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THE WHITE HOUSE

CONVERSATION WITH THE PRESIDENT
BY SELECTED NEWSMEN

THE OVAL OFFICE

11:30 A.M. EST

THE PRESIDENT: Let me just start out by saying that we will primarily talk about 1975. I think you have to add to that and put it in proper context the few months I was President in 1974.

Let me talk personnel for just a moment. I think we have put together a very good team, both in the White House and in the Administration. Probably one of the best examples of the quality is the nomination of John Paul Stevens to the Supreme Court. I can't positively say that this nomination and confirmation was a record, but it is pretty close to it. We did a good job in checking all of the potentials and the net result was in a very, very short period of time we ended up with a man who was confirmed 98 to nothing. That is a pretty good batting average by any criteria. I am certain he will do a superb job as a member of the Court.

But if you look at the Cabinet, I think they are quality people. If you look at the individuals we have selected for the various regulatory agencies, I think they are top people and they will follow a constructive line in trying to update some of the procedures and concepts in the various agencies. I think all of the regulatory agencies have been strengthened,not in aiming toward more regulation, but in taking a line I think is important of deregulating where there has been over-regulation.

If you look at the problems that we had when I became President, inflation, the disastrous unemployment that developed, I think we have made significant progress in both areas. Inflation is about half what it was a year ago, unemployment soared. On the other hand, the trend is in the right direction and I am convinced,beyond any doubt,that unemployment will continue this downward path. It is still too high, but I think the trend is right and the prospects are encouraging.

Foreign policy. We had, of course, a setback in Southeast Asia, but if you take a look at what has been accomplished elsewhere, whether it is in NATO,where we have convinced our allies that the American people are going to stand strong in that area, they absolutely believe that the United States is going to be a firm partner.

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I think the personal relationship with leaders in Western Europe is as good, if not better, than at any time in the last 20 or 30 years.

If you look to the Pacific, despite the problems in Vietnam, our relationship with Japan is the best in the history of this country. We have kept faith with other countries in the whole Pacific area and they believe that the United States will stand in the future firmly for the freedom that they have and the opportunities for a better life for all of their people.

Let me just summarize, if I can, my New Year's resolutions so you won't have to ask the question. (Laughter)

I am going to make this New Year's resolution a dedication to the strengthening of spiritual and moral values among 215 million people and I noticed yesterday we passed 215 million people, according to the Bureau of the Census.

I am going to resolve that we do everything possible to improve the economic circumstances, not only of ourselves, that being our prime concern, but the economic well-being of people throughout the world, because I think that contributes to stability,not only at home, but worldwide.

I, of course, will resolve that we have peace with ourselves in this country, but peace with the world as a whole.

So why don't you ask questions.

Helen.

QUESTION: Mr. President, why do you think you are going to be able to defeat Ronald Reagan in his bid for the Presidency? What do you see as key differences in actual approach? I know he doesn't have Federal experience, but over and beyond that, where are your differences on the main issues?

THE PRESIDENT: As I have said before, Helen, I have never, as a candidate, attacked an opponent. I don't intend to. I do feel that my thoughts, my programs for the future of this country, will justify nomination as well as election.

I think we have a good economic program and the results I have cited initially. And I believe we have a good foreign policy. It is my judgment that I can give the right moral and spiritual leadership to this country. With those concrete things to talk about, I think I can say that experience will help to achieve those results.

It is my opinion that the 25 years in the Congress, roughly a year as Vice President, two years as President, gives to me in this office an opportunity to execute and implement those constructive programs that we have started that are producing results.

I would rather talk on the affirmative side and convince the American people that that is what they want for a President in the future. Now what other people say out as they campaign around the country--it is very easy on occasion, after all you know, to say you can have a quick fix here, a new program there, and that is why an individual ought to be President. But we have a record, I think it is an improving record. It will be perceived in the months ahead. It is a constructive record and I am going to run on it, I am going to win on it.

QUESTION: But in terms of Reagan's policies, do you see any major difference?

THE PRESIDENT: I think he will have to develop those. I am going to talk about my policies.

QUESTION: Mr. President, if, as you say, things look as good right now both economically and in terms of foreign policy, why is it that the polls don't look better for you?

