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NEWS CONFERENCE

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AT THE WHITE HOUSE

WITH RON NESSEN

AT 11:43 AM EST

NOVEMBER 7, 1974

THURSDAY

MR. NESSEN: Good morning.

It is nice to have Les back. Les took our advice the other day and went to the State Department to their briefing.

Q And got just about nothing.. You said you were going to phone McCloskey.

MR. NESSEN: McCloskey is in Spain.

Q That is what I learned. Did you reach him in Spain?

MR. NESSEN: No, I didn't, but I am going to call him next week.

Q What about Mrs. Lynch, her name is being resubmitted?

MR. NESSEN: Mrs. Lynch's name is being resubmitted.

Q Do names have to be resubmitted, Ron, for the lame duck session?

MR. NESSEN: Yes, certain ones do.

Q Rockefeller, is his name being resubmitted?

MR. NESSEN: No, there were some that were not brought back -- and the routine nominations were not brought back. All the others were and will be resubmitted.

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Q What do you mean by routine nominations?

MR. NESSEN: Postmasters, military promotions and that kind of thing.

Q As long as we are on the subject, Flanigan -- will he be resubmitted?

MR. NESSEN: I have heard nothing that would lead me to believe the President has changed his mind about wanting Mr. Flanigan for Ambassador to Spain.

Q What about Governor Meskill of Connecticut?

MR. NESSEN: Same answer. I have heard nothing to indicate he has changed his mind.

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Seriously, about Les going to the State Department, you know yesterday I said political questions ought to be directed to other people in the White House. I am told that Jack Marsh talked to Beckman, Kilpatrick, Jones, Cochran, Cohen, Kempster and Sperling, and that Mr. Timmons had about 200 calls, many of which he answered. Mr. Burch was on television; Mr. Hartmann had about 25 calls. I think what I suggested worked, and I hope it worked out well for you.

We also posted, as we promised to post, the list of all the President's campaign stops after he became President and what happened to the candidates at those stops in terms of winning or losing. Did everybody get that? It was a three-page document.

Q When was it posted?

MR. HUSHEN: It was posted last night, and we put a fresh batch in the bins this morning.

Q You didn't include some of the Congressmen.

MR. NESSEN: We had a little difficulty determining who he was campaigning for at each stop.

MR. HUSHEN: It included all those that he appeared for.

Q Ron, what was the purpose of that handout?

MR. NESSEN: It was done in response to a number of questions at the briefing yesterday.

Q Did the White House regard that as a definitive rundown on how the President did in terms -- let's say how the candidates did that he campaigned for?

MR. NESSEN: It was done because a number of your colleagues asked for it, Dick.

Q I know, but do you regard that as a definitive list of the candidates he campaigned for and how they did?

MR. NESSEN: Yes.

Q You do.

MR. NESSEN: That was the purpose of putting it out. That was the question we were asked to answer.

Q But when you say he campaigned for the Governor, for example, and don't say how the Governor did, do you consider that definitive?

MR. NESSEN: What State was that?

Q I don't have the list in front of me, but you have a copy. There are a whole raft of places where he campaigned for people, and there is no mention of them and how they did.

Q That is in those Congressional races, too.

Q I mean, in some cases -- you left out Rhodes, for example, and he won. So, I took it to mean that this was just an effort on the part of the White House to be helpful, but do you generally consider that a definitive list?

MR. NESSEN: I think Jack considers it a definitive list.

MR. HUSHEN: He was invited in Cleveland to speak in support of Perk.

Q The President didn't support and didn't endorse Governor Rhodes' candidacy?

MR. NESSEN: Gaylord, come on now. What we were asked for was a list of where he campaigned and who he campaigned for and how those people did, which is what we put out.

Q It is not a big deal because the election is over, but a reading of all his campaign speeches indicates he specifically endorsed in those campaign speeches 110 candidates for Governor, the Senate and Congress. That list maybe includes 30 of them.

MR. NESSEN: If you want to add to the list from your own knowledge, feel free to do so. It doesn't change the numbers and it doesn't change the outcome of the election, and we never tried to pretend the outcome of the election was anything other than what it was, or the fate of some of the people he campaigned for was anything other than it was.

Q I raised the question because I wondered how you are representing the President's campaigning. If you are simply trying to help us out with some names, that is one thing, but if this is the White House idea of who the President campaigned for and how they did, that is a little different.

MR. NESSEN: I think that was the intention and I think that is what the list represents.

Q I don't want to belabor the point, either, but the fact is that that is not what the list represents because there are about 100 names of people he mentioned in his speeches, public speeches, endorsed and urged their election, and their names are not on the list. What happened to those people is not on the list, so it doesn't just represent who he campaigned for.

Q In defense of the White House, I asked the original question yesterday, and I asked who he campaigned for. I think you came up probably with what I asked.

MR. NESSEN: Let's move on.

Q Can I get a copy of the list?

MR. NESSEN: I think there are plenty of them in here.

Q They are all gone.

MR. NESSEN: They can't be all gone. We will get them.

The President came to the office this morning at 15 minutes of 8, and he has been meeting this morning with staff members. So far he has seen Don Rumsfeld, General Scowcroft, Bob Hartmann, Jack Marsh, Phil Buchen, Bill Timmons and myself.

I am sure somebody is going to ask me why there are no appointments on his schedule, so to anticipate the question, I will tell you he is spending the day with paperwork, a good deal of reading, thinking, and beginning his preparation for the trip to Japan, Korea and the Soviet Union.

Yesterday afternoon the President went over to the EOB to visit some of the people who work behind the scenes at the White House. These are career people who stay on through changes of Administrations.

He visited the telephone operators, the central files unit, the records office, the payroll office, the mail room, the correspondence section and the messenger unit.

We are announcing that the President plans to attend the Army-Navy football game in Philadelphia on Saturday, November 30, and I know you are going to ask a lot of details, none of which we have right now. It is far enough ahead that we will be able to give you the details before the game.

Mort Kondracke asked yesterday whether it would be possible for Mr. Ash to come and give you some of these conceptual ideas, just general ideas, that he brought up with the President yesterday in connection with the 1976 budget, and Roy says he would be happy to do that.

