with public institutions of higher education. They help America to achieve the same diversity in higher education that we are proud to have throughout our national life.

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Let me repeat what I have said many times before, that I strongly support the principle of private volunteer giving to help finance higher education. If these institutions should close their doors shifting the burden from private donors to public taxpayers, the tax load would be heavy indeed. It would add billions and billions of dollars a year to the national tax burden, hundreds of millions of dollars each year in the State of Illinois alone.

Therefore, I repeat here this morning as I have said on other occasions, I would oppose any legislative proposals which would discourage private financial support for our colleges and universities. We must never threaten this vital educational resource.

Once students have graduated from colleges, private or public, and I have been the beneficiary of both, we want to make sure that there are rewarding jobs available for all of you. The Government can help not by providing temporary make-work jobs, but by encouraging a healthy economic climate in this country.

When I came to the White House 19 months ago our economy was in bad shape and unfortunately, getting worse. There were those who said that gasoline would be a dollar a gallon by now and unemployment would be skyrocketing over 10 million Americans.

Well, they were wrong. It was not a time for panic, it was a time for strong, affirmative action. The statistics show that the Administration's economic policies have been the right ones. Inflation has been cut in half. All jobs lost during the recession numerically have been recovered and they have been recovered primarily through the demands of the private sector where five out of six jobs are found in the United States. The unemployment rate has fallen significantly, it is still falling. It is still too high.

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Nine hundred, twenty-five thousand real jobs have been created in the first two months of this calendar year. That is good news, but it is best reflected, I think, in the fact that consumer confidence and a host of other economic indicators are up, and we are going to keep them up.

We are going to make sure that there are enough real jobs created by our economy so that all of you can use what you have learned for a rich, rewarding and challenging life. An important part of that life will be your participation in our Government's great democracy.

Let me tell you that I was impressed by the petition that accompanied your invitation to speak here today. That petition has some 1,700 to 1,800 names on it. I think that shows very clearly how the students of Wheaton College intend to get involved in their Nation's affairs.

Here at Wheaton, you know a great deal about commitment. You have all committed yourselves to living a purposeful, christian life. That is a fundamental life-long commitment, and I salute you for it.

I am very well acquainted with religious values that you hold so dear here at Wheaton College. For a number of years, I have enjoyed a warm and friendly relationship, discussed many times the problems that I am sure all of you do with two of your honored graduates of Wheaton, the Reverend Billy Graham and the Reverend Billy Zeoli.

America and the world need the moral and spiritual values which you offer. Young men and women motivated by faith in themselves and in God must keep the flame of faith burning. In the words of the Holy Bible, man becomes what he thinks upon, and a Nation ascends to its highest potential all through the ideals and aspirations of its people.

Your involvement in our Nation's spiritual and political life is also important. It is important not only to you as individuals, but to our Nation's future.

There are many, many ways to make our world a better place, but one very good way is to make certain that the United States of America has enlightened citizenship and a responsible Government. Your participation, your commitment to that ideal, not just this year but for every year, to keep America strong will keep America free.

Thank you, and now I will be glad to answer your questions.

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John Anderson is here. John, where are you?

I understand John was given an honorary degree here at Wheaton.

Also a very good friend of mine, your former, very fine Governor Dick Ogilvie is here today.

Yes, I am ready for the first question.

QUESTION: Mr. President, the recent Nixon testimony from a sworn deposition points the finger at Secretary of State, Henry Kissinger, as choosing the 17 White House officials and reporters for wiretapping.

Do you feel continued connection between Kissinger and Watergate will be detrimental to your election? If so, can we expect his resignation soon?

THE PRESIDENT: As I understand the questions, there are three in number. (Laughter)

First, I do not think that I should comment on the litigation that is now involved between Mr. Halperin and the defendants. It would be inappropriate for me to make any comment concerning that matter which is now before the court.

On the question of whether my candidacy or the Republican Party will be affected by Watergate, I can only comment on my own situation. When I was nominated to be Vice President, the House Committee on the Judiciary and the Senate Committee on Rules held extensive hearings as to my total background, financial, political -- well, it covered everything. The volumes are about that thick with testimony by individuals.

After the two committees recommended that my nomination be confirmed, there was a vote in the House as well as in the Senate, and, as I recall, in the Senate the vote was about 92 to 3, and in the House, it was 380 or 90 something to 37. I think that record of investigation by two committees, that vote by a Democrat dominated Congress proves beyond any doubt whatsoever that I have no connection, period, with Watergate.