THE PRESIDENT: That's a good question. We have made some very tough decisions in the last 12 or 15 months. They haven't been necessarily popular. I think they have been right.

I have had to veto some bills that had some good labels, some had substance, but they were too expensive at the time. We had the tough decisionsto make. As an example, New York City -- it was popular in some areas, not very popular in Metropolitan New York City.

But when you make hard decisions, you inevitably antagonize individuals. They don't perceive at that time the beneficial results that will accrue from a right decision. But as you move along and the correctness of those judgments become more evident, I think you will see a change in public sentiment. And the real test comes not in late December of 1975, but in the months ahead.

QUESTION: Mr. President, some of your critics say that you have not been sufficiently humanitarian in your approach to the Presidency, to the poor, the needy, the oppressed, and so on. What is your response to that particular talk?

THE PRESIDENT: I think the best way to describe that, Bud, is to take an analogy. I have been criticized for vetoing 40-some bills, some of them, as I indicated earlier, had excellent titles and some had good substance, but were too expensive.

Let me use this analogy. If the various mayors of New York City over the last ten years had managed that City better, had not been as generous in the handling of some of the fiscal problems, wage settlements, pension programs, the City would be a lot better off today. But if those various mayors had vetoed this and been firmer in other areas, those mayors would have been accused of being lacking in compassion. But the City of New York would have been a lot better off in 1975.

I think the decisions that I have made have been hard that on the surface appear at this time to be lacking in compassion, those decisions,in the long run, are going to be recognized as right.

So it is a question of understanding at the moment that you have to take the long view, not the short view, in order to really indicate your compassion. And that is what I have tried to do.

QUESTION: Are you really saying, Mr. President, that it is very difficult for a man who is at least largely viewed as conservative to be also perceived to be humanitarian?

THE PRESIDENT: In the short run. In the long haul, I think those decisions will be perceived as compassionate.

The impression that comes out immediately could very easily,and in many cases, can be described as lacking in compassion. But I will guarantee you a lot of people in New York City wish there had been stronger leadership in that City because they wouldn't be in the problem they found themselves in 1975 if there had been that kind of leadership.

QUESTION: Mr. President, in 1972 we and the Russians signed a pledge in Moscow --

THE PRESIDENT: What year was that?

QUESTION: In 1972 we signed a pledge with the Russians, both agreeing not to raise tensions anywhere in the world -- detente. The Russians say that detente does not mean that the status quo stays the same throughout the world. We know it isn't the same in Angola. Aren't they breaking the rules on detente there, and how do we stand?

THE PRESIDENT: Both Secretary Kissinger and I have spoken out very strongly against the Soviet activities in Angola, and I reaffirm it today. I think what is being done in Angola by the Soviet Union and in conjunction with the Cubans is not constructive from the point of view of detente.

We couldn't be any firmer publicly than we have been in that regard. But, I think we have an obligation to continue to work within the framework of detente because there are some other benefits that have accrued. I think SALT I was a step forward, and if SALT II can be negotiated on a mutual basis, it will be constructive within the framework of detente.

But, I reaffirm Angola is an example of where I think detente has not worked the way it should work, and we strongly object to it.

QUESTION: Is it possible, sir, that detente may simply end up being agreements on nuclear weapons and nothing else?

THE PRESIDENT: I hope not. I think it ought to have a far broader implication. I think detente can be helpful, just as an example, in the long run solution in the Middle East, and there are some good signs that it is helping to moderate certain influences in the Middle East.

QUESTION: Mr. President, your predecessor sat in this office in May of 1970 and warned against the United States of America becoming a pitiful, helpless giant. In a sense, our speaking out on Angola is about all we can do.

The United States, seemingly operating in the framework of detente, seems to be powerless to do anything other than speak out in offering statements by the Presidents and by the Secretary of State.

Have we, therefore, in effect, reached a kind of a status in the world where we are a pitiful, helpless giant in the continent of Africa?

THE PRESIDENT: I don't think we are a pitiful, helpless giant. In Africa, we have a great many countries that look to us and work with us, and I think are sympathetic to what we are trying to do in conjunction with them.

