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NEWS CONFERENCE

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AT THE WHITE HOUSE

WITH RON NESSEN

AT 11:35 A.M. EST

DECEMBER 13, 1976

MONDAY

MR. NESSEN: I don't have anything to announce, so we will just go straight on to the questions.

Q Ron, is there any chance that Ford will go to the Rose Bowl?

MR. NESSEN: Not that I know of. I heard that same report that you did. I wondered where it came from. I sat right there and listened and I didn't hear anything like that.

Q Do you have anything further on the President's post-inaugural plans?

MR. NESSEN: No. I really don't. You have heard or read some of the things he said to some people over the past week or so. I think that is probably as far as he has gone in his own decision-making.

Q Has the house been sold in Alexandria?

MR. NESSEN: I don't know. I haven't kept up with it.

Q Has he scheduled a press conference before he leaves office?

MR. NESSEN: We don't have anything to announce today.

Q Ron, did you announce the briefing? Walt Rodgers is down there in his booth. We didn't hear anything.

MR. NESSEN: Everybody else heard it.

Q I didn't hear it. Walt didn't hear it, apparently. Maybe he doesn't care.

MR. NESSEN: It could well be.

Q What is the President planning to do with the Economic Policy Board this afternoon?

MR. NESSEN: That is the meeting to begin to make decisions on the tax cut proposal that he will send to Congress.

Q To begin to make decisions?

MR. NESSEN: Yes.

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Q What does that mean?

MR. NESSEN: It means he will look over some of the options and ideas that the Economic Policy Board will bring him for decision, and review them and discuss them, ask questions about them and begin to make decisions on the elements of his tax cut proposal.

Q In the past I think you have been talking in terms of a \$10 billion cut.

MR. NESSEN: I said the President is publicly committed to a \$10 billion tax cut.

Q When you talk about decisions, you are talking about where he proposes to make that cut?

MR. NESSEN: As I have indicated before, the details of the tax cut proposal will have to be decided upon by the President, and he starts that process today.

Q Ron, does he anticipate making the decisions that need to be made in this area before he leaves for Vail or is this some carryover business he will take with him?

MR. NESSEN: I don't have a good timetable, or one that will wrap up, Russ. After all, some of these proposals are going to have to be reflected in the budget, certainly on the revenue side of the budget. So since December 24th is about the deadline for getting the budget to the printer, I would say that he is going to need to make most of the decisions on the tax cut before he goes.

Also, he has indicated that he would have that proposal up to Congress very early or at the actual beginning of the session, which is January 4th. I am not saying that some final decisions will not be put off until the Vail period, but I think the shape of it will have to be pretty well set out before he goes so it could be reflected in the budget.

Q Ron, in connection with the tax cut, has the President noticed and discussed with people that he discusses these things with the view of John Kenneth Galbraith and other people that hold that view that the tax cut is the silliest and worst possible thing that could be asked for or imposed at this point?

MR. NESSEN: I don't know that he has specifically had Galbraith's views presented to him in that particular form, but obviously he is aware that some people believe a tax cut is proper at the moment and others do not. He is certainly aware of that basic argument, and I am sure that when the discussion begins today at the EPB meeting, he will be made aware of the fact that there are those who disagree with the need for a tax cut.

But he is committed to it, John. He intends to go ahead with the tax cut proposal.

Q Has the President carried through after his meeting with Vice President Rockefeller, John Connally and Reagan on the Republican Party? Has he met with any more people, discussed it with more people, done anything about a new party chairman?

MR. NESSEN: I have to look at the schedule and see who he has met with strictly from the political point of view.

Q Do you expect him to make his choice known as to a chairman before the RNC meets in January?

MR. NESSEN: I think there is one step before that, Lou. I don't know whether he is going to conclude that he should support a single candidate. I think at the moment his thinking is more or less to indicate that a group of people, any one of a group of people, would be acceptable to him. I think that is where his thinking is now. It could well be that he will come out for a specific candidate, but I think if he did, you would know about it.