Now to answer the last question. I feel very strongly that over the period of the last seven years and particularly during the period that I am intimately familiar with, the foreign policy direction given by our Secretary of State under my final direction and answer, we have made a lot of progress. We have moved forward in that volatile, very, very difficult area in the Middle East with the Sinai Agreement, we have kept the normalization of our relations with the People's Republic of China moving in the proper context.

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We have reassured our allies in Western Europe, and we are negotiating from strength with the Soviet Union. I think our foreign policy is moving forward constructively, and under those circumstances, I would not, under any circumstances, want Henry Kissinger to quit, period.

QUESTION: Mr. President, I would like to ask you a question on the economy. Aside from calling the Social Security tax an insurance, what remedy do you see for reducing the regressiveness of this tax which hurts primarily the low and middle-income-groups?

THE PRESIDENT: The problem of the solvency of the Social Security Trust Fund is one we have to face up to. I think it is wise to take a look at what has been happening this year and what will happen in the next several years unless something is done.

This year the deficit between income and outgo in the Social Security Trust Fund is about \$3 billion. Next year it is estimated that the deficit will be \$3.5 billion. It will go up in about that range each year, and eventually if we don't do something, the \$43 billion we now have in the Trust Fund will be emptied.

Now what are the remedies? You can go to the general fund which will, in effect, destroy the concept that people who get benefits have earned them, or you can do nothing, which I think would be probably the worst alternative because it would bring into jeopardy the benefits that people now have and those who are working to get them.

There are several other alternatives. You can do what the subcommittee of the House Committee on Ways and Means did, and then they were reversed by the full committee on Ways and Means. They proposed that we increase the wage ceiling, which is now, I think, \$15,100, and they recommended that it go to \$17,000 something. That would be a way, but even though the subcommittee approved, the full committee just last week turned it down.

Now, what I have suggested, and I think it faces up to the issue very squarely, is that we have to start now to replenish the fund, and I have recommended that we increase the tax paid by the employees as well as the employer by six-tenths of one percent, which would mean that the maximum paid in addition by any taxpayer would be less than a dollar a week.

I think it comes out to \$49 a year. That is the maximum. Now, the argument is often made that that is a very regressive tax, and it can be argued that, but that is only half of the argument. Because when the benefits are paid after the person retires, that regressiveness is reversed. The beneficiaries in the lower income spectrum get more than the people who are in the higher income area. So although they pay more, they in return on retirement get more. So I think it is the best solution. It is the most open, it is the frankest, and I think it is the honest way to approach it. Unfortunately, I see in a political year the Congress apparently does not want to bite the bullet, but it will have to be faced, and we might as well face it, and the sooner the better.

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QUESTION: Your Congressional record shows that you voted against food stamps, Medicare and minimum wage increased legislation and your current economic policy seeks to keep inflation in check, but not necessarily immediately reduce unemployment. If I am an unemployed blue collar worker or a minority woman on welfare standing before you, would you give me three reasons why I should vote for you as President?

THE PRESIDENT: Well, the first reason is that we are making very good headway to get that individual off unemployment and a private job in the private part of our sector. That is the most important thing.

Secondly, on my recommendation, the Congress did two things in unemployment compensation. One, they extended the benefits in the 26 week period to 65 weeks and, secondly, on my recommendation they expanded the coverage under the previous traditional unemployment compensation. There were certain restrictive limitations on who could qualify for unemployment compensation. In order to take care of the abnormal unemployment that we had starting a year ago in January, we expanded the criteria so that virtually anybody could draw unemployment compensation and the limitations on that were, in effect, removed.

As I recall, we doubled the number of people who were on unemployment just by that one act.

Number three, if I was a person who wanted food stamps who was in a circumstance below the poverty line, under my proposal those individuals would get more money in food stamps. The ones we cut off are the ones who are above the poverty line and I happen to think that if we are going to help the needy, we ought to concentrate our emphasis on those truly in need and not help and assist those who are not in need. I think that is a responsible position.

QUESTION: Mr. President, on behalf of many of the Wheaton College women students, we are interested in the status of your youngest son, Jack. (Laughter) Seriously, though -- (Laughter)

THE PRESIDENT: He is some competition.

QUESTION: Well, what do you see as a solution to the malpractice dilemma in California? Do you think we are heading towards socialized medicine?

THE PRESIDENT: I have two unmarried sons. (Laughter) Jack will be 24 next week and Steve will be 19 in May and Steve is the one that likes horses and is out cleaning stables and going to Cal Poly but he is a pretty attractive kid, too.

