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N E W S   C O N F E R E N C E

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AT THE WHITE HOUSE

WITH RON NESSEN

AT 11:50 A.M. EDT

MAY 12, 1975

MONDAY

MR. NESSEN: The President has been meeting with staff people this morning.

The President's first appointment is at 12:30. He will be presented with a special copy of Time Magazine's Bicentennial issue. I would like to be through in time to get to that, incidentally.

At 12:45 the President will greet five women designated as International Women of the Year by the American Newspaper Women's Club. They will be in the Oval Office to meet the President, and we will have cameras in there, if you would like.

The women who are being honored are Zelda Fichandler, who many of you know is the producing director of the Arena Stage here; Nancy Kissinger for her work as Director of International Studies at the Commission on Critical Choices for America; Elizabeth Duncan Koontz, Special Assistant for Coordination of Nutrition Programs for North Carolina, former President of the NEA, and former Director of the Women's Bureau at the Department of Labor; Sigrid Schnyder, an international volunteer, the wife of the Swiss Ambassador to the United States; and Helvi Sipila, Assistant U.N. Secretary General for Social Development and Humanitarian Affairs, and the Secretary General for the International Women's Year.

Just to go ahead a little bit for the rest of the week, the President will be meeting at 2 o'clock tomorrow afternoon with the Governor of New York, Hugh Carey, and the Mayor of New York City, Abraham Beame. The Governor and the Mayor requested the meeting to discuss their request for the Federal assistance for the City of New York.

Q      How much?

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MR. NESSEN: I believe the need to refinance bonds of \$1.5 billion coming due this month.

The President will meet on Wednesday with the Prime Minister of the Netherlands, Mr. den Uyl. There is no firm time set on that. I suspect it is going to be in the morning, and that night there will be a working dinner for the Prime Minister at 7:30. The toasts will be piped back here.

On Thursday, the Shah of Iran will be here for a State visit. There will be an arrival ceremony on the South Grounds at about 10:30 in the morning and there will be a meeting with the President and then a State dinner that night at 8 o'clock.

Looking ahead to the weekend, I don't really have anything firm on Saturday.

On Sunday, I think you recall the President will be going to Philadelphia to speak at the Commencement of the University of Pennsylvania.

Q What time of day is that, Ron?

MR. NESSEN: I don't have that yet, but as the week goes on, we will.

You are going to have some tough choices to make on Sunday because the President is going to Philadelphia, and I am going to Heidelberg College in Ohio to get an honorary degree. (Laughter)

Q What is it, Ron? What kind of degree?

MR. NESSEN: I think it is a Doctor of --

Q -- Theology? (Laughter)

MR. NESSEN: No, I think Doctor of Diversity. (Laughter)

Q What is the degree the President is going to get?

MR. NESSEN: We will get that for you as the week goes on.

Q Are you speaking, Ron?

MR. NESSEN: Yes.

Q What is your subject?

MR. NESSEN: I have not written a speech yet.

Also, Barbara Susan Greener is graduating from Valparaiso University in Indiana Sunday, and her father will be there, so you will have to choose between the three of those.

Q Who is minding the store?

MR. NESSEN: We thought we would close up for the weekend.

Q Just call the President directly for queries?

MR. NESSEN: Yes. He will be the weekend standby for phone calls.

Q You are having a press plane, and so forth?

MR. NESSEN: To Philadelphia?

Q No, to Heidelberg. (Laughter)

MR. NESSEN: We are laying on buses to Heidelberg. (Laughter) The only reason I accepted was because I thought it was in Germany. I didn't know it was in Ohio. (Laughter)

Q Ron, is the Vice President going to be at that meeting with Carey and Beame?

MR. NESSEN: I have not see the full list of participants for that meeting. In fact, actually, the list of participants is still being put together.

I have some personal notes, and you should have a paper on this.

The President will nominate Paul W. MacAvoy of Ipswich, Massachusetts, to be a member of the Council of Economic Advisers. He is at MIT, and he will succeed Dr. William J. Fellner, who resigned in February.

The President is also nominating Lowell W. Perry of Detroit to be a member of the Equal Employment Opportunity Commission for the remainder of the term that expires July 1, 1978. When he is confirmed as a member of the Commission, he will be designated Chairman.

Q Are you putting out an announcement on that?

MR. NESSEN: You will get it.

The President is announcing four appointments to the Board of Trustees of the Woodrow Wilson International Center for Scholars of the Smithsonian Institution. They are Robert Goldwin, who, as you know, is a Special Consultant to the President; Bryce Harlow, I think you know who he is; Dean Rusk; and Paul W. McCracken. There is no compensation with that job.

Also, the President is transmitting to Congress a proposed budget amendment in the amount of \$1 billion 150 million for fiscal year 1976 and for that new extended portion of the fiscal year from July to September, 1976. These are for the additional highway trust money which, if you recall, was released some months ago to the States. We do have the letters that the President will be sending to the Hill explaining this action. We will post those after the briefing.

The President also has accepted with regret the resignation of Ambassador John R. Stevenson as Special Representative of the President to the Law of the Sea Conference. Ambassador Stevenson also was the chief of the delegation.

In his letter, the President indicated his deep appreciation for Ambassador Stevenson's valuable contribution to the substantial progress of the Law of the Sea negotiations and the President reiterated his view that this Conference is of vital concern to the national interests and the international community.

I noticed over the weekend some stories which had a mistake in them and I know it was inadvertent -- maybe it was done on the desks -- but I thought you would probably want to make the correction.

That had to do with some stories which indicated that the OAS reception Saturday night was a new policy of having the receptions private and that was a mistake.

As you know, all but two, or several, receptions since the President came in have been private, so I know you will want to straighten that out.