There are some African States who obviously don't look toward us, but look toward the Soviet Union. I think we would have been in a stronger position to find a compromise in Angola if the Senate had not taken the action that it took.

Nevertheless, despite that setback, we are maximizing the utilization of funds that are available, small as they are, and we are moving as strongly as possible in the area of diplomatic initiatives with the OAU, on a bilateral basis with African States, with other countries throughout the world that have an interest in Africa.

I certainly think, despite the handicap of the Senate action, we are going to do everything we possibly can, and we certainly are not a pitiful giant in this process.

QUESTION: Mr. President, can I follow that one up?

THE PRESIDENT: Surely.

QUESTION: You said you would do everything you possibly can. Would this include the use of rethinking of the sale of grain as a political weapon or diplomatic tool?

THE PRESIDENT: I think the grain sale with the Soviet Union, the five-year agreement, is a very constructive part of the policy of detente. It certainly is constructive from the point of view of American agriculture. We have a guarantee of six million tons a year with a top limit of some eight million tons.

It, I think, over the long haul, will be looked upon as a very successful negotiation. I see no reason at this time, certainly, under the circumstances existing today, for any revision of that negotiated agreement.

QUESTION: Mr. President, why is it necessary for you to rule out any improvements in our relations with Cuba when what they are doing in Angola is essentially no different than what the Soviet Union is doing, or South Africa is doing, but especially what the Cubans have done?

THE PRESIDENT: It is pretty hard for me to see what legitimate interest Cuba has in sending some 6,000 well-equipped, well-trained military personnel to Angola. I just don't see what their interest is, and it certainly doesn't help our relations with Cuba when they know we think it is in the best interests of the three parties in that country to settle their differences themselves.

QUESTION: You say it is not the understanding of the way of detente with the Soviet Union, it has not broken off our relations with South Africa and what they are doing there. Why is Cuba singled out for apparently more strict treatment?

THE PRESIDENT: I think that is very simple. We had a period of what, 13 years of very few, if any, contacts with the Government of Cuba, many, many differences, and there were some prospects -- I say were some prospects -- for gradual improvement.

But, when we are trying to resolve differences in Angola, they are seeking to expand the conflict there with active military personnel.

It just is such a different view from our own. I don't see how, under those circumstances, we can feel that we can work with them in the future in this hemisphere or elsewhere.

QUESTION: Mr. President, it is quite likely that your proposals to Congress for changes in the CIA will differ quite a bit with what some Members of Congress are proposing. Could you give us a glimpse of what you are thinking about now for any reconstituting of the CIA? How early in the Congressional session will you be sending that to Congress?

THE PRESIDENT: I have not personally seen any of the specific recommendations that might be coming from either the Church Committee or the Pike Committee. I have a sizeable book on the back of my desk there of recommendations, not only from the Rockefeller Commission, but from the Murphy Commission, from the various departments in the Government.

Within the next week, I will make my decisions based on these recommendations. And, early in the session, I will submit a comprehensive program to strengthen the intelligence community in our Government, at the same time insisting that the individual rights of citizens within this country will be adequately protected.

QUESTION: Mr. President, you were talking about your success in dealing with the economy. The unemployment rate has come down slowly, but sticking to about 8-1/2 percent. At the same time, when you were talking in terms of your budget for next year, one that puts a lid on additional domestic spending, how does putting a lid on that, how much does that threaten the improvement you see in unemployment, and is there some point, say if unemployment were still around 7-3/4 percent in June, would you then feel that we would need more stimulus and more spending of one sort or another?

THE PRESIDENT: I think the $395 spending figure for the budget of 1977 is a constructive effort in continuing the improvement in our economy, not an undercutting of the progress that we are making. I say that because incorporated with the $395 ceiling is a $28 billion tax reduction, $10 billion more than Congress passed, if you annualize the tax reduction for the next six months in 1976.

So, that $395 will give confidence, in my judgment, to the American people that we are getting a handle on the growth in Federal spending and, if you incorporate it with the tax reduction proposal, I think the stimulant to the economy will be very significant and healthy. I don't foresee with this combination -- if we can sell the Congress on it -- of any need in 1976 for significant increases in any spending area.

