

This Copy For \_\_\_\_\_

NEWS CONFERENCE

#420

AT THE WHITE HOUSE

WITH RON NESSEN

AT 11:40 A.M. EST

JANUARY 21, 1976

WEDNESDAY

MR. NESSEN: I think you have seen the President's schedule for today. You saw the President sign the Budget Message this morning.

He meets at 2:45 with representatives of the American Association of Retired Persons and the National Retired Teachers Association. They are coming in to present him with a book, written by the founder of the two organizations, which expresses the author's and the group's philosophy of the importance of service by older people in the community.

The next Presidential document to go to Congress will be the Economic Report. At noon on Saturday we will have here in the office copies of the President's Economic Report available. The report is embargoed for noon on Monday.

At 9:30 on Monday, over in Room 450 of the EOB, there will be an embargoed briefing by Alan Greenspan and members of the CEA, the Council of Economic Advisers.

At 11 o'clock on Monday the President will sign the Economic Report, as required by law, and at noon it will be transmitted to Congress and released to the public.

Speaking of economics, you probably saw the CPI figures that are out this morning showing a one-half percent increase in December, giving you an annual rate for 1975 of 7 percent, which is the best, or smallest, I should say, rise in the Consumer Price Index in three years.

It does show, however, that inflation is not accelerating. It is abating. It is higher than the President would like, but certainly quite a bit lower than the record of the past couple years.

At the same time there were some figures that came out on the Gross National Product for the fourth quarter of calendar 1975. It does show a somewhat smaller growth in the economy in the fourth quarter, as compared to the third quarter, but the third quarter was really an extraordinarily large increase from the very bottom of the recession and it was never anticipated that that rapid rate of growth in the GNP would be sustained.

MORE

#420

There was good growth in the GNP in the fourth quarter, the economy did continue to grow. In fact, the GNP increase in December was larger than in November, so there does not appear to be any sort of trend toward slackening of the GNP. Retail sales at Christmas were extremely good and there appears to be a revival of confidence that was not present in the early months of 1975.

Q What was that fourth quarter figure? You skipped over that.

MR. NESSEN: I did not give the fourth quarter figure.

The GNP in the fourth quarter grew at an annual rate of 5.4 percent.

There are a number of economists -- and that includes economists in the Administration -- who have expressed concern that as the GNP grows and the economy recovers, that there would be a revival of inflation. But so far, despite two quarters of good economic growth in the GNP, there has been no evidence that inflation is accelerating. If the budget is held at the level the President recommended, that will be a way of assuring that inflation is not revived.

I think, based on the two figures, the CPI and the GNP, and the more complete set of figures that will be released on Monday in the Economic Report, the White House believes the recovery in 1976 will be a solid recovery. There is a substantial way to go, but overall the outlook continues to be quite favorable. The GNP figure for the third quarter was 12 percent.

Now, just to bring you up to date on the response to the State of the Union speech, actually there had not been all that many additional telegrams, calls and letters since I gave you this rundown yesterday, but at 11 o'clock this morning, for telegrams in favor of the speech, 137; against the speech, 45; and 9 comments -- miscellaneous comments. Those are telegrams. Telephone calls, 89 in favor; 25 opposed; no comment, and so far no letters have come in. Total at this point is 228 to 70 with 9 comments, and it is obvious there has not, so far, been a heavy public reaction.

Q Are you disappointed there has not been a heavier volume, and that was supposed to be one of the President's most important speeches?

MR. NESSEN: I think we will wait and see the letters when they come in -- how they add up.

Q Ron, do you take any notice of Neilsen ratings and that sort of thing as to how many people out of the potential market watched the President? Do you know what it was, and do you have any reaction to it?

MR. NESSEN: I don't know what it was, and would not if I did.

Q How does he feel? Is he pleased the way his budget briefing went yesterday?

MR. NESSEN: Yes, he is.

Q Are you ready for questions?

MR. NESSEN: Yes.

Q I would like to ask about the President's reaction to the newspaper account that a House intelligence committee draft report is coming out which will suggest, contrary to sworn testimony, Henry Kissinger initiated wiretaps against Government officials and reporters.

