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INTERVIEW OF THE PRESIDENT
BY
NEW HAMPSHIRE NEWSPAPER EDITORS

THE OVAL OFFICE

9:30 A.M. EST

THE PRESIDENT: I think what we ought to do is concentrate on questions that you have.

You heard my State of the Union, or you may have read it. You have heard some speeches I made up in New Hampshire in September during the campaign. I have been in New Hampshire off and on, on different occasions over the last year.

I think the State of the Union and the budget, plus the economic report, pretty well put the focus on what we are trying to do with the Administration overall. In the budget and the economic message, we are trying to get a better balance between the public and the private sector, with more realism and common sense.

We are holding down the expenditure levels with the growth of about 5-1/2 percent for fiscal 1977 instead of the 10-plus growth rate over the last ten years. We tried to get a better distribution between domestic programs and national security.

We are seeking, of course, to -- in four areas -- give money to the States and let the individual States, in the area of health, child nutrition, education and social services, handle the Federal money and carry out the programs as the individual States think best in their own State.

We believe the problems in those four areas in Alaska are different from those in Florida; problems in Hawaii are different than New York State. As long as we give them as much money and don't require matching, the individual States can do a better job of delivering the services in those four areas.

QUESTION: Mr. President, could I ask a question?

I tried to do my homework and inform myself somewhat on the budget area, and I had a couple of specific questions about the budget.

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It is my understanding -- correct me if I am wrong -- in the area of health you had a recommendation dealing with money for catastrophic illness. In my talking to several people who I believe to be aware of the implication of your budget, they tell me that the practical effect of your proposal is to take care of those people that indeed do have catastrophic illness, and they do get the benefit of assistance you propose, but the average everyday Joe who is not going to spend any more than, at the most, 10 or 12 days in the hospital ends up paying more.

More people are paying more money for health care. Why do you propose that?

THE PRESIDENT: At the present time, under Medicare, roughly 25 million people are beneficiaries of it. They get up through 60 days medical assistance, both for hospital nursing care and doctor bills. After 60 days, they pay everything. There are three million people out of 25 who are affected by catastrophic illnesses.

Those three million people have an unbelievable burden in trying to take care of themselves, either in hospitals, nursing homes or with doctor bills, and any person who has known an individual or any family who has had a catastrophic illness knows of the horror of that experience.

We believe that it is very important to take care of those who are in that three million category.

Now, it is true that under my proposal the individuals will be required to pay 10 percent from the first day through the 60 days. After 60 days, they pay nothing, either doctor bills or hospital bills.

What we are trying to do is to spread the burden in a very minimal way so that the people who are in the catastrophic category are protected, and they have no other way of being protected.

QUESTION: But isn't the practical effect that actually the Federal Government is paying less money?

THE PRESIDENT: No, because the Federal Government does not, under the existing situation, pay anything in catastrophic.

QUESTION: But it does pay some assistance in the area of people who don't stay for that prolonged time. What I am suggesting is for people who are hospitalized and come under the program, catastrophic or less than that, there is a set amount of money that out-goes right now. Your proposal has a practical effect of emphasizing catastrophic care and paying out less money in the general area.

THE PRESIDENT: We are calling on people to pay 10 percent. We will pay the remainder for the 60 days. They will pay 10 percent. The Federal Government will pay 90 percent and will pay everything on the catastrophic--everything.

Now, I don't know how you can precisely balance that out, but in order to get added protection for the horrors of the catastrophic illness, we are trying to spread the insurance cost across the 25 million. How it will balance out--we think it will be roughly the same, but until we have some actual experience in it, you can't be precisely accurate.

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QUESTION: On another aspect of the budget, sir. In looking over the defense budget -- particularly my interest is primarily in the area of bases and shipyards -- I sensed the feeling on Capitol Hill yesterday to be that probably the budget for defense, although it is bigger, probably will entail some major base closings before long. Now, will you keep to your predecessor's commitment to keep the Portsmouth Shipyard open, sir?

THE PRESIDENT: There are studies, of course, at all times going on as to how we can improve the efficiency and effectiveness of our military forces, including bases. There is no plan whatsoever to close Portsmouth Naval Yard, none whatsoever.

QUESTION: Supposedly there is a list coming up in March.