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But to talk about the serious question that you asked, the malpractice problem is not limited to the State of California, although it was made much more dramatic there by the action that some or a good many doctors took in the State of California. It is a problem in virtually every State caused primarily by the very, substantial increase in malpractice insurance and premiums that result from the very high claims that have been allowed by our court system.

I would prefer that the issue be solved in this limited area at the State level, but if we are going to have what happened in California repeated in 49 other States, I think we may have to take a very hard look at some solution in that limited area on the national level. We have some people that are now analyzing that situation. I don't want to call it a study because some States have moved in and solved it and some have not. But I don't think that problem in and of itself should dictate that we should have national health insurance with the Federal Government being the dictator as to what the doctors ought to do and how they ought to be paid.

I don't think it is an argument that pushes us inevitably toward national health insurance as far as the patient is concerned.

I have in the past felt that we could broaden the utilization of our private coverage firms with the Federal Government participating, but the coverage for broader health insurance would come from the utilization of our private health insurers.

The one country that I am most familiar with, and I hesitate and won't use the name, they started on national health insurance 15 years ago with expectations. They have been cutting it down step by step by step and the net result is I think that most objective observers say it has not worked.

So if we are going to broaden your coverage, I think we ought to do something differently and if we do, we certainly ought to use the private insurers to get a better service to take care of those who are not adequately covered by insurance.

One final comment -- I did recommend to the Congress this year that we ought to provide, under Medicare, catastrophic insurance. There are roughly 25 million people who are now covered by Medicare, about 3 million of them are affected adversely by some form of catastrophic illness where there is an extended care period or heavy, heavy, heavy expenditure.

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It can be done, I think it ought to be done, because I would venture to say ever person in this room knows a family or knows a person who has been affected by a catastrophic illness and there is nothing that is more worrisome to the mind or has a more serious impact on the pocketbook than those kinds of tragedies.

So I think the Congress ought to move in that direction and move this year.

QUESTION: Thank you, Mr. President.

QUESTION: Mr. President, as you well know, there is an increasing controversy over CIA activities, both domestic and foreign. What measures would you take to create a balance between abuses resulting from secrecy in these activities and excesses of public revelation which may have, of course, hindered American effectiveness in foreign policy?

THE PRESIDENT: About three weeks ago I released the information as to what I would do to strengthen the intelligence community and at the same time prevent abuses by any of the intelligence community against American citizens. Let me outline very quickly what we have done.

In the first place, we set down criteria in a rather lengthy document of what intelligence agencies and individuals could not do -- specific guidelines. Those were lacking in the past and if those guidelines are not lived up to, then the persons responsible, individually or the head of an agency, are held accountable. Accountability is the real crux of how you can prevent abuses.

In addition, we have established an Intelligence Review Board which is composed of three individuals, three outstanding individuals -- former Ambassador Robert Murphy, Mr. Stephen Ailes and Mr. Leo Cherne. They have the responsibility of taking complaints from individuals or from the Inspector Generals of the CIA, the Defense Intelligence community, and to make an objective analysis of any abuses by individuals or an agency. Then in order to strengthen the intelligence community in an effective way, we have set up -- we have first gotten rid of about ten different boards which were overlapping in duplication and we have established an intelligence community committee headed by the new head of the Central Intelligence Agency and there are three of them that will bring together the intelligence community which is made up of the Central Intelligence Agency, the Defense Intelligence Agency, the National Security Agency and three or four others, and they report to me directly.

When you come right down to it, the person in this area who has the final responsibility is the President and I believe that you have to hold people accountable and I am fully willing to assume that responsibility and I think it is the way it should be handled. If it goes wrong, the President ought to assume the liability. If it does well, then it is good for the country, but in the final analysis, the accountability comes right into the Oval Office of the White House with the President and I think that is the way to solve the problem.

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QUESTION: What specific role has the United States played in the event of intensive Cuban and Russian involvement in the overthrow of the governments of Rhodesia and South Africa?

THE PRESIDENT: Well, first, we believe that there ought to be more progress in Rhodesia where there are, as I recall the figures, some 220,000 whites and 5 million or 6 million blacks.

There ought to be movement toward a majority government. That, I think, has to be inevitably the result.

Number two, in South Africa, the situation is somewhat different. Namibia, the U. N. or former League of Nations mandate now more or less in the same status as far as the U. N. is concerned. I think there has to be some progress there.

