

PRESS CONFERENCE NO. 24

of the

PRESIDENT OF THE UNITED STATES

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Saturday

In the Briefing Room
At the White House

THE PRESIDENT: Well, this morning I spent about three hours in the next to the last budget review process with a number of appeals and tomorrow I expect to spend approximately three hours on the final decisions on the budget.

We have a number of bills, of course, down from the Hill -- some easy, some controversial -- but we expect to get an awful lot of work done over this weekend.

With those very general observations, I would be glad to answer any questions.

QUESTION: What are some of the hardest budget decisions you are making right now?

THE PRESIDENT: They are all hard, Ann, because even though the budget will reflect an increase over the current fiscal year, it will reflect a \$28 billion cutback in the growth of Federal spending and, therefore, you have to make hard decisions in practically every department, but if we are going to get a \$28 billion tax cut, we have to have a \$28 billion cutback in the growth of Federal spending, and we are going to have a \$395 billion spending budget for the next fiscal year and that will permit me to recommend to the Congress a bigger tax reduction than the Congress passed and which I will sign Monday when the bill gets down here.

The American people need and deserve a larger tax cut and I am delighted that the Congress after a lot of pulling and hauling finally agreed that we would have in principle a tax reduction and a spending limitation on a one-for-one basis. That, I think, is a very sound principle. That is what I have been fighting for, and now that the Congress has made a good faith commitment I think my larger tax recommendations to cut taxes more than the Congress passed means that we will get a firm handle on the growth of Federal spending.

QUESTION: Is the \$28 billion what you will propose again next month as far as the tax cut goes?

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(OVER)

THE PRESIDENT: Well, the tax bill that I intend to sign reduces taxes on a full year basis of about \$18 billion. My tax reduction proposal will add another \$10 billion in additional tax cuts and it will all be predicated on a restraint, a control, in the growth of Federal spending of a like amount.

QUESTION: What are you going to do on the energy bill, Mr. President?

THE PRESIDENT: I have recommendations from people on the outside on both sides of the issue. I have recommendations from my top advisers on both sides of the issue and I am going to spend a good part of this weekend analyzing the pros and cons. We have had an Economic Policy Board meeting on that issue and I will make the final decision probably on Monday.

QUESTION: Mr. President, have you decided on situs picketing?

THE PRESIDENT: No, I have not. That is another measure that I will be working on this weekend. There is, of course, in the Administration differing views. The American people have very strong convictions on both sides of that issue and we have gotten a tremendous amount of mail in opposition to it. We are getting some mail in favor of it. I am going to try and make an honest judgment over this weekend.

Now, of course, that bill, as of this moment, has not come down from the Congress; I hope it will be here so that the difficult decision can be made.

QUESTION: Is there a difference in the mail, Mr. President? I mean the mail that is against that bill, does it seem to be more from organized forces?

THE PRESIDENT: I can't tell but the last count I showed there were something like 620,000 communications against the common situs picketing bill and something less than 10,000, as I recall, for it.

QUESTION: Mr. President, you have been working very hard on this budget and had a hard time getting Congress to agree to any spending cuts. Do you have any opinion on this proposal of former Governor Reagan's to cut \$90 billion from the Federal budget by turning this over to the States and local communities? What do you think of that idea?

THE PRESIDENT: I met with I think it was nine Governors -- Democrats as well as Republicans -- several days ago and I got recommendations from them because the Governors, I think, played a very important role, not only in running their own States but in working with the Federal Government, and the consensus -- well, the unanimous view of all of those Governors was, don't put any extra burdens on us and our taxpayers in each State.

I gather from that that any reduction in the Federal budget of \$90 billion, turning all of that extra responsibility over to each of the 50 States, would not be acceptable and would not be supported by the 50 Governors.

QUESTION: Mr. President, now that we are in the field of politics tangentially, can you --

THE PRESIDENT: I didn't answer it on that basis.

QUESTION: No, I know you didn't, but we were trying to get in there so I will try again. (Laughter)

Can you tell us anything about your campaign plans for next year? Are you going into New Hampshire and Florida, for example?