MR. NESSEN: Well, are you talking about the Pike Committee report?

Q That's correct, and that report contends in the draft, according to the Washington Post story this morning, that Henry indeed -- contrary to his sworn testimony -- initiated wiretaps against Government officials and reporters.

MR. NESSEN: Let me talk about that report more generally, Walt -- the leak or leaks. The President views with most serious concern the leak of this alleged report, or the alleged contents of the report. Apparently, Chairman Pike shares that concern, from what I have read. The intelligence agencies have sent a paper to the Pike Committee at the Pike Committee's request. This is an initial analysis of the report. They were given a very short time to analyze the report, and it is a hasty review, but based on the hasty review they point out two things in this report. One, they point out what the classified material is in the report, and, secondly, they point out the inaccuracies that are contained in the report.

The President, himself, has not seen the report, but, as you say --

MORE

#420

Q Are you talking about the Pike Committee report or the analysis?

MR. NESSEN: The President has not seen either one. What has been printed in the paper has been scanned here at the White House and found to contain a number of inaccuracies and distortions. More generally speaking, I think you know that the White House has cooperated really to an extreme limit with the Pike Committee and the other intelligence investigations on the Hill.

In order to guard against a risk of damage to American foreign policy and security interests, there was an agreement reached between the President and Chairman Pike which provided for review of committee requests for classified information or requests to declassify information by the White House.

It is our understanding that under this agreement the President should have had a chance to review the classified material in this report before it was leaked to the newspapers.

The President, I think, gave his own views on such leaks in the State of the Union speech when he said he considers that these continued leaks and disregard of necessary secrecy -- he talked about the secrecy that we must have to protect intelligence systems, our foreign policy and our security--that these leaks do the gravest damage to our intelligence capabilities and to our foreign relations.

The leak, I think, again raises a question that we have talked about here before. It does raise questions about how do you meet Congress' desire to play a role in intelligence oversight when, at the same time, the President does have the obligation to protect the legitimate national security interest of the United States.

This is not a question of giving necessary information to Congress or to the American people. It is a question of not having this information reach people overseas who don't have our own best interest in mind.

Q Could I respectfully suggest you have not answered my question because my question dealt specifically with the Secretary of State and whether the President was concerned about it. It did not really deal with national security.

My question was, is the President concerned about a report in that draft that the Secretary of State, contrary to his sworn testimony, initiated wiretaps on Government officials and reporters.

MR. NESSEN: Two things, Walt. I have not seen the report. I have seen the leaked, alleged portions of the report. As I say, it does contain inaccuracies and distortions based on what the newspapers say it says. But, I don't think I am going into any specific alleged contents of it.

Q Ron, one point there. You said "desire of Congress" to overlook intelligence. Isn't it a law that Congress is supposed to overlook?

MR. NESSEN: I think the law you are referring to was the one that took effect a year ago, which required the President to inform six committees of Congress, and that law is being lived up to.

Q No, that is not right. The law I am referring to, which I think you will find is on the books -- I guess it is law; it has been for many years -- is that Congress has had watch-dog responsibilities over intelligence.

I don't say that Congress has already applied its responsibilities, but the President himself, when he was on the Appropriations Subcommittee, sat for several years on the watch-dog subcommittee of the House.

MR. NESSEN: I was speaking certainly not of doing away with the laws that are in place. I am saying in the context of what the committee is doing and what the President is doing, it does raise questions about how do you meet this desire and, at the same time, fulfill his obligation to protect the national security and interest.

Q Ron, has the President expressed any unhappiness or anger about the leaks on his budget and State of the Union Message?

MR. NESSEN: No.

Q Specifically, can you tell us the White House reaction and the White House role, if any, in the publication in Time and Newsweek of great chunks of the budget and considerable amounts of the State of the Union Message?

MR. NESSEN: I did not have any role in it myself, and sort of learned over a year and a half that it is not very profitable or possible to track down all the leaks.

Q Do you have any reaction to it?

MR. NESSEN: No.

Q Ron, on the Pike Committee, apparently it was their understanding or some of the Members, that this agreement between the President and Chairman Pike applied only to specific issues at the time and not to their final report.