Q Is that the way it is going to be?

MR. NESSEN: Yes.

Q Does the President realize that this is not in line with an open Administration?

MR. NESSEN: Helen, I think you know that this is perhaps the most open Administration since --

Q That is your position.

Q Since when?

MR. NESSEN: I would say since Franklin Roosevelt, maybe.

Q How would you know that? (Laughter)

MR. NESSEN: I have lived in Washington since 1934.

Q But you have not been at the White House that long.

MR. NESSEN: My view is that it is the most open Administration in a long time and that this has been the policy on receptions from the beginning, so the weekend stories were not correct. I think you know that with this President you have more opportunity to talk to him directly--you have news conferences, interviews--to attend events, to hear reports on events, and so I would disagree that --

Q We think that when the President gives a social reception that it is also newsworthy and the people who attended -- and it is not a question of asking the President questions -- it is a question of covering him at social events in the White House which are paid for by Government funds.

MR. NESSEN: Helen, the President's entire life virtually is paid for by Government funds; that is in the nature of being President.

The air plane, of course, is Government funds, and yet, that is somewhat restricted on who flies on there.

The Oval Office is paid for by Government funds and yet, we don't go in there every day for every event, so I am not sure that that is a valid argument.

Q Ron, is it the President's view he does not want to talk to reporters except at a news conference? I noticed in the article you referred to that he was angered when reporters were around him during the reception and he said, this is not a news conference.

MR. NESSEN: I think that gives you some idea of what I have been trying to say since we have discussed this issue which is that these receptions, as contrasted to the -- usually, the way these things work is that he meets his guests in the East Room, as you know, where there is coverage, and he speaks to them and then normally, they go to the State Dining Room, or some other room, and that is the part of it that is considered a private social event where he does want and feels that it is proper to have private guests and private conversations.

Q But they aren't private guests. They aren't. These are organizations invited to a reception at the White House and it is a newsworthy event.

MR. NESSEN: And that is why there is coverage of the public portion of the event in the East Room.

Q Ron, you are making a change here from prior Administrations.

MR. NESSEN: That is right, and as I say, the only reason I mentioned this today was because there was an inadvertent mistake made in some stories over the weekend and I brought it up so --

Q Well, then you have to retract the fact of what you say is that the Administration is more open because we have restrictions now that we never had before in recent times.

MR. NESSEN: I don't know any President, including Truman, who has had a reporter sit in his office for a week. I don't know any President who has had as many news conferences or private interviews in as short a period as this President.

Reporters are invited as guests to almost all social events here.

Q That is a different story. We don't want to be guests. We prefer to cover the event.

MR. NESSEN: As I say, I need to leave here in less than 30 minutes, so maybe we could move on to some of the questions of substance that you would like to ask.

Q One final question about that, Ron. From your point of view, do you think you get better and more accurate coverage of what the President says at events like this from having reporters there to actually take notes, trained reporters to take notes, or from reporters going to guests afterwards and getting the guests' sketchy memories and untrained accounts of this thing? From your point of view, which do you think you get the fuller and more accurate account?

MR. NESSEN: I don't think I can answer the question starting off with your premise, Jim. The reason that the receptions are private is that the President does feel that on occasions when he has guests in he would like to have some time to chat with them informally and privately.

Q You are aware of the fact that reporters in many instances, perhaps in not every instance, but know who these guests are and go to them later and ask them for their version or their memories of what the President said and what took place. You know that as a practical matter.

MR. NESSEN: Yes.

Q So, I am merely asking, from your point of view, which arrangement do you think gives the better and fuller or accurate account of the event?

MR. NESSEN: Jim, I would have to say that the same holds true of many events in the President's life. You do interview people as they come out of the Oval Office and I am sure that you would have a more accurate account if you sat in the Oval Office during the meetings. But obviously, that is not possible and so I don't see the analogy.

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Q Ron, you said you don't know of a President who has had as many news conferences or interviews. Do you have figures that dispute our count, which is that except for President Nixon, putting him aside, there are not as many news conferences now as President Johnson had, as President Eisenhower had, as President Kennedy had, as President Roosevelt had?

MR. NESSEN: I have not done obviously as much work as you have, Ted. My impression is that this President is quite open and my whole reason for bringing this up today was not to get into a discussion of whether he is opened or closed, but rather to point out a mistake that was made and the fact that I know there are those of you who want to correct it.

Q Ron, does the fact that the President is meeting tomorrow with Mayor Beame and Governor Carey indicate that Secretary Simon's announcement over the weekend that the Federal assistance would not be forthcoming and may not be the last word?

MR. NESSEN: This matter has been considered and has been discussed actually for some time here, and there have been a series of discussions with New York City officials. At the conclusion, Secretary Simon stated the Administration's position.

As I understand it, Mayor Beame and Governor Carey have, however, requested a meeting with the President, and it will be held tomorrow.

Q Ron, can the U.S. now send food and medicine to Cuba without running against OAS restrictions? McGovern says that these were specifically exempted from OAS sanctions.

MR. NESSEN: You really need to talk to the State Department for the details of the embargo, Bob. I do know that Mr. Funseth, at one of his briefings last week, said that the State Department was asked that question, and you should read what he said, and I would refer you to his briefing.

It was a day last week where he talked about the medicines and food packages that have gone into Cuba, and you can get that out of his transcript.

Q He says these were specifically exempted and that we can now move in this direction without having the --



MR. NESSEN: I don't know the wording of the embargo, but I do know that Mr. Funseth talked very specifically on those two points and gave answers last week and explained.

Q Ron, there has been an exchange of letters between the President and the Syrian President, Hafiz Al Assad.