THE PRESIDENT: We have a lot of open dates in those months because we first felt that the most important thing was to do the business of the Federal Government. I am sure that we will participate to some degree in various primary campaigns but I emphasize and say it very strongly that the principal responsibility of a President of the United States is to make sure that he exercises his full responsibilities as President. If there is time for any campaigning, and only time can tell, then I will do what I can, but I have no concrete plans at this moment.

QUESTION: Mr. President, could you give us a sense of how you feel you are doing politically right now, especially in view of that poll that showed Ronald Reagan ahead of you by a substantial margin among both Republicans and Independents?

THE PRESIDENT: The way I judge it is whether I think I am doing a good job as President. I am concentrating on that responsibility. I think we have made substantial progress in the last 16 or 17 months in straightening out a very serious economic problem, in carrying on a sound foreign policy and, in my opinion, the American people in the final analysis will judge whether I should be nominated and/or elected on the basis of how I conduct myself in this office and that is where the concentration will be?

QUESTION: Just to follow up on that, sir, in view of the fact, of course, you have been President, what do you think is the significance of that poll? What does it tell you, if anything?

THE PRESIDENT: I am not sure I understand the intent of the question.

QUESTION: Well, since you have been functioning as President and doing the best job you know how, as you say, what is the importance of the poll that shows you trailing Mr. Reagan politically even so?

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THE PRESIDENT: Well, I think the final answer, of course, comes in the ballot box and if I do the job -- and I think we have made some great progress certainly in solving economic problems and I think we have done a very good job on foreign policy -- that will be the test, not any interim polls.

QUESTION: Mr. President, after Mr. Callaway stirred up a bit of a storm in Houston with criticizing Mr. Reagan's record as Governor, you talked to him the next day. Did you tell him to lay off this, and what do you think of the way he is running the campaign?

THE PRESIDENT: I think overall that Bo Callaway has done a good job. I get weekly reports on the status of our organization in the various States and when I look at that I am convinced that we are in good shape in most States and we are working to improve in those where we are not.

QUESTION: But, Mr. President --

THE PRESIDENT: Excuse me just a minute.

Now I think both Bo Callaway and I agree that there should be no personal attacks on Mr. Reagan and I understand he feels the same way about any campaign on his behalf. The thing that I think we are going to emphasize -- myself particularly and I hope Bo and the others -- is my record, which is one that is examined on a day-to-day basis by literally millions and millions of people, and I will stand on that record and Bo is going to accentuate, as I and others will, the success of this record. If the public as a whole wants to examine not only my record but the Governor's record, that of course is the option that they have.

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QUESTION: Mr. President, yesterday you issued a statement about your sentiments on what the Senate has done on Angola.

THE PRESIDENT: I said it fairly strongly.

QUESTION: You sure did. After you did it, Dr. Kissinger said something a little more even stronger over at the State Department around five o'clock. He said the responsibility of the conduct of foreign policy is not altered or affected simply because Congress has taken an action. I don't know quite how to read that but I can read that once you spend the money that is in the pipeline there is not any more. What is the United States policy toward Angola going to be given the fact that you are going to run out of money in about two months?

THE PRESIDENT: Our fundamental purpose in Angola was to make sure that the people of Angola decide their own fate, establish their own government and proceed as an independent nation. We think it is fundamentally very unwise, very harmful for any foreign power such as the Soviet Union is obviously doing and as Cuba is doing to try to dominate any government in that country. All we want is for the majority of the people in Angola to decide for themselves what they want.

Now unfortunately because the Soviet Union has spent literally millions and millions of dollars and unfortunately because Cuba has anywhere from 4,000 to 6,000 combat troops in Angola, we think this is a setback for the people in Angola.

Now I take this problem very seriously.

QUESTION: Well, what is to be done with your hands tied, so to speak?

