

PRESS CONFERENCE NO. 29

of the
PRESIDENT OF THE UNITED STATES

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FRIDAY

In the Crystal Ballroom
At the Marc Plaza Hotel
Milwaukee, Wisconsin

THE PRESIDENT: Thank you very much, Mr. Thompson.
If I could take one minute.

Flying out here this morning I learned that the Department of Labor issued some more good economic news. They indicated that the unemployment figure went down again for the month of March to 7.5 percent. I ask you to compare that with 8.9, as I recall, in May of 1975.

The most encouraging news was the fact that this report indicates that 86,700,000 people are gainfully employed -- the highest number of people employed in the history of the United States -- and since March of last year we have added 2,600,000 more jobs in the United States. So we are making real progress in reducing unemployment and, at the same time, increasing employment.

With that, I will be glad to answer any questions.

QUESTION: Mr. President, I really have two questions, if you will.

Milwaukee has been ordered to integrate its public schools. Do you have any thoughts on how to achieve racial integration?

THE PRESIDENT: Well, I have always believed that the Constitutional right of equality must be protected by the courts of the land and by all other public officials. On the other hand, I do not believe that court ordered forced busing to achieve racial balance is the right way to get quality education.

We have ample evidence that in those instances where it has been applied--court ordered forced busing--there has not been an increase in quality education. It is my belief that there is a better way to improve educational opportunities and, at the same time, to improve the integration of our society as guaranteed by the Constitution.

The Esch Amendment, which was passed by the Congress in 1974 and signed by me, provides a series of steps whereby we can desegregate and, at the same time, improve educational opportunity with an emphasis on the neighborhood schools.

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I will not pass judgment on any one court order because that is a responsibility of the Judicial system, and I will, of course, under the oath of office that I took, have to enforce the law as decided by the courts, but if you want quality education, which I think we all want, court ordered forced busing is not the best remedy.

QUESTION: Every indication we have says that you will win in Wisconsin. How do you predict that you will do on April 6?

THE PRESIDENT: I always assume -- I think it is true here in Wisconsin -- that we will win, but I am not going to get in any numbers game. It is a hard battle. I think we have the affirmative programs and affirmative policies both at home and abroad, and I believe that a majority of the people voting in the Republican primary in Wisconsin will support my candidacy.

QUESTION: Mr. President, in regard to the good job news, now there is a Teamsters strike that might cloud up the job picture. How long will you wait before invoking the Taft-Hartley Act as the talks progress?

THE PRESIDENT: We are counting on the labor-management negotiations to settle the differences. I have been in constant communication with the Secretary of Labor, Mr. Bill Usery, who is working with both labor and management trying to get an agreement. As a matter of fact, I talked to him last night late and he called me this morning as we arrived here in Milwaukee, and no settlement has been agreed to, but progress is being made and I don't think it is advisable for me to comment as long as the two parties are negotiating.

I am optimistic and hopeful and, therefore, it is my belief that the proper procedure is to let the negotiations take their course and I think a settlement will be accomplished.

QUESTION: Mr. President, Governor Reagan has raised questions about the sovereignty of the Panama Canal. Will you tell us who owns the Panama Canal and who will own it in 10 years?

THE PRESIDENT: Well, the United States made an agreement a good many years ago for the utilization of a strip of land and for the construction of a canal. The United States over the years has maintained the national security of that strip of land and the operation of that canal, and we have operated the canal.

The White House, with President Johnson first, President Nixon second, and myself third, has been negotiating with the Panamanian Government to find a way to avoid the kind of incident that took place in 1965 where 30 people were killed, including, as I recall, some 10 Americans. If we can negotiate an agreement which will protect our right to defend that canal and to maintain and operate that canal, there is a possibility that an agreement will be reached but none has yet, and it is something that is in the negotiating process and no further.

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QUESTION: Mr. President, with Syria poised to invade Lebanon, there are some fears of a full scale war erupting in the Mideast. How does the Administration view the events?

THE PRESIDENT: The Administration has taken a very firm position that no outside Government should invade Syria (Lebanon). That means no government should move in and try to, with military force, take care of the situation in Syria (Lebanon). Furthermore, we have strongly urged a cease-fire. And two days ago I sent a personal envoy, Mr. Dean Brown, to Lebanon. He has been in contact with the various parties there. I believe that his efforts were significant in getting the cease-fire which is now in place and if we can keep that cease-fire, get a change in the Government, I think the danger of any invasion by any party will not materialize.