Q Ron, does the President still believe that the Geneva talks, the progress that has come from them, constitutes a breakthrough or is he discouraged about the results or what? What is his reaction to the latest developments from Geneva?

MR. NESSEN: Is this the Geneva talks you are referring to, the ones that deal with southern Africa, Rhodesia?

Q Right.

MR. NESSEN: I don't think it is helpful, Les, to the purpose of the talks to give a periodic assessment or take the temperature of those talks periodically from this platform.

Q Ron, will there be anything in the manner of the presentation of the tax cut recommendation that will be different than if he were not a lame duck President that would be unusually designed to try to sell his version of it, whether it be rate cutting, one shot or rebate to the incoming Administration?

MR. NESSEN: Your question is?

Q Something about the manner of its presentation?

MR. NESSEN: No. I wouldn't say so. I think among the things remaining for the President to do such as the budget, this tax cut proposal and perhaps a couple of other messages to Congress, will be done in the spirit or from the belief that he is the President until January 20th and that he has an obligation to present his views and proposals that he believes in.

So I don't know of any special form of presentation that will be made in those.

Q Ron, the tax cut proposal was as I recall in its present form at least a campaign promise. Has the President rethought that campaign promise recently? Is he just going through the motions of living up to a campaign promise or has he looked at the economic situation to see if it is really needed or if it is for that matter the right approach since the election?

MR. NESSEN: That is, I think, precisely what the President is going to begin to do this afternoon, Walt, in meeting with the Economic Policy Board and hearing various ideas and options and so forth for a tax cut. But he has not changed his mind about the need for a tax cut. The basic decision to go forward with the tax cut has not been changed.

Q Ron, who will be present at that meeting?

MR. NESSEN: The Economic Policy Board meeting attendees today are Secretary Simon, Bill Seidman, Jim Lynn, Alan Greenspan, Secretary Usery, Arthur Burns, Jim Cannon and a representative of the Commerce Department, who is Ed Vetter, Under Secretary of Commerce.

Q Does the President have any difficulty getting in the in-depth kind of analysis that he has gotten in in the past when almost everybody involved must realize that it is just short of a charade in that after the 20th it is going to have very little, if any, impact?

MR. NESSEN: I don't agree with you that it is just short of a charade, Aldo. It is something the President believes is very important. Among those who have played a role in preparing for today's meeting, I know it has been done -- I know personally it has been done -- with the same degree of dedication and hard work and long hours as any other major proposal over the last 2-1/2 years. I have seen it firsthand and certainly the people involved don't consider it a charade.

Q Yes, but, Ron, the President did spend over 100 hours last year on the budget, as I recall.

MR. NESSEN: I would say that when we sit down and add up the number of hours this year it will be the same or perhaps more.

Q Is that right?

MR. NESSEN: I don't know if you have followed this, you have been over there in the other camp, but although you have come over here to use the phone -- (laughter) -- that is what one of the papers said over the weekend. No. The President has been spending two or three or four hours a day really ever since the return from Palm Springs on, first of all, the initial budget decisions and now the appeals process. I would say it is going to add up to about the same number of hours as last year.

Q Then there is really not any direct proportion in the dedication one puts into something like this and the anticipation of the positive results of it because everybody has got to know that the President-elect can, in effect, reverse those a week after he goes up there.

MR. NESSEN: Sure. That is right. But President Ford has the responsibility right up until noon on January 20th and not only that, but he really believes and I think some of you who have talked to him know that he believes that the vote indicated that a very large percentage of people, 48 or 49 percent of the people he believes voted for his policies and his principles and philosophy and that he has an obligation to that 48 or 49 percent of the people to go right ahead and continue to advocate, to propose, as long as he is President, and to speak out on those matters after he leaves the White House.