I think I mentioned to you yesterday the President thought it was an extremely good educational process and everybody at the meeting did.

So, Roy will see you at 10 o'clock tomorrow morning. That is here. That is open for film and sound coverage and on the record.

Q Ron, could I ask a question about the Army-Navy game thing?

MR. NESSEN: Sure.

Q As I understand it, ABC had planned to drop the televising of the Army-Navy game. Is the President going to the Michigan-Ohio State, too, or is he going up there to try and focus on -- you know, get TV coverage of the service academies?

MR. NESSEN: He is not going to the Michigan-Ohio State game because he will be out of the country on Saturday.

Q Who is he giving his tickets to?

MR. NESSEN: Did you want them?

Q No, I just wanted to know who he is giving them to.

MR. NESSEN: I don't know.

He is going to the Army-Navy football game because he likes football.

Q Do you anticipate there will be any other functions on that trip; I mean, any dinners in Philadelphia, campaign speeches or anything?

MR. NESSEN: It is too late to campaign, isn't it?

Q Never for Mr. Ford.

MR. NESSEN: I don't have an indication that it will be anything more than a trip to the football game.

Q Is the family going along?

MR. NESSEN: I think it is too early to get the details, Fran.

Q Speaking of family, last night you told us with whom he was watching television and you didn't mention Steve. Is Steve still here?

MR. NESSEN: Steve is still here. He is going back, I think, toward the end of the week, but he is still here.

I don't have any other announcements today.

Q Ron, you mentioned the President is doing a lot of reading and thinking today. What kind of things is he reading and what kind of subjects is he thinking about?

MR. NESSEN: I asked him, because I said I think I will be asked what you are doing today since there is no schedule. He sort of swept his arm over his desk, which had a lot of papers on it. Specifically, I know he is doing some reading on the Japan trip. I think he is thinking about the budget cuts which he will have to decide on soon, the 1976 budget, economic issues. He had that Chase report on the VA hospitals on his desk, among other things I saw.

I think that is about as specific as I can be.

Q Does this mean that he has decided the strident voices on the Potomac are more important than the people in Iowa and Indiana? (Laughter)

Q Ron, why was Maury Stans at the White House this morning?

MR. NESSEN: I didn't know he was, if he was.

Q Ron, did Ambassador Dobrynin see the President yesterday?

MR. NESSEN: Not that I know of.

Q Why was Secretary Kissinger not permitted to go to Ankarah? I am sorry, I will rephrase that. Why was his trip postponed or cancelled by the Turkish Premier?

MR. NESSEN: Secretary Kissinger has been keeping in close touch with the Turkish Government, and I just, frankly, don't have enough details about the visit. I think it is easy to see that right now the Turkish Government is in the process of forming a new Government.

Q Are you not ready to announce your press staff changes?

MR. NESSEN: Not yet, Carroll.

Q Ron, is the President familiar with or aware of the newspaper story this morning with respect to the pension arrangement that his nominee Mr. Gibson has with Mr. Gibson's former company, and will this make any difference in the President's decision on that nomination?

MR. NESSEN: He is aware of the story in the newspaper that you refer to, and he will send the nomination of Mr. Gibson to the Senate for confirmation.

Q Was he aware of it when he made the nomination, Ron, do you know?

MR. NESSEN: I don't know what he was aware of when he made the nomination, Don.

Q He sees no conflict of interest or ethical difficulty connected with that large pension?

MR. NESSEN: The purpose of the confirmation process, not just for Mr. Gibson but for others, is to examine nominees of the President and decide whether to confirm them. I think that is the appropriate place to examine Mr. Gibson's background and come to a conclusion.

Q Do you mean that you just dump these ethical questions in the lap of Congress without factoring them into the White House thinking before these nominations are made?

MR. NESSEN: Certainly not, Jim.

Q The President does vouch for the ethics of his appointees, doesn't he?

MR. NESSEN: Of course, all the nominees are checked before they are nominated.

Q If the nomination goes ahead, it means the President does not find this to be a matter that disturbs him, isn't that right?

MR. NESSEN: He feels that Mr. Gibson is his nominee and that the other parts of the process are for the Congress, the Senate to decide whether Mr. Gibson meets its standards.

Q But he was not aware of the pension before he read it in the paper, right?

MR. NESSEN: I don't know at what point he became aware of it, Helen.

Q Is there an FBI or what is sometimes referred to as a field check or full field check on Mr. Gibson before the President made his decision?

MR. NESSEN: That is standard procedure for all appointees.

Q But for him to go up and meet the Senate standards, are you saying that he has met the White House standards?

MR. NESSEN: He certainly would not have been nominated, Bob, if he didn't meet the President's standards. I don't know of anybody the President has nominated who does not meet his standards.

Q That assumes this was known, doesn't it, Ron?

MR. NESSEN: As I say, I don't know at what point the President was aware of this story. Jim has brought out the point that all nominees are checked before they are nominated.

Q Does it mean, Ron, that the President is still standing behind him just as much as if this information were not known?

MR. NESSEN: John, why else would he send a nomination to the Senate if he didn't stand behind his nominees?

Q All we are trying to do is to get from you whether the President considers this a conflict of interests or not, and would you say whether he does or he doesn't?

MR. NESSEN: I haven't heard him say that he believes it is, and I am sure that if he believed it was, he would not send the nominee to Congress.

Q Ron, could you find out at what point he was aware of this fact -- not the story, but the fact of the severance arrangement?

MR. NESSEN: I will, Bill.

Q Ron, will you also try to find out who Maurice Stans was seeing?

MR. NESSEN: If he was here, I will try to find out. Myabe we can find out now and clear that up.

Q To return to the Gibson matter for one more question, if I may, I believe I saw published reports that the nomination of Mr. Gibson was decided on by the President without the knowledge of Secretary Morton. If my memory of those reports is correct, were those reports accurate?

MR. NESSEN: I don't know. I haven't see the reports, and I have never heard that.

Q Let me phrase it another way. Was Mr. Gibson a choice of Secretary Morton?

MR. NESSEN: I don't know that, Jim.