Are you saying it is the President's understanding that he should also have that prerogative on the final report?

MR. NESSEN: It is the White House view that he should have had an opportunity to look at the classified material before it was leaked.

Q Ron, are you suggesting that the inaccuracies and distortions apply specifically to the allegations about Secretary Kissinger?

MR. NESSEN: No, I said I just don't think I can get into the specifics of what the report allegedly contains. We know of a couple of them already because they have been floated around here in the past couple of days.

The report allegedly, according to the paper, says the United States knew who murdered Ambassador Davies. The fact of the matter is, the United States did not then and does not now know who murdered Ambassador Davies, so that is inaccurate.

The leaked version of what is in the report makes some comments about what the United States knew about various situations abroad and suggests that is all the United States knew about those situations, which is again inaccurate. Those are two examples.

Q Let's ask about one more; that is, the report that Secretary Kissinger overruled the objections of the CIA and other agencies and ordered intervention in Angola and Italy and Chile.

MR. NESSEN: I don't think I am going to go into any more specifics about what it allegedly contains.

Q You are not characterizing that as an inaccuracy, as you did the first two?

MR. NESSEN: Only because I have not had an opportunity to delve that deeply into what is accurate and what is inaccurate, but I certainly don't want you to take that to mean that I am somehow confirming that that is accurate, because I don't know.

MORE

#420

Q Ron, Senator Church last week said Secretary Kissinger has imposed CIA intervention, had imposed intervention on the CIA in terms of Chile and Angola. Do you have any comment on that?

MR. NESSEN: No.

Q I am puzzled by your statement that the President feels he should have the right to review the intelligence information before it is leaked. The White House furnished that intelligence information to the Pike and Church committees in the beginning.

MR. NESSEN: That is correct.

Q Presumably, it was reviewed then, so what is the issue here?

MR. NESSEN: The agreement was, as we understand it, that the White House would have the opportunity to review committee requests to declassify information. Certainly, when someone gives it to the New York Times and Washington Post it is declassified, and our understanding is that the White House would have a chance to review requests to declassify information.

Q If I may ask you a real world question, when you sent this stuff over, didn't you anticipate that some or all of it was going to be leaked?

MR. NESSEN: No, certainly not.

Q Didn't you review it from that standpoint, as to whether or not you would be willing to have it come out perhaps and not send stuff that you would not be willing to have come out?

MR. NESSEN: Not at all. The committee -- and certainly the chairman -- has acted in a responsible way, and his own comment indicates he shares the President's concern about this.

Q Ron, this morning Senator Tunney said he has information that U.S. advisers, in that sense, have been seen in Angola.

MR. NESSEN: Are we back to that same old story? It didn't work a couple of weeks ago, so he is back again.

Q He stands by his earlier statement.

MR. NESSEN: And we stand by our earlier denial. There are no American advisers, troops, anything in Angola.

Q Ron, what is the President's reaction to the little debate the Secretary had this morning with Brezhnev on whether or not they would discuss Angola?

MR. NESSEN: I am not sure what that debate was.

Q Apparently, Brezhnev said they would not and Secretary Kissinger said they would.

MR. NESSEN: Is that right.

Q Has the President instructed the Secretary to discuss Angola with the Russians?

MR. NESSEN: I have to check, Phil. I think the Secretary pretty much outlined what he planned to discuss at his last news conference.

Q Ron, when do you plan to announce the new Secretary of Labor?

MR. NESSEN: Shortly, but not today.

Q Is there a particular reason for the hold-up?

MR. NESSEN: No.

Q Wasn't your statement yesterday that it would be in the next nearest time frame?

MR. NESSEN: Obviously, there has been a one-day delay.

Q Ron, has there been any change in the President's speechwriting staff?

MR. NESSEN: I am told they have had some changes over there.

Q What are they?

MR. NESSEN: Bob Orben is being appointed as a Special Assistant to the President. He will work under Counsellor Bob Hartmann in the speechwriting operation. Bob is from New York City. He was born there on March 4, 1927. He has been a professional writer for the last 30 years, active in magazine and book publishing, and has written speeches for many business and political figures. He lives here in Washington.