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Q Has he been in touch with any of the Carter people on a regular basis when Watson was named?

MR. NESSEN: Not personally. But you know the transition apparatus is getting more and more into action.

Q Has that affected or has anything they have said -- they haven't tried to reach a kind of compromise in any given area. This is his budget period?

MR. NESSEN: That is right. From both sides, really, Aldo. For our side because the President really does intend to fulfill his responsibilities until noon on January 20th and from the Carter side because I think as they have indicated to you and others, they understand that they don't have the authority or the responsibility until noon of January 20th.

Q Can we go back to Africa for a second?

Q Just one more question: You said that, you sort of dropped almost at the end of a sentence, that he plans to speak out for this 49 percent. Do you mean by that that should the President-elect choose to make some rather drastic changes in the budget, that the President is, in fact, determined to speak out and to continue?

MR. NESSEN: I don't want to put it on the basis that he is going to on some kind of regular schedule or in response to specific Carter proposals, going to stand up and criticize. But I am just saying as a general matter as he goes ahead in the months ahead and the years ahead after leaving the White House, he intends to continue to speak as a spokesman or representative of the views of those people who voted for him.

Q Ron, will the State of the Union message this time be sort of on general principles or would you expect there would be some specific new legislative proposals?

MR. NESSEN: There will be certainly some specific proposals.

Q I meant maybe it could just be a reiteration of what he has proposed before.

MR. NESSEN: At this point it is hard to say whether there are a few areas where there are some possibilities of new proposals in the State of the Union. But at this point it is hard to tell.

Q That is an interesting idea that the President views that when he goes out of office he is still a representative of a constituency of 48 or 49 percent of the people who voted for him. I always thought the idea was of the 48 or 49 percent of the people, "All right, we lost, we will throw our support to this other guy." Isn't that sort of a divisive approach to the next four years?

MR. NESSEN: No. He doesn't think so. As I say, those people, he believes, through their votes indicated that they support and believe in the same principles and policies that he represented.

Q Isn't it always the American way, well, "Okay we lost, now we support the new President." Generally isn't that the idea and this is sort of an interesting innovation.

MR. NESSEN: No, I don't think so. The 48 or 49 percent of the people don't lose their right to hold those views or to have a person of reknown as their public spokesman.

Q So you are saying he considers himself sort of to be like an out-of-President President or out-of-power President of 49 percent of the people even when he is not in office?

MR. NESSEN: No. Let's not take it beyond what it will bear, Walt. I forget how we got off on this track. (Laughter) But I am trying to indicate to you in an accurate way what he sees as his role toward the people who voted for him. That is it. But don't make it carry more than it is made to carry.

Q Ron, could we go back to Africa for a second?

MR. NESSEN: Yes.

Q Did the President meet with Kissinger this morning?

MR. NESSEN: Yes.

Q Can you tell us anything about that meeting?

MR. NESSEN: No, not really. First of all, I wasn't there. Secondly, it is not normal to give a detailed report. I think it would be fair to say that he did, among other things, give a report on his trip.

Q Does that mean that he gave a report on specifically the Rhodesian talks?

MR. NESSEN: He also visited NATO, don't forget. I think it is a fair assumption he gave the President or brought the President up to date on both matters.

Q Ron, what does the President feel will be the impact of this tax cut on the deficit?

MR. NESSEN: As I indicated on Friday, Les, the President intends to present a budget which again continues to represent his views of the need for a restraint in government spending. Beyond that, I am not prepared today to either give the figure or the size of the deficit or the rationale which there will be for whatever particular formula is arrived at.

Q In other words, he thinks there won't be that much of an effect on the deficit; is that correct?

MR. NESSEN: No, that is not correct.

Q In other words, there is no comment is what you are saying?

MR. NESSEN: No. I thought I did say --

Q I don't know. Ron, I really tried to study. Dan, that is his field, economics. But I just am a little puzzled. Does the President think this will have any effect on the deficit or not? I am puzzled.