THE PRESIDENT: Well, the Congress unfortunately has tied our hands and I think it is a serious mistake. I feel very strongly that a great country like the United States should have flexibility to help those people in any one country to decide their own fate and the action of the Congress is crucial in that it has deprived us of helping a majority of the people in Angola to make their own decisions. The problem that I foresee on a broader basis is a good many countries throughout the world consider the United States friendly and helpful and we have over a period of time helped to maintain free governments around the world. Those countries that have depended on us, and there are many, can't help but have some misgivings because the Congress has refused any opportunity for us in Angola to help a majority of the people and they can't help but feel that the same fate might occur as far as they are concerned in the future.

I hope the House of Representatives will have a different view and we are certainly going to try and get the House of Representatives to reverse the Senate action.

QUESTION: If not, are we through there?

THE PRESIDENT: I never say we are through but the action of the Senate has seriously handicapped any effort that we could make to achieve a negotiated settlement so that the people of Angola could have a free and independent government.

QUESTION: Mr. President, on that subject why did we not start earlier in making public our opposition to what the Soviet Union was doing there and telling this country how much money and what effort we were making there, and can you tell us how much money we spent there?

THE PRESIDENT: I don't think it is wise for me to discuss in any detail what we have done or contemplated doing. It was a legitimate covert operation where not one American military personnel was involved in the operation and we had no intention whatsoever of ever sending any U. S. military personnel there, but to discuss any further details than that I think in this case as in any other covert action case the President just should not discuss it publicly.

QUESTION: Mr. President, now that the Soviet Union is persisting despite what the Congress did on our side in pouring equipment and material into Angola, do you see now the possibility that this might seriously harm any chance for a completion of SALT 2?

THE PRESIDENT: The persistence of the Soviet Union in Angola with a hundred million dollars or more worth of military aid certainly does not help the continuation of detente. Now I will add another comment. As I said earlier, there are between 4,000 and 6,000 Cuban combat military personnel in Angola. The action of the Cuban government in sending combat forces to Angola destroys any opportunity for improvement in relations with the United States. They have made a choice in effect and I mean very literally has precluded any improvement in relations with Cuba.

QUESTION: Mr. President, do you see any possibility that this matter could be taken to the United Nations or worked on from the diplomatic standpoint now?

THE PRESIDENT: We certainly intended to try to get diplomatic efforts underway and to help in the diplomatic area but I think our influence in trying to get a diplomatic solution is severely undercut by the action of the United States Senate.

Now there is a meeting in early January of the Organization of African Union, the foreign ministers of that organization. They are meeting the first week or so in Africa. We hope that they will take some action to let the Angolans themselves decide this. In addition, there is a meeting later in January of the heads of government of the OAU. That body, of course, is the one that could do the most and I know that there are a number of African states who have apprehension about a foreign power dominating a country as rich and potentially strong as Angola and so I

can assure you to the extent that we can have any impact in diplomatic areas we are certainly going to maximize our efforts, but I repeat that what the Senate did yesterday undercuts very, very seriously any impact we can have in the diplomatic field.

MR. NESSEN: Jim Lynn has a lot of tough questions waiting for you, too.

THE PRESIDENT: Two more.

Aldo.

QUESTION: Mr. President, a couple months ago there were some efforts by the Administration to try and warm relations with Cuba; Dr. Kissinger made some statements, I believe. It is apparent now that at that very time the Cubans had to be gearing up or knew that they were probably at least considering sending troops to Angola. Did our intelligence pick up this fact and was there any cause and effect? Were we in effect trying to persuade them not to participate in Angola and were we offering friendship to them in return for their not participating?

THE PRESIDENT: The sending of military personnel via Cuba to Angola is a rather recent development in any magnitude. The statements made by the Secretary indicating that there was a softening, a change on the part of Cuba, it would be reciprocated by us, was made before there was any significant military involvement by Cuba in Angola. I wanted to be on the record, and as forceful as I can say the action of the Cuban government in the effort that they made to get Puerto Rico free and clear from the United States and the action of the Cuban government to involve itself in a massive military way in Angola with combat troops ends as far as I am concerned any efforts at all to have friendlier relations with the government of Cuba.

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QUESTION: Sir, I don't think you answered my question. Can you tell me if the efforts were connected in any way with the Cuban efforts?

THE PRESIDENT: I thought I answered it.

QUESTION: I am sorry.