Q What was his official title here before he took this position? Did he have one?

MR. NESSEN: I think he was just on the staff in the speechwriting office.

As I understand it from Bob Hartmann, there have been a couple of other changes in there. Paul Theis expressed a desire to take a job at the Agriculture Department. I think he is going to be Deputy Assistant Secretary, so he has resigned from here to take that job.

Q For what? Public Affairs?

MR. NESSEN: Public affairs. Congressional and Public Affairs.

Q Does the shake-up in the speechwriting department have anything to do with the State of the Union speech?

MR. NESSEN: No. How would that be?

Q It was a speech, and all of a sudden, right after the President's speech is made, you have a shake-up in the speechwriting department.

MR. NESSEN: Do you mean right after the speech somebody asked about changes in the speech office?

Q So the changes have nothing to do with the speech?

MR. NESSEN: No. If you listen to the reason for the changes, you will see for yourself that it had nothing to do with it.

Q Has Paul Theis already gone?

MR. NESSEN: Paul Theis has gone, yes.

Q Are there more?

MR. NESSEN: Bob Rousek was on the detail here from GSA, and his period of detail has come to an end and he has gone back to GSA. Kaye Pullen has transferred over to Mrs. Ford's staff. Jack Casserly was interested in taking a job at the Interior Department, and he has done that.

Q What is his job?

MR. NESSEN: I am not sure what that job is.

Q Who is writing speeches?

MR. NESSEN: Bob Hartmann is.

Q Has David Gergen joined the speechwriting staff?

MR. NESSEN: No, he has not joined the speech-writing staff. The speeches will be written as they always have been, and Bob Hartmann will directly supervise the writing of all the speeches.

Q But you have sort of gone through the speech-writing staff there, with the exception of the Armenian. Who is going to write the small stuff? Who is actually over there now doing the writing?

MR. NESSEN: I don't know who their full staff is.

Q Is Milt Friedman still there?

MR. NESSEN: Oh, yes. Milt Friedman, Bob Orben, and Bob Hartmann are in charge, and obviously they are going to hire some other people to replace some of the folks that wanted to go to other jobs.

MORE

Q Does Bob Orben's elevation mean that the President's speeches will be funnier now?

MR. NESSEN: You just couldn't resist it, could you, Peter?

Q He meant to say funny, not funnier. (Laughter)

MR. NESSEN: The fact of the matter is that Bob has been characterized, I suppose, as a joke writer or gag-writer, which has really been an incorrect characterization, for a long time. (Laughter)

Q Ron, did he work for Red Skelton or not? Is that a false report that he worked for Skelton?

MR. NESSEN: I don't know, but Bob told me he would be happy to talk to anybody who wanted to call him today.

The fact is that Bob, both here at the White House and before he came to the White House, writes serious, substantive speeches. The President sees Bob as being quite a knowledgeable person with a very broad background -- broad range of interests and knowledge -- and it really is improper to say that he has been a joke writer at the White House.

Q Does he get a pay increase?

Q Ron, what was he then, if he was not a joke writer?

MR. NESSEN: He was a speechwriter.

Q Did he ever work for comedians like Skelton?

MR. NESSEN: I don't know what his background is. I think he did. He has already written speeches over the years, as I said, for both business leaders and political leaders.

Q He did not write speeches for Skelton, did he? He wrote gags.

MR. NESSEN: That is my understanding, Les.

Q Then he is a gag writer.

MR. NESSEN: At the White House, he is a speech-writer.

Q I didn't say he was a gag writer at the White House, Ron. Do you ever work on the President's speeches?

MR. NESSEN: Occasionally.

Q I am curious to know why they let Paul Theis go when he is such a knowledgeable person on political organization.

MR. NESSEN: As I say, it was not a question of letting Paul go. He wanted to take a job at the Agriculture Department.

Q I was just wondering, will he have any political duties out in the field in the rural agricultural areas?

MR. NESSEN: He did not here.

Q I know he did not here, but will he there at Agriculture?