MR. NESSEN: I was not aware of it, but I will look into it.

Q I want to know whether a possible meeting with the Syrian President has been discussed?

MR. NESSEN: I was not aware of any of the letters, if there were any letters, until you mentioned them, so I will need to check on that.

Q Ron, can I clarify what you said about New York City, New York State?

MR. NESSEN: Yes.

Q Are you saying that although the President is meeting with Carey and Beame, the Administration's decision not to grant any more aid stands, or is there a possibility --

MR. NESSEN: Secretary Simon did state the Administration position. It was after that that Mayor Beame and Governor Carey asked for the meeting.

Q Does this meeting mean that the case could be reopened?

MR. NESSEN: I think that Secretary Simon has stated the Administration's position.

Q Stating the position as it was then -- did he mean that day?

MR. NESSE: No, that is the Administration's position.

Q Was that the position which the President will again restate to those gentlemen tomorrow?

MR. NESSEN: I don't know why they have asked for the meeting, specifically, or what they will say at the meeting.

Q Ron, I have asked the Department of the Interior and the National Park Service, but I have been able to get no explanation in regard to the policy of laying out more than \$100,000 for a rock concert where there are 211 robberies and a man's eye is lost.

In view of the fact that it was worse last year, why does the Ford Administration sponsor things like this, and what safety can the President promise to people who are coming to observe the Bicentennial in light of this thing on Saturday?

MR. NESSEN: I don't think that is a question properly addressed to the White House, Les.

Q It is the Ford Administration, Ron, and I cannot get anything from the Secretary of the Interior and the President is, it seems to me, responsible for his Cabinet and what the Ford Administration does. There was \$100,000 laid out for this rock concert that turned into a riot.

Q I am just wondering, what can the President say to people who are coming to the Bicentennial?

MR. NESSEN: As I say, I don't believe that is a question properly addressed to the White House.

Q Has the President talked with his political people yet, the ones who are forming this committee?

MR. NESSEN: No.

Q Has he seen Dean?

MR. NESSEN: It is not on his schedule.

Q Has he seen Dean Burch the second time?

MR. NESSEN: Not that I know of.

Q Is he scheduled?

MR. NESSEN: He is not on the schedule for this week.

Q Ron, why isn't he seeing them?

MR. NESSEN: Let me just answer Helen's question.

I think Dean Burch told reporters after that meeting that this was a meeting, as he told me on the phone, it was the first of 1 million meetings. It basically was to lay out questions. There were no answers to the questions, but to lay out questions and to parcel out the questions for the various members of the committee to look into -- questions such as what should the strategy be for primaries, for raising money, for living up to the new regulations, for staffing a campaign committee, and so forth.

So, at this stage, it is really finding out the questions and then these people who are involved in the meeting need to find out the answers.

So, there is not anything really to report to the President at this stage.

Q Does he have anybody else in mind besides Dean Burch?

Q Does the President have any comment about Laos which seems to sort of slipped into being Communist over the weekend?

MR. NESSEN: Only that the situation is being watched closely.

Q Ron, in the general area of foreign affairs, Professor Brzezinski on "Meet the Press" yesterday said there should be a foreign policy summit similar to the economic summit and a number of commentators both on the Right and the Left have called for such a review on foreign policy on one format or another. What is the President's reaction to this?

Q Could I hear the question?

MR. NESSEN: As you know, Professor Brzezinski appeared on one of the talk shows yesterday and called for a summit on foreign policy similar to the summit on the economy.

I don't have any specific reaction of the President on that. As you know, there is a reassessment being made of the Middle East policy. There is an assessment being made of Far East policy. The fact is that foreign policy is continually kept under review and whatever changes seem necessary are considered and then made. I don't know of any plans for such a summit meeting on foreign policy.

Q When will the Asian foreign policy review be ended? Can you give us a target on that?

MR. NESSEN: I don't know that that is the same kind of review that is being made in the Middle East. That is more of just an assessment of where we stand after Vietnam and Cambodia and of where do we go in the future, what is our policy in the future after Vietnam and Cambodia, but it is not the same nature as the Middle East.

Q Ron, in Laos, given the fact that the Pathet Lao is now the controlling factor in the coalition, is the U.S. reassessing its aid commitment or aid presence there at all?

Part two, is there a point at which we would automatically pull out, given changing weight of that government short of being told to leave?

MR. NESSEN: I don't know, frankly, what the aid is that we send to Laos.

Q The FAR.

Q We have a whole mission in there that has been cut back in size considerably, but it still exists and it is providing aid.

MR. NESSEN: I cannot help you on the aid question. I can say that there are no plans to evacuate the Americans from Laos at this time.

Q Will the steady decrease, then, in the overall U.S. mission, both the AID mission and the Embassy staff, and so forth, that has been undergoing a steady decrease and drawdown, will that continue?

MR. NESSEN: There are no plans for an evacuation at this time.

Q That is not what I am asking. I am just asking whether this decrease in the size --

MR. NESSEN: You mean in the number of people there?

Q Yes. Is that going to continue or are you going to reach a point where you are going to stop and leave the number there that are there now?

MORE

MR. NESSEN: The precise movements of people in and out of there I don't know from here. I do know that the policy is not to evacuate at this time, but I don't know the details of how many are coming out in the normal course of things.

Q Can you give us anything on the nomination of a new Ambassador to Laos? More specifically, Mr. Stone is being contemplated?

MR. NESSEN: I read that in the paper, but I don't have any information on it here.

Q Is the President going to look to Congress to pass a law clarifying his authority in case he needs it to evacuate Americans in Laos?

MR. NESSEN: I had not heard him talk about it.

Q Ron, is the President inclined to continue giving aid to a country that is demonstrably Communist, such as Laos?