THE PRESIDENT: As I said, there are constant studies and there are some that are being put together that may be specific but there is no plan that I am familiar with -- and I don't think there is any in the Pentagon -- that would call for the closing of the Portsmouth Naval Yard.

QUESTION: I understand you are trying to give us the impression it is not your intention to close the Portsmouth Naval Shipyard. One step beyond that -- there are some phrases which, surely, you recognize are qualifiable -- "plan at this time." Getting to the nitty gritty, the people in Portsmouth want to know if you can give them a more stiff assurance.

THE PRESIDENT: It is not contemplated. It is not expected. I know of no recommendation to me to close the Portsmouth Naval Yard.

QUESTION: I would like to go back in history. You were leader in the House of Representatives during the time of the drive to impeach Justice William Douglas. There are people who consider themselves friends of yours who say you now feel some embarrassment that perhaps you were used, misled, perhaps by some officials in the Nixon Administration in this effort. I wonder if that is true, first of all, and, second, if it is true, if you ever made any expression of regret to Justice Douglas himself?

THE PRESIDENT: I wrote him a very nice letter when he submitted his resignation, commended him for his long tenure, the longest tenure of any Supreme Court Justice in the history of the United States. At the time the issue was raised in the House of Representatives, I felt that his activities with this organization in California where he was receiving compensation of around \$15,000 a year -- for his publication of an article in a magazine -- I felt a person in his position should not be writing articles for that kind of a magazine.

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At the time that I made the proposal, it was for an investigation as to whether or not impeachment proceedings should be undertaken, and the committee, after going into the matter, decided no. At that point, I dropped it, but I thought it was the right thing to do at the time and when the committee made the decision, as far as I was concerned, whether I agreed with it or not, the process had been carried out.

QUESTION: Do you feel any regrets about your participation in it?

QUESTION: Can we get a copy of the letter?

MR. NESSEN: That is the letter at the time of the Douglas resignation.

THE PRESIDENT: His letter of resignation and my response is on file.

It is hard to tell. Part of the process is to find out what the facts are. I think it is interesting to note that following initiation of the action I took, Justice Douglas did resign from his affiliation with the organization and discontinued his receiving of \$10,000 or \$15,000 in annual compensation.

QUESTION: Mr. President, almost all of the Democratic candidates for President have been campaigning on the basis they are going to put a lot of people back to work. In your budget, however, you offered no real programs to put more people back to work or to lessen the unemployment rolls, specifically. Why did you avoid that?

THE PRESIDENT: There are people who think the Government can turn a switch and put everybody back to work. I think history in this country proves that really has not worked. In my budget proposals we put the emphasis on providing an economic climate that will get individuals back to work in the private sector rather than putting people on public payroll. We recommended certain tax changes that would provide an incentive for business to move into an area where there is high unemployment so they could build a plant or buy new equipment. In that way, accelerating industrial development, providing more jobs.

In the budget, also, I did provide for a continuation of the Comprehensive Education Training Act funding of about \$1 billion 600 million which does provide training for individuals in specific areas.

We also provided the full funding of the Summer YOUTH Program which is for the younger individuals for their summer job employment, but the main emphasis was to stimulate the economy in the private sector, which is a far better way to provide more jobs than putting them on the public payroll.

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QUESTION: Mr. President, one of the major issues in New Hampshire in Presidential politicking has been what we call a "\$90 billion rating scheme." I understand the campaign manager objects and says it is a program. You commented indirectly in your State of the Union Message that it was not appropriate to dump welfare programs back in the laps of the States and then to walk away from them.

On the Chamber of Commerce dinner on the 7th, will you have any specific comments -- I am not going to ask you what you are going to say -- on Mr. Reagan's proposal, the \$90 billion scheme, as contrasted to your block grant program. It would seem like general revenue sharing and a mixture of what used to be special revenue sharing. I understand Mr. Reagan is opposed to both. Would you like to contrast those proposals?

THE PRESIDENT: I think the best evidence of the responsible approach that I am taking is the fact that every Governor that I have talked to -- and I have now talked to almost half of the Governors of the country -- is that the Governors who have to meet the problem of providing services on the one hand and not having to raise taxes on the other, agree with me and disagree with the proposal that Governor Reagan has recommended. Every Governor that I have talked to -- Democratic or Republican.