QUESTION: Is there a point with these forecasts from time to time -- is there a point of progress in unemployment which would be so low that you wouldn't find it tolerable in terms of the progress in the economy and hardship that you talked about when you started?

THE PRESIDENT: That is speculation that I don't think is justified. Our plans are -- and we think that we have good advice and good statistics -- that unemployment will continue down, as it has, from the high of 9.3 several months ago.

On the other hand, if any contingency arises, of course we will meet it. But, a program based on the best advice, a program based on the best statistics, doesn't anticipate the kind of circumstances that you have indicated.

QUESTION: Mr. President, could you summarize for us what you believe are the chief obstacles you face in winning the Republican nomination and being elected to a full-term office?

THE PRESIDENT: I don't foresee any serious obstacles. It will be a good struggle, but I think as the perception of what we have done both at home and abroad comes across, and I think it will, then I think the nomination will be successful.

QUESTION: If I could just follow up, sir?

THE PRESIDENT: Surely.

QUESTION: I am sure you are aware in the press and other mass media news there is some perception of you as not quite capable of filling this office. I am wondering, sir, what your reaction to this is personally? Some of your aides say it really doesn't bother you at all.

THE PRESIDENT: In the first place, I don't think that description is accurate. I think my record in public office disputes it very forthrightly. Some of the things you read or hear or see, you know, it kind of hurts your pride a little bit because you know it isn't true.

But, I have long felt that if you keep a high degree of composure and don't get rattled and have total confidence in yourself, that things work out pretty well.

I might add this: I was looking at some cartoons over the past year--years, I should say--of American political life, and the ones today are not any sharper than the ones in the past. Presidents have survived that kind of criticism. Those that did had good programs and were right, and I think you have to have a sense of humor about this. You have to be a little thick-skinned, and I think that comes from some experience.

The main point that I would like to emphasize -- and I think I said it at the outset, is that I don't think they are accurate. I have complete and total confidence in my own capabilities, and the record, I think, proves it.

QUESTION: Mr. President, if you should run into early primary trouble and have some setbacks in New Hampshire and Florida, do you believe it would be good for the Republican Party, for other candidates, men who have been mentioned such as Mr. Richardson, Vice President Rockefeller, some of the others who have been mentioned as possible Presidential material, should then get in and challenge Ronald Reagan, or do you believe it should be a two-man race straight to the convention in trying to reach a nomination?

THE PRESIDENT: I don't think I ought to judge what others might do. I can only say what my intentions are and I reiterate them today. I have said consistently that I intend to be in the ball game right down to the convention. I intend to win. I like a good struggle, a good fight, if that is necessary, and any speculation about my quitting in mid-stream is just inaccurate. As I said yesterday, anyone who forecasts that I am going to quit in mid-stream doesn't know Jerry Ford.

QUESTION: Mr. President, what is your prediction about New Hampshire and Florida? I think Mr. Callaway has predicted you will not just do well but would like to win those primaries.

THE PRESIDENT: I think we will do reasonably well and I intend to carry on the record that we have in order to convince a majority of people in New Hampshire that my nomination is a good choice for the Republican Party and for the country.

QUESTION: You are not flatly predicting that you will win those primaries?

THE PRESIDENT: I don't like to get into a speculative situation there. I am confident our policies are good. I know we have good people that are executing them. I believe that a majority of the people in New Hampshire will agree with that. But to speculate beyond that I don't think is beneficial.

QUESTION: Mr. President, this will be the first time that any Chief Executive has taken -- first time in modern times -- has taken the Presidency into the party primaries. I wonder if you have been able to sort of see in your own mind how this can be done in a way that will protect the dignity of the Presidency, protect the advantage that you gained in the office, and so forth? Do you have any thinking on that?

THE PRESIDENT: I think that, Charlie, is easily answered. Continuing to work in this office and to work on the problems, to be President is the best way to ensure that any campaign in any one of the 30 States is conducted in the proper way and that is the way I expect to do it.

QUESTION: Does that rule out the hand-to-hand kind of thing the sheriff campaigning would do?