QUESTION: Mr. President --

THE PRESIDENT: To be very specific and short, no.

QUESTION: Mr. President, can we go back to the tax cut a moment. As you probably know, there are a lot of people in Washington, including a lot of Democrats, who are saying you caved in, that you could have gotten the same deal a week ago on this non-binding resolution and that with an election year coming up you could not very well give people the Christmas present of higher taxes. Was your decision to accept this bill motivated in any part by election year politics and do you think it caved in?

THE PRESIDENT: I think the compromise which was achieved was a good tax bill for six months but I under no circumstances believe that I backed off a very fundamental principle which was if you are going to have a tax reduction you have to have a corresponding limitation on the growth of Federal spending. I won on that issue 100 percent, and if you tie that principle which the Congress has agreed to with the budget ceiling that I am going to submit of \$395 billion, it does mean that the Congress will have to respect their good faith commitment and operate within the \$395 billion figure.

QUESTION: Sir, did you have the same deal offered to you though a week or so ago and you didn't have the option of taking the deal as some people say?

THE PRESIDENT: Not at all. Well, the evidence of that is that the Republicans in the House of Representatives roughly a week ago offered as a motion to recommit a \$395 billion ceiling for fiscal 1977 and virtually every Republican voted for it and very few Democrats did. That, in my opinion, was a rejection of the ceiling concept at that time but after the veto of the tax bill and it being sustained the Democrats in the Congress then came forward with this dollar-for-dollar reduction in taxes and a dollar-for-dollar reduction in Federal spending. It was their proposition but it followed the guidelines that was within the perimeters of what we had long sought.

QUESTION: Mr. President, do you expect Congress to go along with the \$395 billion ceiling? They have not said they will so far.

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THE PRESIDENT: We are going to submit a budget for \$395 billion or less and I think we can justify it fully. I believe there is a little different attitude up on the Hill among Republicans as well as some Democrats that that is a responsible figure. I think we have a fair chance of achieving it. We are certainly going to try.

QUESTION: On John's question, he had asked about political motivation as far as the tax cut. Taking that a step further, what do you think when you look at the cover of Newsweek and some of the other stories that have your face, and says "Ford in Trouble"? Have you been misjudged by some of the people who are covering politics?

THE PRESIDENT: I think the record is good and I think time will prove it.

QUESTION: Time Magazine? (Laughter)

THE PRESIDENT: The passing of time -- and don't take that wrong either. (Laughter)

I think when the record is laid out from August a year ago and 1976, I think the public will support what I have done and it will be done in the ballot box.

THE PRESS: Thank you, Mr. President.

THE PRESIDENT: Thank you all. Have a good weekend.

Tom, you were going to ask a question. You have been sitting there silently, and that is unusual. (Laughter)

Well, go ahead, one for you, Tom.

QUESTION: Thank you, Mr. President. I was going to go back to situs picketing for just a second.

There is a lot of speculation around town that Secretary Dunlop might resign if you veto the situs picketing bill and some of the people standing over here kind of get that same queasy feeling themselves. I am wondering whether you and Secretary Dunlop have talked about that, whether he has raised that possibility with you and whether you think if you do veto the bill that that might happen? Do you expect him to?

THE PRESIDENT: I would not want to speculate on that aspect. I know that he feels very strongly about the legislation. I feel very strongly that he is one of the finest members of my Cabinet. We have had several discussions in depth as to the merits, the substance of the common situs picketing bill. There has been no indication to me that he would resign, but since I have not made a decision on the legislation yet I think any discussion is a little academic.

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QUESTION: The only other thing I can say is that you probably like the cover of Newsweek this week better than last week since it -- (Laughter)

THE PRESIDENT: I understand that the better half of the Ford family is going to be on it with a little more complimentary cover. (Laughter)

QUESTION: That is what I meant.

THE PRESIDENT: I keep telling Betty that I get embarrassed all the time with her polls and good pictures. When they take a picture of her dancing, it is beautiful; when they take a picture of me dancing and publish it, it is not very complimentary. (Laughter)

THE PRESS: Thank you, Mr. President.

END (AT 2:36 P.M. EST)