QUESTION: What about Governor Thomson?

THE PRESIDENT: I have not talked to him since then. I don't know what his view is, but we have had a variety of Governors here in various groups and every one of them endorsed my proposal and all of them literally threw up their hands when they saw the alternative.

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QUESTION: Isn't it true, Mr. President, in your budget, block grants and assistance to State and local Governments is increased in dollars by some small percent but the calculations of people who are familiar with the budget indicate inflation -- your own projected rate of inflation of 6 percent -- will amount to what is in fact a real cut in real dollars in revenue sharing and grants to State and local Governments?

If you do believe that this kind of assistance to State and local Governments must be increased, why is there lacking in your budget a real increase in this type of assistance?

THE PRESIDENT: In the case of the health program-- I recommend \$10 billion for fiscal 1977. We anticipate going to \$10 billion 500 million in the next year and another \$500 million recommendation in the third year. This is a sizeable increase. It is 5 percent in 1978 over 1977.

In the case of education, which is for primary, secondary, vocational, handicapped and libraries, four broad categories, we recommend \$150 million over the present spending. The present spending is about \$3.3 billion, and we agree to hold States harmless.

In the case of child nutrition, there is a reduction, but I think it is a very logical reduction. The reduction is predicated on the following:

Under the present child nutrition program, approximately 700,000 children get lunches with Federal funds who come from families above the poverty line. There are families or children from families under the present program who are below the poverty line who are not getting child nutrition help.

Our program is aimed at feeding every child who comes from a family below the poverty line and not providing Federal funds for children over the poverty line, and the net result is there is some reduction.

In the case of social services, we here would provide to the States a slight increase.

QUESTION: Notwithstanding the inflation?

THE PRESIDENT: It is my recollection we provide some slight increase in the area of social services. It may not be the cost of living increase, but it is at least as much, and I think there is a slight increase. All of this money goes to the States in all four programs without any requirement for State matching, so the States are not required to match to get the Federal money.

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QUESTION: Governor Thomson happened to be around last week and he gave what I took to be a revised version of the Reagan plan, which sounds much like what you are saying. He said all Mr. Reagan is proposing is not a cut in taxes, but a vast expansion of the revenue sharing program.

So, if there is actually anyone who is going to swallow that, I am not sure what difference is left between you and Mr. Reagan. I am wondering about the general policy which seems to be more and more coming from conservative politicians in general of trying to get back to a kind of statism in the spending of money, as though that is going to be more efficient.

It seems to me that -- for instance, in the child nutrition program, as an example, possibly -- there has always been an advantage to the adversary relationship between the Federal Government and the State Government in the channeling of money to programs because then the people, someone is looking over someone else's shoulder, and there are rules, and I personally feel very little confidence that the States, if simply given large amounts of money, that it will be well-spent and honestly spent.

Do you feel confident they can do a better job?

THE PRESIDENT: I can make two answers to that.

One, I do have faith in State Governments at the present time to meet the needs of the various beneficiaries. Maybe 20 years ago I would have felt differently, but today the record of States and local communities in meeting the needs of the various beneficiaries is good.

Number two, let's take the education programs. There are 27 categorical grant programs with money going to the States from a number of sources in the Federal Government. The burden of making requests, applying for the money, negotiating with Federal officials is an unbearable burden.

You talk to any Governor, any local official. They have to hire people, they have long delay, the red tape is unbelievable, and through our block grant program we eliminate all of that red tape and all the burden.

Every Governor that I have talked to says they can take the same amount of money without this red tape and provide more services because they don't have this overhead that hangs over them in trying to get the money from 27 different education agencies in the Federal Government.

Do we have those mess charts here, Ron?

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QUESTION: There is no way you would slash through them in your present plans?

THE PRESIDENT: No, because Congress does two things. They establish these various subagencies, and then they fund those subagencies and there is no transferability between one categorical program and another. The education needs in one State may be different than the other. The rigidity of categorical grant programs is unbelievable.

In the case of health, I think there are 15 categorical grant programs, and the net result is there is no flexibility at the State level or the local level to take money out of one categorical grant program and put it in another if the need at the local level is greater for one State than another.