MR. NESSEN: To run through it again, Les, the President intends to present a budget which will call for continued restraint in government spending. But since the budget is not completed yet and, in fact, there are still several more meetings in which the President has to make decisions as a result of appeals from different agencies and departments, we don't know what the spending side will be. Since he has not yet had even his first meeting on the tax cut decisions, we don't know what the revenue side will be. It is very difficult to tell you today what the size of the deficit will be. In other words, no comment. (Laughter)

Q Why is it determined he is going to cut this thing no matter what the spending is or the income and so forth? In other words, I am going to do it regardless of these other things. In other words, no comment.

MR. NESSEN: What things?

Q The spending and the possible deficit. You say he is going to definitely have a tax cut.

MR. NESSEN: That is right.

Q He is definitely committed to that regardless of the spending, regardless of the deficit.

MR. NESSEN: That is correct.

Q That answers it. Okay.

MR. NESSEN: The reason for that is as I have indicated before, his view of the tax cut is that it is needed because of equity, equity to the taxpayers primarily in the middle-income groups and that is why he believes strongly in the tax cut. The other issues of stimulus and deficits and inflation all play a part in it, but his basic commitment to the tax cut flows out of his feeling that certain groups of taxpayers need more equity.

Q Does his commitment to the tax cut extend to the commitment that he expressed during the campaign, to raising the personal exemption from \$750 to \$1,000 and reducing the corporate tax, I believe it was, from a maximum of 47 percent to 45 percent?

MR. NESSEN: I don't want to indicate in any way that he has changed those basic commitments, but since the first meeting is this afternoon, at which the specific decisions and shape of the tax cut will be drawn, I think I would just rather leave it the way it is until he has made his specific decisions.

Q Ron, since you are not briefing every day now, would it be possible for you to give us a kind of rundown on the week ahead?

MR. NESSEN: Okay. I didn't bring my schedule. Could you get me a weekly grid.

Q Is there to be any readout on that EPB meeting at all?

MR. NESSEN: I don't think so, Walt. Let me see how it goes. I would really doubt it.

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Q Ron, when you speak of equity, you are saying --

MR. NESSEN: Not equity in the finance world sense, but equity in the sense of fairness.

Q Fairness, and you are talking primarily about middle-income people now?

MR. NESSEN: Yes.

Q Ron, will the appeals process in the budget continue all this week?

MR. NESSEN: I think there are only about two or three more days to go on the appeal process. Let's see, today is Monday. You know about today's schedule. There is a budget appeals meeting tomorrow. There is a budget appeals meeting on Wednesday, and the White House Christmas party is Wednesday evening, the press Christmas party.

A budget appeals meeting is scheduled for Thursday, although it may be concluded by then, but either then or very close to then. The lighting of the National Christmas Tree is on Thursday.

Q Is he going to go over there in person?

MR. NESSEN: This is his schedule, so that means yes.

Then Friday is the White House staff Christmas party, plus regular staff meetings all through that period.

Q Any social plans this evening? Is he going out this evening that you know of?

MR. NESSEN: No.

Q Ron, what is the step in the budget process following the appeals? When all of the appeals are concluded, then what happens?

MR. NESSEN: I will look at my budget timetable.

Presidential appeals, then comes the drafting of the budget message and related policy statements. That is done really by the OMB staff primarily. Then they keep sending their drafts in to the President and he sends them back with revisions, and so forth. So that is the next phase. This is the actual drafting of the President's message.

Q To summarize what he is doing on the tax cut at this point, it is fair to say, then, that he will submit a proposal for a \$10 billion tax cut weighted primarily toward middle-class taxpayers; is that right?

MR. NESSEN: That is what he is publicly committed to, yes.

Q I thought you said the amount was subject to change.

MR. NESSEN: He is publicly committed to \$10 billion now. Since the meetings are just beginning this afternoon, I know of no reason why that would change, but he is beginning to sit down now and make decisions on this matter.