Q Ron, what sort of Administration, what sort of reaction has the Administration received from Tel Aviv from Israel on the statement you read yesterday about the PLO? Any?

MR. NESSEN: I am not aware of any.

Q The reason I ask is because we had a report out of Israel this morning that they were very apprehensive about the statement and in fact, there are a lot of unresolved questions they want to ask Secretary Kissinger when he gets there.

My question is, has the Administration moved to reassure Israel that that statement does not in any way reflect a change in policy?

MR. NESSEN: I don't know of any reassurance. I do want to emphasize that the statement that I read yesterday represents no change in American policy.

Q Ron, now that the election is over, can you tell us whether the President plans to make Cabinet changes. If so, when and who might be changed?

MR. NESSEN: I think Don Rumsfeld talked some about that Sunday on television, and I think basically the answer is that I know of no plans for any immediate change in the Cabinet.

Q Have you discussed that with the President?

MR. NESSEN: I have heard him talk about it.

Q Would you take "immediate" out of that sentence and say you know of no changes in the Cabinet?

MR. NESSEN: I certainly would.

Q Did you say you had heard him talk about it or had not?

MR. NESSEN: Had. I had heard him say just what I said, that he doesn't have any plans.

Q Ron, we heard him say that, too, at the press conference. That is what he said. But events --

MR. NESSEN: I have heard him outside of press conferences say the same thing he said to you publicly.

Q Have you heard him since Tuesday?

MR. NESSEN: Yes, I have.

Q Did he use the same words that he used in his press conference, Ron? He said in his press conference he had no specific plans. It seems to me the word specific was a qualifier.

MR. NESSEN: As opposed to no general plans to make changes in the Cabinet?

Q No, as opposed to no specific plans at this time, as opposed to maybe in the near future.

MR. NESSEN: What the President said to you at his news conference is what I have heard him say privately, and I have no reason to believe that he has changed what he told you at that news conference.

Q Did I understand you to say that you would get rid of the word immediate and the statement would still stand?

MR. NESSEN: I don't see that it changes the statement.

Q I thought I heard you say that.

MR. NESSEN: Right now there are no plans to change the Cabinet.

Q Ron, is Leonard Garment resigning?

MR. NESSEN: I have not heard of it.

Q Why is he selling his house and moving back to New York?

MR. NESSEN: Why don't you ask Leonard Garment?

Q Does the President have any plans for a Government appointment for Wiley Mayne?

MR. NESSEN: I haven't heard of any, Fran.

Q Or Joel Broyhill?

MR. NESSEN: I haven't heard of anybody.

Q Let's ask a general question on that if I might. You say you have heard him say he has no plans right now or no immediate plans for changes in his Cabinet. Have you heard him express any sentiments as to whether he will try to find places in his Administration for some of these defeated Republican Congressmen and Senators?

MR. NESSEN: I have heard Phil Jones say that, that he does plan to do that. I haven't heard the President say it though.

Q Do you have any change in the policy on Cuba as of the vote tomorrow?

MR. NESSEN: No.

Q So we are going to vote to keep the embargo?

MR. NESSEN: I don't know how we are going to vote, Helen. As you know, the Ambassador is down there and is working with the other InterAmerican countries on the vote to come, but I don't know how America is going to vote on that.

Q But there is a decision made, is there not?

MR. NESSEN: I am not sure whether there has been a decision made on how to vote.

Q It is the President's decision, isn't it?

MR. NESSEN: On how to vote? All foreign policy decisions are the President's decisions.

Q Ron, after the Mexican summit the President made very clear that the United States would oppose that particular move. Has he changed since then?

MR. NESSEN: I haven't heard anything to lead me to believe he has changed.

Q Ron, if you could bring me up to date, has anyone in the White House admitted or said that we are in a recession or not? Is this still the unmentionable term? I may have missed it.

MR. NESSEN: As far as I know, Les, the economic situation hasn't changed since the last time we talked about this. There are elements --

Q Has anybody mentioned the word "recession"? I mean has anybody from the President on in the Administration, I mean anyone in the White House admitted that we are in a recession or not?

MR. NESSEN: Well, if I can use my own words instead of accepting yours, the President and all of his advisors in the White House agree that the economic situation at the moment does not fit the classic pattern of a recession.

Q You said things haven't changed, but there was one thing I believe, Ron, that has changed, the unemployment went up over the past weekend to six percent. That is one of the things we were talking about before, and that does fit the classic pattern of a recession, six percent or more, does it not?

MR. NESSEN: It doesn't basically change what I was saying before, because unemployment was at 5.8, and then it went to 6. But the employment is quite high. Certain industries are doing extremely well. There are other factors that don't fit the classic pattern of a recession, and that hasn't changed.

Q May I ask what they are?

MR. NESSEN: The other factors that prevent this from being a recession?

Q Yes, please, because unemployment, six percent was the regular cutoff, I think, in classical economic figures.

MR. NESSEN: Just to take you back over the same ground again -- if you want to go -- the National Bureau of Economic Research is the outfit that officially declares recessions, and this Bureau has not declared this to be a recession.

Q Ron, with all due respect, that is misleading. They never get around to that until months after.

MR. NESSEN: Jim, with all due respect, the President has addressed this himself at his last news conference and there are certainly elements of the economy that are not doing well, and there are other elements that are doing well. The point of all this is that the downturn in the economy is caused by inflation. Now the President's message to Congress dealt with both inflation and the lagging economy.

You know, I can go through all of this ground with you again, but the basic situation hasn't changed, Jim. This Administration doesn't -- I think it is --

Q I don't want you to stand there and say that the Bureau has not declared it. The Bureau never gets around to that until months after.

MR. NESSEN: There are two factors in why no one here agrees this is a recession: One is it has not officially been declared a recession, and, secondly, there are elements of it which do not fit the classic pattern of a recession.

I think it is important for me to emphasize that there is nobody in this Administration, from the President on down, who takes the current economic situation lightly. It is serious. There is high inflation, and there are elements of the economy which are lagging, and there is unemployment at six percent. The President anticipated the unemployment by putting into his economic package two elements: one, a public service jobs program, and secondly, increased unemployment insurance programs.