THE PRESIDENT: We expect to make some appearances, obviously, in the various States where there are primaries, but the main responsibility I have and the best way to preserve the dignity of the office and the best way, in my opinion, to convince the people that I ought to be the nominee and the President is to work at the job here.

QUESTION: Why was so much time spent this past year, 1975, on the road in campaigning when in effect you are reversing procedures? In 1975, the year before the election, you were on the road a great deal and traveling, and in 1976 when the campaign begins you are in the Oval Office?

THE PRESIDENT: I think the circumstances are quite different. In 1974 the Republican Party nationally took a very bad beating and we lost a number of House seats, a number of Senate seats, a number of Governorships.

The preservation of the two-party system in this country is of maximum importance and the Republican Party in many States, organizationally speaking and financially, was in terrible circumstances. I think a President has an obligation to his party and certainly he has an obligation to the preservation of a two-party system.

My efforts in 1974-1975, the kind of traveling you are talking about, was aimed at rebuilding the party, maintaining a two-party system.

I think that job has been principally accomplished. The party across the Nation is in much better shape, organizationally speaking and financially speaking.

Now we come to 1976 and it becomes more personal because of the primaries for the President. I am going to do the job here. I think that is the best way to convince the people. We will make some appearances obviously, but it won't be on the magnitude that I did in 1974 and 1975.

QUESTION: Mr. President, did you sit down at some point in recent months with your associates and work out any kind of game plan for, first, winning the nomination, or is it sort of a week-to-week improvisation as it sometimes appears?

THE PRESIDENT: Obviously we are in close consultation with Bo Callaway and people that are associated with Bo on the purely political side.

On the other hand, we have advisers within and without the White House who are laying out policies and programs that are aimed not at the political side but at the nonpolitical side that will be helpful in getting the nomination and in being elected President. So it is a combination and it has been working over the months and I think it will produce results.

QUESTION: Mr. Callaway says he has no point of contact here at the White House other than yourself. Are you thinking of putting in some political operative here at the White House to handle some of this liaison?

THE PRESIDENT: I think he has had good contact with several of the top people on my staff. He does have access to me. I have met with him in the last six weeks about once a week. I get periodic reports, as a matter of fact weekly reports, from him.

It is possible that we would have somebody of stature, well-recognized, who might be a contact for him as the year 1976 progresses.

QUESTION: Mr. President, you, I think yesterday, indicated that Ronald Reagan might be a Vice Presidential candidate. I am wondering if that was in any way an offer to him. Would you be willing to accept him as your running mate and do you have any indication that he would be willing to accept the Vice Presidential nomination?

THE PRESIDENT: I think I phrased it this way: I said it was premature to make any judgment as to any Vice Presidential candidate. And a follow-up question came, I believe from Lou or David -- I can't recall precisely how the question was asked -- but I said it was not inconceivable that Ronald Reagan could be a Vice Presidential running mate. It was a straightforward answer to a very direct question.

QUESTION: Let me ask it more directly then. (Laughter) He has said, as I recall, that he did not want and would not accept the Vice Presidential nomination. Do you have any reason to think that he might be willing to change his mind?

THE PRESIDENT: I have no reason to go beyond his own words.

QUESTION: Mr. President, what do you think of your wife's candid remarks in terms of your election? Do you think he has helped or hurt you? Are you going to muzzle her or tell her to keep on talking?

THE PRESIDENT: I think she has been doing very well, Helen.

QUESTION: She has been doing well for you?

THE PRESIDENT: I think so. I think she has done an extremely good job as First Lady and her popularity, of course, is reflected in the polls and the selection of her by Time Magazine as one of the 10 outstanding women in 1975. I am very proud of her and I think she will be helpful. I think she has been, over the years as well as in 1975.

QUESTION: Mr. President, assuming that you get your party's nomination, which Democrat would you rather run against and which one do you think you will run against?

THE PRESIDENT: Let me answer the last one first. I have said for a good many months I thought the Democrats would end up nominating Hubert Humphrey, and that prediction of better than a year ago looks better and better in December of 1975.

I don't really have any choice as to the Democratic nominee. That is a little out of my prerogative so I will let them make that decision.