MR. NESSEN: I don't know that it is demonstrably Communist, and I didn't anticipate interest in aid to Laos, so I would like to have the opportunity to check on it before I answer.

Q Ron, last Friday, the House-Senate conferees agreed on target budget figures for the coming fiscal year. Do you have any reaction?

MR. NESSEN: I think the President is pleased with the idea that Congress has accepted the concept of a total ceiling on Government spending which it has never done before. The budget has always been approved piecemeal with no idea along the way with what it is going to end up as a total, so he is pleased with the concept of setting a ceiling.

Now, he thinks that the \$67 billion or \$69 billion, whatever the precise figure is, is too high. For that matter, he thinks his \$60 billion ceiling is too high and you have heard him talk about that. But given the conditions on the revenue side and on the unemployment compensation side, he feels that anything beyond \$60 billion simply increases the problems and the dangers to the economy.

Q If I could follow that up, Ron, people up there on the Hill, the chairmen of these House and Senate budget committees respectively, have said repeatedly that the President's \$60 billion figure is too low in the sense that he has calculated the figure wrong. The offshore oil revenues being just one example, there is about \$4 billion difference in that, plus other accounting differences. Has the President addressed himself at all to this matter that maybe the way he is adding up the figures and the way they are --

MR. NESSEN: The \$60 billion was based on the very best assumptions and calculations that could be made at the time.

You should also remember that the \$60 billion represents an actual number, an actual amount of money that would be in the red but it also represents a policy belief on his part and it really is sort of -- I think you would have to say -- symbolic of the policy belief on his part that there should be no new spending programs.

Now, the \$60 billion, as I said, was an actual figure based on the best calculations that could be made at the time. What the actual spending and what the actual deficit will be in fiscal 1976 will not be known until probably December of 1976 because revenues fluctuate beyond the calculations and so do outlays fluctuate beyond the calculations.

Now, there will be a specific occasion on June 15th when by law, the budget must be recalculated and I think we will have to wait until June 15th to see whether any of the assumptions that went into the \$60 billion have been changed.

If there are any changes, it is very likely that they will be on both sides, changes in revenue estimates and changes in spending estimates.

MORE

Q When you say the assumptions, Ron, there is a lot of controversy over some of those assumptions as to how high unemployment will be over the next two or three years of inflation, so are you saying that there is a chance some of those are going to be officially changed as of June 15?

MR. NESSEN: It is legally required that you recalculate the budget on June 15, and that will be done. It could remain exactly the same, it could be higher, lower, or whatever.

Q Assumptions were put in the budget this year for the first time. Have you anticipated that any of those will be changed?

MR. NESSEN: I am told that by law there needs to be an updating of page 41. Page 41 is the assumptions of the budget.

Q Ron, has a decision been made to veto the strip mining bill?

MR. NESSEN: There has been no decision made. The deadline, I checked this morning, is May 20.

Q Ron, whatever happened to this meeting between the President and the heads of the regulatory agencies?

MR. NESSEN: That is still being planned, and I have no date for you.

Q Can I go back to those economic assumptions?

MR. NESSEN: Yes.

Q Your answer suggested that the President is not outraged or shocked by the deficit going up to much over \$69 billion.

MR. NESSEN: I hope I didn't leave that impression, Ted. I said that \$67 billion is too high and \$60 billion is too high.

Q You said that \$60 billion was too high. So, as long as you are too high there is not much difference.

MR. NESSEN: No, I thought I made clear that anything over \$60 billion the President believes just increases the danger and risks to the economy.

Q Could I ask a question about those economic assumptions? There have been a lot of reports and some Government officials actually have said privately that the Administration is not as happy with those economic assumptions as it might be, that there is a feeling it was done in somewhat of haste without enough people being brought into the picture.

MR. NESSEN: Do you mean page 41?

Q Page 41 and following, right, the economic assumptions. Is that correct, that there is some unhappiness now with these economic assumptions and the feeling that they were done perhaps without as much checking with other people in Government and with some haste?

MR. NESSEN: Not that I have heard of. As I say, they were the best calculations that could be made at the time, and I have not heard anyone suggest that they were not.

Phil?

Q Over the weekend, Frank Zarb gave an interview and said we were really in bad shape, a lot worse than we were months ago, on our energy problem. Does the President have any words on how bad we really are right now?

MR. NESSEN: When you say bad, do you mean bad in terms of the outlook for legislation or bad in terms of the --

Q Consumption of oil.

MR. NESSEN: The percentage of dependency on Arab and other foreign oil is going up. I think Frank pointed out -- and I heard the President point out to a visitor the other day, too -- I think it is 40 percent of the oil that comes in now from Arab countries and elsewhere and it is still going up.

This simply underscores the reason for his continual pressure on Congress to pass the energy bill, whose whole goal is to reduce the dependency on foreign oil to virtually zero by 1985.

I think it is fair to again point out that the President's feeling is that the clock is running on Congress, and we are up to the 12th of May. In the interest of conciliation and cooperation, and because of some progress made on the Hill, he extended the deadline for about 30 days, but now that time is running out.



As I told somebody the other day when they asked, the bill that is being drafted so far at least by the Ways and Means Committee -- I guess tentatively approved by the Ways and Means Committee -- is half an energy program, does nothing to stimulate domestic consumption and would not meet the goal which --

Q Domestic consumption?

MR. NESSEN: It does nothing to stimulate domestic production, and even on the conservation side it doesn't meet the goal that you picked out of the Zarb interview, which is two million barrels a day saving by 1977 and virtual independence from foreign oil by 1985.

