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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 JERRY TER HORST

AT 12:43 P.M. EDT

AUGUST 21, 1974

WEDNESDAY

MR. TER HORST: The President has a very full schedule today, as you have already noted.

This morning, he met with staff members, including Jack Marsh, Brent Scowcroft, Al Haig, Bill Timmons, Bob Hartmann, me, and several others. The President then met for about 40 minutes with the Congressional Black Caucus. You have a list, I believe, of those who have attended. It has been posted.

I think you have had a report while the President was out at Andrews from Congressman Rangel.

The President, among other things, at the Black Caucus, assured the Members of Congress that he did not view the defense budget as sacrosanct against cuts, but, of course, that reductions in the defense budget would have to be geared to priority matters of national security and that he was not suggesting that there could be a slash across the boards at the Pentagon.

As you are also aware, the President then went out to Andrews Air Force Base to greet the family of Rodger Davies, the Ambassador to Cyprus, who was killed Monday. Ambassador Davies' body was returned to the United States on the same plane and will be interred in California tomorrow.

Also on the plane were the Ambassador's children, daughter Dana, who is 20, and son John, 16, and some other members of the family. Mrs. Davies, the Ambassador's wife, died last year. You are going to get a transcript of the remarks at Andrews, if you haven't received them.

At Andrews, Secretary Kissinger presented Ambassador Davies posthumously the Secretary's Award, the highest State Department award for those in the Foreign Service who have sacrificed their lives in the service of the country.

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The President has also signed an Executive Order, which you have, that directs the flags at the Federal buildings, vessels, grounds at the embassies abroad be flown at half-staff on the day of interment, which is tomorrow.

The President today is nominating Mr. Davies' successor as Ambassador to Cyprus. William R. Crawford, a Career Foreign Service Officer, will be nominated to fill that post, and Ambassador Crawford is now serving as Ambassador to the Yemen Arab Republic. Before that, he was Deputy Chief of Mission in Nicosia.

As you know, Deputy Under Secretary of State for Management, L. Dean Brown, is our representative in Nicosia at the present time. Under Secretary Brown will remain there until Mr. Crawford's nomination is confirmed by the Senate.

Q Do we have a biography on that?

MR. TER HORST: I believe we have one coming up on that.

Q Where is Mr. Brown now?

MR. TER HORST: He is now Deputy Under Secretary of State for Management.

Q Do you know where the funeral services in California will be?

MR. TER HORST: I don't know that, but we can find that out. I believe it is Placerville. I believe that was his hometown, but we will check that.

At 12:30, the President met with Ambassador Khan of Pakistan; at 12:35 with Ambassador Zahedi of Iran; and at 12:40 with Ambassador Kaul of India. These are brief meetings to give the President an opportunity to reaffirm to these Ambassadors the continuity of American foreign policy with regard to South Asia and to assure them of his desire for continued good relations with the three nations.

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This afternoon, as you know, the President will sign the amendments to the Elementary and Secondary Education Act at two o'clock at the HEW building. The pool should gather here in the press room about 1:40 and we will notify those who will be members of the pool. You are all invited to the signing ceremony there but you will have to make your own arrangements obviously for transportation to get to HEW.

Following the signing ceremony there will be a briefing at three o'clock at HEW on the bill by Frank Carlucci, the Under Secretary of HEW. The briefing is going to be in Room 5051. That is the fifth floor briefing room.

Q Where does the President speak?

MR. TER HORST: It is in the HEW auditorium.

In addition to the distribution of the fact sheet and the Presidential statement here, they will also be available obviously at HEW.

Following the ceremony at HEW the President will go to Capitol Hill for a courtesy call on the two Houses of Congress and we will take a travel pool along. The President will first go to Senator Scott's office and then to Senator Mansfield's office, and then the Senate will be recessed briefly.

The President will come on to the Floor and speak for about three or four minutes from the well of the Senate. After that he will go to Congressman Rhodes' office and be escorted to Speaker Albert's office on the House side where Democratic Majority Leader O'Neill will be present and the Speaker will then recess the House briefly, and Congressman O'Neill and Congressman Rhodes will escort the President to the Chamber Floor and he will speak again from the well of the House informally for about three or four minutes.