QUESTION: I know it is out of your prerogative or choosing, but, if you could, who would you prefer to run against? (Laughter)

THE PRESIDENT: I really haven't given it any thought -- (Laughter) -- because I guess when you come right down to it, regardless of the nominee, I think I can win.

QUESTION: Mr. President, you have said on several occasions and you said again this morning that the preservation of the two-party system is so important and that you have advised men like Senator Mathias and by indirection Governor Wallace to work for their goals through their party convention, rather than setting up a third or fourth party candidacy. What can your party as well as the other party do to get back some of these voters who have been discontent, or have been dissatisfied with the system and have gone the independent route?

THE PRESIDENT: First, I think they have to look at the record of nations where they have had multiple parties and those countries that have had that experience or have it now, don't have a political stability such as we have in America. I think they ought to learn that a two-party system is the best. It has worked well for us and the multiple party system has worked badly for most other countries.

Number two, I think we have to convince these people who have disassociated themselves with both Democratic and Republican Parties that they can achieve far more success working within the two parties. I have always found that it is better to be playing the game than sitting on the sidelines and I think that is what these people--well-intentioned, dedicated individuals--have to realize; they can do more constructively for their country if they are working within the framework of the two-party system.

There is enough breadth in the political philosophy of both major parties, I think, to permit most Americans to be a participant, either as a Democrat or a Republican, and I know they can get more done and contribute more significantly.

QUESTION: Mr. President, you mentioned at the beginning your team -- how proud you are of it. What if, during this year, some members of your Administration become an issue themselves and make it more difficult for you to get things through Congress? How would you assess their value to your Administration?

THE PRESIDENT: Bonnie, I don't anticipate that. I think all of the Cabinet members have done an excellent job in their relations with the Congress, considering particularly the fact that the Congress was controlled by a better than two to one margin by the opposition party. It is a thought that never entered my mind.

QUESTION: You don't see Secretary Kissinger's problems on the Hill as being substantive?

THE PRESIDENT: No, I don't. I think his formulation of foreign policy as Secretary of State, his execution on my behalf of foreign policy has been good and I do believe that the Congress, as we move into 1976, will appreciate the constructive efforts and I don't foresee any problem in that regard or any of the other Cabinet people.

QUESTION: Mr. President, you have repeatedly asked us to look at your record and asked the voters to look at your record. I think on the Hill you generally earned the reputation of a man who thought that the less government there was perhaps the better it was. You have a State of the Union coming up in two or three weeks. Can we expect any new programs in that State of the Union or do you believe that we are at a time in history where a Presidential candidate can run on his feeling that the less government, the better government? We are not going to offer new programs; we are going to offer less programs?

THE PRESIDENT: Aldo, I think it depends on how you define new programs. If you think I am going to send up a laundry list of liberal, expensive programs that will cost the taxpayers more and expand the Federal Government, the answer is categorically no.

On the other hand, if you define a new program as a restructuring of an area within the Government, the consolidation, for example, of services rendered by the Federal Government in a more efficient, more effective way, the probability is yes.

And let me give you an illustration. In 1974 on the recommendation of the then Administration, the Congress passed the Community Development Act of 1974 which took, as I recollect, seven categorical grant programs to communities throughout the United States. Those seven programs were combined in one block grant program for municipalities all over the country. That was a new program in concept and it has worked well. It has gotten greater participation among citizens in these communities, it has given more flexibility to the cities to meet their problems, and I think it, on a cost plus basis, has been a good investment, far better than the other program.

I think that is a new program and there is a distinct possibility that in the State of the Union we will recommend certain consolidations in areas where there have been so many categorical programs, so much overlap, so much inefficiency, so much unhappiness by mayors and Governors with the problems that they have with this multiplicity of programs.

If we can consolidate in three or four areas -- and I think we can -- I think the taxpayer will get a better return and the beneficiaries will get better service.

MR. NESSEN: Mr. President, you have another meeting scheduled fairly soon.

THE PRESIDENT: Can I be the good guy? (Laughter)

MR. NESSEN: You always do that.

