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NEWS CONFERENCE

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AT THE WHITE HOUSE

WITH RON NESSEN

AT 12:12 P.M. EST

JANUARY 7, 1975

TUESDAY

MR. NESSEN: The President came to work at 7:45 a.m. this morning. The schedule shows an economic meeting taking place at 11:00, and that actually has been changed to 3:00. The extra time was needed in order for the Economic Policy Board to assemble some material that the President had asked for for that meeting.

At 1:00 the President will depart for the Sheraton Park Hotel to attend the NCAA Honors Luncheon and to receive the NCAA's highest award, the Theodore Roosevelt Award. The President will be back here by 2:10 p.m. At 10 minutes to one, the pool should go out with Bill.

At 2:30 this afternoon, the President will meet with Secretary of Defense Schlesinger.

Q About what?

MR. NESSEN: Just general departmental matters.

At 3:00 the President will meet with his economic advisers, as I mentioned.

At 3:30 p.m., the President will meet with Roy Ash and his staff to review some of the issues that remain outstanding with regard to the budget for fiscal year 1976.

At 4:30 p.m., the President will meet with the American Ambassadors to Cyprus, Greece and Turkey to review with them the progress towards a Cyprus settlement. The Ambassadors' names are -- the American Ambassador to Cyprus is William R. Crawford, the American Ambassador to Greece is Jack B. Kubisch and the American Ambassador to Turkey is William B. Macomber.

That is all I have.

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Q Ron, since the President, I understand, supported Dr. Kissinger's remark about use of force in the event of oil strangulation, I am wondering why, if the President sets foreign policy, why does he allow the continued delivery of 126 F-5-E jets and \$600 million worth of naval equipment to Saudi Arabia? In other words, if he indicates we might use force, why do we continue delivering these jets to Saudi Arabia, I mean, if we are to take this serious?

MR. NESSEN: I think you have to read Dr. Kissinger's remarks in Business Week very carefully.

Q I have.

MR. NESSEN: Have you?

Q Yes, and I just wonder why we are continuing to send this high-level equipment to a country that might have this used against our troops.

MR. NESSEN: I don't understand the question, because I don't know of any plans to use American troops or any other equipment against us in Saudi Arabia.

Q What did he mean by force?

MR. NESSEN: If you would like to, I can go through Dr. Kissinger's remarks. The question seems to be a non sequitur to me.

Do you want to hear Dr. Kissinger's remarks?

Q May I ask a two-part question on Vietnam? One, was the U. S. National Guard put on any sort of alert yesterday relative to South Vietnam, and secondly, is the Administration planning to request any increase in emergency military assistance to the Saigon government?

MR. NESSEN: The National Guard question really needs to be addressed to the 50 Governors, since they are under the command of the 50 Governors. I am told that the Wisconsin National Guard was put on alert because of the Indian uprising in some area, but you would have to check with the other 49 Governors to see if they have alerted their Guard troops.

As for the question of the aid, would you say that question again?

Q The question was, is the President, is the Administration, planning to request any emergency military assistance -- by that I mean materiel -- for South Vietnam in light of the current military crisis over there?

MR. NESSEN: I don't know of any emergency military aid that is going to be requested, Walt. You probably recall when the President signed the aid bill he said that he would be discussing with Congressional leaders the next step in aid for South Vietnam, and I don't know of anything beyond that.

Q Ron, will the President step up delivery of aid already allocated to Vietnam?

MR. NESSEN: I don't know of any plans like that.

Q Does the President have the right to call up the National Guard in cases of national emergency?

MR. NESSEN: Does he have the authority? It seems to me on occasion he has called the National Guard.

Q For instance, President Kennedy activated the National Guard during the Berlin Crisis, so it seems to me the question Walt asked is a legitimate one.

MR. NESSEN: In all seriousness, there was no alert of the National Guard yesterday.

Q Ron, to carry that a step further, were any military units alerted or deployed in connection with the fighting in Southeast Asia?

MR. NESSEN: Not that I know of.

Q How about the Enterprise?

MR. NESSEN: What about it?

Q Is it moving toward Saigon or into the Indian Ocean?

MR. NESSEN: The Pentagon has just had a briefing, at which it said that the Enterprise and some other ships had left Subic Bay, heading in a direction that did not take it near South Vietnam, that it was going straight to the Straits of Malacca and that this particular movement is not in any way connected with anything going on in Indochina.