Obviously the scenes can be viewed from the respective galleries, so we will not provide anything but a travel pool. However, we will have transcripts of the Presidential remarks here later.

Q What time will that be?

MR. TER HORST: That follows immediately after the signing ceremony is finished at HEW.

The President's schedule indicates that he will be leaving HEW for Capitol Hill about 2:25, 2:30 -- thereabout, and we estimate probably he will be on the Hill about an hour in all.

Q What is the purpose of this?

MR. TER HORST: The President indicated to the leadership of both chambers that he would like, if he could, to speak informally to the members in separate gatherings, and they told him they welcomed the opportunity to have him do that and they then arranged it from there on.

It is a very informal courtesy call by the President on the two chambers.

Q You don't expect him to ask them to speed up action on Vice President-Designate Rockefeller?

MR. TER HORST: I can't guess what the President will say because he is going to talk ad lib.

Q You answered a question and I heard the answer without the question. You said HEW auditorium. What did that refer to?

MR. TER HORST: That is where the bill signing ceremony will occur.

Q Is that in the main building?

MR. TER HORST: Yes.

Q Do you know if this is a custom that other new Presidents have followed, going on the Hill to make this courtesy call?

MR. TER HORST: President Nixon visited both Houses of Congress on November 13, 1969, Ted, and spoke briefly from the well in each House. We have no information that President Johnson did the same.

Q Why did he want to speak before them? Does he have a special purpose?

MR. TER HORST: As I said, he just wanted to pay a courtesy call on the two Chambers at the convenience of the leadership of both Chambers if they would like him to do it and they thought it would be a good idea and immediately set the wheels in motion so it could be arranged.

Q Jerry, there is a report on the Hill that the President will have a signing ceremony on Friday for the pension reform bill here in the East Room. Do you know whether that is true?

MR. TER HORST: Yes, that is in prospect. The pension reform bill quite likely will be up for signing Friday in a ceremony here but I don't have specific times and we will have to wait until we get a little closer to that.

However, I can tell you that tomorrow the President will, in an East Room ceremony here, sign the Housing and Community Development Act of 1974. We will have a Presidential statement and fact sheet available here, of course, at that time, and it is quite likely at about three o'clock, following the ceremony, we will have a briefing in this room by Secretary Lynn on the bill.

Following his return to the White House from Capitol Hill, the President will meet with Congressman Wilbur Mills, the Chairman of the House Ways and Means Committee here in the White House, to discuss legislation such as national health insurance, tax reform, energy taxes, the trade bill, and other matters which the Chairman of course is involved in before they reach the Floor or conference.

At 4:30 this afternoon the President will meet here briefly with Air Force General Daniel "Chappie" James, Jr. The President wanted to take this opportunity to thank General James for his work with POW and missing-in-action families as he moves on to a new post. He is going to be Vice Commander of the Military Airlift Command and the President also has indicated he would like to hear General James' views on black Americans serving in the Armed Forces to the Nation.

We will monitor that ceremony for you and provide a fill for you on what transpires afterward. We will probably have a picture opportunity and a writing pool.

Q Will that be true with Mills as well, Jerry?

MR. TER HORST: I hope to be able to give you a reading on that, yes.

Q Will they be available here?

MR. TER HORST: I don't think the Chairman wants to come out and talk here but we certainly will give you a reading on that meeting, if we can.

Q And the General?

MR. TER HORST: Well, the General has his family with him. I am not sure precisely how he wants to handle it. It is really arranged as a private farewell ceremony. If this comes up we will try to give you something on it.

At five o'clock this afternoon the President will have photographs taken with Republican Senatorial candidates. We will post the list of those who will be here. This is, of course, a biannual tradition every election year and it is being arranged by the Republican Senatorial Campaign Committee of which Senator Bill Brock of Tennessee is chairman.

Q Individual photos?

MR. TER HORST: Yes, individual photos with the President.

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Q Could I go back a minute, Jerry, please. This business about wanting the General's views on black Americans serving in the Nation's Armed Forces, did the General make a special study of that or is this a result of the Black Caucus meeting?