QUESTION: Would your plan consider massive Federal auditing of what happens to the money?

THE PRESIDENT: We definitely would require post-auditing. In the education program, there is one limitation. Out of the funds that would go to a State, 75 percent of it has to go to the disadvantaged and to the handicapped.

QUESTION: Defined by Federal guidelines?

THE PRESIDENT: Yes. It is a broad pot.

QUESTION: Mr. President, don't you think the people of New Hampshire, where the primary is being held, ought to have some understanding, some idea of or a list of people you are considering for Vice President?

THE PRESIDENT: The list, I think, is pretty well known by a number of prominent people in the Congress, Governors and perhaps some people on the outside. We have a wide range of possibilities, but I think it is premature to say that this person or that person even heads the list.

QUESTION: I appreciate it would be premature to say who heads the list or who is top on it, but don't you think the people of New Hampshire ought to have an idea of the qualifications and the type of gentleman or lady you are thinking of -- four or five names to let us chew on, sir, if you could?

THE PRESIDENT: If I start the list and then eliminate or don't mention somebody, I think that is unfair to that individual. But, you have heard a number of names. I was asked a somewhat similar question out in Massachusetts several months ago. I said Ed Brooke for example, is thoroughly qualified. I think Senator Howard Baker would likewise be fully qualified or Senator Bill Brock of Tennessee or Senator Chuck Percy.

QUESTION: Mr. Richardson?

THE PRESIDENT: Of course, he is a Cabinet officer, or will be shortly.

QUESTION: Mr. Bush?

THE PRESIDENT: Mr. Bush is taking himself -- or we have agreed to take him -- out of the potential list because of his new assignment as head of the CIA. You have got some excellent Governors, such as Governor Evans of Washington, Governor Ray of Iowa and Governor Bond of Missouri.

In other words, there is a vast potential of outstanding public officials and maybe, of course, some in the private sector who are not elected officers who could certainly be considered for the Vice Presidency.

QUESTION: You mentioned George Bush. Last night we heard a story that Senator McIntire of New Hampshire, floor leader in the Armed Services Committee, took a head count to block confirmation of George Bush as Director of the CIA.

I understand our other Senator, John Durkin, is on paper to vote against. This may be off-the-record. So we have the State of New Hampshire and you have George Bush, an old friend of mine, who had four votes against him, I think, in the Committee, and we here have 20 to 25 votes against him on the floor. I think the phrase was he had been red-lined as Vice Presidential candidate.

Do you have any comment to the people of New Hampshire why both their Senators are apparently going to vote against your nomination?

THE PRESIDENT: I think it is unfortunate. George Bush is a very able person, and he was successful in private business and he did an exceptionally fine job as the United States representative at the United Nations. He did a very able job as our representative in the People's Republic of China.

He served in the House of Representatives with distinction. He served on the Committee on Ways and Means and one other committee. He, at the insistence of the majority, a number of the majority, agreed with me we should eliminate him from any political consideration in 1976.

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I think that was unfortunate, but because of his capabilities and experience and the need to have some new blood in the CIA, we agreed to it. I think it is tragic, but that was an agreement that was made, and it did result in George getting, I think, nine to four or ten to four votes in the committee for the confirmation, and I think it will be roughly the same when the vote comes up next Monday -- I am told that is the plan -- to be voted on next Monday.

George Bush is one of the most able, attractive, experienced people I know. I know he will do a fine job in the CIA, and that agency, with all the trouble it has had in the last year or so, needs a person like George, and I don't understand why individuals would vote against him allegedly because he served for a year and one half, or two years, as the Chairman of the Republican National Committee.

Senator Jackson served as Chairman of the Democratic National Committee. I just don't think that is a reason for disqualifying an able person from a position or an appointment of this kind.

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QUESTION: Critics of the George Bush nomination, Mr. President, I sense their view is as follows: that public perception right now would appear to make it sensible to put someone who does not have that political tinge to him as a nominee.

THE PRESIDENT: I think you have to look at the broader experience that George Bush has had. He served in the Congress, was our representative at the UN, represented the country in the People's Republic of China. This kind of experience is very valuable in the job as head of the CIA. And the fact that he was asked and served as the Republican National Chairman, I don't think, is a reason for disqualifying him for this important job. I think the public knows that as long as he is not being considered for the Vice Presidency, that politics will not be involved in his decision-making process in the CIA.