Q Is it connected with any other movement or anything going on anywhere else?

MR. NESSEN: Not that I know of.

Q Ron, what is the nature of the reports the President is receiving on what is going on in Indochina? Is he concerned about the step-up in fighting there?

MR. NESSEN: He is concerned, and he is watching the situation closely.

Q Might that be a topic of discussion or the reason for the meeting with Secretary Schlesinger this afternoon?

MR. NESSEN: As an ex-reporter, I thought that would be a question, so I called Secretary Schlesinger before I came out here, and he said that the meeting was to handle routine matters. I said how about Vietnam, and he said he didn't plan to bring it up.

Q Is there any possibility that the President would send troops back into Vietnam?

MR. NESSEN: He is forbidden by law to do that, Helen.

Q Ron, could you foresee any circumstances when the Congress convenes that the President might have to go to the Congress and ask them to change that at all? Has he given that any thought?

MR. NESSEN: You know, that is awfully hypothetical, Bob.

Q It really isn't because Secretary Schlesinger last year said that he thought that if the North Vietnamese want an offense similar to the ones they have launched in the past, that the President might go to the Congress and ask them to change the law, and he thought the Congress would go along with it.

We had a different President in those days, but we still have the same Secretary of Defense.

MR. NESSEN: I just don't see any need to speculate on what might happen down the path based on some hypothetical possibility.

Q Ron, there was a report that the Enterprise is going to a location "half-way around the world." Is it going to the Middle East?

MR. NESSEN: Not that I am aware of.

Q Ron, are we doing anything to help the South Vietnamese in this present military crisis? Anything additional?

MR. NESSEN: Beyond the aid program?

Q Beyond what is in the pipeline now, yes.

MR. NESSEN: Not that I am aware of.

Q In light of the military events of the last few weeks in South Vietnam and in Cambodia, are we taking any action to aid our long-time allies in Indochina?

MR. NESSEN: The President is expressing concern today and saying that he is watching the situation closely.

Q Who is he expressing it to?

MR. NESSEN: He is expressing it to you.

Q That is nice, but is he also sending messages to leaders and to North Vietnam, Hanoi or --

MR. NESSEN: The State Department issued a statement on Friday, which you might be aware of, and it certainly is Administration policy, saying that the stepped-up fighting there violates the peace agreements. It shows that North Vietnam is turning away from the path of the negotiation to the path of war, and it imposes suffering on the civilian population of South Vietnam.

It also contradicts claims by North Vietnam that it is the United States and South Vietnam which are violating the agreements and standing in the way of peace.

Q Ron, in what you have said about the President's attitude toward this situation this morning, that he is concerned and he is watching the situation closely, in all other respects that does not have much of a sense of urgency about it. Are there any contingency plans that the President is reviewing for South Vietnam?

MR. NESSEN: Tom, we never talk about contingency plans, you know that.

Q I am not asking for specifics, I am just asking on whether he is reviewing any contingencies.

MR. NESSEN: I am not aware that he is.

Q Is he reviewing his options?

MR. NESSEN: He is watching the situation closely.

Q Who has the President conferred with on this?

MR. NESSEN: Today?

Q In the last few days.

MR. NESSEN: He has met with Dr. Kissinger and Brent Scowcroft.

Q On Vietnam, Ron? I didn't hear the question.

MR. NESSEN: I have to assume that in their daily meeting on world affairs that it must have come up.

Q Ron, on the meeting with Secretary Schlesinger, you said that Secretary Schlesinger told you he didn't plan to bring up the subject. Who requested this meeting, who arranged it?

MR. NESSEN: Secretary Schlesinger requested it.

Q Secretary Schlesinger requested it?

MR. NESSEN: Yes.

Q Could I have a question on semantics?

MR. NESSEN: Yes.

Q Several answers this morning, several times you said "not that I am aware of." Is that another way of saying no in speaking for the President, because you leave a gap, obviously.

MR. NESSEN: I have tried to gather as much information on this issue as I can because I was aware that it would be a matter of interest today. So, it is not that I have just been sitting around my office all morning. I did spend quite some time today gathering up what I could on this, and my answers are the result of that research.

Q Do you mean to leave a little gap, Ron?

MR. NESSEN: I don't mean to leave a little gap. I mean to say that I have been as exhaustive as I can in my research and my answers reflect that.

Q Ron, does that mean that you are convinced that it is purely coincidental, the movement of the Enterprise with the activity in Indochina? If it is, can you tell us why the Enterprise is moving the way it is?

