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NEWS CONFERENCE

#120

AT THE WHITE HOUSE

WITH RON NESSEN

AT 12:45 P.M. EST

JANUARY 8, 1975

WEDNESDAY

MR. NESSEN: The President came into his office this morning at 8:00 a.m. He called Boston to see how Chairman Brezhnev was. (Laughter.)

Q For the literally-minded, will you explain?

MR. NESSEN: For the literal minded, he is not coming to Boston. He is not coming to any hospital in America. He is not coming to America. I don't know how many other ways I can simply say that he is not coming, period.

Q Does that mean the summit next summer is canceled? (Laughter.)

MR. NESSEN: No, that is the immediate future. We have been trying to knock that down since 9:30 last night, but nobody would accept the word.

The Cabinet meeting started shortly after 11:00. The President opened the Cabinet meeting by welcoming Vice President Rockefeller to his first Cabinet meeting. The President said, "We are going to keep him very busy. He already has one major responsibility." This is referring to the CIA investigation. Resuming the quote, "It is an important job dealing with a problem that needs to be solved responsibly." That is the end of the quote.

The President also introduced to the Cabinet Jim Connor, who is the new Cabinet Secretary.

Don Rumsfeld was then asked to run through, for the Cabinet members, the new White House organization, which you know about. Don said this is designed to fit the President's inclination to deal directly with officials, to have multiple sources of information and to have an orderly organization.

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At the conclusion of Don's presentation, the President said that "Vice President Rockefeller will be a partner and a teammate in this organization, and that includes the Vice President's staff," the President said.

Q Who said that, the President?

MR. NESSEN: The President said, "The Vice President will be a partner and a teammate in this organization, and this includes the Vice President's staff. His staff is an integral part of the White House staff."

Jack Marsh was then asked to give a very brief rundown of the Congressional Liaison Office, which he explained to the Cabinet members and told them that they should work together with the Congressional Liaison Office in pushing their legislative programs through Congress. He talked a little bit about the new Congress and the fact that the major issues will be economy and energy and said that the voters don't want a stalemate.

Q Ron, could I interrupt there? Did he say who would handle the House, or who would handle the Senate from his office?

MR. NESSEN: He didn't give that much of a detailed breakdown.

Then, Al Greenspan was asked to give a report on the economy, and he said it was bad. It was a very short report. He went on to say that it would take another week or two to determine what the unemployment trend would be in January, but, clearly, he said, the turn in the economy is not yet here. "What we foresee is a bottoming out in the spring or summer and, then, a flat economy for a while. There are many major uncertainties, but we do expect to see unemployment coming down in 1976 and better confidence as that happens because people won't be afraid of losing their jobs."

Q 1976?

MR. NESSEN: Yes. He didn't mean to say that it would not start until 1976, but he was giving sort of a "What is going to happen over the next year and a half or so."

Then, the President talked about his own economic program very --

Q Ron, on that point, did Mr. Greenspan say what you just said, that he was not predicting that it would not begin to come down before the beginning of 1976, or were you giving just a direct quote of everything he said?

MR. NESSEN: No, Mr. Greenspan did not spell out specifically when the down trend in unemployment would come, but I talked to him earlier this week and he is not saying that it will rise until the beginning of 1976 and then come down.

Q No, but is he saying that there is any chance that it will come down before the beginning of 1976?

MR. NESSEN: He didn't spell out precisely when he thinks it will start coming down.

Q On that subject, did he say anything about the rate of inflation in 1975?

MR. NESSEN: He just briefly said that we are going to get a drop in inflation, but he didn't give any numbers.

Q What about the major uncertainties that he referred to? Did he mention what they were specifically?

MR. NESSEN: No, he didn't mention the major uncertainties specifically, Walt.

Q He didn't repeat the statement earlier this week that inflation would drop to 6 or 7 percent, did he?

MR. NESSEN: He didn't in there. He mentioned that same figure to me on Monday in a private talk we had.

Q Ron, does his predicting that there is going to be a flat economy for a while differ from saying there is going to be a recovery the second half? I asked you this the other day.

MR. NESSEN: I know, and I talked to him about that Monday. It is simply a question of coming down, bottoming out, and he still expects it to start up in the second half of the year.

Q What were the figures on inflation, Ron? I missed them.

MR. NESSEN: He didn't mention them in there today, but Al is looking for a 6 or 7 percent inflation rate next year.

Q For the total for 1975?

MR. NESSEN: By the end of 1975, yes.

Q Did nobody ask him for specifics at this meeting?