QUESTION: Can you talk about your role in the loneliest job in the world? I think people in our little towns are really interested in identifying with you in this awesome job of approaching serious problems and problems that affect the whole world and so forth. Do you have an adviser -- I don't mean an adviser -- I mean a trusted friend with wisdom that you bounce off ideas on, somebody like Roosevelt's Harry Hopkins or Wilson's Colonel House.

THE PRESIDENT: I consult with a number of people. I don't have one individual. I have a fine and top staff where we discuss pros and cons of every issue. They don't always agree, but I think that is wholesome so you get an input on various sides of an issue. I think having a variety rather than one is a better safeguard, and it is not only my top staff, but I have some very able and knowledgeable, trusted friends in the Congress that I will consult with on some of these hard decisions.

QUESTION: Can you tell us what kinds of things irritate you or anger you?

QUESTION: Skiing mis-steps?

QUESTION: So far I think the people have not seen you angry, but a human must get angry once in a while.

THE PRESIDENT: I learned a long time ago from my wonderful mother that I should control my temper, and she was very stern, and I think it was very helpful that she did teach me to control my emotions.

QUESTION: Is there no way you vent it at all?

THE PRESIDENT: I was about to say that I don't vent my displeasure with outbursts. I think the staff knows how I do it.

QUESTION: We would like to, too.

THE PRESIDENT: Instead of being amiable, I can get a little firm with a different tone of my voice and with a little sterner look on my face, but I don't go into an outburst because I think, really, when you go into an outburst, you sort of lose control of your capability to analyze something. But, oh, yes, I can be very firm, but it is not an emotional outburst.

QUESTION: Can you look at the other side of this coin? What kind of things, particularly, do you enjoy for pleasure?

THE PRESIDENT: Seeing that we have done a good job in the preparation of a proposal and it makes sense economically and politically and in any other way. I get more satisfaction out of finding that what we started as an idea finalizes into something that is worthwhile. And that is in the governmental sense. I get a lot of satisfaction out of personal accomplishments in whatever I undertake, whether it is in athletics or in making a speech.

QUESTION: How often do you wish you weren't President?

THE PRESIDENT: I have never since I have been President.

QUESTION: There is no aspect of the job so onerous that even in a back dark recess of your mind that you wished you were not President?

THE PRESIDENT: I never had any feeling that I wished the job would go away, or I would not want to continue. I get up every morning and I walk from the Residence over here and I look forward to the good and the bad in the decisions that have to be made, and I don't mind working long hours because every problem that comes here is a challenge that I really enjoy working on.

QUESTION: Does the job consume you?

THE PRESIDENT: No, I am in the best health, mentally and physically, that I have ever been.

QUESTION: The Presidency brings with it tremendous political advantages, yet you come into a thing like the New Hampshire campaign and you are, as you well know, a unique person. You have not campaigned nationally before. Doesn't that very fact have some tremendous disadvantages for you at this time? As Jim Cleveland put it to me on the Hill yesterday, you are a hard guy to move around. You cost a lot of money. They are running out of it up in New Hampshire.

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THE PRESIDENT: The new election law does put severe restrictions on all candidates.

QUESTION: Is it a bum law?

THE PRESIDENT: I voted for the House version and I signed the bill when I became President. I raised some questions that have been raised by others. As a matter of fact, it is now before the United States Supreme Court on the petition of some strange political bed fellows -- I think we have Gene McCarthy -- there are some very conservative, Jim Buckley -- that is a strange combination, but both of them, on the extreme right and extreme left, think the law has some very undesirable as well as unconstitutional aspects. Let me just show you what we call a mess chart.

QUESTION: Do you have any regrets about appointing Tom Curtis to that commission?

THE PRESIDENT: No, I know him. I have served with him. Tom is a very straight guy and he is knowledgeable and I think he has done a good job. I am confident he will do a good job. The Democrat I appointed -- Neil Staebler, former member of the House of Representatives and former Democratic State Chairman in Michigan, is also a very good appointment. I think with the two they have they will do the best job.