Q This is a related question. Is there still a concern --

MR. NESSEN: Let me straighten out something that Bill Greener points out to me. I said that a new budget calculation is required on June 15. It is June 1, and it does not require a new page 41.

MR. GREENER: It does not require it. It can be done.

Q Is it going to be done?

MR. GREENER: I don't know. They are talking about it still.

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Q June 30th requires a new page 41?

MR. NESSEN: I thought it was the end of every quarter, Bill.

MR. GREENER: This is from Dale McOmber. I will check it again.

MR. NESSEN: Why don't you check back with Bill after the briefing. This is his strong area and he will check it for you.

Q Ron, what has been the general reaction that the White House can ascertain to the President having tried to persuade the Congress that \$700 million would enable the Thieu government to stabilize things in South Vietnam? What has been the general reaction? Has it been a loss of confidence or people --

MR. NESSEN: I don't understand the question exactly.

Q I will rephrase it. The President was -- and I have heard you announce it and it is common knowledge -- the President tried to persuade Congress that \$700 million would enable the Thieu government to stabilize things in South Vietnam when most observers have just the contrary opinion. I just wonder, has the White House detected any widespread loss of confidence in this or what does the White House detect as the reaction across the country?

MR. NESSEN: As far as I know, no time has been spent gauging that, Les.

Q In other words, it is not considered important?

MR. NESSEN: I have not heard it mentioned.

Q May I ask a question related to the Zarb question a little earlier?

MR. NESSEN: Yes.

Q Is there still the same concern in the Government over the transfer of wealth from the United States, and the other industrialized nations, to the Arab nations as we had back at the time of the oil price increase? In other words, is this still a matter of keen concern that this outflow -- I am referring, of course, to the balance of payments figures --

MR. NESSEN: I think you are suggesting that because of an improved balance of payments outlook in the past few months, is this of lesser concern?

Q Right.

MR. NESSEN: The answer is no. I should have pointed out to Phil that part of the concern is the dependence on the oil, itself, and the fear of another embargo and what that would do to an American economy which is more dependent on Arab oil and foreign oil than it was at the time of the other embargo.

The second part of the concern has to do with money. One of the reasons for the present economic problems in this country is the drain on American resources of paying for foreign oil.

Q How is it, then, that American gold reserves since the end of 1973 -- in other words, through this period -- have increased by over \$2 billion and overall reserves have increased by over \$2 billion?

MR. NESSEN: I am not talking about the reserve question, and as I say, the balance of payments have looked better in the past couple of months.

What I am talking about is the inflationary effect of paying out that much money and sending it overseas.

Q Ron, just one on the energy thing. The House is taking up two competing bills on Elk Hills Wednesday, one bill which would turn over the administration to the Department of Interior for Elk Hills, and also, to the Petroleum Reserve Number 4 up in Alaska; and the other which would retain military jurisdiction. Does the President have a position on which of those two he prefers?

MR. NESSEN: I think we said before that he does favor the Hebert bill, which would leave it where it is, but his one problem with the Hebert bill is that it would permit the production of 200,000 barrels a day out of there and he thinks that 300,000 barrels is what is needed to accomplish the goals of opening up these reserves.

Q Do you have any reaction to the Stennis committee cuts in defense spending that came Friday afternoon?

MR. NESSEN: The President believes that the defense budget, as sent up there, was the minimum necessary for the adequate defense and strength of this country, and aside from whatever changes may have occurred because of the fall of Vietnam and Cambodia, he believes that there should be no cuts in the defense budget as he sent it to Congress.

Q How does he feel about the proposed shifting of the oceanographic center to Mississippi at a cost of \$25 million?

MR. NESSEN: I have not asked him that, Les.

THE PRESS: Thank you, Ron.

END

(AT 12:30 P.M. EDT)

AT THE WHITE HOUSE

WITH RON NESSEN

AT 1:50 P.M. EDT

MAY 12, 1975

MONDAY

MR. NESSEN: I have a short written statement, which I will give you and give you a chance to read. Attached to it is a map. I have a limited amount of factual information, which I think I will just give instead of waiting for questions, and that is all I have, so I would think that at that point, unless you have some burning questions, why don't you go ahead and file at that point.

You are not going to file when I give you this, you are going to wait for me to give you the factual material.

The name of the ship is the MAYAGUEZ. It is an American registered ship. It belongs to the Sealand Corporation. It has a crew, which we believe to be 39 people, all of American nationality. It is a container ship, unarmed.

The information that I am giving you comes from several radio reports from the ship itself. The radio has now stopped transmitting.

We are not sure at this point whether it is in Kompong Som or approaching Kompong Som.

The circumstances of the seizure, as we understand it from these several radio reports, the ship was reportedly fired upon and boarded by Cambodian armed forces from a Cambodian naval vessel.

You have a map which shows you --

Q What is the second "X" on the map? My map has two.

MR. NESSEN: One is a key, and one is the "X".

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Q What is the key?

MR. NESSEN: It tells you what the "X" means.

Now, you have longitude and latitude on the map, do you not?

Q In what waters?

MR. NESSEN: Just a moment. I have not finished.

The ship's probable last port was Hong Kong. The intended destination was Thailand. I don't have the name of the port in Thailand. The cargo is unknown.

The "X" on your map is 60 miles off the coast. It is about eight miles off a small rock island, which apparently is claimed by both Cambodia and Vietnam.

Q North or South?

MR. NESSEN: South.

Q When did the President find out?

MR. NESSEN: In his morning intelligence report.

Q How are we responding, Ron?

MR. NESSEN: I have nothing further to add to the statement.

Q Do you know the time that the ship was boarded? It is not on here.

Q Had the ship picked up any evacuees?

MR. NESSEN: I don't have a precise time on the boarding.