Q So it is basically a decision or a question today of sitting down to discuss the actual formulation of the tax cut; is that right?

MR. NESSEN: There are a number of questions that grow out of this.

Q That is why I asked earlier. I don't really understand what those questions are. I was wondering if you couldn't be a little more precise.

MR. NESSEN: I don't have the decision paper, the option paper and the list of decisions that need to be made with me here.

Q But it would be fair to say that it would be weighted toward middle-income taxpayers; is that right?

MR. NESSEN: That has been the President's public commitment all along; that is right. Also, a component of it, at least in his public commitment, has been for business, and given in a way that encourages business to create additional jobs through expansion and so forth. That is his public commitment. How that gets translated into specific pieces of legislation that cut people's taxes will be decided beginning today.

Q I asked you this question before, a week or so ago, and you weren't sure of the answer. Is there any substantial difference between the tax cut which he is now considering and the tax cut which he proposed to Congress a year ago in which he called for essentially a \$10 billion tax cut and a \$10 billion cut in Federal spending? And I would also point out that Congress turned thumbs down on it at the time. Is there any substantial difference between this tax cut proposal this afternoon and the one he submitted a year ago?

MR. NESSEN: It is hard to say, since this tax cut is not -- just today the decisions are being made, starting to be made as to what it is supposed to look like.

Q \$10 billion was roughly the figure last year when that thing went to Congress, if I remember correctly. Is he still considering tying that to a comparable \$10 billion cut in Federal spending?

MR. NESSEN: Again, that may be one of the decisions that gets made as part of this package. Since I haven't seen the package of recommendations or options that need to be decided, I can't tell you whether that is one of them. I do know he intends to present a budget that calls for a restraint in Government spending, but whether there is an exact link may be one of the decisions he has to make.

Q Obviously I wasn't with you during the campaign.

MR. NESSEN: I don't recall the contingent.

Q But when he called for a \$10 billion tax cut during the campaign, did he then comparably tie it in the campaign to a \$10 billion cut in Federal spending when he talked about it during the campaign?

MR. NESSEN: I don't know that it was tied dollar for dollar, Walt.

Q Ron, the United States began delivery of F-16's to Israel --

MR. NESSEN: Is that right? I will take your word for it.

Q F-15's to Israel; I stand corrected. Is the United States prepared -- what is the President's view of selling them to the Arabs?

MR. NESSEN: Like what?

Q F-15's.

MR. NESSEN: The F-15's?

Q Yes, like Saudi Arabia.

MR. NESSEN: I don't have a kind of general view on that for you, Dick. Military sales are handled in the standard way.

Q It is a policy thing, but skipping to another more important subject, does the President view or have any opinion on the besotted Washington Redskins lucking out over the -- victory over the future Super Bowl champions?

MR. NESSEN: I heard some commentator doing the game yesterday who said, "I don't know what it was he was drinking, but they ought to bottle it and sell it." They probably have.

Q Does he consider that a pardonable offense?

MR. NESSEN: As the CBS man said, "I don't know what it was, but they ought to bottle it and sell it."

Q Did you ever check with Phil Buchen on the Agnew story?

MR. NESSEN: As I understand, former Vice President Agnew has denied that he talked to anybody over here. Phil Buchen did not talk to anybody representing Mr. Agnew. I understand that a lawyer did call and indicate to some member of the Counsel's staff some interest in that subject and he was directed, as are all callers, that if there was any interest in filing for a pardon that it should be done in the routine way to the Justice Department.

Q Who did he call, Ron?

MR. NESSEN: I believe it was Ed Schmults.

Q Don't you think that the public has a right to know who called and inquired on behalf of the former Vice President, even if he, in fact, did not represent the former Vice President?

MR. NESSEN: I don't feel it is my responsibility to give that name out. No, I don't.

Q Who did this lawyer represent?