QUESTION: Mr. President, can I follow that with one question? Several weeks ago at one of the budget breakfasts, Mel Laird said that he thought one thing you had to talk about was national health insurance. That very afternoon Vice President Rockefeller presented his report to you from his various town meetings around the country and there is a paragraph in there that said National Health Insurance Week. I believe it said mandatory -- in very strong words recommending it. Might you include some discussion of national health insurance in your State of the Union Message?

THE PRESIDENT: I think we will try to improve the Federal part of health care to the American people. But I don't think I will go beyond that at this time, Aldo.

QUESTION: Mr. President, do you have any idea how you might fulfill this resolve to strengthen the moral and spiritual values of the country?

THE PRESIDENT: One way that I can do it personally is by my own conduct and to participate with spiritual leaders throughout the country, which I think is important, on a non-denominational basis.

I think we are moving in that direction and any inspiration I can give or cooperation that I can contribute, I certainly will do all I can.

QUESTION: Mr. President, you have hinted at some progress with the Russians on Angola. Is that true? I mean, do you have some undercurrents?

THE PRESIDENT: I can only say that we have presented very forcefully our view that what is being done there is contrary to detente. I think there is a better solution. As I said yesterday and I will repeat today, we are maximizing our effort diplomatically, broadly as well as bilaterally.

QUESTION: Mr. President, could you say more about how decorous the struggle long-range is going to be --

THE PRESIDENT: How decorous?

QUESTION: Yes, how polite --

THE PRESIDENT: I never heard that term used in politics before. (Laughter)

QUESTION: I used it deliberately because Ronald Reagan has proposed a $90 billion cut in Federal outlays, that will retire $5 billion of the national debt and reduce our taxes 22 percent. He said now there are those who argue that the effect of that, say, would be an enormous increase in property and State and local taxes or a substantial cut in, say, the caliber of schools and teachers' salaries, this sort of thing. That seems to be a legitimate issue and perhaps the difference between Ford and Reagan. Will you take on and detail the possible drawbacks that you see in his proposal to cut Federal revenues by $90 billion? Does that violate the rule that you will not attack your opponents?

THE PRESIDENT: I think the best answer to that is the one I gave the other day. I had met a day or so before with nine Governors, five Democrats and four Republicans, as I recall, and in the course of this two hour-plus discussion of the problems of State Government, it was very obvious to me that none of them, Democratic or Republican, were very sympathetic to the approach that you mentioned. After all, they are Governors today and they realize the problems if all of a sudden $90 billion worth of extra cost was thrown up on their shoulders. And I respect their judgment and I think their judgment of nine is a reflection of the judgment of 50 Governors and I think the American people will follow that line rather than --

QUESTION: But you will leave it to Governors to make this argument, or will you say that is a crackpot scheme? (Laughter)

THE PRESIDENT: As I said at the very outset, I am going to campaign affirmatively,and, if the Governors that were there and the other Governors raise objections, and I have some evidence that they did, I think that is a valid criticism for them to make of the program.

QUESTION: Mr. President, you mentioned Vietnam at the beginning. I wonder if we could have one more look back at that war. I am sure history is going to be asking this question. I think it will. Whatever happened to the domino theory which I think you once espoused? Looking back, did it ever really have any validity or does it continue to have a validity?

THE PRESIDENT: I think it can have validity and the situation that developed in Laos, as you well know, the coalition government there has dissolved, be overcome. I know that there are countries in Southeast Asia that were fearful that it might be a reality. We were able to reaffirm our presence at the present time as well as in the future in the Pacific, or Southeast Asia, and thus far we have been able to preclude what I honestly felt might have taken place.

Outside of some weakening in some countries, the domino theory has not taken place and we are fortunate. I am glad that that theory has been disproven, but it took some strong action and I think some leadership by this country to handle the matter.

QUESTION: Mr. President, do you think that all candidates should make public their health record, financial record and every other record concerning their personal lives?

THE PRESIDENT: Helen, if you go back to the hearings that I had on the Vice Presidential nomination, I think you will find that I had my academic record, my military records, my health records, every record that I could imagine was put on the record. If you want to go back and look at it, kind of just go and see. I willingly cooperated with the committee and I think it would be helpful for all candidates to do it in 1976.

I am healthy. I have never felt better and I think the public has a legitimate interest in that.