MR. NESSEN: You mean where is it going or what?

Q I am just curious about the circumstances of its movement. Are you saying it has nothing to do with any activity in Indochina, first of all?

MR. NESSEN: That is what the Pentagon has said, and that is what I have been able to determine, not in any way connected with anything going on in Indochina.

Q To what is it connected? Why is it moving the way it is?

MR. NESSEN: You really have to check with the Pentagon on the details of ship movements and why they move.

Q Do you know when it went to Subic Bay and how long it was there?

MR. NESSEN: That is really something that the Pentagon needs to answer. I don't keep track of the ship movements over here.

Q Is it connected with the Middle East?

MR. NESSEN: Not that I am aware of.

Q Ron, has the President determined if the offensive by the North Vietnamese is a violation of the United States' understanding of the agreement in 1972 with North Vietnam?

MR. NESSEN: I just said they violate the peace agreements.

Q Has the President decided he may be losing the initiative to the Congress on the economy and, therefore, will come up with an economic plan before the State of the Union?

MR. NESSEN: There has been no decision on that, Tom.

Q Is he considering coming out with his economic plan before the State of the Union?

MR. NESSEN: There has been no decision made on it.

Q I thought you said earlier that he would make his announcement with the State of the Union.

MR. NESSEN: That is right, and that is where it stands now, no change.

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Q Ron, this week's Newsweek had an item in which it said that Alan Greenspan has given the President a 26-page document proposing an about-face on basic economic policy in the return to the free market system and lower taxes -- very comprehensive, very basic -- and also says that the President was impressed. Is there such a document? Has it been presented to the President, and was he impressed?

MR. NESSEN: Well, there is a document by Al Greenspan in which he goes into some depth on what he believes to be some of the fundamental problems in the economy and what causes them and some suggested long-range cures for them, and the President has seen it.

Now, whether the President is impressed by it or not, I can't say.

Q Ron, let me just go back to Vietnam a minute. Does the Administration have any feeling on what the North Vietnamese are up to, or what is the point of this new drive? Do they think this is the beginning of an offensive, or any way you can tell what is going on there?

MR. NESSEN: I really think we can't speculate on what their motives are.

Q I would like to ask a question on Vietnam, too. Has the President and the Administration resigned itself to the possibility or the fact that there is nothing this Administration can do because of Congressional restrictions, nothing the Administration can do militarily, to prevent the fall of South Vietnam, should that become an eventual cause of the Congressional restrictions?

MR. NESSEN: That is an awfully hypothetical question, Walt. I don't see how I can answer that.

Q It is essentially a legal question. Is the Administration persuaded, because of the restrictions that Congress has placed on foreign policy in Southeast Asia, that there is no military action available to it to prevent the fall of South Vietnam?

MR. NESSEN: Well, the United States and the President are going to certainly live up to the law.

Q Ron, on that subject, does the President interpret the law as forbidding any air action by the United States over South Vietnam?

MR. NESSEN: In what sense?

Q Bombing?

MR. NESSEN: Oh, yes.

Q Ron, do you anticipate any announcement of Cabinet changes this week, and two, is the Administration encountering difficulty, as Melvin Laird and other have suggested, in attracting people to an interest in coming to Washington to top level jobs?

MR. NESSEN: Well, it is hard to set a timetable on when we will announce things, because as you know, these will all have to go through the clearance process. I don't know of any difficulty in attracting people to Washington to work with the President.

Q Ron, since the CIA is being investigated, among other things, for the destabilizing of the government in Chile, I was wondering --

MR. NESSEN: Let me straighten something out there.

Gaylord, at the moment, the plan is to announce the economic and energy proposals in the State of the Union. There has been no change at the moment in that plan.

Q Let me ask you this; has the President decided on an income tax cut?

MR. NESSEN: Oh, Gaylord. Everyday you ask the same question.

Q Has he?

MR. NESSEN: I told you, the President has requested no discussion of what his proposals may be.

Q Ron, can I come back to what my question was?

Q Ron, along that same line, if I might, because you have been asked several questions about the timing of the President's economic and energy program --

MR. NESSEN: Yes.

Q It has become known or evident that the Democrats plan to announce a program of their own very soon after Congress convenes, possibly even a day or so before or right at the moment Congress convenes. Has the President concluded that it would be advisable for him to announce his program prior to the Democratic announcement? In considering this, does he think it would be a good idea for him to announce his before their's or after it?