MR. NESSEN: No. There was a lot to cover in an hour, and it went pretty fast. This is not their only chance to get his appraisal. He passes out a weekly report on the state of the economy.

Q Can you give us any kind of a feel for how the Cabinet reacted when he opened his presentation? Were those his precise words when he said "The economy is bad"?

MR. NESSEN: Yes.

Q How did the Cabinet respond?

MR. NESSEN: They listened to the rest of his report. There was no comment.

Q Did they laugh, or was there any type of reaction?

MR. NESSEN: I don't think it is something to laugh at, Tom. They did not laugh.

Q Did they cry, Ron?

MR. NESSEN: Not all of them. (Laughter.)

Q Ron, does the President expect the unemployment rate to start coming down before next year?

MR. NESSEN: I have not asked him that specific question, but a lot of what Al Greenspan is talking about -- and I think he made clear in his testimony the other day -- depends on the President's economic program being carried out, too. That is one of the major uncertainties, incidentally.

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Q Did the President have anything to say about the economy?

MR. NESSEN: Yes. At the conclusion of Al Greenspan's presentation, the President said, "Ours is a good program," the one he will be sending to Congress. He said, "It is tough; it is fully defensible. It will give us the restoration of confidence that is essential to recovery."

Q Before you leave that, did any of the Cabinet members ask the President what he is going to do?

MR. NESSEN: Many of the Cabinet members know what he is going to do, and the others did not ask.

Q Is that all the President said?

MR. NESSEN: At that point in the meeting.

Q Did they ask at a later point; in other words, did the President advise the members of his Cabinet --

MR. NESSEN: The President did not outline his program at this Cabinet meeting.

Q Does it mean he has finalized his program?

Q It sounds like you are saying it is finished.

MR. NESSEN: It is nearly finished.

Q Is that in connection with the energy problems, economy and all this?

MR. NESSEN: No. Frank Zarb was there but, at this particular meeting, did not make a presentation.

Q Do you know how the President's proposals are expected to change Greenspan's gloomy predictions?

MR. NESSEN: How they are expected to change?

Q Are they expected to change his predictions?

MR. NESSEN: He gave this gloomy prediction in Congress the other day, and then he said, "This is all based on no major change in policies." Well, there is going to be a change in policies.

Q What are these other major uncertainties? One is whether the President's program gets carried through in Congress. What other major uncertainties?

MR. NESSEN: He didn't spell them out at this particular meeting, and I would hesitate to speculate frankly on what he had in mind on that.

Q You say you talked to him earlier. Are you talking about the world conditions, the price of oil or weather for the crops or what?

MR. NESSEN: I think the one I was going to mention certainly was the outlook for crops, which would affect food prices, recovery in automobile sales, how far down inflation does come, what the movement of interest rates is, those sorts of things.

Q Ron, did the President tell the Cabinet how and when he expects to tell the people of the details of the program?

MR. NESSEN: No. He said pretty much the same thing, that I will be sending my program up there within a week after they come back.

Q Can you give us some idea yet on what date the State of the Union Message will be delivered?

MR. NESSEN: It has not been decided.

Q By calling it fully defensible, does that mean there is going to be substantial criticism from which it needs defense?

MR. NESSEN: There always is these days, so I suppose there will be. He means that it is a well put-together program that he has faith in, and that his economic advisers have faith in, and he believes he can go to the public and the Congress and make a case for it.

Q Ron, is the idea of unveiling some or all of his program ahead of the reconvening of Congress now ruled out?

MR. NESSEN: Bob, what we have said is that the program will be on the desks of the Congressmen and Senators within a week after they come back and begin their session, and that remains unchanged and has always remained unchanged.

Q So, there is no chance whatever that it is going to be revealed before they come back?

MR. NESSEN: What I am saying is that it will be on their desks when they come back or within a week after they come back. Within a week after they come back.

Q And that will be the first revelation?

MR. NESSEN: What do you mean the first revelation?

Q Well, he is asking is there going to be any kind of release of it prior to that.

Q You keep talking about it is going to be on their desks within a week after they come back.

MR. NESSEN: That is right.

Q What I have asked you is, are they going to have it on their desks before they come back or are you ruling that out?

MR. NESSEN: I am just saying that the timetable has not been settled yet, but that it will be there within a week after they get back.

Q Will it be on everybody else's desks before it is on their desks?

MR. NESSEN: It just has not been decided yet.

Q You left this a little confused in my mind.

MR. NESSEN: Mine, too.

Q Is this going to be announced in the State of the Union Message or is it going to be delivered up there before the State of the Union Message?

MR. NESSEN: The details of it will be spelled out in the State of the Union Message.

Q What is going to be put on their desks?

