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THE WHITE HOUSE

REMARKS OF THE PRESIDENT
AND
QUESTION AND ANSWER SESSION

ASHEVILLE MALL

4:12 P.M. EST

THE PRESIDENT: It is nice to be here in Asheville in this part of North Carolina. We had a good day this week, and we had a fine day last week. I can't help but report to you firsthand the good news we had again yesterday as far as the economy is concerned -- the lowest rate of increase in inflation in better than four years, .1 percent, one-tenth of 1 percent, which is, if you annualize it, an annual rate of increase of 1.2 percent.

That is real progress, and I think the trend, whether it is lower unemployment or higher employment or a better handle, a better grip on inflation, this country is moving ahead, and we are doing it in the right way.

With those observations, I will be glad to answer any questions.

QUESTION: I think you surprised a lot of people when you vetoed the antitrust legislation. Why did you change your mind?

THE PRESIDENT: We haven't vetoed it. It is still in the Congress. It has only passed the House of Representatives, and it is now going over to the Senate for consideration. There were some very undesirable features in the House bill, some of which were amended. Some are still somewhat undesirable, but when the legislation gets through the Congressional legislative mill, then we will make a final judgment.

QUESTION: Mr. President, when Senator Helms went across Eastern North Carolina yesterday and said the Bo Callaway incident represented the second major scandal for the Republican Party in two years, what is your reaction to that?

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THE PRESIDENT: That is a great exaggeration. I take it in the context of a last-minute political charge that I don't think the people in North Carolina will believe, but I understand those kinds of charges in this atmosphere.

The truth is that as soon as the information came to my attention, Bo Callaway asked to step aside. We did agree to that. The charges are being investigated. When the full investigations have been completed, why then we will know what to do.

QUESTION: Mr. President, if Mr. Kissinger becomes a liability to your chances of becoming President again, will you consider releasing him or firing him before the next election?

THE PRESIDENT: There is no possibility that our foreign policy will not be successful. We have a successful foreign policy now. We are at peace. We are making headway with our allies, and we are negotiating through strength with our adversaries, so our foreign policy is in good shape.

I think the Secretary of State ought to be praised, and I think our foreign policy ought to be commended.

QUESTION: Mr. President, along that same line, it has been charged that your Secretary of State, Mr. Kissinger, is going to give away the Panama Canal to some sort of secret negotiations now going on. Since that relates to the posture of our hemispheric defense, I would like your comments.

THE PRESIDENT: Any allegation to the effect we are going to negotiate away the Panama Canal is just totally inaccurate. Three Presidents -- President Johnson, President Nixon and myself -- have been negotiating with the Panama Government following the very serious riots that took place there in 1965, when 30 individuals were killed, including about ten Americans.

We tried to negotiate it in a responsible way, but under no circumstances are we going to give away what some people allege, and until we conclude the negotiations, there is no change in the status whatsoever.

QUESTION: Mr. President, a staff officer recently said that contrary to Pentagon statements, the Army is in a state of disarray through lack of sufficient training and the equipment, that less than one out of three divisions could be effectively put into the field in an emergency or crisis situation. Is that true?

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THE PRESIDENT: That is not what the top people in the Department of Defense say. They, I think, have the responsibility to keep our military forces -- the Army, Navy, Air Force and Marines -- in top shape. They are ready, they are alert, they are well-trained, they are well-equipped and any allegation to that effect I think is inaccurate.

The United States has a national defense program second to none. The United States has sufficient military capability to deter aggression, to maintain the peace and to protect our national security, so any charges to the contrary are completely and totally inaccurate.

QUESTION: Mr. President, Governor Holshouser has been criticized by your opponent for use of State planes and state facilities in your campaign. Do you condone the use of tax funds for this sort of thing?

THE PRESIDENT: It is my understanding that when there have been meals at the Governor's residence that they have been paid for by the President Ford Committee. Jim Holshouser is an honest, straightforward, very effective Governor, highly supported by the people of North Carolina.

So, these are again just purely political charges that don't really have any substance.

QUESTION: Will you reimburse the State for any use of State planes?

THE PRESIDENT: I can't give you that fact, but here is the best witness right there. These kinds of charges, they always arise and people get panicky on the other side and you just have to roll with the punches because they don't have any substance to talk about.

QUESTION: Why did you come to Asheville before Governor Reagan showed up?

THE PRESIDENT: We make our schedule. We enjoy coming here. We love the people here.

Thank you all very, very much.

END (AT 4:20 P.M. EST)