Q Where was its home port?

MR. NESSEN: I don't know. I think it is Seattle, but I am not sure.

Q Can you put some time on it? I mean, was it this morning, last night?

MR. NESSEN: Early this morning Washington time. I don't have a precise time.

Q Had the ship picked up any evacuees from anywhere?

MR. NESSEN: As far as we know, no.

Q Are we free to file?

MR. NESSEN: Yes.

Q Where did the news reports come from that you are monitoring from the ship? Were they picked up by Navy vessels or other merchant ships, and then relayed?

MR. NESSEN: I am not sure. I don't know.

Q Do you know whether or not the Cambodians ordered them to halt and they didn't halt, and they fired upon them, anything like that?

MR. NESSEN: I don't have any of that because these are all -- I mean, the only way we got anything was from a few brief radios on the ship, and they have stopped now.

Q What does it mean when the President said he considers it an act of piracy?

MR. NESSEN: I am not going to be able to go beyond the statement.

Q Ron, are there any U.S. Naval vessels in the area?

MR. NESSEN: I just rather would not say.

Q Any within striking distance?

MR. NESSEN: I would rather not say.

Q Can the Pentagon give us that information?

MR. NESSEN: You can try.

THE PRESS: Thank you, Ron.

END (AT 1:55 P.M. EDT)

AT THE WHITE HOUSE

WITH RON NESSEN

AT 4:30 P.M. EDT

MAY 12, 1975

MONDAY

MR. NESSEN: Let me read again the statement I made earlier.

We have been informed that a Cambodian Naval vessel has seized an American merchant ship on the high seas and forced it to the Port of Kompong Som.

The President has met with the National Security Council. He considers this seizure an act of piracy. He has instructed the State Department to demand the immediate release of the ship. Failure to do so would have the most serious consequences.

Let me answer the questions that I can answer that have been coming into the Press Office since I gave you the other information.

Does Cambodia claim the ship was in Cambodian waters? We don't know what they claim since there has been neither public nor private communication.

Were there any injuries on the ship? None that we know of.

Has the President consulted with or advised Congressional leaders? Not formally. However, during phone conversations on other matters with Senators Scott and Mansfield, the President gave them the same information I have given you.

Congressman Rhodes is here now on another matter, and the President also will give him the same information I have given you.

Was this a spy ship or in any way involved in any kind of espionage? The answer is a flat no.

I am answering questions that have been addressed to the Press Office this afternoon.

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What was the cargo of the ship? We don't know.

Q As I understand it, the Pentagon has indicated that it was Navy material. Is that true?

MR. NESSEN: I have no idea from here what the cargo was.

How did this information come to us? It came through radio messages from the ship before the radio room was shut down. I don't have all the precise details of who relayed which radio message to whom. I do know that at one point the ship did send out a Mayday signal.

Q Where were they monitored, do you know?

MR. NESSEN: I don't know where they were monitored. That is what I --

Q Ron, is there a chance we could possibly get a transcript of those radio messages? Is that available?

MR. NESSEN: It is not available now, but I will look into it.

Q Was this monitored by a Government?

MR. NESSEN: My understanding is that this was a normal commercial radio signal sent out and picked up by some normal radio receiving station, not by American Naval ships.

Q Where was that radio signal received?

MR. NESSEN: One place it was picked up that I know of was in Indonesia.

Q Can we get now the exact times on when the President was told?

MR. NESSEN: I have not been able to put together that time table yet. I say that the incident began early this morning Washington time, and I have not been able to pin it down any better than that.

Q Ron, has there been any response from the U.S. in the way of Naval forces, et cetera?

MR. NESSEN: I am not able to talk about that part of it.

Q Can you tell us anything at all about that?

MR. NESSEN: No.

Q What are the serious consequences?

MR. NESSEN: I am not able to spell that out, Fran.

Q Can you tell us anything about the State Department? Have they started efforts --

MR. NESSEN: I am told that the State Department is now able to perhaps help you out with some of these questions.

Q Ron, in view of the ban on the President using combat forces in the Indochina region, what are his Constitutional powers as the Commander-in-Chief to protect American lives and property under these circumstances?

MR. NESSEN: I would rather not talk about the hypothetical legal problems.

Q It does not sound very hypothetical to me.

Q If the ship was eight miles off an island which was territory claimed by Cambodia or Vietnam, was that not in their territorial waters, whoever the island belongs to, and was it off course?

MR. NESSEN: I am just not able to give you anything on that, Tom.

Q Ron, that question is by far a theoretical question. You have a ship with 39 lives --

MR. NESSEN: I think what you are doing, Ralph, you are asking in another way what is referred to in the last sentence of the statement, and I just am not able to go into that.

Q No, I am not asking what he might likely or could do. I am just asking what are his inherent powers as Commander-in-Chief?

MR. NESSEN: I have not had an opportunity to research that.

Q Ron, could I try this? Is the President restricted in his action by any legislation of the past couple of years? I mean the War Powers Act and the so-called Cooper-Church or Church-Case amendments?

MR. NESSEN: I have not checked that, Ted, and I am not able to tell you.

Q When you say "seized on the high seas" and "an act of piracy," is it safe for us to interpret that as meaning that the United States Government does not consider this ship to have been in territorial waters of another nation?

MR. NESSEN: I would rather turn it around. It says "the high seas," and it says "an act of piracy," so from that you can easily deduce that we consider the ship to have been in international waters.

Q What does Cambodia claim as its territorial limits?

MR. NESSEN: I don't know.

Q Do you know of a WSAG meeting?

MR. NESSEN: Not scheduled, no.

Q What was the question?

MR. NESSEN: Do I know of a WSAG meeting.