MR. NESSEN: The details of the President's economic and energy programs.

Q And that will happen before he delivers his State of the Union Message?

MR. NESSEN: The State of the Union Message is the details of the economic and energy programs.

Q That is where the confusion arises. Is he going to put the State of the Union Message on their desks?

MR. NESSEN: You mean creep up there the night before and pass it out?

Q Because you have got a program going on their desks and it seems to me it is different from his State of the Union Message. Is it or is it not?

MR. NESSEN: Peter, I don't see where it is. I am saying that the details of his economic and energy message will be delivered in the State of the Union Message, and that is what will be on their desks within a week after they get back.

Q How about a broad outline of what he plans to do? Could that be delivered before they convene?

MR. NESSEN: Just no timetable has been decided on yet, Bob, for presenting this program.

Q Ron, are any separate messages being planned either as a separate energy message or a separate economic message?

MR. NESSEN: There will be separate messages going up there later on a number of subjects.

Q But after the State of the Union?

MR. NESSEN: Correct.

Q When you say State of the Union Message, Ron, are you speaking of a State of the Union address or --

MR. NESSEN: Oh, yes, he will deliver it in person, but he also, obviously, will give them a written copy of it so they can read it and then that will be followed up, John, by specific legislative proposals.

Q Just for clarification, he will not make his programs known until he delivers the State of the Union address?

MR. NESSEN: I say the timetable for presenting the thing has not been set.

Q The timetable of the State of the Union address is still uncertain?

MR. NESSEN: That is right.

Q But the program unveiling will come in the State of the Union, is that correct?

MR. NESSEN: The details of it will.

Q Ron, the Speaker's office of the House says that they were asked to arrange for the joint session on the 20th for the State of the Union.

MR. NESSEN: I don't know why they would since no date has been decided on.

Q Ron, are you being coy on this?

MR. NESSEN: Probably.

Q Is there going to be any sort of high-lightsput out ahead of the State of the Union, or will there be any announcement of what is in these programs before the State of the Union?

MR. NESSEN: There has been no decision made on the timetable for presenting this.

Q Ron, would it be helpful to the President in making this decision if the Democrats would tell him when they are going to distribute their economic program?

MR. NESSEN: I said yesterday -- and it is telling you truthfully -- that it has no impact at all on when he will present his proposals, it truly does not.

We have a lot of other announcements. Shall we stop or go on?

Q Just one other question.

MR. NESSEN: All right.

Q Prior to the President's presentation of the program to Congress on October 8, it was billed as a complete and comprehensive program which would satisfy the needs of the country. This new program now three months later, would that be substantially different from the October 8 program?

MR. NESSEN: Yes.

Q Ron, On December 11 he said he would not make any 180 degree changes. How much change is he going to make?

MR. NESSEN: Well, it could be 179. I guess I will regret having said that, won't I?

Q Ron, do you have any more quotes from the President on the economic meeting?

MR. NESSEN: No. The final part of the meeting was Dr. Kissinger giving a brief kind of overview of foreign policy in 1975, and the President closed by saying, "We will be getting together regularly."

Q Did Kissinger say things were bad, too?

MR. NESSEN: No, he didn't.

Q Ron, you said Greenspan has given some figures on what he expects specifically on unemployment.

MR. NESSEN: No, no, I didn't say that.

Q He has on the Hill.

MR. NESSEN: He did on the Hill, yes, and I talked to him after this meeting.

Q I understand, this week?

MR. NESSEN: Yes, basically what he said the other day --

Q My question today is he has given out all these figures on the assumption that nothing will be done.

MR. NESSEN: That is the way I read his statement.

Q Will he put out some expected figures based on what will happen if the President's program is adopted?

MR. NESSEN: I assume so, but I don't know what they are.

Q When he does, will you give us those?

MR. NESSEN: I certainly will.

Q Did the President tell the Cabinet where the Enterprise is today?

MR. NESSEN: No, that was not discussed.

Q Ron, what is the purpose of feeding out these gloomy reports from Greenspan when he, at the same time, deplores the lack of confidence in the economy and thinks that that is one of the causes of it. Why not withhold that until the President's program is out?

MR. NESSEN: I think the President believes that one of the important parts of his program and in his effort to restore confidence is first of all to face up to the facts of where we are today and how we got here.

I don't think anybody would want us to pretend that the situation is better than it is, and I am merely trying to be helpful in terms of reporting what went on at the Cabinet meeting.

Q How about Kissinger? What did he have to say?