MR. NESSEN: Well, as you know, we have not set a date for the State of the Union speech yet, and I heard the President talk about that the other day and his conclusion was that he sees no connection between the Democratic proposals and his own as far as timing goes.

In other words, the timing of the Democratic proposal is not a factor in the selection of the date for him to give the State of the Union speech.

Q Ron, could I finish this question that I was asking and you interrupted right in the middle to go to the back.

Since the CIA is being investigated for, among other things, the destabilizing of Chile's government, I was wondering if the President is concerned about individuals and groups in the U. S. who are funding terrorist groups seeking to destabilize the governments in Northern Ireland or Southern Africa? Is the President concerned about it?

MR. NESSEN: Oh, I think the President's views on terrorism are pretty well-known, Les.

Q Well, does he think that there should be any investigation of such groups, organizations or individuals who are funding organizations like this?

MR. NESSEN: Well, if they violate American laws, they certainly would be subject to investigation and the penalties.

Q Thank you.

Q In the December 11th speech to the Business Council, the President said something to the effect that "When Congress reconvenes, I will have on their desks proposals," and I think, at the time, he said in the area of the economy. Has that been totally scrapped? Does the President plan to have anything ready for the Congress when they return in the way of a shopping list to put this legislation in?

MR. NESSEN: It is possible that either on the day they return or at least by the time they have gotten the preliminary organization out of the way and are ready to go to work that he will have it on their desks.

Q I thought you said there was not going to be a laundry list?

MR. NESSEN: I was not answering the laundry list part of your question, I was answering the economic and energy part of the question.

Q What you are really saying now is that it is not necessarily that it will be the State of the Union, as you said, and at this moment --

MR. NESSEN: I said we have not set the date of the State of the Union yet, Helen.

Q So, this would go with the State of the Union?

MR. NESSEN: By the time they are ready to go to work and have organized, they will have on their desks the President's proposals.

Q On the economy and energy?

MR. NESSEN: Yes.

Q Ron, they organized during December, so they are all set.

MR. NESSEN: The Senate is not. The Senate has not picked it's leaders yet.

Q Ron, is the President thinking of having his State of the Union address the week of the 14th?

MR. NESSEN: No date has been selected yet, Gaylord.

Q Is he thinking about moving it up a little?

MR. NESSEN: Moving it up from what?

Q Before the date of the 20th?

MR. NESSEN: No date was ever set for the State of the Union, so it is not possible to move it up or back. I said within a week after Congress comes back.

Q Ron, has drafting begun on the State of the Union yet?

MR. NESSEN: There has been some work done on the words of the State of the Union.

Q Will the Secretary of State be attending the 4:30 meeting with the Ambassadors, and the second part, is this leading to a new U. S. initiative on Cyprus, diplomatic?

MR. NESSEN: Let's see what we know about that. Dr. Kissinger and General Scowcroft will be there. The purpose is to review steps taken so far and to underscore the importance of progress, but no discussion of any new proposals.

Q Can you give us the answers today to any of the questions you could not answer yesterday relative to Secretary Brezhnev?

MR. NESSEN: Probably not.

Q How is he?

Q Could you answer the question, has the President called Mrs. Brezhnev?

MR. NESSEN: I can answer some of those questions. The President has not called him or sent a message. Frankly, I think it is inappropriate for the White House to make any comment or give out any information, if there were any, on the health of a foreign leader. Specifically, there has been no phone call or message.

Q Ron, did anybody ask you yesterday if the President had reacted to that new Harris poll?

MR. NESSEN: He didn't. You know, he reads the papers. Is this the 86 percent that don't think he is doing well on the economy?

Q Right.

MR. NESSEN: No, he is aware of it. He reads the papers, but I think he told Helen or some other people who have asked him about his reaction to polls that he just goes along and just does what he thinks is right and the polls don't bother him.

I think it is interesting sometimes to see how opinion of a man's leadership quality changes. For instance, here is something that someone wrote about Franklin D. Roosevelt in 1932 --

Q Is this the Walter Lippman quote? If it is, we already know it.

MR. NESSEN: For those who are not as literate as you are, Jim, "He is a pleasant man, who, without any important qualifications for the office, would very much like to be President." Walter Lippman on Franklin Roosevelt.

Now, how the polls don't bother the President -- he really feels that he is going to do what he thinks is right and let people decide how it turns out.