Just look at this, what we call a mess chart. Twenty-seven basic categorical grant programs going to a variety of State and local organizations, as well as individuals. It just is an impractical way of delivering educational services with Federal dollars to local programs. Now, under our proposal --

MR. NESSEN: Some of these are -- obviously there are more than 27 here. These are all individual tiny separate categorical programs that Congress has set up. Twenty-seven of these -- I can't pick out exactly which ones -- will all be consolidated so instead of all the recipients who are on the bottom line here, they have to go to four or five or six different programs and have to have a little local bureaucracy to get money for each of these programs. Twenty-seven of these will be eliminated and the money will go straight down and they don't have to have 27 little bureaucracies. They will just be able to use the money as best suited for their own needs.

This is the one for education. The one for health -- the present status of health is, I would say, four or five times more complicated on that one than on this one. This is the simplest one.

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THE PRESIDENT: In this book here, this is the education one. Here is the one on nutrition programs. We have these for each of the existing delivery systems. In each case, the burden on the State or the local unit of Government to make the application and the process of going from any one or all of these to the State is an unbearable burden. It just consumes too much time, too many people and too much money.

QUESTION: Who has the responsibility to make these programs work? Will it shift from you to Governors? Will you be able to say it is not my fault that they did not do what should have been done with the money?

THE PRESIDENT: In the auditing process, we will make sure that the money is handled honestly and effectively, but it will be a post-audit process rather than the system that now exists where they have to apply and get the money and then carry it out, and then they get a post-audit.

QUESTION: Say you were campaigning four years from now in New Hampshire and somebody said, "What about the dumb things they are doing with this money." Are you going to be able to say, "Well, you have to complain that that is the best they could do in New Hampshire," even though it comes out of Federal tax.

THE PRESIDENT: The Governor and the State Legislature in those areas where they define how the money should be spent will be the principal persons responsible. That, I think, is a better approach than having those decisions made here by some non-elected official who has a vested interest in just a little piece of the total amount of money expended by the Federal Government in a particular area. I have faith in State and local elected officials in the current circumstances and they are much more responsive to public need than somebody here in Washington who does not necessarily understand the intricacies or the differences that exist from one State to another.

QUESTION: I have a particular question of interest to me. Recently I read some articles and then sought to inform myself on what I believe is S. 1, the bill which critics say was drafted by John Dean when he assisted former President Nixon on the bill which has the practical effect of legalizing many of the Watergate crimes.

THE PRESIDENT: S. 1 has been before the Senate Committee on Judiciary for better than a year. It is my recollection that the Nixon Administration submitted it. The Committee has held a number of hearings and has made a number of changes. In addition, last summer I recommended specific additional provisions that better handle the crime problem. Those provisions, I hope, will be included in whole or in part in S. 1, but it is my understanding that the Senate Committee has done a thorough job in analyzing the whole recodification of the Federal Criminal Code which S. 1 sought to do. So I would doubt that the Senate Committee has accepted provisions that would legitimize some of the Watergate crimes.

QUESTION: Mr. President, I certainly would not personally recommend any such provisions in recodification of the Federal Criminal Code.

QUESTION: Recently, one of the most respected members of your Cabinet, Mr. Dunlop, resigned and it was well-publicized that he resigned over the common situs picketing bill, which your Administration promised to sign and then apparently flip-flopped and you eventually vetoed the bill. Does this tell voters anything about the quality of leadership? How does it happen that a commitment can be made that a certain piece of legislation will be signed and then that commitment somehow not fulfilled?

THE PRESIDENT: I think you have to look at an issue like that in this way: At the time I agreed that there would be an affirmative look at the legislation if it came down here in a combination of the common situs picketing bill and another provision or another part of it that affected the labor management negotiating process for the construction industry -- it seemed like the right thing to do. At that time it was anticipated that both labor and management would support it. Subsequently, management did not support it, and, subsequently, there was a tremendous nationwide uproar against the signing of it.

We had gotten, in the month or two before I had to make the decision, approximately 600,000 communications urging me not to sign it and roughly 10,000 to sign it.

Now, any issue that gets as controversial as that, I think, a President has to look at and say, will it be helpful or will it be harmful. And in the final analysis, it seemed to me that the President had to look at the total impact, not just the impact as it might be understood by labor on the one hand and management on the other.