Now, to get to the question, what would the United States do if 12,000 Cubans and Soviet superiors were to move in to Rhodesia or other areas.

We have been very firm in saying that no Soviet, no Cuban adventures beyond Angola ought to be undertaken, but for me to give you in detail what the United States would do, not knowing how they would operate, I think would be improper.

We have all kinds of contingency plans for all kinds of potential action that might be taken by the Soviet Union or Cuba in circumstances you have indicated, but I can't answer a speculative question.

We have to deal with reality, and if and when reality develops in that area, I can assure you that we will strongly oppose any action by the Soviet Union and Cuba because that is pure international adventurism. The problems ought to be solved differently, and we are working to help in that regard.

QUESTION: Thank you, Mr. President.

QUESTION: Mr. President, I have a question concerning what critics consider the next African hot spot, the area around Jabudi, Ethiopia and Somalia.

In the event of a crisis, how will you approach French interests and Soviet interference and how do you expect Congress to feel, and how do you think the American people feel about this?

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THE PRESIDENT: Well, the problem in Jabudi is a serious one. The French have not yet given up that territory. It is moving, I think, in a dangerous trend, but at the moment, it certainly is a French responsibility with the nationals or the locals.

We, of course, are concerned not only with Southwest Africa and the development in Angola, but also Eastern Africa with Somalia, Jabudi and any of the other areas. We-in all of Africa-feel that the Soviet Union is going beyond any legitimate interests that they might have, but I have to give you the same answer I gave the other gentleman, Steve, that we can't speculate. We have to deal with reality, and right now the reality has not developed to the point where it requires any specific U. S. action, but we are familiar with it.

I keep close tab on it myself, and other than to say I don't think the Soviet Union or Cuba should continue its adventurism in Africa, I cannot give you any specific answer to a hypothetical question.

QUESTION: Mr. President, the question I have relates to our foreign policy to the People's Republic of China.

In your view, what is the U. S. national interest vis-a-vis the country, and what are you doing at the present time to achieve that objective or those theories of objectives?

THE PRESIDENT: Our interest is, I think, very pragmatic. Eight hundred million plus individuals, a tremendous mass in a very strategic part of the world. It is an area where we have to continue the normalization process.

When I went to China in December, I had the opportunity of meeting with Chairman Mao and the other leaders. We have a great many areas of agreement. We obviously have many areas of disagreement as to their social system, their economic system.

We obviously prefer ours to theirs, but we do have areas throughout the world where we have similar views, and I can assure you that in those areas, we will work with them.

In other areas where we disagree, it is a recognition of different objectives.

I think it is vitally important for the United States to continue to improve, to broaden, to normalize that relationship. I have done so. I will continue to do so in the years ahead.

QUESTION: Thank you, Mr. President.

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QUESTION: Mr. President, we deeply appreciate your taking the time to be with us today.

As a concluding question, I would like to ask you this. Because of the awesome power of the position of the Presidency and because of the problems of past Administrations succumbing to the group think syndrome of invulnerability and infallibility in decision-making, what means have you found to avoid those kinds of things happening in your Administration?

THE PRESIDENT: In the first place, I have assembled one of the outstanding Cabinets certainly during my time. When you take such high class individuals as the Attorney General Ed Levi, the former Chancellor of the University of Chicago; when you take Henry Kissinger, who I think is one of our great Secretaries of State; when you take one of your fellow citizens of Illinois, the new Secretary of Defense, Don Rumsfeld; Bill Coleman, Secretary of Transportation -- well, we could go on. I think having the opportunity to have a Cabinet of that quality assembled to discuss alternatives is a great help, and believe me, they do discuss these issues. There are differences, and I happen to agree with the philosophy that it is good to have differences expressed frankly, freely. Somebody in the process of a committee meeting has to make a decision, but it is healthy and wholesome and I am a beneficiary by having this diversity of viewpoint.

We also have the National Security Agency which is the agency that gives to me recommendations in foreign policy and defense policy. We have also the Economic Policy Board that is headed by the Secretary of the Treasury and has other Cabinet officers on it. They give me advice in the economic field.

We have just established a new Food Policy Committee headed by the Secretary of Agriculture. They will make recommendations to me in the fields of food policy, both national as well as international. I could go on.

It is the process of having good people give frank recommendations that I think avoids the abuse that took place in the past.

First the quality of the people and the organizational structure. I think both of them contribute to any abuses, difficulties such as have taken place under previous Administrations.

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(AT 10:47 A.M. CST)