MR. TER HORST: No, General James, as most of you are aware, has been very much involved and concerned about the status and the role that black Americans have and can play in the Armed Services and has often given past Presidents useful guidance on that subject.

Q Is he the highest ranking black military?

MR. TER HORST: I am not certain of that. We will have to check. It is quite possible he may be, in the Air Force, but I am not certain. We can check that out.

The President also has signed H.R. 12832, which creates a District of Columbia Law Revision Commission, and we will post details on that.

For tomorrow's schedule, we will post also President Ford's itinerary, either late this afternoon or tomorrow morning. It is in a state of flux. The President is being considerably more active than some of us anticipated he was going to be these recent days, so we are trying to keep up with his schedule, but we will post it as soon as we can.

I have already given you the information on the fact that tomorrow he will sign the housing and community development bill. That is one item on his schedule.

Q How much money is in that, do you know?

MR. TER HORST: Eight and one-half billion dollars is the price tag on the housing and community development bill. That will be an East Room ceremony, and the guests, of course, will be Members of Congress and the State and local officials. I know it will be available for coverage.

Q The President is posing for pictures, he is meeting with the Black Caucus, and going to the Hill. Can you tell us where he places in his area of priority having a news conference?

MR. TER HORST: Yes, I can't give you anything firm on it, but for guidance, I would hope we will have a news conference before next week is out.

Q Are you ruling this week in or out, Jerry?

MR. TER HORST: I would say I would not look for one this week.

Also, as you know, General Motors today announced a decision to reduce its suggested retail prices for 1975 model cars and trucks by \$54 per average vehicle, and I talked to the President about this, and he has authorized me to make the following statement on his behalf. This is a statement by President Ford:

I am encouraged by General Motors' announcement today that it is reducing the amount of the price increases previously announced for its 1975 model cars and trucks. The consumer will save money, and the economy will benefit. I am confident that this action will be but one of many examples of restraint by management and labor as we all join in the fight against inflation.

Those are all of the announcements, and I am ready to take your questions.

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Q I would like to ask you on GM, I believe they originally were planning to increase by \$500; is that not correct? So is the President happy with the amount they are reducing this? Is this sufficient, does he feel?

MR. TER HORST: The President is delighted that General Motors has reconsidered its position and has decided that its 1975 price increases can be reduced over those previously planned. Obviously the President would like to see an even larger reduction, if that were possible, but we must remember that this is a free economy. The Government has no right to set prices or wages and therefore the President is pleased that General Motors has shown a willingness to do this in its sharing of interest with the President in trying to mount a fight on inflation, and the President naturally hopes, as I said, and as he said, that other segments of industry will follow suit and in fact avoid any inflationary price actions at this time.

Q Jerry, you said that the President obviously would like to see an even larger reduction, but then you say, "If that were possible." Does the President have any information as to whether it would be possible or it would not be possible?

MR. TER HORST: Well, as I also said, General Motors best knows the prices it needs. As with any other company, its supplies have gone up, its labor costs have risen, its profits are down over past quarters and it took its action independently and it is taking this reduction independently.

Q Jerry, if General Motors best knows the prices it needs, why did the President challenge the increase in the first place?

MR. TER HORST: Because it was very obvious at the time that it occurred that a giant in industry such as General Motors often sets patterns and if nothing else, is large enough to create ripples through the economy which have a desultory effect, and the President could not let such a major action go unnoticed because he is seriously mounting a fight against inflation.

Q Jerry, you said that the GM took this action independently, I think.

MR. TER HORST: Voluntarily.

Q Well, it is my understanding that it took it after some pretty heavy contacts from the White House.

MR. TER HORST: At the President's direction, Kenneth Rush, his Economic Counsellor, has been in touch in recent days with General Motors President James Roche and Chairman Gerstenberg and others, and has indicated to them -- to General Motors that is -- the President's concern, and they assured Mr. Rush that they would review their proposed prices and see if there was any possible way in which General Motors felt it could reduce the proposed 1975 price levels to join with the President in mounting a fight against inflation.

Q Jerry, is there any understanding or agreement that the Government will ease off on or not be as vigorous as it might have been in its demands on air pollution or safety standards for the 1975 models?