The President has proposed those. Congress hasn't done a thing about them. So I think it is wrong to interpret this Administration as being callous or unaware of the difficulties in the economy. It is not. It simply does not fit the pattern of a recession, and the President has said himself the word "recession" does not change in a single way, or add a single person to the employment rolls. It is a semantic matter which doesn't change the figures or the human element of it at all.

Q Well, the President has a reputation for candor. Will you assure us that when it does fit all the classic elements of a recession that the President will so inform us?

MR. NESSEN: If it ever does, he certainly will. I am sure you will see to it that he goes.

Go ahead, Gaylord. Let's hear Gaylord's question. We have a short briefing today. Go ahead, Gaylord.

Q Ron, you mentioned that some portions of industry were doing well -- even during this particular time, and I think some of the profit reports show that a number of companies are doing extremely well, with profits ranging up to over 300 percent. The President's excess profits, the windfall profits tax proposal, I believe, applied only to oil companies?

MR. NESSEN: That is correct.

Q Does he plan to extend that to other industries?

MR. NESSEN: I will have to check that for you, Gaylord. I do call to your attention he has also proposed a surtax which would add five percent to the taxes of industry.

Q Did you ever get back a response to whether he expected the companies to absorb that five percent?

MR. NESSEN: I checked that, and the answer to that is that he expects the competitive situation will prevent companies from passing along the full five percent.

THE PRESS: Thank you.

END

(AT 12:09 P.M. EST)

AT 12:13 P.M. EST

MR. NESSEN: I made a mistake. One of my very few.

There was an urgency in naming a replacement for John Sawhill, and because of that urgency, the usual background checks were waived. Before the nomination is sent to the Senate, those checks will be completed.

Q Will that change the status of any of them? Do you anticipate it changing the status of any of them?

MR. NESSEN: Of any what?

Q Of the status of these people?

MR. NESSEN: There is only one that we are talking about, Mr. Gibson.

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Q Ron, does that mean the President was not aware of the status of the pension at the time he made the nomination?

MR. NESSEN: I don't know whether he was or not, Gaylord.

Q Then you are saying you are not sure he is going to send Mr. Gibson's name to the Senate, aren't you?

MR. NESSEN: Not at all, Bob.

MORE

Q I thought you said before the nomination was sent the check will be completed, right?

Q Ron, read the statement again.

MR. NESSEN: Let me read the statement again for those who did not get it the first time around.

"Because of the urgency of naming a replacement for John Sawhill the usual background checks were waived. Before the nominating process is completed, however --

Q You said before it was sent to the Senate before. So, this is a substantive change.

MR. NESSEN: Not a substantive change, before the nomination is sent to the Senate these checks will be completed.

Q Ron, what if you find out something in the check, which I think the purpose is, that precludes the nomination being sent?

MR. NESSEN: Let's see what the checks turn up, first, Bob, before we get into a hypothetical question.

Q So, I understand, you said you made a mistake. The mistake is in saying that his name will go to the Senate, a flat statement. Is that what you are withdrawing?

MR. NESSEN: No, I am not withdrawing that. What I am withdrawing is, I think Jim Deakin asked me whether these checks were made or asked me something about his background, and I said all nominees are checked out before they are nominated. What I am correcting is there was not a check made on him.

Q Ron, leaving aside the question, leaving aside the question of whether the President is or is not going to send this nomination, the fact is that the nomination is back here --

MR. NESSEN: Wait a minute. It is not back here.

Q Still here?

MR. NESSEN: It is still here. The Senate is not in session.

Q The nomination is still here because the Congress is not in session and you are saying that there will be a background check between now and the time the Congress resumes the lame duck session, is that correct?

MR. NESSEN: There will be a check made before the nomination is sent to the Senate.

Q In that sense, the President is holding up the nomination of Mr. Gibson, correct?

MR. NESSEN: No, that is incorrect, I think, Jim.

Q Until the background check is made?

MR. NESSEN: Don't you think the statement that before the nomination is sent to the Senate these checks will be completed --

Q Therefore it will not be sent until the investigation is completed?

MR. NESSEN: That simply turns the sentence around, but I don't see how that changes what we said.

Q Does the President still intend to nominate Mr. Gibson?

MR. NESSEN: As far as I know.

Q Except for the story today, then the President, to your knowledge, was still unaware of this severance arrangement?

MR. NESSEN: I don't know what he was aware of at what point, Bill, but I promised I would find out.

Q Has there been any direct conversation between the President and Mr. Gibson?

MR. NESSEN: I am not aware of any.

Q Ron, since there is still time, why was there such a rush to send the nomination?

MR. NESSEN: I think because there was an interest in getting somebody in that job in the energy program, which is an important program.

Q Ron, I don't understand that procedure for a minute. If you are going to run further background checks on the man and there is no change in your statement that the nomination is going to go to the Hill, then what is the use of running a background check?

Suppose they discover something more in the check? You mean it is still going up no matter what they discover in the check?

MR. NESSEN: I think you probably might have misunderstood what I told Bob. I said as far as I know the President still intends to nominate Mr. Gibson.

Q But the checks could turn up something that conceivably and hypothetically could result in the withdrawal?

MR. NESSEN: I have never liked to deal with hypothetical questions.

Q Is he in the job yet? Is Gibson in the job right now? As I understand it, he is.

MR. NESSEN: He is over there on a phase-in type thing.

Q What was the urgency?

Q Are you saying there were no checks at all made on him before the nomination was sent up?

MR. NESSEN: I am saying the usual background checks.

Q Which consists of what?

MR. NESSEN: He has had Government jobs before, so I assume there was some sort of background information on Mr. Gibson. I think it is correct that somebody said a full field FBI investigation is run on nominees.

Q But it was not on him.

Q Ron, is there any concern that that man has accepted a Presidential nomination to head a sensitive agency of Government while apparently he is receiving money from an oil company?

MR. NESSEN: I missed the first part. I didn't hear how your question began.

Q Obviously he did not tell the President about this?

MR. NESSEN: That is your assumption. I don't know that at all, Jim.

Q You said the President didn't know it.

MR. NESSEN: No, I didn't, I said I don't know what the President knew. I promised Bill, though, that I would find out.