MR. NESSEN: It was a very brief summary review without very much detail -- hoping for resolution in Cyprus; energetically pursuing peace in the Middle East; there is still a readiness to pursue political detente with Russia; the problems of food, energy and raw materials will play a large role in foreign affairs. It was not a very detailed briefing.

Q Could you give us a little more about this Cyprus business, Ron, where he had a meeting with the Ambassadors?

MR. NESSEN: That is about all he really said.

Q What about this meeting yesterday?

MR. NESSEN: I think it was merely to review where we stand.

Q Did he have no comment or reassurance about all these rumors about the Brezhnev situation?

MR. NESSEN: He didn't really mention that.

Q What do you mean about the Middle East? Did he expect war or peace?

MR. NESSEN: You know, I have given you virtually his whole words, that we will energetically pursue peace.

Q Anything on Vietnam?

MR. NESSEN: Vietnam was not mentioned.

Q How long did this meeting last, an hour and a half?

MR. NESSEN: Not quite. From a little after 11 to about 10 or 15 minutes after 12.

Q Is this a complete account of what went on at the meeting?

MR. NESSEN: Yes.

Q I realize you are not giving us word for word.

MR. NESSEN: There were no secret speakers.

Q Can you break this down? The bulk of my notes suggest that they talked about the President's emerging policies on the economy and energy. Would that be fair to --

MR. NESSEN: No, it would not. That is what the majority of the questions were about, but I don't know. Mr. Rumsfeld took ten minutes, let's say, on the White House organization, and Marsh took about 15 minutes or 20 minutes on the Congress. Greenspan took about 15 and Kissinger took about five. I don't know if that adds up to the time, but those are rough guesses on my part. I didn't write the times down.

Q Did Brennan participate in the discussion on the economy?

MR. NESSEN: Brennan asked Greenspan one question, whether his figures included certain categories of unemployed, some technical unemployment question which Greenspan answered, and that was Mr. Brennan's contribution.

Q Did the Vice President say anything about anything? Did he take any part in the meeting besides being there?

MR. NESSEN: He did not speak at the meeting.

To go on with the day, at 5:30 this afternoon, the President will meet with Senator Mansfield, who has just returned from a trip to the People's Republic of China. It was Senator Mansfield's second trip, and he will give a report on that trip to the President.

Tomorrow we have a foreign visitor, and it is His Majesty Qabus Al Bu Said, the Sultan of Oman, coming tomorrow afternoon for a meeting in the Oval Office at 2:30.

He arrives in Washington tomorrow. It is a private visit to the United States. He will meet with various high officials, including the President, the Vice President, and Secretaries Kissinger and Schlesinger.

We have a couple of personnel appointments to announce today.

Mrs. Betty Southard Murphy has been nominated by the President to be a member of the National Labor Relations Board, and the President will designate her as Chairman of the National Labor Relations Board. She is a labor lawyer currently serving as Administrator of the Wage and Hour Division in the Department of Labor.

She succeeds at the NLRB Edward B. Miller, who resigned effective last month. It is a five-year term, and the pay is \$40,000.

Q Did he resign as Chairman?

MR. NESSEN: Yes.

Some people thought that there was an unexpected, an unintended meeting this morning with Vice President Rockefeller, which is not so. It was actually planned that way. For those who saw it, Vice President Rockefeller attended a meeting with other Administration officials in the Roosevelt Room with representatives of the food processing industry.

The purpose of the meeting is to review with that industry the current energy and economic situation in the country.

Bill Baroody has been setting up a series of these meetings on Wednesdays in which groups representing various industries are brought to the White House to meet with White House officials and discuss with White House officials the problems in their industries relating to energy and the economic situation.

We will have a list of those attending from the industry. Some of the Government officials attending were the Vice President, Mr. Ash, Secretary Butz, Mr. Reese, Mr. Seidman, Russell Train and Frank Zarb.

The President has sent a telegram to W. Henson Moore, III, of Baton Rouge, Louisiana, congratulating him on his victory yesterday in the special Congressional election in the Sixth Congressional District of Louisiana.

The President said in his telegram: "Congratulations on your victory, which doubles the Republican delegation from your State in the United States House of Representatives. I look forward to welcoming you and working with you in the 94th Congress."

That seems to be all I can find.

Q Ron, in view of Vice President Rockefeller's participation in the Cabinet meeting, could he be called the silent partner in this White House?

MR. NESSEN: Is that a question? I am sorry; I was waiting for another question.

I don't know how to answer that, Peter. The President has said he is going to keep Vice President Rockefeller very busy, and he is keeping him busy .

Q You called him a partner, I thought.

MR. NESSEN: Partner and teammate -- but the quarterback calls the signals.