MR. NESSEN: I know very few details of it. I really have given you everything I know, Phil. I don't even know how the inquiry was worded. But there was such an inquiry from a lawyer and he was, in a very routine way, told to go through the routine procedure if he was interested in pursuing that matter.

Q Was this in October '74?

MR. NESSEN: That the call was made?

Q Yes.

MR. NESSEN: No. I think it was --

Q October of '76. It was just a couple of months ago.

MR. NESSEN: I think that is right. I don't have the exact date.

Q Was it a telephone call, not a letter?

MR. NESSEN: It is my understanding it was a telephone call. I haven't done a lot of research on this, Russ, I might as well tell you. I just found out enough to make me realize that it wasn't much.

Q You said "indicate interest in that subject." You meant a subject of a pardon for Agnew?

MR. NESSEN: That is my understanding.

Q Are we safe in assuming he was calling on Agnew's behalf?

MR. NESSEN: I don't know how I could possibly know that, Walt.

Q Could you ask Schmults? Ron, could we appeal? I really feel that many people would like to know who this lawyer was, if it was Agnew's or if it was some independent person that was making a suggestion. I think that would make a difference. Could you take the question, Ron?

MR. NESSEN: I don't intend to give the name of the lawyer. First of all, I don't know the name of the lawyer because I didn't bother to inquire, since it was an area that I didn't intend to or feel I needed to get any deeper into. From the White House point of view, it was basically handled in a very routine way, as all of these things are.

Q You wouldn't describe this as a routine inquiry, would you, asking for a pardon for the former Vice President of the United States? It wouldn't be considered a routine inquiry, would it?

MR. NESSEN: I don't know what the nature of the phone call was, how it was worded.

Q You told us what the nature of the phone call was. Didn't you tell us that it was seeking a pardon?

MR. NESSEN: I said my understanding is it dealt with that area.

Q That is in the nature, isn't it?

Q Not necessarily. That is my question. Was a pardon specifically asked for or was it only discussed?

MR. NESSEN: Walt, I didn't make any very detailed effort to acquire a lot of the detailed information about this because once I found that it had been referred routinely to the Justice Department, I didn't see any other questions that I needed to get.

Q Ron, has there been in the past year any figure from the Watergate affair who has made any similar inquiry which has reached the White House from those people, those sources concerning them?

MR. NESSEN: I really don't know, Dick. I haven't made it a policy of asking whether they have or not and I don't know of any. If there were any, they were referred in the same routine way to the pardon attorney at the Justice Department.

Q Ron, I thought you said a moment ago you couldn't say whether or not the lawyer was calling with Agnew's --

MR. NESSEN: I have no idea. I have no way of knowing. You would have to check that with Mr. Agnew. I understand he denied it. I have no way of knowing.

Q You have obviously talked to Ed about this.

MR. NESSEN: I have talked just enough to find out that the phone call was referred in a very routine way to the Justice Department and after that I didn't see any need to get any deeper into it.

Q Can you tell us exactly when this call came in?

MR. NESSEN: I don't have the date, Dick. I can get it for you, I suppose.

Q In October?

MR. NESSEN: I don't know. I have to check.

Q Did you seriously think nobody in this room would want you to get deeper into it?

MR. NESSEN: I never doubted for a minute I would be asked to get deeper and deeper into it.

Q Why don't you get in deeper?

MR. NESSEN: Because it is none of my business.

Q Do you have Schmults' title?

MR. NESSEN: Deputy Counsel to the President.

Q Was the call before the election?

MR. NESSEN: I don't know.

Q I believe the original Jack Anderson column said that the attorney for Agnew had contacted Phil Buchen. You say Buchen says he was not contacted?

MR. NESSEN: That is right.

Q Is he a deputy to Buchen?

MR. NESSEN: Yes.

THE PRESS: Thank you, Ron.

END

(AT 12:07 P.M. EST)