MR. TER HORST: I am not aware of anything like that, Ted. I am not aware of that at all.

Q Has Rush been in touch with American Motors and Ford?

MR. TER HORST: I can't tell you specifically who he has talked to but he has talked to not only the automobile industry but to other industries as well, and it is kind of an ongoing dialogue. It is nothing that he does on a target basis.

Q Would you describe this as an Administration jawboning exercise?

MR. TER HORST: Well, it depends, I guess, how you define "jawboning", Pete. If you mean that it shows President Ford's concern, that would be a fair definition, but if you mean "jawboning" implies some sort of threat or the holding out of a promise in return for this kind of action, then I would not call it "jawboning".

Q You can interpret this to mean "jawboning" is either 10 percent effective or 90 percent ineffective. Does the President have any kind of other specific measures to halt inflation or is he going to depend on this kind of jawboning?

MR. TER HORST: As we have said many times here in recent days, the President has already started with the cooperation of Congress, to set in motion a major fight on inflation, hopefully leading to an economic summit session out of which he will have specific recommendations dealing not only with price increases but with high interest rates, unemployment, physical restraint. This is just something that is part of that and anticipatory of what the President has in mind.

Q What we have got here is that the President is encouraged by this major industry setting an inflation rate of 9 percent for the next year and that he is confident that others are going to hold to that; in other words, locking us into a 9 percent inflation rate.

Is that the way we should read that? I mean, he was unhappy at 10, but at 9 he is happy now?

MR. TER HORST: The President hopes and expects that this sort of view would not be general throughout either industry or labor, and I ought to point out to you that the cost of living legislation which will shortly be put on the President's desk, as he requested, will provide a monitoring service so that the Administration can and early recognize potentially inflationary moves by both industry and labor. So, I would not accept your premise at all.

Q Is an increase of 9 percent over one year regarded as noninflationary?

MR. TER HORST: I can't answer that from here. You will have to take that to the economists and ask them.

Q Before General Motors publicly announced this 50-some-odd dollar, whatever it is, reduction that they announced today, did they check out that figure with the White House to see if it was enough of a reduction to earn a favorable comment from the President, such as you have just given us?

MR. TER HORST: I have heard that same report, and I checked with Mr. Rush and Herbert Stein, and they tell me, as has been the informal tradition of many years standing, General Motors did check with Rush and Stein in advance of their announcement.

It was not done for the sake of approving or disapproving because the Administration has no wage and price controls, but it was simply done as an advisory and they neither approved nor disapproved. They received the information that was presented to them by General Motors.

Q When did they receive this information?

MR. TER HORST: That was the day before they announced their original increase.

Q I meant before they announced today the reduction of the original increase.

MR. TER HORST: As I mentioned, Mr. Rush has been talking on the telephone to Mr. Roche and Mr. Gerstenberg.

Q He knew about this figure before it was announced so he knew there would be today's reduction and how much it would be before General Motors announced it publicly?

MR. TER HORST: I can't say that for sure. I do know he was encouraged by both Mr. Roche and Mr. Gerstenberg's response that the General Motors board would seriously consider taking a look at their proposed price and see whether they could reduce it any, and you have their announcement from Detroit today.

Q Was there any Administration disapproval of the original GM raise?

MR. TER HORST: No, as I said, we are not in a position to do that because we have no machinery to do it. They came in voluntarily. Many companies do this. They have done it for past Administrations, to come in and notify the respective officials of Government that they are planning to do this or take this kind of action, and this was simply one of those occasions.

Q But you disapproved afterwards, but not before?

MR. TER HORST: Well, before, you see, President Ford was not in office.

Q Jerry, what is the President's reaction to the Bureau of Labor Statistics' report today that the cost of living has risen nearly 12 percent in the past year?

MR. TER HORST: Well, the cost of living figures today show a slight reduction, and while it is not as much as the President would wish, it certainly is a step in the right direction and it is considerably better than the previous months figures. Naturally, inflation is still far too high to suit anyone in the White House or for that matter in the country.

Q Jerry, you mean a reduction in the rate?