Q Was there more than one NSC meeting today?

MR. NESSEN: There has only been one today.

Q How long did it last?

MR. NESSEN: It lasted from noon until 12:45.

Q Why was there such a delay between the time the President found out about this and the time the NSC was told?

MR. NESSEN: There needed to be time to pull together as many facts as were available.

Q Ron, when you say "early this morning," can you give us the time the President heard about it?

MR. NESSEN: I have not yet been able to pin together a timetable. I am working on it.

Q You did indicate he read about it in the morning briefing?

MR. NESSEN: That is my understanding, and I know for a fact that Brent, who as you know is his first caller in the morning, talked to him about it. I believe it was in his written intelligence report.

Q When he got up?

MR. NESSEN: It was roughly when he got up.

Q Isn't that a little odd for a major crisis to read about it in a report when there is an action?

MR. NESSEN: I think I won't try that.

Q Ron, we would like to know when the President was awakened.

Q What time did he have the meeting with Brent?

Q What time was the President awakened?

MR. NESSEN: All right. Now, let me just say for the rest of the day I don't anticipate any further announcements.

Q No further NSC meeting scheduled?

MR. NESSEN: I am perfectly happy to put a lid on and do a call-out.

Q You will do a full call-out?

MR. NESSEN: That is what we did on the 1:45 briefing.

Q Has the President gotten any report since this morning?

MR. NESSEN: He is being kept fully informed of what is going on.

Q Ron, you were asked this question.

Q Ron, has there been any further contact?

MR. NESSEN: What do you mean, any more contact?

Q Well, for example, with the ship company. Have they perhaps gotten any kind of message?

MR. NESSEN: Not that I have heard of.

Q Do we know where the ship is?

MR. NESSEN: We believe it is in Kompong Som, but as I told you, the radio room went out before it reached port.

Q We don't have planes flying over there?

MR. NESSEN: Not that I know of.

Q Ron, you said there was no direct contact with Cambodia. Has there been any indirect contact with another country?

MR. NESSEN: I am not able to say that, Bob.

Q Is Kissinger changing his plans in any way?

MR. NESSEN: What are his plans?

Q Well, he is supposed to be in St. Louis about right now and supposed to address the St. Louis Council on World Affairs tonight. Is he going ahead with that?

MR. NESSEN: Ed, has he gone, as far as you know?

You don't know. Why don't you give a quick call?

Q He is supposed to have left.

MR. NESSEN: He left at 2:05.

Q Ron, were any communications made from other countries to us about this?

MR. NESSEN: I am not able to say that, Fran.

The Secretary went to St. Louis.

Q Is he returning tonight?

Q Were they flying the American flag?

MR. NESSEN: As far as I know, it was.

Q What kind of connection does he have with the Hill on this thing, the leadership?

MR. NESSEN: As I say, he was talking to Scott and Mansfield about other subjects on the phone, and gave them the same information I gave you. Rhodes is in here on another matter and he will give the same information to him.

Q Has the President heard from Congress yet?

MR. NESSEN: No.

Q Did the President consider this a major crisis?

MR. NESSEN: I don't want to characterize it, Ed.

Q Is another NSC meeting scheduled?

MR. NESSEN: As I said, no.

Q Do you know of any other ships carrying other flags that were stopped by Cambodians in that same area in the last four days?

MR. NESSEN: Do you?

Q There have been reports from the Pentagon that there was a Panamanian ship stopped.

MR. NESSEN: That is right.

Q Is that right?

MR. NESSEN: That is right.

Q What was it you said the State Department was able to talk to us about now?

Q A Panamanian ship was stopped when?

MR. NESSEN: You really ought to check the Pentagon on this, but I am told that there was a Panamanian ship stopped several days ago and released. That is the only one I know of.

Q Has that ship been released?

MR. NESSEN: As far as I know, it has been.

Q Did we know of this before this incident?

MR. NESSEN: I don't know, Steve.

Q That is a very pertinent question, since we might have had a warning.

MR. NESSEN: I have no idea where it was. The Pentagon will give you that, though.

Q Stopped by the Cambodians?

MR. NESSEN: Yes.

Q Do you know the nature of the Cambodian warship which seized this? Was it an MPT, a PT boat?

MR. NESSEN: It was described only as a gun-boat and I don't know exactly what kind of ship that is specifically. I am not sure that anybody here knows.

Q Did the radio room of this ship continue to broadcast after the Cambodians had diverted it and taken control?

MR. NESSEN: There were two or three broadcasts and I am not sure at what stage it stopped, except that it stopped before they reached the port.

Q What else do you know about the Panamanian ship?

MR. NESSEN: Nothing.

Q Was it stopped in approximately the same waters? Was it also boarded and fired upon?

MR. NESSEN: Ted, I don't have a drop of information other than the fact that there was such an incident.

Q You said several days ago. Do you know when?

Q What happens next? You said you might be able to give us some nuts and bolts things about what happens next.

MR. NESSEN: I have given you all the nuts and bolts except to say that I don't anticipate anything further here tonight.

Q You said there were 40 people aboard. I understand your original figure was 39. Have you revised upward?

MR. NESSEN: No, 39 is the number that we have.

Q What did you say it was the State Department was prepared to help us on?

MR. NESSEN: To talk about some of these questions about how are we issuing this demand and --

Q Could you answer them? Some of us have had trouble getting through to people because everybody is calling them. Anything you can give here would be helpful.

Q CBS has left the room. They may be filing.

MR. NESSEN: I guess maybe they are filing.

I don't have anything else I can give you.

Q What was the President doing the rest of the day?

MR. NESSEN: Following this and meanwhile keeping the rest of his appointments.