I repeat, we are against the invasion of Lebanon by any force and we are seeking to get, and have helped to achieve, a cease-fire which is the first constructive step to stabilize and to improve the situation.

QUESTION: Mr. President, could you tell us something about the fruits of your conversations with Governor Connally last night?

THE PRESIDENT: Governor Connally and Mrs. Connally are very good friends of Betty and mine. We have known them rather well for some 15 years. Over the years we have always discussed politics. We have always discussed issues, particularly national defense issues. We spent about three hours together last night. We covered those same subjects. We talked about politics, we talked about the campaign, we discussed issues and we certainly discussed the national defense policies because he was a former Secretary of the Navy and I was formerly on the Defense Appropriations Committee for 12 years and I knew him then and we both understand and certainly are knowledgeable about defense policy.

But other than those broad comments, I think I should not say any more.

QUESTION: Did you in any way discuss his role in the campaign or what he might do for you in Texas?

THE PRESIDENT: We discussed the campaign, both as far as the country was concerned in the primaries as well as the run-off in November of this year. Governor Connally indicated to me that something he said before, that he thought I would win the nomination, but other than that specific, I don't think I should divulge the content of the discussion.

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QUESTION: Mr. President, Jimmy Carter says the biggest issue in this campaign is restoring integrity to Government; Morris Udall says it is jobs; Henry Jackson says it is detente; and Ronald Reagan says it is eliminating the Federal bureaucracy. What, in your opinion, is the most specific, biggest issue in this campaign?

THE PRESIDENT: Well, the issue of integrity of Government, I think, is settled as far as my candidacy is concerned. A House and Senate Committee went into my background, my record in great, great depth more than any other person has been investigated in the history of the United States, and so far as I am concerned, I have a proven record of integrity as far as my own life is concerned, but from the point of view of the issues, I think it is the building up and the strengthening, the fortifying of our economy to restore the kind of permanent prosperity that we must have so that anybody who wants a job can have a job and, secondly, that we can get the rate of inflation down in the range of two to three percent or less.

I also think it is vitally important that we maintain the peace that we have, a peace through strength, a peace through negotiation, not confrontation, a peace that will not take us back to the cold war era like some people want. If we can keep peace and maintain or achieve prosperity, and my policies do it, I think those are the issues.

QUESTION: Mr. President, one other question. How do you justify Secretary of State Kissinger's logic that Cuba should not send their troops to Angola, in light of our own recent involvement in Vietnam?

THE PRESIDENT: There is no comparison whatsoever. In the case of Vietnam, there was an established government. We were invited in to participate in Vietnam. In the case of Angola, there were three forces that were competing, the MPLA, the FNLA and the UNITA. There was no government in Angola after the Portuguese left and so Cuba, by going in with 12,000 Communist mercenaries, were trying to establish a government to their liking. It is a totally different situation, not comparable to Vietnam at all, and that kind of adventurism the United States will vigorously condemn and take appropriate action in the future.

QUESTION: Mr. President, I am from the Marquette University Radio Station. Since you announced your \$700 million student aid cut there has been a bit of an uproar among the students. How would you explain to the students across the country the necessity of a cut this large when it might force many of them to leave school?

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THE PRESIDENT: Just yesterday or the day before for the fiscal year 1976 and for the school year of 1976-77 I submitted to the Congress a revision in the budget to permit the increase up to \$1 billion 100 million in what we call basic opportunity grant programs. Last year when I submitted the budget for that I recommended roughly \$1 billion 100 million, the Congress cut it and made some other changes. Just a day or two ago I asked the Congress to take it back up to \$1 billion 100 million. I hope they will do so. If that is the case, it will provide a maximum allowance of \$1,400 per student, maximum, and an average, as I recall the figure, of about \$850 per student. I am trying to get the Congress to do what I asked them to do when I submitted the budget for fiscal year 1976, \$1 billion 100 million.

QUESTION: Thank you.

QUESTION: Mr. President, do you have any plans to change your campaign strategy, perhaps take a more direct approach toward Mr. Reagan after his remarks Tuesday night?