Q When the President read the papers this morning, did he read the Washington Post editorial, sharply critical of the NCAA and college sports and particularly college football and things like that?

MR. NESSEN: I think he did, sure. He always reads the Post's editorials.

Q And his reaction to you was?

MR. NESSEN: He didn't have any. We talked about other stuff this morning.

Q Ron, directly or indirectly, has the President asked for Alexander Butterfield's resignation?

MR. NESSEN: We will just have to wait and announce personal stuff as it comes up.

Q If he leaves, would it be because he revealed the tapes?

MR. NESSEN: If and when he leaves, it would not be because he revealed the tapes.

Q What would it be for?

MR. NESSEN: It might be that he would like to return to private life.

Q That is not what we hear.

MR. NESSEN: What do you hear? Share it with us. I have not heard anything.

Q He would like to stay.

MR. NESSEN: He is staying isn't he? He is there working away every day.

Q Is the President dissatisfied with his performance at the FAA?

MR. NESSEN: I guess if he was he would have gone by now, would he not?

Q Is the President aware that Butterfield, in order to take the Chairmanship, had to resign from the United States Air Force and give up all his pension rights?

MR. NESSEN: I don't know that he is specifically aware of that. It was before his time. It was before President Ford came here, I think, John.

What would prompt that question?

Q The fact that it did happen, that the law required that if he took that Chairmanship he had to resign his position and give up all his military rights.

MR. NESSEN: I don't see the connection with anything involving President Ford.

Q It involves the United States Government.

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Q Would the President restore those rights if the President asked Mr. Butterfield to resign?

MR. NESSEN: Look, Mr. Butterfield is Administrator of the FAA and goes on being Administrator of the FAA, and there is no resignation or retirement or anything to announce..

Q Does the President want him to remain as Administrator of the FAA?

MR. NESSEN: As I said, if he didn't, he would have been gone by now, Gaylord.

Q Ron, is the President aware of the movement of the Enterprise and the other Naval ships?

MR. NESSEN: Yes.

Q Is he usually aware of such movements?

MR. NESSEN: He is aware of this one because I mentioned it to him, which is not to say that he didn't know about it before I mentioned it to him, but as I say, as part of my research project this morning, I wanted to go over as many possible Vietnam questions as I could.

So, I am sure he was aware of it before, but he certainly is aware of it because I talked to him about it.

Q And you cannot give any reason for this large Naval movement except that they are going to the Malacca Straits?

MR. NESSEN: I can't give you any reason for it, Bill, but it is not connected in any way with what is going on in Indochina.

Q Did the President know of the movement?

MR. NESSEN: I don't know whether technically as Commander-in-Chief he orders all troop movements, ship movements, or not.

Q Did he specifically order this one?

MR. NESSEN: It is a routine movement which did not involve the President.

Q Are you saying that you cannot tell us where it is going, you don't know?

MR. NESSEN: We never tell ship movements, Mort. I mean, it is only in that sense that I cannot tell you. It is not in the sense that it is on some secret mission. It is only standard procedure that you just don't tell where American Navy ships are going except that in this case to answer questions we have said it is not going to Indochina and its movement has no connection with anything going on in Indochina.

Q I know you were asked this before, but I hope I am phrasing it slightly differently. Can you give us the same assurance with respect to the Eastern Mediterranean, that it is not going there?

Q Nor to the Indian Ocean?

MR. NESSEN: It has got to go somewhere.

Q Is it possible that you want to keep other people as confused as we are?

MR. NESSEN: I don't see why you should be confused, Bill. We don't talk about ship movements, but because of the interest we are saying that --

Q What about my question, the Eastern Mediterranean?

MR. NESSEN: I just don't think we can tell where it is going.

Q The Friday State Department statement on North Vietnam, did that represent a formal protest to North Vietnam or is there another one in the works?

MR. NESSEN: I am not sure what the context was of the State Department announcement.

Q If the President has determined they violated the peace agreement, is he going to formally protest?

MR. NESSEN: I will check that for you. I am not sure.

Q Ron, if we continue sending sophisticated equipment to the OPEC states, how can the public take seriously Kissinger's message of the use of force?

MR. NESSEN: I would not know how to answer that question, Les. It might better be addressed to the Pentagon.

Mort?

Q Ron, if the President is asked to extend the amnesty program, what will his reaction be?