QUESTION: If you represented management in the negotiations -- putting yourself in the place of negotiator with the President on this bill rather than being President -- had you represented management, would you have sought to persuade your colleagues and associates to go along with the bill?

THE PRESIDENT: There were some very beneficial portions of that bill. The particular part that set up a new formula, procedure, for settling labor-management disputes in the construction industry, that was a sizable step forward. On the other hand, when management sat down and looked at the total package, they decided on their own, their organization did, that it was not balanced and the net result was they vigorously opposed it.

But in addition to just management, there was a tremendous hue and cry outside of the management organization that strongly felt that the bill as a whole, and particularly the situs picketing part, should not be signed.

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I sat here with this effort to try and see how we could best balance the conflicting interest and when I made the final decision, I felt that overall it was better to veto it.

QUESTION: Speaking of vetoes, today sometime isn't the Senate to act on the 200-mile fishing limit? As that bill is presently drafted, will you veto it?

THE PRESIDENT: Let me give you some background. I have said over several occasions I strongly believe in the concept of 200-mile fishing limit. At the same time, I have said we are seeking in the Law of the Sea Conference, in the negotiations that will begin again in New York City in March, that the better procedure would be to settle all the problems of the sea, including fishing rights and, therefore, I have urged that the Congress delay the final consideration of the legislation until we have another crack at trying to negotiate a comprehensive Law of the Sea agreement.

Now, the Senate bill at the present time -- certainly the House bill and, to some extent, the Senate bill -- does not give us enough time to make sure that we either have achieved a Law of the Sea agreement or we won't get one. I would hope that it would give us at least until the end of this year to make a major effort in the Law of the Sea Conference.

I would hope that the negotiations would proceed in March or maybe later in the year. We are down, actually, to a draft document. There has to be some serious issues finally settled, but we made a lot of progress.

QUESTION: For plain folks, should that be interpreted as a threat of a veto?

THE PRESIDENT: My feeling is with the Senate version -- the date is December 31, I think -- if not, there is going to be an amendment offered by Senator Stevens to make it December 31 -- assuming all the other provisions are satisfactory, I would probably not veto it, but I would hope, in the meantime, we can get a Law of the Sea Conference agreement.

QUESTION: This draft document you talk about, does that include the 200-mile fishing limit?

THE PRESIDENT: That is my understanding.

QUESTION: In several of these conversations you indicated you had communications with people. Do you have any method that is satisfying to you to know what the people are thinking or what individual people are thinking. I am not talking about polls, but do you have any sense of the public pulse directly in any way?

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THE PRESIDENT: I meet very frequently with various groups and from these groups you get a sense. For example, we had what we call White House Conferences in ten major cities throughout the country where I participated, and they would have anywhere from 600 to 1,200 people there.

I would take questions from these individuals or representatives of various groups and have sort of a press conference with various organizations represented -- labor, management, education, public officials, et cetera. You get a sense of what the public feels, what they believe from the kind of questions that are asked and the people that participate.

We have frequent meetings here in the Cabinet Room with various groups. Yesterday, I met with the Retired Teachers Association and the National Association of Retired Citizens. I met with them 45 minutes. I have met with editors. I have met with labor people. I have met with management people, with veterans groups.

They come in for a day, talking to people in the Administration, and I usually spend half an hour or an hour with them. In that way, I think you get a pretty good feel of how individuals and groups feel about issues.

QUESTION: But, Mr. President, how do you get a feel of people whose income is under \$7,000 a year? Do you meet with any of those types?

THE PRESIDENT: Yes, in these White House Conferences various groups that represent them or represent that section of our society participate. Some of the questions I have gotten in the ten meetings I have attended come from representatives of the NAACP or the Urban League or a variety of other organizations.

I assume individuals representing those groups would represent people in the lower segment of our society economically.

MR. NESSEN: You might want to mention, too, Mr. President, the weekly sample of mail.

THE PRESIDENT: I get a weekly resume of the number of letters or telegrams and the subjects that are written about, and I get an analysis of the pros and cons on an issue.

MORE

QUESTION: Do you ever get some of the letters themselves?

THE PRESIDENT: Oh, yes, they send in a book about that thick, and they take a subject and they will give me three or four letters on either side on each subject, so I not only get the compilation, but I get sample letters on a particular subject.