THE PRESIDENT: I think we have to recognize that Mr. Reagan's political speech the other night was a rerun primarily of what he has been saying in Florida and in North Carolina. It was a speech that was filled with misleading statements, it was a speech that attributed certain quotes to Secretary Kissinger which were a fabrication and invention. I am not going to get into the details. I am going to talk affirmatively about what we have accomplished, both at home and abroad, and I think the voters will support that kind of a program rather than a political attack without any recommendations how to solve the problems that he discussed.

QUESTION: Do you think Mr. Reagan is an issue in the campaign?

THE PRESIDENT: I think that is for the public in Wisconsin and elsewhere to make the decision.

QUESTION: Mr. Ford, this is another President on another question on issues. So far as the campaign rhetoric goes, there seems to be two candidates who have preempted the issue of so-called bloated stumbling bureaucracy, Carter and Reagan, yet you are considered by many voters a conservative, and earlier in your Administration you talked about this problem a good deal. If Reagan fades, is this something you could pick up on as a campaign issue, is it something that concerns you?

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THE PRESIDENT: I have done more than talk about trying to get the bureaucracy under control. The first decision I made when I became President, in August of 1974, was to insist upon a cutback in the projected increase in Federal employment of 55,000, and we achieved that reduction.

Number two, I ordered, about six months ago, the Director of OMB to cut back on the number of forms that are required by the American people to fill out and submit to the Federal Government. I ordered a 10 percent cutback. We have achieved a 5 percent cutback already and by July 1 of this year I am assured that we will have accomplished our record of a 10 percent cutback in the forms that plague the American people where they have to fill out this, this and this. It is a record of performance both as to a reduction of U.S. Government personnel and a reduction in the red tape and bureaucracy in the Federal Government.

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QUESTION: How about the structure of the Federal bureaucracy which Carter talks about completely reorganizing?

THE PRESIDENT: The structure of the Federal Government is always under review and the Office of OMB is constantly going into every department to try and get rid of functions and responsibilities in individual departments to improve their management. It is a possibility that in the next Administration that we would undertake something comparable to the Hoover Commission which was set up first in 1946 and came through with its recommendations, and a second Hoover Commission in 1953 or 1954, as I recall. That is a possibility in the next Administration and, if I am the President, which I think I will be, we will have something comparable to the first two Hoover Commissions.

QUESTION: Would zero base budgeting be one of the things you would look at?

THE PRESIDENT: Well, the Hoover Commission did not go into the financing aspects. It went into the organizational structure of the Federal Government, and a third Hoover Commission -- if that is the right name -- would probably go in again trying to analyze the existing structure of the Federal Government and make structural recommendations and consolidations and eliminations.

QUESTION: You are not interested in zero based budgeting as an idea?

THE PRESIDENT: I am very interested in reducing the expenditures of the Federal Government, and if the Congress would go along with my budget for fiscal year 1977, we would cut roughly \$28 billion out of the projected Federal budget for that fiscal year, and so I am very definitely interested in reducing the growth of Federal spending. And if the Congress goes along with a budget that I submitted for fiscal 1977 and does what I have projected in the next two fiscal years, we can have a balanced budget and we can have an additional tax reduction.

QUESTION: Thank you.

QUESTION: Mr. President, at this point in the campaign, who are you considering as your runningmate should you win the nomination?

THE PRESIDENT: We have a great number of very qualified Republican potentials for Vice President; I have named them from time to time. We have some Governors, some former Governors. We have some Members of the Congress -- House and Senate. We have some others outside of Government. So we have a vast potential of excellent candidates, but it is premature now to identify any one or even several.

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QUESTION: You have not narrowed down the list?

THE PRESIDENT: I have not concentrated on that in recent weeks but, I reassure you, we have plenty of excellent potentialities.

QUESTION: Mr. President, it has been said that perhaps at least after Kansas City and maybe before you would like Ronald Reagan's support. Does that cramp your style now in answering him? Is that why you say you don't like to get into a discussion with him on the issues?

THE PRESIDENT: I think it is important for the Republican Party and its candidates to maintain as much unanimity and unison as possible, and I have tried to keep down any personal attacks. I have sought to discuss my programs affirmatively, both foreign policy as well as domestic policy. I think that is the way to keep this unity within the Republican Party.

Furthermore, never in my history of some 13 campaigns have I ever personally attacked any opponent -- I don't think that is productive.

QUESTION: Would you once again comment on his specific charge in his broadcast where he says that we are a second rate power and he quotes Admiral Zumwalt?