Now Dr. Lukash has some reservations about that but as far as I --

QUESTION: He doesn't think that --

THE PRESIDENT: Well, he thinks -- and I can understand it -- that it might establish a bad precedent. But as far as I am concerned, I wouldthrow whatever records are out on the table today. I think it would be a good idea.

QUESTION: Do you think someone who is not in good health should not run?

THE PRESIDENT: That is for the American people to say.

QUESTION: Mr. President, do you plan to release -- when you get to campaigning next year, do you plan to release formally your health records?

THE PRESIDENT: It is my understanding that some publications or some magazine or newspaper, or AP or UPI are asking that and we have been asked. I think we should but I repeat that my medical adviser thinks it is a bad precedent.

QUESTION: Why?

THE PRESIDENT: Well, --

QUESTION: He is a doctor. (Laughter)

QUESTION: I mean, why should it be a bad precedent for the American people to know the health of their President?

MR. NESSEN: Dr. Lukash has a problem with the doctor-patient relationship, not only in this case but in Mrs. Ford's case and previous cases. He believes it violates his medical ethics. But we are still working on the problem.

THE PRESIDENT: I think we can solve the problem but, as far as in general, what I did before the Senate committee is the best indication of how I personally feel.

QUESTION: Mr. President, do you think other candidates should release financial records as full as those you released before the committee, and do you plan to update the ones you released then?

THE PRESIDENT: My financial records again are on the record up through, let's see, 1973 and I hadn't thought about it,but there hasn't been any significant change and I would see no reason why I shouldn't and I think it would likewise be constructive for other candidates.

QUESTION: Mr. President, looking back on 1975, what has been your greatest disappointment this year, and what would you do differently?

THE PRESIDENT: I think the greatest disappointment was that I couldn't sit in this office and turn a switch and instantaneously stop the rate of inflation, stop the unemployment increases. It is frustrating to find that our society, our industrial society and society as a whole, is so complex that you can't just turn a switch and everything turns from darkness to sunshine.

I think any President -- and the ones I have known during my lifetime -- I suspect found that probably the greatest disappointment. I am sure Mr. Roosevelt, who struggled from 1933 until World War II, worked day and night trying to find an answer to the Depression. I am sure that he sat in this very office and wished he could turn a switch and get the 14 to 15 percent unemployment changed.

But, it just doesn't happen that way. That is a hard lesson, I think, any President runs into.

It is a disappointment because you know there is hardship, you know there is disappointment throughout the country.

From a personal point of view, that was the most disappointing.

Any more questions?

QUESTION: May I ask one final question? It goes back to the matter of running. You say that those that think Gerald Ford may drop out of the race before the very end or should he be defeated simply don't know you. But, in all your political life, 25 years or so, you have never sought the Presidency.

The question goes to whether or not you have, since you have come into office, developed the all-consuming desire and drive it will take to win the election. Do you feel you have that now and the determination to do it?

THE PRESIDENT: There is no question in my mind. I have a vision of what I want America to be. I think it is a good vision for 215 million Americans -- I have said it in one way or another in response to other questions here, at peace with ourselves, peace throughout the world, better economic conditions, the strengthening of individual freedom in this country, the protection of our environment as we try to move forward as a Nation economically, control of the very difficult problem of crime. These are the things that I want done.

I happen to believe that they are good for America. I strongly feel that I am qualified to implement and to achieve those goals, that vision, so I do have the drive and I have said repeatedly -- and I will say it once more -- I get up every morning and can't wait to get to this office to get to the problems, and I never go home at night feeling we haven't made some progress, not as much, but I look forward to the next day because I think we will make more progress in the achievements of this goal and this vision.

May I just say one thing in conclusion. This is the second of these kind of informal, somewhat restricted get-togethers. I know that some of the press have felt that everybody should be here. As we move ahead, if you all like this approach, what I would like to do is to next week or next month, whenever the time comes, to have a different group so that everybody feels they get included and no one feels they get excluded.

So, I say to those who are not here, we will try to get them in the next time around.

Have a good year.

THE PRESS: Thank you, and Happy New Year to you.

END (AT 12:34 P.M. EST)