MR. NESSEN: As I understand it, Senator Goodell indicated yesterday that he was going to launch this TV advertising campaign, and I guess I saw one somewhere this morning so it must have started. We'll see how that does before recommending or taking any other action.

Q Who is paying for the TV on that?

MR. NESSEN: I guess it is one of those Ad Council things where people can -- it is contributions.

Bob?

Q Ron, almost all oil companies in the last several months have been pumping and distributing more than 100 percent, as much as 105 percent, of allocations over 1972 and 1973.

MR. NESSEN: Yes.

Q Has any order gone out from the White House -- and I include anybody from the EOB or the New EOB --

MR. NESSEN: What is the New EOB? Is that where the FEA is located?

Q Right. -- ordered the new companies or ordered the oil companies to begin allocations next month?

MR. NESSEN: I have not heard of any.

Q Particular allocation.

MR. NESSEN: I have not heard of any, but I would think by next month -- next month would be February.

Q But allocations are set this month for next month.

MR. NESSEN: I have not heard of any.

Q No word out from the White House or the Administration to the companies to tighten up the allocations?

MR. NESSEN: Not that I know of.

Bob?

Q It is my understanding that gold was selling on the world market at \$160 an ounce yesterday.

MR. NESSEN: Yes.

Q Treasury was selling gold here in the United States for \$153.

MR. NESSEN: Yes.

Q Doesn't that mean that the United States is losing money?

MR. NESSEN: Take your gold and turn right around and sell it on the world market? I don't know. I don't understand all the workings of the gold market, except that what happened yesterday pleased Secretary Simon because he talked about it this morning, and it indicates that there was no great gold rush as people feared, and people's savings and so forth would not be all sucked up in the gold market.

That was an auction, so it was sort of a market price that was set by demand for the gold or lack of demand for the gold, I guess. I suppose if you tried to buy it in the United States at \$153 and dump it on the world market, the world market price would pretty quickly come down, so you could not make any money, but that is a layman's opinion. What do I know about the economy?

Q Ron, any more bills?

MR. NESSEN: I am told there are three more bills that have the expiration date of the 10th, which is three more days. These, I think, were these three bills we told you out in Vail were late coming from Congress. I don't think they are important.

Just a moment. There are two more bills, Carroll.

Q When you were asked about the polls, I know that you gave a rather humorous response, but I am wondering, on paper, at least, it makes it look like the President really does not seem to care too much what people think about his program, that he is going to go ahead and do what he wants to.

Those figures are rather striking, that 86 percent of the public gave him a negative rating on his handling of the economy. Do you want to expand on your response to that question?

MR. NESSEN: Only to say that let's wait. I mean, he has been President now since August 9, and this is January, five months. Let's wait and see what the reaction is to his economic program, Dick, when he puts it out, and his energy program. I don't know what other response there could be to that. He believes that what he is about to do is best for the country and best for the economy.

Q A lot of folks are out of work now that were not out of work when he came into office.

MR. NESSEN: Right.

Q There obviously is a general concern that Greenspan referred to yesterday in his testimony. Does the President share Greenspan's feeling that the public attitude is bad, that something has to be done to inspire new confidence? I guess I am finding it hard to articulate what I am saying.

MR. NESSEN: I noticed that.

Q His standing at the polls suggested a lot of people don't have the kind of confidence in him that he thinks they ought to have.

MR. NESSEN: His economic program is not going to be based on what he thinks will make him popular. His economic program will be based on what he thinks will be best for the country and the economy. Obviously, the President believes that what he does will improve the economy, and if the economy improves, I think you will see that his rating will go up.

The economy is bad. I mean, he is the first to admit that and he said as much. Nobody is trying to kid anybody about what shape the economy is in.

Q Alan Greenspan and others have complained that part of the reasons for the troubles that the economy now finds itself in are lack of consumer confidence. What did the President think was the reason for that lack of consumer confidence?

MR. NESSEN: Let me just preface that by saying that part of the economic message will be directed to improving confidence as well as curing specific ailments with the economy, but there are a lot of people out of work, inflation is still high, interest rates are high, although coming down.

One of the things that shakes people's confidence is that even though they still have jobs, when they see so many other people getting laid off each month, they tend to worry about will they be next and, therefore, they become more conservative in their spending and so forth, and all the economic advisers agree that that is one of the causes of consumer lack of confidence.

THE PRESS: Thank you, Ron.

END (AT 12:48 P.M. EST)