Q What can we consider to be the breadth of Cambodia's territorial waters?

MR. NESSEN: I am supposed to fill. I may have one other drop of information coming for you.

Q While you are filling, what is the rest of the President's schedule? Whom has he been seeing this afternoon and this evening? He saw Rhodes on what matter?

MR. NESSEN: Let me see what the schedule is.

Q Just to be clear, did the President get up at the normal time and went through the normal process and in effect was not wakened or went through breakfast and all without being warned of this until he got the message?

MR. NESSEN: No, he gets his intelligence report. It is there when he gets up in the morning, as you know.

Q He was not awakened?

MR. NESSEN: There have been some additions to this schedule, Rhodes for one, and some staff. I don't know what the subject of that was.

Q This was this afternoon.

MR. NESSEN: It was on legislation.

Q And it had nothing to do with the ship?

MR. NESSEN: It had nothing to do with the ship is right.

Q What was the matter of discussion with Scott and Mansfield?

MR. NESSEN: That was also legislation.

Then he has his usual late afternoon meeting, which should be coming up shortly, with Don Rumsfeld to go through paperwork.

Q Ron, I had the distinct impression that on paper and publicly we have to say very strong things because they have done a very nasty thing, but obviously this is not being treated as any kind of a real crisis.



MR. NESSEN: If that is what you intend to say, Steve, I cannot stop you, but --

Q If we could pursue that, the fact is that the Secretary of State left on a speaking engagement and there is not another session of the NSC called for tonight. You know, that seems to be obvious that it is not a grave crisis. It is not viewed here as a grave crisis, is it?

MR. NESSEN: I am not going to characterize it as grave or serious or whatever the other words you mentioned were, but I would call your attention to the original statement. The President calls this an act of piracy. He has had the State Department demand the immediate release. And he says that failure to do so would have the most serious consequences.

MORE

Q Have the Cambodians officially received that demand?

MR. NESSEN: I am not able to tell you that.

Q By the way, Ron, do we have any doubts that this is a legitimate incident?

MR. NESSEN: No.

Q Has it been confirmed in any other way apart from the radio messages from the ship?

MR. NESSEN: No, not that I am aware of.

Q Ron, in diplomatic parlance, the phrase "most serious consequences" is considered almost the equivalent of an ultimatum. Does the White House consider that what it has given the Cambodians through that statement is a virtual ultimatum?

MR. NESSEN: I am just going to stand on the words of the statement, Jim.

Q When you said you were not able to confirm that in reply to the question, had the Cambodians received the White House statement, did you mean that you don't know whether they received it or that you are not going to talk about it?

MR. NESSEN: I am not able to talk about it.

Q Has the President given any instructions to the Department of Defense as well as the Department of State on this matter?

MR. NESSEN: I just can't say, Peter.

Q You can't say that he has or has not?

MR. NESSEN: I can't say one way or the other.

Q Is the problem with the jurisdiction here a matter of the Cambodians claiming more territorial water than the United States believes it has? What do we consider Cambodia's territorial water and what do we consider high seas?

MR. NESSEN: There seems to be conflicting reports on whether the Panamanian ship -- there are conflicting and unclear reports about whether it has been released or not.\* Basically, that is all I have. The last question here was --

\*The Press Office later reported the Panamanian ship was allowed to depart and was believed to be on the way to Bangkok.

Q The last question was territorial waters.

MR. NESSEN: I don't know, but that is the kind of thing that the State Department is now prepared to talk about. Whatever it was, the ship was 60 miles off the coast and that in the United States' mind is clearly international waters.

Q That small rocky island, is that an uninhabitable island?

MR. NESSEN: I don't know who lived on the island. I don't know.

Q Are you finished filling time now?

MR. NESSEN: My answer had to do with the Panamanian ship release.

Q That is it?

MR. NESSEN: Yes.

Now, I will give a lid if you would like one and we will certainly do a full call-out if there is anything further tonight, which I don't anticipate.

Q Will you be manning the Press Office tonight here?

MR. NESSEN: We will be here for another couple of hours, as always, and around 7:00 or so, I will check and see whether anything is anticipated. It is not at the moment, and otherwise, we will be available at home, of course.

Q Are you quite sure we are going to get something responsive out of the State Department when we say that Ron Nessen says that you guys are prepared to talk about the context, that they are not going to say, "What, we never heard of no such thing?"

MR. NESSEN: I am not sure. I think I can probably tell you flat out they will not tell you how the contacts are being made. They will be able to fill you in on things like territorial waters, who lives on the island, if anybody --

Q No. I was talking about -- you said earlier they would be able to say something about these contacts.

MR. NESSEN: No, I don't think they probably will be able to talk --

Q The President's instructions.

MR. NESSEN: I don't believe they will be able to talk to you about that.

Q Can you tell us anything about how the President's instructions are being carried out, conveying this word to the Cambodians?

MR. NESSEN: No, I cannot.

Q Have we, for instance, been in touch with Sihanouk?

MR. NESSEN: I cannot tell you how they are being carried out.

Q Has there been a directive to alert the ships in the area, the American Navy ships in the area?

MR. NESSEN: I cannot tell you about that.

Q Have you given the name of this little rocky island?

MR. NESSEN: No, I didn't.

Is it called Rock Island? No, that is out in Illinois, isn't it?

Q Have they crossed the Rock Island line? That is why I -- (Laughter)

Q It is the old Rock Island line. (Laughter)

MR. NESSEN: I don't have the name. It is so small it does not appear on most maps, I am told.

Q Ron, do you know if there are any American Navy vessels in the area?

MR. NESSEN: I am not able to say.

THE PRESS: Thank you, Ron.

END

(AT 4:52 P.M. EDT)