Q What was the urgency of replacing Sawhill?

MR. NESSEN: I said to get somebody to run the energy agency.

Q Can he run the energy agency before he is confirmed by the Senate?

MR. NESSEN: There is a procedure for that, and I am not exactly sure what it is.

Q Has that procedure been followed? Is he now running the energy agency?

MR. NESSEN: I don't believe so. I think he is over there learning.

Q Ron, wasn't one of the reasons for the urgency to signal to the voters in response to pressure from Republican Congressmen that the President was firing the man who had proposed the 20-cent gasoline tax hike?

MR. NESSEN: I haven't head that.

Q You completely reversed the whole thing, Ron.

MR. NESSEN: I don't see that. I don't know what I can say beyond what I have said.

Q For example, what did the President tell you about this morning? It was obvious he discussed and then something happened.

MR. NESSEN: Why do you say obviously discussed?

Q If you came out here and gave us an answer without discussing it first with the President, that is important, it seems to me, because you were initially saying things to the effect that he was supporting and standing by.

MR. NESSEN: I think you really ought to check my answers before you quote back to me.

Q How about this question. Did you discuss it with the President beforehand, and what did he say about this?

MR. NESSEN: What I said before was what he said to me.

Q Ron, I would like to try to get, if possible, clear in my own mind precisely what is happening at this moment. A few days ago or week or so ago the President announced that he intended to nominate Mr. Gibson to succeed Mr. Sawhill.

That was a public announcement. You are now saying that before the nomination is sent to the Senate, the usual background check will be made. Is there any other possible interpretation on this than that?

MR. NESSEN: You might as well stop there, Jim. You know I am not going to give an interpretation. That is what you are in business for.

Q Let me just ask you this: Is the President holding up this nomination?

MR. NESSEN: Jim, the nomination will not go to the Senate until the usual checks are completed.

Q Who is running the FEA right now? Is Sawhill still there?

MR. NESSEN: We will have to get a precise status.

Q When was his cutoff date, John?

MR. CARLSON: When the new man has been confirmed.

MR. NESSEN: That is a point to make, that Sawhill will run the agency until the new man is confirmed.

Q What was the urgency then?

MR. NESSEN: To get someone in there, as the President said, that Rog Morton wanted on his team.

Q Basically, Sawhill said he wanted to stay until the operation independence report was out and worked on, which is different than running the day-to-day operation of the agency, which presumably Mr. Gibson would be doing.

Sawhill is not staying there to run the agency as the Administrator, he was there to stay on and work on that report specifically. Is that changed now? Is Gibson now sitting back and looking over his shoulder now while he runs the agency and works on the report or the other way around?

MR. NESSEN: As John said, Mr. Sawhill will be the Administrator of the FEA until a successor is confirmed by the Senate.

Q Ron, can you say whether the President has other individuals in mind should the decision be made not to confirm Mr. Gibson's nominations?

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

MORE

Q Ron, I gather from this -- you are talking about the investigations of the man. Do you mean updating his past FBI investigations?

MR. NESSEN: Certainly having held responsible Government jobs before -- I think I said maybe perhaps before you came in that I am sure there have been previous investigations.

Q I know, but it looks like the previous investigations, I thought this was one purpose or reason for naming the man, he was already in Government. They already knew about him.

Q But this occurred after his previous period of service.

MR. NESSEN: Let me answer Sarah's question. There is a procedure that has been instituted at the White House which is that even though you come directly from another Government agency, or if there is a short lapse, if there is any lapse, or you come right from another Government job, a fresh check is made, and I know of several cases here in the White House where that has been done.

Q That is real new then, isn't it, a real new policy?

MR. NESSEN: It is a new Administration. I don't know if it is new or not. I am telling you that is the policy now.

Q Ron, I was out for a while. I thought the briefing had ended.

MR. NESSEN: I thought so too.

Q Let me ask, a story in Newsweek on this subject says Morton was not apprised in advance of this.

MR. NESSEN: We dealt with that, and I don't know the answer to it, Bob.

Q Is it true that Gibson is --

MR. NESSEN: Why don't you call Rog Morton?

Q That is like calling McCloskey. (Laughter)

I was one of 200 to call Timmons yesterday, and you mentioned the number, but you didn't mention he didn't call back.

MR. NESSEN: He called a lot of people back.

Q Let's get at another part of that question. Is this gentleman, Mr. Gibson, a personal friend of the President?

MR. NESSEN: I don't know that, Bob, one way or the other.

Q Ron, if Secretary Morton was not aware of the appointment, or if you don't know if he was aware of the appointment, how could you have just said that the reason there was an urgency to get the appointment made was to give Morton the team he wanted?

MR. NESSEN: Norm, I said I don't know whether Morton was or was not aware of the appointment. You really ought to ask Rog that question.

Q If you don't know that, how can you know that the urgency was to give Morton his own team?

MR. NESSEN: The President said that, and I certainly have no reason to contradict the President.

Q There is every reason to believe that Mr. Gibson was not a member of Mr. Morton's team. That Mr. Morton didn't suggest Mr. Gibson. And that Mr. Morton didn't want Mr. Gibson. And that Mr. Morton didn't know anything about Mr. Gibson. And the whole thing came from the President. Is that correct?

MR. NESSEN: Or none of the above? Could I take that?

Q I mean was this the President's own appointment, or was this somebody recommended to him by Mr. Morton?

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

Q Ron, do you know whether the usual background checks were run on the other nominees who were announced that day, or whether they were not necessary?

Q Do you know who did recommend Mr. Gibson by any chance?

MR. NESSEN: I don't.

Q Would you find out about that?

MR. NESSEN: Yes.

Q Ron, going back to the first briefing. You said you talked to the President about this, and then you came out and you told us whatever it was you told us. You mean no dismay was expressed in that conversation about appointing a man to that important and sensitive a position who had an arrangement with an oil company that had employed him for 16 months to give him \$100,000 a year for ten years, question mark? (Laughter)

MR. NESSEN: What is the operative part of that question? Was there dismay?

Q No dismay, no question about the propriety, the ethics, the morality, the possible corruption.