MR. TER HORST: A reduction in the rate of increase, yes, not a reduction per se. Reduction in the rate of increase. The cost of living did not rise as much this month as it has in previous months.

Q What did the President tell the Black Caucus about public works programs? Did he promise them he would put some into effect?

MR. TER HORST: The President told the Black Caucus that he was very interested in public service programs that could be targeted to specific areas rather than applied across the board; that is, specific areas meaning areas within cities and parts of the country where unemployment is excessively high, and he thought there might be some valuable use for public service employment programs in those areas, but this was a conversational get-together meeting, and it was an exchange of views rather than a specific pledge on any specific piece of legislation.

Q It should not be interpreted that way, then?

MR. TER HORST: I would interpret it as an intention of the President to be sympathetic to that kind of legislation if it is targeted properly.

Q How about the question of the appointment of a possible black Cabinet member? Was there any consideration of that or discussion of that?

MR. TER HORST: The President, as you know, has a full Cabinet right now. There are no present vacancies. He has and continues to get suggestions from many people for persons he ought to consider for Cabinet vacancies should they occur, as do all Presidents, I assume, but on the list President Ford is getting, there are both black, women, Republicans, Democrats and people of wide geographic and political allegiances.

Q Jerry, yesterday Governor Rockefeller said rather emphatically up on the Hill that President Ford would be a candidate in 1976. Was that correct?

MR. TER HORST: I had a discussion with the President late yesterday and again this morning, and as you know, in the past President Ford has held the opinion that he would not run for the Presidency in 1976. He is now of the opinion that he probably will run in 1976, assuming, of course, that he is nominated by the delegates at the Republican National Convention.

Q What changed his mind?

MR. TER HORST: At the time that he originally made his first statement, he was being considered for the Vice Presidential nomination, and it did not seem appropriate to him to consider anything beyond the fact that he was intending to be the best Vice President he could possibly be.

Now, of course, his position has changed, as we are all aware and, therefore, his view has changed.

Q Jerry, is he thinking of keeping the same ticket if and when Mr. Rockefeller is confirmed?

MR. TER HORST: Of course that is a decision that the President and the Republican convention delegates obviously are going to have to make in 1976, but I think I could call your attention to President Ford's selection of his Vice Presidential nominee yesterday and his observations that he picked a man who is well qualified by experience, ability and character, and a man who would be a good President.

Q So does that mean he would consider him on the ticket?

MR. TER HORST: I am sure that that is a decision that the President and Nelson Rockefeller, if he is confirmed as Vice President, and the Republican convention delegates will get together on at the proper moment in 1976.

Q Jerry, you used the word "probably". You still want to keep that in, do you?

MR. TER HORST: Yes, I think I definitely want to keep the word "probably" in.

Q Could I try to sharpen this a little bit? Are you saying the President has no understanding with Mr. Rockefeller about '76 or are you saying the opposite?

MR. TER HORST: No, I am saying at this moment to my knowledge there is no precise understanding about 1976 and Governor Rockefeller. That is several years down the road and I guess it would be not wise to try to look ahead that far at this point.

As I say again, I am not trying to say that in a manner which indicates the President might pick another running mate. I am just saying that let's wait until Nelson Rockefeller gets aboard the Administration and let's wait until the 1976 Republican convention comes along.

Q Was Rockefeller advised that he might be dumped in two years?

MR. TER HORST: I have no such indication and I would gather from his remarks on the Hill yesterday -- I didn't mean any disconsolation on his --

Q In 12 or 14 days does it mean that the President suddenly likes this job, however long he has been here?

MR. TER HORST: I think you can address that question directly to the President I hope in fewer rather than many days.

Q Jerry, you referred a couple of matters to departments. First of all you referred the matter of what difference the President had with the Freedom of Information Act to Justice and said they would comment. They wouldn't comment.

You referred the Turkish aid cutoff to State and said it is the wish of the White House the State Department comment on it. I called State and they wouldn't comment on it.

Thirdly, when is Mr. Buchen going to brief us as to what went on with the decision on the Presidential tapes?

THE PRESS: Thank you, Mr. Press Secretary.

END

(1:20 P.M. EDT)