QUESTION: Can you tell us what procedure you have for keeping up to date on the news? Do you get an early morning briefing?

THE PRESIDENT: Here is the procedure. I usually get up at 5:15 or 5:30. I have the Washington Post and the New York Times, and the daily news summary, and I spend roughly two hours reading those two newspapers, plus the summary.

I come over to the office, and get here at 7:30 or quarter of 8:00. I have what we call the President's intelligence briefing, which takes me about 20 minutes to read. That is the compilation of all of the intelligence information that I should have that day.

Then, during the day, I read three or four other newspapers, and at night I usually read the Washington Star. I think I read the newspapers about as diligently as any individual that I know.

QUESTION: What about the old Kennedy quotation? Are you reading more and liking it less, or are you reading less and liking it more? Have you ever cancelled any subscription?

THE PRESIDENT: No. In fact, we welcome more papers coming, even those that give us a hard time.

QUESTION: There has been a lot of talk of a solar lab. Is there any talk of it coming to New Hampshire?

THE PRESIDENT: The Energy Research and Development Agency -- ERDA -- is in the process of establishing criteria or guidelines. They expect to have these released around the first of February.

QUESTION: Before the 24th?

THE PRESIDENT: At that time, they will then invite applications within those guidelines from various States or combinations of States, and probably later this year a decision will actually be made, predicated on the application.

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Now, what I am told ERDA is thinking of is not just one place. They are thinking of a center with three or four, maybe as many as six, satellites using the unique talent or facilities or weather in a variety of places throughout the United States.

But that is the procedure that is in process and that I think makes sense to get a comprehensive approach. Dr. Bob Seamans, who is the head of ERDA, is a very able man, former Secretary of the Air Force and an outstanding scientist. I think they are proceeding in the right way.

QUESTION: Mr. President, I am not trying to politicize too much, but under your program called the block grants, under the general concept of the general and specialized revenue sharing, there would still be revenue funds that would be mandated in the sense they would have to be spent. Is that a correct assumption?

THE PRESIDENT: Money will be available.

QUESTION: Let's take education, the consolidation of 27 programs. Suppose I went through the Education Department of New Hampshire? Is this mandated money, or would it be?

THE PRESIDENT: I don't think we can force them to spend it. Just like you can't force the State under the present system to spend it. They have to apply all these categorical grant programs, and they have to have Federal matching in order to qualify.

If they don't apply under the existing system, the money does not go to the State or the local community. Under our plan, the money would be available. If they applied for it, they would have to use it under the broad Constitutional requirements in very broad guidelines, but a State has to apply or a local unit of Government has to apply.

QUESTION: This would be a simplification of the present system?

THE PRESIDENT: Simplification, consolidation, without the requirement of Federal matching.

QUESTION: By way of contrast, despite what Governor Thomson says, Governor Reagan has not provided for this. To the extent they would have a phase-out of Federal support by the assumption of burden, with the primary responsibility by the States, there would be a rather radical change in the Federal partnership.

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THE PRESIDENT: There would be no money and, of course, no requirement for the State to do anything. It would be the State's responsibility, if they wanted the services, to find the way to finance them as far as the elimination of Federal contributions.

QUESTION: Mr. Reagan was asked when he was in New Hampshire last time what would happen in the South or elsewhere should a State elect not to do anything or to do very little in welfare or education in black and minority groups and the poor, and his answer was that they could move out of State.

This is a direct quote, "They could vote with their feet." Do you think that reflects the will and the record of the White House and the Congress over the past 30 years?

THE PRESIDENT: I think we have tried, certainly as long as I have been in the Congress, to equitably distribute Federal funds to State and local communities so that those less fortunate than others could be taken care of responsibly without any requirement that an individual move from one State to another on a mandatory basis.

I think the record of the Congress and the White House in compassion over the last 20 or 30 years has been a good one. I think what we are trying to do follows the same pattern, except we will improve the delivery system for these services so that the burden won't fall on the State unless it wants to supplement them, and we will treat the country as a whole, not on a limited State-by-State basis, because the money will be available across the board.

THE EDITORS: Thank you, Mr. President.

END (AT 10:45 A.M. EST)