MR. NESSEN: Well, I must say, just as a general point here, that I think probably we ought to wait for some official determination of what Mr. Gibson did or did not do, and not allow newspaper stories to be hardened into fact through their inclusion in questions.

Q Did anybody think of calling Mr. Gibson to ask him if it was true? Did you or the President think about that?

MR. NESSEN: He wasn't called as far as I know, Bob.

Q You see, my question doesn't --

Q Is there a plan to call him?

MR. NESSEN: I don't know.

Q --- mean that the story is necessarily true, but there was a report.

MR. NESSEN: I told you the President was not aware of the report.

Q My question is, being aware of that report, did he express no concern about the possible conflict of interest here?

MR. NESSEN: Well, I really think I will stick with what I said about his views on the Gibson nomination.

Q And you are not changing anything you said before we had the second briefing?

MR. NESSEN: The one thing I will change from my first briefing is that Jim, I believe, asked me about -- I forget how you worded the question, Jim -- but it had to do with backgrounds, checking background, and I said all nominees are checked before they are nominated, and when I went back I found in Mr. Gibson's case that had not been done. That is the one thing I am changing from my previous briefing.

THE PRESS: Thank you.

AT THE WHITE HOUSE

WITH JACK HUSHEN

AT 4:29 P.M. EST

NOVEMBER 7, 1974

THURSDAY

MR. HUSHEN: There were several questions left over from this morning's briefing regarding the nomination of Mr. Gibson to be head of the Federal Energy Office. We have tried to get as many answers as we can, and I think the best way to do it is to just let me take some of your questions again, after saying that the full field investigation was not skipped. It was waived temporarily while the President made the announcements. But in keeping with past practice, it was immediately initiated on Mr. Gibson and on the other individuals named that day, which was October 29, and will be completed before the names are sent to Capitol Hill.

The reason for the waiver, certainly in the case of Mr. Gibson, and in the case of all the others, is that they have all had full field investigations.

Q How long ago?

MR. HUSHEN: For Mr. Gibson, I believe it would have been the date of his last Federal appointment.

And what the FBI does in a case like this is to do an update from the last full field investigation rather than to do a complete new report.

Q What are they going to do now, another complete full field, or just an update?

MR. HUSHEN: No, they will do an update, and that is in process.

Q Isn't it customary, Jack, for the update or the full field investigation, either one, to be made before the nomination is announced rather than after? Isn't that the customary way?

MR. HUSHEN: Yes, it is customary to have the paperwork done in advance, but there are times when having it done in advance is waived in order to permit having the announcement of the nomination made.

Q Jack, I hope you anticipated having the question raised about what the President's reaction is to the newspaper reports about Mr. Gibson.

MR. HUSHEN: I have not seen the President, so I could not give you any answer to your question. I can tell you the President was not aware of these allegations at the time of the announcement.

Q When was he aware of the allegation?

MR. HUSHEN: He became aware of it as a result of press reports over the past couple of days.

Q Which would have been what, The Wall Street Journal and The Post?

MR. HUSHEN: I believe there was some apparently earlier account that did at least bring it to the attention of some White House people on Tuesday.

Q Jack, is it true?

MR. HUSHEN: Is what true?

Q That Gibson has a million dollar ten-year deal with the company he worked for?

MR. HUSHEN: I have no knowledge one way or the other on that.

Q Did the original FBI investigation turn this up?

MR. HUSHEN: Did the original?

Q Yes, before he became Maritime?

MR. HUSHEN: Well, he didn't have it then, did he, if in fact he has it? I don't want to be cute about the words, but that would have been something that would have come up --

Q Has this investigation, which has now begun, it wasn't started when the announcement was made, but the subsequent investigation has that turned up this information?

MR. HUSHEN: I am not aware of how far the FBI investigation has gone or what it has turned up, and I wouldn't be privileged to tell you about it if I was.

Q Has anyone called Mr. Gibson and asked him if it is true, anyone from the White House?

MR. HUSHEN: Not that I am aware of, but as part of the review that is done prior to the nomination going to the Hill, a review is done regarding any potential conflicts of interest, and the nominee is asked to turn over background information about himself, which Mr. Gibson has done.

Q Jack, would this be a conflict of interest in the view of the White House if it turns out to be true?

MR. HUSHEN: I am not prepared to respond to that.

Q Did anyone investigate the unusual circumstances under which this man is going to receive a million dollars from an oil company in severance pay where he could serve also as Federal Energy Administrator?

MR. HUSHEN: We know what the allegations are, but beyond that I am not prepared to respond until the update and the review are completed.

Q Have you any idea how long that will take, Jack?

MR. HUSHEN: I do not.

Wait a minute, Norm has a question over here.

Q Did anyone from the White House ask Mr. Gibson what is now being called the Eagleton question? Are there any skeletons in your closet that are going to embarrass us. Is that kind of question put to potential nominees?

MR. HUSHEN: I am not in the process of either working in the personnel office or passing on nominations, but, of course, just as a general rule, we try to avoid any kind of problems.

Q Who in the White House approached Mr. Gibson and offered him the job?

MR. HUSHEN: It is my understanding that Mr. Gibson's name was one of those that was kind of in a talent pool, and in the process of seeking a replacement for Mr. Sawhill, Mr. Gibson's name came to the top. The recommendations were passed through Secretary Morton for concurrence on their way to the President.

Q Jack, in reading over my notes, you say the investigation will be completed before the name goes to the Hill. I take it then there is no hesitancy on the part of the White House to submit the name to the Hill?

MR. HUSHEN: I didn't mean to imply that this was an automatic.

Q Is there some question as to whether the President will now send that name up to the Hill, the Gibson nomination?

MR. HUSHEN: We have an FBI update and a review going on and, until those are completed, we stand on the posture that it is the President's intention to nominate him.

Q Jack, is the FBI the only one conducting the investigation?

MR. HUSHEN: The FBI is conducting ---

Q I mean does it have sole responsibility for conducting the investigation? In other words, is the White House on its own, or are there other people in the Administration on their own also making inquiries, or is the White House relying entirely on the FBI?

MR. HUSHEN: Basically it is the function of the FBI.

Q Would the answer then be yes to my question?