MR. NESSEN: To the extent the Congressional Deputy Assistant Secretary deals in political matters -- I don't know that he does -- but he will be in charge of the Congressional Relations and the Public Affairs.

Q Ron, is the President at all concerned that so many of his speechwriters are leaving in one short period of time?

MR. NESSEN: No.

Q I assume you all are conducting quite a talent - search now.

MR. NESSEN: There are a couple of openings on the staff and the people who are in charge of those areas tell me they are -- they use the word "swamped" to describe the number of applications they have had for various jobs on the staff, not just in the speechwriting area, but other areas.

Q What other jobs are open?

MR. NESSEN: There is going to be a job, I think, in the Congressional Liaison Office, for instance.

Q Is that a new position?

MR. NESSEN: No, there is going to be an opening to replace someone.

Q Who is leaving?

MR. NESSEN: We have not announced that yet.

Q Ron, there have been published reports that this shake-up in the speechwriting staff follows a point where President Ford displayed some anger over the process of writing the State of the Union Message. Are those reports correct?

MR. NESSEN: They are not. The changes in the speechwriting shop are part of a reorganization that Bob is doing so that he will have more direct oversight of the speechwriting. For instance, Paul Theis, in the kind of editorial job that he did, will not be directly replaced. Bob Hartmann will take on those duties himself. It is really part of a reorganization of the speechwriting shop.

Q Is it correct, then, that the President did at one time lose his temper or show some anger over the way the State of the Union Message was being put together?

MR. NESSEN: Phil, I don't think I am going to get into the President's moods and so forth.

Q If these were long-planned changes in the speech-writing shop, as you indicate, why did two members of your staff deny to me this is going to happen two weeks ago when I questioned them?

MR. NESSEN: First, I did not say it was a long-planned move in the speechwriting shop. These people all have one reason or another for wanting to change jobs and they have.

Q When in fact was the decision made that Orben should take the new job?

MR. NESSEN: Well, there was a farewell party for Paul Theis last week some time at which Bob's new appointment was told to the staff there informally, so at least that long ago.

Q In other changes in Hartmann's organization, you said you would check on whether Calkins will be replaced, and, if so, by whom?

MR. NESSEN: As far as I know, it is not planned to replace Jack.

Q Ron, is the President going to have his annual physical exam this weekend?

MR. NESSEN: That is right.

Q Ron, you said this year it will probably be more detailed than in the past. How is Lukash going to handle that?

MR. NESSEN: I have to talk to Bill. It will be Saturday at Bethesda, and what the details are, I will have to get checked out. I have been busy with the budget.

Q What time?

MR. NESSEN: Early morning it will start.

Q Ron, back to the personnel, can you tell us anything about replacements and changes in the Domestic Council?

MR. NESSEN: No, I can't today.

Q Has it already happened and you just do not have it all together yet?

MR. NESSEN: I think they are in the process of making some shifts over there.

Q Ron, the Internal Revenue Service reportedly may reopen its Nixon investigation. Does the White House have a position on this?

MR. NESSEN: That is purely an IRS matter. It has never been brought over here in any way.

Q Does that mean the President will take no interest in it?

MR. NESSEN: In this or any other IRS case, Walt. I think it is perfectly clear that that is a matter that does not come to the White House, in this or any IRS case.

Q Would you just generally comment? Would the President's pardon cover IRS? He said it was a pardon for all matters?

MR. NESSEN: You know, Bob, really I guess I have given you my privacy lecture too much, but I dare say there are people in this room who have had their tax returns audited. I have. Our system is that the IRS does this if they feel it is needed and I don't know whether they have in this case or not and nobody in the White House does.

Q That is not what Bob asked you. Bob asked you about an official public matter, which was the President's pardon.

MR. NESSEN: That is a legal question which I am incompetent to answer.

Q A political question, then. Does the President -- and without any rancor at all -- does the President feel that the continuing IRS investigation, does not comply with the spirit of the pardon?

MR. NESSEN: I don't know that there is an IRS investigation and neither does the President.