THE PRESIDENT: I will be very, very glad to discuss our military capability. The United States is unsurpassed by any other nation as far as military capability is concerned.

Now, let me talk about our strategic forces. The strategic forces of the United States, ballistic missiles -- ours are much more accurate than those of the Soviet Union. Ours are much more survivable than the Soviet Union ballistic missiles. We have far more warheads and about a two to one ratio over the Soviet Union, and it is warheads that do the damage if they are ever used, and we have a lead of about three to one in strategic aircraft -- B-52s and others.

So the United States has the kind of strategic military capability that our military advisors over the years have indicated they thought was in the best interest of the United States. So any charge that the United States is not fully competent in a strategic sense is inaccurate.

QUESTION: Well, sir, are you saying, then, that we are definitely number one and that Mr. Reagan is absolutely incorrect?

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THE PRESIDENT: I am saying that we are absolutely unsurpassed in military capability and we have the full capability in a military sense to deter aggression, to maintain the peace and to protect our national security, and we have the kind of a military force that our Chiefs of Staff recommend that we have for our national security.

I might add, if there is any criticism -- any legitimate criticism -- of our military capability, I suggest those who criticize it look at the record of the Congress for the last six years where the Congress has cut \$32 billion out of the defense appropriation bills.

I add very quickly, the two budgets that I have submitted to the Congress for their consideration, I included last year the highest peacetime military budget in the history of the United States and this January I submitted again the highest military budget in the history of the United States.

Last year the Congress cut \$7 billion out of that budget. This year, as I have indicated, if they make major reductions I will veto their appropriation bill for the Army, Navy, Air Force and Marines.

I have an impeccable record of standing for a strong Defense Department and a fully capable, fully trained, fully equipped and ready military force, and any accusation to the contrary is a lack of knowledge or for political purposes.

QUESTION: Mr. President, if that is the case and inasmuch as we are told that in Texas today Senator John Tower is going to challenge Mr. Reagan to debate the Senator on the issue of national security, why do you not accept Mr. Reagan's challenge to debate him yourself?

THE PRESIDENT: Well, we have indicated over the whole period of time that I should talk affirmatively about the programs and the record that I have. I think that is the way for me to proceed.

If Mr. Reagan wants to make the kind of political criticism that he has made on several occasions, including last Wednesday, that is his privilege, but I don't think the American people will buy it.

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QUESTION: Don't you think the American people would have a better opportunity to weigh the arguments on both sides if you were to shape them at the same forum?

THE PRESIDENT: I don't think debate is needed and necessary. The facts and figures are outlined, I have stated them. As far as we are concerned, we have more survivability, more accuracy, more warheads by a significant amount. We have a three to one lead in strategic aircraft. Those are the facts and those are the recommendations of our Joint Chiefs of Staff, and any debate with a person who is not familiar with the facts I don't think would be helpful.

QUESTION: Mr. President, may we have one more question, please?

THE PRESIDENT: Sure.

QUESTION: Mr. President, following up on the \$32 billion that you said was lopped off the defense budget, well, if the present trend continues, couldn't the United States very well find themselves in that number two slot?

THE PRESIDENT: If it went over a long period of time, yes, and that is one reason why I strongly am trying to get the Congress to go along with the \$112.4 billion defense budget which I recommended in January in what we call obligational authority and \$101.1 billion in expenditures for the Army, Navy, Air Force and Marines in the next fiscal year.

If we keep the trend that I have recommended, we will stay ahead of any other military force in the world and that is why I changed the direction, or changed the trend, so we would maintain the fact that we are unsurpassed.

QUESTION: Sir, if you are not able to push this legislation through, will then we be in a position of being in danger of being number two?

THE PRESIDENT: Well, if the Congress makes the cuts in this fiscal year like they have made over the last fiscal year, yes, the trend would continue in the wrong direction -- the trend that the Congress has imposed upon Presidents. If the Congress follows my defense budget this year and if they had followed the one last year, the trend would be reversed and we would continue to maintain our total strategic conventional war capability.

So the issue is now on the desks of the Congress. My program keeps us unsurpassed. So the Congress now has the responsibility, and if they cut it, the bill will be vetoed, as I indicated earlier this week.

THE PRESS: Thank you, Mr. President.

THE PRESIDENT: Thank you very much, Mr. Thompson.