MR. HUSHEN: I wouldn't want to rule out the Office of the President's Legal Counsel, for instance, from reviewing background information.

Q Would you take that question then and could we have an answer as soon as possible on that, whether the White House itself is asking him some very pointed questions about his background?

MR. HUSHEN: Well, I think I already said he turned over his background information to the White House.

Q Did it include this information?

Q To whom in the White House did he turn it over?

MR. HUSHEN: It was turned over to the Personnel Office. What happens to it from there, I just don't know. And I don't know what was included in it.

Q Is there anybody in the Administration who automatically looks for skeletons in high-level appointments? Seriously, is there somebody in the Administration who --

MR. HUSHEN: I thought maybe you were going to say the fourth branch.

Q -- has the responsibility of making sure the President is not embarrassed as he appears to be on the verge of being embarrassed in this case?

MR. HUSHEN: I will stand with the fact that the President is always going to be seeking to find the most qualified candidates.

Q Does somebody have this function on the White House staff? Is there somebody through whom high-level appointments go as a personal on behalf of the President type check as opposed to an FBI legal check, just to be sure this sort of thing doesn't happen?

MR. HUSHEN: I find it difficult to answer your question because part of the reason for the full field investigation and for the other reviews that take place is to seek to ferret out any information which would cause any problems.

Q Let me try it a different way. Is Scranton still on a talent hunt for the White House?

MR. HUSHEN: I don't believe he is.

Q Jack, I want to be absolutely sure I follow what you seem to be saying to us. First of all, you are saying that nobody has asked Mr. Gibson, from the White House, if in fact he is guilty of this type of thing. And, secondly, you are saying that you are not prepared to say that it is a conflict of interest when a man who is regulating the oil industry is receiving a million dollars from them?

MR. HUSHEN: You are telling me that something has been confirmed that I have no knowledge of it being confirmed.

Q He said "if".

MR. HUSHEN: So far as I know we have not confirmed it from this platform. I do not know what is in the information he turned over.

Q What I am asking basically is why you haven't just checked with Mr. Gibson. If you have not, why have you not?

MR. HUSHEN: That would be something that would fall to the President's Counsel's Office to do, and I think those processes are going on.

Q Well, he was here in town today. Did the President's Counsel's Office call him and ask him if he has made a million dollar deal, and if they did, what is the answer? It doesn't seem to me to be all that complicated.

MR. HUSHEN: I think we will have all the answers that we need to proceed.

Q By when?

MR. HUSHEN: But I think we may not have them quite as fast as you would like us to have them, but nothing has transpired other than the President's announcement of his intention to nominate Mr. Gibson.

Q Jack, can I follow up on that question? You were aware of this report, apparently, you say you think first on Tuesday, and you mean to say that in three days nobody from the White House has been in touch with Mr. Gibson to ask him if it was true?

MR. HUSHEN: I don't really think it surfaced until Wednesday when the Wall Street Journal story first appeared.

Q In either case then, two days now?

MR. HUSHEN: As I said a couple of times, the processes are underway to get at all the facts that we think are relevant and necessary.

Q Why can't you respond to a published report, to two published reports that have been in print for that period of time and not be able to say yet whether or not Mr. Gibson says it is true, aside from any allegations, or conflicts of interest, or anything else. Why can't somebody confirm that or deny it?

MR. HUSHEN: Has anybody tried to reach Mr. Gibson?

Q Yes, we have tried.

Q It was easier, I understand, earlier in the day.

MR. HUSHEN: I have had nothing to do with how easy or how hard it is. I will repeat what I just said to Bob, we will ascertain what the facts are in the processes that are now going on and have been going on Since October 29.

Q Don't you think the public has a right to know something about this?

MR. HUSHEN: The public will.

Q When? This is one of the primary general issues --

MR. HUSHEN: Let me ask you the question, what is happening to the nomination?

Q Nothing, but I think the public has a right to know. You say that this background check was not skipped, it was temporarily waived. That is a slight change from what Ron told us this morning by injecting the word --

MR. HUSHEN: I don't think so.

Q It certainly is. You are now saying temporarily waived, making it sound as though you intended to conduct these background checks right along.

MR. HUSHEN: We did.

Q He certainly didn't leave that impression this morning. He made it sound like they decided to do it after the word of all these arrangements came out.

MR. HUSHEN: I will have to check the briefing, but I don't think that was the case. He thought, as did I, that the update had been done in advance, as is normally the case. In this case it did not occur in advance. It was waived. The advance update was waived but was put into effect on the day of the nomination.

Q Jack, has there been a decision made here to the effect that if the allegations against Mr. Gibson are true that his nomination will not be submitted?

MR. HUSHEN: No.

Q The FBI update check began when, today?

MR. HUSHEN: No, on the 29th of October.

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Q The FBI began checking then?

MR. HUSHEN: The update on the full field investigation was ordered begun on October 29.

Q The day it was announced?

MR. HUSHEN: Yes.

Q Did the President learn of this possible conflict of interest through the updating of the FBI report?

MR. HUSHEN: They have not completed their report, and they have not given --

Q They have not passed any information on?

MR. HUSHEN: They have not passed any information on.

Q Jack, did the background information Mr. Gibson submitted include whatever his severance agreement is with Interstate Oil Transport?

MR. HUSHEN: I do not know that, but I will try to find out.

Q Jack, you are saying something different here than Ron said. He said that the usual background check was waived. You are saying now it was just waived before the announcement and that it was immediately ordered on the same day that he was announced.

MR. HUSHEN: That is correct. And I don't think Ron meant to give you the impression it was waived forever.

Q What does waive mean? Waived means you just forget about it.

MR. HUSHEN: No, it was waived in advance, which is the normal procedure, and that is what he said. That is what he said, that it was waived in advance.

Q He did not say anything about it being waived in advance as just a move to expedite the announcement. He said it was the urgency to replace Mr. Sawhill.

MR. HUSHEN: But that was to make the announcement.

Q Why was there an urgency on the announcement, Jack, in view of the fact that Congress was out of session and they couldn't consider this nomination?