Q It is in the paper. (Laughter)

Q Ron, back on the staff changes for a minute. I take it that the shake-up in the speechwriting office means that Bob Hartmann will spend more of his day, more of his time, on speeches than he has in the past. Is that accurate?

MR. NESSEN: I think we said at the time that Rog Morton was named that he would be taking up Bob's duties as liaison with the RNC.

Q Does that put Hartmann out of politics, then? Since Calkins is going, does that mean Hartmann is now relieved of political duties?

MR. NESSEN: He is relieved of the liaison duties with RNC. As I told you, as a Counsellor to the President, he advises the President on a wide range of areas and if the President asked him for some political advice, he would, I am sure, give it.

Q Ron, do these changes have anything to do with Presidential dissatisfaction with the kind of speeches which have been delivered?

MR. NESSEN: Clearly not, Muriel. The people left because one guy was on detail from GSA, one guy wanted to go to a job in Agriculture, one guy wanted to go to a job at Interior, one person wanted to go over to Mrs. Ford's speechwriting staff. It does not, to give a short answer.

Q Did Mrs. Ford have a speechwriting staff before?

MR. NESSEN: I don't know that this is entirely a speechwriting job. She is going on Mrs. Ford's staff.

Q Did all the people leave on their own initiatives?

MR. NESSEN: As far as I know. I don't have all the details.

Q Is Orben going to be the speechwriter now?

MR. NESSEN: No. He is Special Assistant to the President.

Q What is his title?

MR. NESSEN: I don't know that he has a title, Saul.

Q What can you tell us today about Lebanon, Ron?

MR. NESSEN: I really don't have anything new on Lebanon today.

Q Did the President see the television news coverage of the massacre there last night?

MR. NESSEN: He rarely watches the evening shows, which is not meant to be a joke. The fact is he usually works until about 7:30 and what he does is watches excerpts from the news shows at lunch hour the next day, which I think you know.

So he has not had lunch yet, so he has probably not had a chance to see it.

Q You mean the White House takes off excerpts from the evening news from TV from the night before and shows it to him the next day at noon?

MR. NESSEN: That's right.

Q How much does that cost? (Laughter)

MR. NESSEN: Nothing. It does not cost anything.

Q Ron, twice before Mr. Usery has been passed over as Secretary of Labor. Does the delay in the announcement of the successor to Dunlop suggest this may happen a third time?

MR. NESSEN: Absolutely not.

Q Ron, is the President going to the Kennedy Center tonight and Sunday night?

MR. NESSEN: Well, as far as I know, he is going tonight, or Mrs. Ford is going. I guess the President is going with her. I don't know about Sunday night.

Q You don't know for certain?

MR. NESSEN: I think he probably will go.

Q What is it?

MR. NESSEN: Pearl Bailey is in the final three or four days of her singing career. As you know, she has been here and she is serving in a capacity at the UN so the President is going to go and see one of her farewell performances.

Q Ron, will the President discuss openly, so we can cover it today, his Medicare improvements for the elderly people this afternoon?

MR. NESSEN: According to the briefing paper, that is not the purpose of this. It is a really short kind of courtesy call meeting of about ten minutes in which they are going to give him this book.

Q I am puzzled by your lack of response to this question on the Lebanese situation. The Interior Minister, Mr. Shamun, has publicly appealed for assistance by the United States and also by the United Nations and this is the official of a government appealing to the United States. What is the United States reaction to that appeal?

MR. NESSEN: Well, Jim, we have not really seen that appeal, and it has not arrived here. If indeed it was made, and in fact the Lebanese Ambassador to the UN says he knows of no such appeal, so I don't see how I can deal with the question since we have not really heard it.

Q The United States has ruled out any possibility of U.S. military intervention in Lebanon?

MR. NESSEN: Yes, as the State Department said yesterday, we are not giving any consideration to the United States intervention in Lebanon.

Q Has the United States protested to Syria -- against the insurgence from Syria into Lebanon?

MR. NESSEN: We have, as we said yesterday, warned all parties not to intervene in Lebanon and we are using all the diplomatic channels we have available to see what can be done to ameliorate the situation there.

THE PRESS: Thank you, Ron.

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(AT 12:25 P.M. EST)