Q On the economic analysis of Mr. Greenspan, is there evidence yet that in fact the rate of inflation has slowed down? Is that what you are saying?

MR. NESSEN: The rate of inflation has slowed down?

Q Is there evidence of that?

MR. NESSEN: I think the Wholesale Price Index is coming out here in about a couple of days, and I think we better wait and see what that says. There is some indication of a softening of prices and some indication of a softening of some interest rates and so forth, but I think we better wait and get the figures.

Do you have the announcements on the Assistant Secretaries of State, incidentally?

Q Yes.

Q A related question to Bob's, does the President or the White House have any comment on the announcement or expected announcement by the Chrysler Corporation of the \$200 to \$400 rebate on their automobiles in the near future?

MR. NESSEN: The President is encouraged by Chrysler's initiative in attacking the problems of inflation and of getting sales moving, and the President hopes this will help put workers back to work.

Q Would he like to see this spread to the other automobile makers?

MR. NESSEN: Well, the President would like to see anything that gets sales moving and puts workers back to work.

Q Did he suggest that General Motors and Ford do likewise?

MR. NESSEN: No. You know, it is a private company matter. The President would not interfere in their own processes of how much they think they have to charge for cars.

Q Does he believe that they are going to?

MR. NESSEN: I didn't hear him say so, Jim. It is really up to the companies.

Q Ron, does the President have a comment on Judge Sirica's decision to commute the sentences of Magruder, Dean and Kalmbach?

MR. NESSEN: I didn't even know about that.

Q It just happened.

MR. NESSEN: Well, I am not sure he knows about that.

Q What was the question?

MR. NESSEN: Norman says that Sirica has commuted the sentences of Magruder, Kalmbach and Dean.

Q All the way?

MR. NESSEN: I didn't know that.

Q I only know what my desk told me.

Q Ron, it is my understanding that, on December 30th, the day before New Year's Eve, President Ford slipped over to a little town called Dillon -- it is about 25 miles from Vail -- and autographed a menu in a restaurant and chatted with the two owners, who also happened to own the Class Reunion.

MR. NESSEN: I had not heard that.

Q I wondered if you could confirm that for us, and if it happened, if there were any other such incidents that were not announced while we were in Vail?

MR. NESSEN: December 30th -- I am not aware that he left Vail the whole time, but we will check it for you.

I didn't hear of any occasions when he left. No, I stayed fairly close to the house, but Bill will check it for you while we are here.

Q That is the evening we went to Peppe's; I know because I was in the pool. We left there about 7:15.

MR. NESSEN: Is that the evening we went to Peppe's?

Q Yes.

MR. NESSEN: Bill will check it. I am almost sure it didn't, but we will find out.

Q Ron, is there any prospect of a press conference this week?

MR. NESSEN: No.

Q Do you expect a press conference at any time prior to the submission of the State of the Union Message?

MR. NESSEN: No.

Q You are ruling it out any time between now and the State of the Union?

MR. NESSEN: Yes. He is working three, four and five hours a day on the State of the Union and other related things, and being as he is going to follow his own rule of not giving away his proposals until he announces them, he thinks it would be better to wait until later when we can talk about them.

Q Ron, you would expect one pretty soon after the State of the Union, wouldn't you?

MR. NESSEN: Yes.

Q Ron, we have been getting a lot of announcements on minor appointments, but there are several Cabinet posts open. Why aren't some announcements being made on Cabinet posts?

MR. NESSEN: John, the situation, I think, is as you know it, which is that in order to get all the clearances takes some time, and the decision was made not to announce Cabinet members until all their clearances had come through.

Q Does that mean the Administration had decided on who they want for them but the clearances are going through?

MR. NESSEN: In some cases.

Q Would these be unveiled or announced in a group?

MR. NESSEN: No, there is no plan for that. It is just to announce them as they are cleared.

Q No surprise farewells this morning?

MR. NESSEN: From the Cabinet?

Q No farewell handshakes or anything?

MR. NESSEN: No, there were no farewell handshakes at the Cabinet meeting.

Q Is Saxbe in Ireland today?

MR. NESSEN: I don't think so.

Is he?

We sometimes have a list of where Cabinet members are. He is vacationing, but I don't know where he is vacationing.

Q Ron, do you have any information as to how the President would respond to an additional request from the Penn Central for more money beyond the \$85 million emergency fund?

MR. NESSEN: I don't know, but I will check on that for you.

Q That was not discussed by Secretary Brinegar at the Cabinet?

MR. NESSEN: No, it was not.

THE PRESS: Thank you, Ron.

END

(AT 1:14 P.M. EST)