MR. HUSHEN: I think Ron spelled that out very clearly. The President wanted to name a replacement for Mr. Sawhill for this important post as quickly as possible, and he picked somebody to nominate who had already undergone a full field investigation, and I am sure on the assumption that it would be a routine matter for the update. That often -- no, it does not often happen. The usual procedure is to do the investigation work in advance.

Q Sawhill is still on the job, Jack, and will apparently remain on the job until a successor is confirmed?

MR. HUSHEN: Or until Mr. Sawhill takes another post.

Q Is he getting another post?

MORE

MR. HUSHEN: Do you recall what the President said?

Q Yes, I do, but are you about to announce another post for him?

MR. HUSHEN: No, I am not.

Q Was this talent pool from which Gibson's name floated up one of those prepared by Scranton when he was a talent scout?

MR. HUSHEN: I don't know.

Q Can you find out who put his name in and who writes up this talent pool? Is it some GS-4 down on the lower level that comes up? I mean where did it start from and who physically put his name in ?

Q Jerry Jones' office?

MR. HUSHEN: Jerry Jones is not in the Personnel Office.

Q Dan Walker's office?

MR. HUSHEN: Bill Walker.

Q Can we find out?

MR. HUSHEN: We will try to get you some explanation on that.

Q But that list started here in the White House, is that true, or in the Interior, or FEA?

MR. HUSHEN: I believe it started in the White House.

Q How long has the President known Mr. Gibson?

MR. HUSHEN: He has known him on a professional basis. They are acquainted but it would be inaccurate to describe them as good friends.

Q I didn't ask that. I asked how long?

MR. HUSHEN: I don't have an answer to the number of days, weeks, and months, or years that they have known one another.

Q They are on a first name basis, are they not?

MR. HUSHEN: Yes, and how many other people are on a first name basis with the President?

Q I'm not.

Q Jack, are we to understand it was the President's decision to waive this updated investigation in the interest of expediency or did someone else have an input in this waiver?

MR. HUSHEN: I don't know.

Q Can I just make sure I understand you? These answers you have been giving to Bob about contact with Gibson, are you saying that, first, as Ron said earlier this morning, as far as you know there has been no contact between the President and Gibson on this matter since it surfaced?

Secondly --

MR. HUSHEN: That is true, to the best of my knowledge, anyway.

Q Secondly, that as far as you know there has been no contact between anybody else at the White House with Mr. Gibson to ask him if this is correct?

MR. HUSHEN: The way I will answer that question is the way I did before, that is, he has turned over background information to the White House.

Q Why can't you give me a direct answer to the question?

MR. HUSHEN: I am giving you the best answer that I can.

Q Are you saying then that you don't know the answer to my question? That is not an answer to the question.

MR. HUSHEN: Whether or not somebody has been in contact with him since this has surfaced?

Q Right.

MR. HUSHEN: I don't know the answer to that.

Q To ask him whether it is true. In other words, you don't know. Is that what it boils down to?

I am not trying to get you to say something that you don't feel you can say, but I would like an answer to my question.

MR. HUSHEN: That is why I am saying he has turned over this background information. Implicit in that is the fact that this information may be contained in that background information and, as a result of that, you know, this is an assumption that I am making that I

don't know whether it is true or not. But if it is true, then there would not be any need to contact him, because we already have the information, but I don't know if we got that information.

Q There are a lot of "ifs".

Q Can you take that question, Jack, and ask him specifically whether his financial statements are in that background information?

MR. HUSHEN: I will respond to all of these questions by saying, as I have already said, that the processes are ongoing and that, when we conclude with the update and the review, we will then make our determination.

Beyond that I am not going to go.

Q That is not the question I am asking. I am asking if you will take the question and find out whether he has submitted a financial statement along with his background statement that outlines his financial holdings?

MR. HUSHEN: I will stick with what I have said.

Q Jack, when was this background material submitted? Do you know that? Was it before the nomination was announced?

MR. HUSHEN: No.

Q Was it at someone's request in the White House?

MR. HUSHEN: No.

Q Was it since the Wall Street Journal story?

MR. HUSHEN: No.

Q So it was between the time of the announcement and the time that this alleged deal surfaced?

MR. HUSHEN: That is true. It was prior to the Wall Street Journal story.

Q Prior to the Wall Street Journal story but subsequent to the nomination?

MR. HUSHEN: Correct.

Q Jack, should these allegations prove to be true, do you think that it reveals a flaw in the manner in which these people are checked out? Because obviously, or apparently Mr. Gibson was checked out by the FBI before he fully severed his connection with a private company.

MR. HUSHEN: I am not going to speculate on that.

Q Jack, just in recollection now, did you say that you are not able to answer whether, if the allegations were proved true, it would automatically rule him out?

MR. HUSHEN: I am not going to jump to the end of this thing before we have had a chance to look into it properly.

Q But you haven't been given authority to say whether or not the allegations would constitute, if true, would constitute sufficient reason not to?

MR. HUSHEN: No.

Q Jack, is it possible that the Counsel's Office, or the President, could ask Mr. Gibson to abrogate this contract -- that is unilaterally reject this million dollar deal -- and then that his name could be submitted? Is that a thing that might be in the works?

MR. HUSHEN: I don't want to guess.

Q Is the Administration prepared for a long and testy fight in the Senate over the conflict?

By the way, does this require Senate confirmation?

MR. HUSHEN: Yes, it does.

Q When will this process end, Jack, this update?

MR. HUSHEN: I don't really know.

Q Is it tomorrow, or the next day, or is it a long process?

MR. HUSHEN: It is hard to get an answer to give you until it is completed.

Q Do you have any idea? What kind of schedule?

Q Jack, do you expect a decision on whether to send the nomination to the Hill prior to Mr. Ford's departure for Japan?

MR. HUSHEN: I don't want to give you a date when I would just be guessing.

Q Jack, can you tell us what is on the schedule for tomorrow while you are here?

MR. HUSHEN: I don't know, I have not seen tomorrow's schedule.

Q You did say that the recommendation did sift up through Secretary Morton, that he, in effect, did approve the recommendation for Gibson?

MR. HUSHEN: He concurred in the names that were sent to the President.

THE PRESS: Thank you.

END (AT 4:53 P.M. EST)

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