

FOR IMMEDIATE RELEASE

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THE WHITE HOUSE  
EXCHANGE OF REMARKS  
BETWEEN THE PRESIDENT  
AND  
ROBERT D. RAY  
GOVERNOR OF THE STATE OF IOWA  
AND  
QUESTION AND ANSWER SESSION  
THE NORTH GROUNDS

4:15 P.M. EDT

THE PRESIDENT: I thought it would be helpful to give you a report in part on the meeting that we held this afternoon. Many of you were there at the outset. The meeting, of course, was called, as I indicated, at the request of the New Coalition, composed of the Governors, the city officials, county officials and others in order to convince the Members of the House of Representatives on both sides of the aisle the need and necessity for general revenue sharing.

The meeting did indicate that the legislation would be on the floor of the House most likely next week. There are some serious differences of opinion, differences that I hope can be worked out. The question was asked, would I support the bill that came out of the full committee of Government Operations, and I said it was drastically different than the legislation I had recommended, and I would have to reserve judgment as to whether or not I would sign it, depending of course on what the final version was.

It is a very serious matter that involves local services. It involves State taxation and local taxation. I was pleased to be on the side of those who have faith and trust in the Governors of our various States, the mayors of our cities and the county officials. Whether they are Democratic or Republican, I think they can do a good job.

It is my hope and trust that the Congress will respond with good legislation.

Bob, do you want to add anything?

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GOVERNOR RAY: I might just add to what the President said, that we were very pleased that the President responded as he did at the White House and had the members of the New Coalition meet with him and the Members of the House of Representatives. I think again we found there is much more resistance to revenue sharing in Congress than we would ever dream possible coming from our States and/or local communities because there--in some 39,000 communities where revenue sharing is so important--we get the feeling that it is the right thing and we have great faith that the money is being used and would be used, continue to be used, in a wise fashion.

Then we come back here and we find Congress wants to add restrictions and limitations and all of the things that we are trying to get away from in this small amount of money that goes back to the local communities, so I think the meeting was worthwhile from the benefit of both us and Members of Congress.

I can't, of course, speak for them, but at least they know that we feel this is extremely important and we heard people say that undoubtedly taxes would have to be raised on the local level if we don't get revenue sharing. In most communities around this country, property taxes are very regressive and are a great burden, and that is very frightening, if they would have to raise property taxes, because revenue sharing would stop and cease to continue.

QUESTION: Governor, what kind of deadline do you have? When do you think you should know if there is going to be revenue sharing or not?

GOVERNOR RAY: Well, in a sense one deadline is almost past and that is that most legislatures now have adopted some kind of a budget. If we don't get it soon, of course, I think in some jurisdictions they are going to have to look to other ways to raise more taxes.

There is a deadline now, and this meeting is very timely because we understand if something does not happen and it doesn't come out soon, they will get into the appropriation bill and it will be very difficult for them to find a spot on the calendar.

QUESTION: Is there any assurance that both party platforms will include revenue sharing as it is now?

GOVERNOR RAY: I don't think there is any assurance that anything will appear in either party platform on any subject, but I think both parties are certainly in favor of revenue sharing, and I would expect them to deal with it, particularly if something happens that does not come through this Congress. We just deem it extremely important.

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QUESTION: Mr. President, did your objections to the House Government Operations Committee bill go beyond the time element?

THE PRESIDENT: My objections are the short time. I think it ought to be extended for five and three-quarter years. I think the provision that existed in the present general revenue sharing legislation for the handling of the financing is the right approach. It was pointed out in a meeting by Governors as well as mayors that if we went through the regular appropriation process it would be very difficult for them to handle the prospect or the lack of prospect of money in the future.

In addition, it seems to me that I recommended the growth of \$150 million a year, which takes into account the inflationary aspects that we would anticipate each year for the next five and three-quarter years. The full committee bill does not provide for any growth. In fact, it freezes the amount at the present level, so there are other objections besides the two that you mentioned.

QUESTION: Mr. President, just as Jack Brooks got up to speak our microphones went dead down here. We did not hear what he had to tell you.

THE PRESIDENT: I think Congressman Brooks' views are well known. He has been against general revenue sharing. He was in 1972. He is opposed to it in 1976. I don't think you needed any amplification of Congressman Brooks' views. He holds them very strongly, and we respect them. We just think he is wrong.

QUESTION: Mr. President, how important was this meeting in your strategy to secure the revenue sharing bill that you think will be accepted?

THE PRESIDENT: I think it was very important because the request for the meeting came from the New Coalition, which indicates their concern, and it gave me an opportunity to put in the same room the people who are strongly urging the extension of the legislation as I recommended it, and some of the people in the Congress who either want to cripple it or defeat it altogether.

QUESTION: Mr. President, may I ask you a question? Are you displeased with what Mr. Reagan has purportedly said about publicly getting involved in Rhodesia, possibly sending troops to Rhodesia? How do you feel about that?

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THE PRESIDENT: I feel that it was responsible for me to send the Secretary of State to Southern Africa to try and negotiate the settlement of those problems. They are serious, and it was far more responsible for me to send our Secretary of State there, as I said, to solve those problems by negotiation rather than to threaten or to indicate the possibility of sending American troops to settle the problem.

QUESTION: So, you disagree with Governor Reagan?

THE PRESIDENT: I would say yes, I do, if what I understand he has said is his personal viewpoint. I believe that the action that I took to send the Secretary of State to Southern Africa to settle those problems by negotiation is the responsible thing to do, and that is why I did it and any indication that a President might send troops to Southern Africa -- American troops -- I think is irresponsible.

QUESTION: How does that differ from your statement in the campaign that you would provide absolute guarantees to protect minority rights in Rhodesia?

THE PRESIDENT: I think we can take care of that by negotiation.

QUESTION: You weren't talking about sending troops, you were talking about absolute guarantees?

THE PRESIDENT: That is correct.

QUESTION: Is Mr. Reagan's rhetoric dangerous?

THE PRESIDENT: I would not want to comment on his rhetoric, I simply wanted to indicate my view was different from his.

QUESTION: He said something about using American troops as a possible peacekeeping force in the Middle East. How do you feel about that?

THE PRESIDENT: I haven't seen that comment by him, but I don't believe that it is necessary to involve U.S. troops in Southern Africa. I think we can accomplish the necessary solutions of those problems by skillful diplomacy, and that was the purpose of my sending the Secretary of State to Southern Africa.

QUESTION: Has there been any result of his mission there?

THE PRESIDENT: I think they have been very constructive.

THE PRESS: Thank you, gentlemen.

END (AT 4:27 P.M. EDT)