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NEWS CONFERENCE

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AT THE WHITE HOUSE

WITH RON NESSEN

AT 1:40 P.M. EST

FEBRUARY 7, 1975

FRIDAY

MR. NESSEN: Since I have grown so pudgy, I decided that one way to lose weight was to have my briefing during the lunch hour so I couldn't eat lunch. (Laughter.)

Q What you have done is, you have really immobilized us for several hours. Wouldn't it be possible -- if you could come out at 11:30, whether you were complete or not, and if you were not ready to brief then -- maybe to come back at 2:30 or 3:00 because we have other appointments around town. We have other things we have to do. I realize this is bad, but there have been other days nearly as bad as this.

MR. NESSEN: Today I couldn't even do that.

Q If you could have some sort of schedule where we could --

MR. NESSEN: Today I could not do it. We put a wire note out saying the briefing would be 12:30, and then we announced on the loudspeaker it would be between 1:00 and 1:30.

Q When you do that, you still immobilize us for some time.

MR. NESSEN: I apologize, but today was a day that circumstances were such that --

Q I realize you have your problems, but we have our's, too, and if we could work together something -- an afternoon briefing is not a bad thing anyway, and maybe we should have them occasionally anyway, rather than have it this way.

MR. NESSEN: I will try to work out something to avoid keeping everybody sitting around like this.

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As you know, the President dropped by the State Dining Room to greet the 100 young people selected as the 1975 delegates for the Senate Youth Program. This program was established in 1962 by Senate resolution, and it is funded by the William Randolph Hearst Foundation.

This is so that student body leaders from the 50 States and the District of Columbia can come here and learn about public issues and the operations of their government. The President spoke there briefly about his energy and economic programs.

Q Do you have a text?

MR. NESSEN: It was just impromptu and informal.

Then the President went to the swearing-in of the new Attorney General, Edward Levi, which some of you know about, or were there. We do have copies of the President's as delivered remarks there.

The President and Mrs. Ford plan to depart early this evening for Camp David to spend the weekend. Tentatively, the departure is between 6:00 and 7:00. They will go there by helicopter.

There are no events planned at Camp David. We will be in touch with Camp David by telephone from here. Nobody from the Press Office will go up. You can check with the Press Office here on Saturday, and on Sunday, call the White House switchboard and ask for the Press Office person-on-duty and they will talk to you from home. I don't have, at the moment, their scheduled return time.

We are also announcing today that the President will go to New York City next Thursday to make a speech to the New York Society of Security Analysts. The President is expected to leave Andrews Air Force Base at 3:10 on Thursday afternoon and speak to the Security Analysts at 4:30 on Thursday afternoon. This is a nonprofit organization of about 5,000 stock market analysts.

Q Increasingly nonprofit.

Q How many?

MR. NESSEN: Five thousand. I don't know how many will attend.

Q Where is that going to be?

MR. NESSEN: The location of the speech is at the Society's headquarters on Wall Street, and that is open for full press coverage. We have some people up there already making arrangements.

While he is in New York, the President will stop at the Salute to the Vice President Dinner at the Waldorf Astoria, hosted by the New York Republican State Committee. The President will make some remarks at that dinner. Some of the press which normally cover the Vice President will be traveling on the White House press plane because the Vice President is going to fly to New York on his own plane.

The contact in New York for information on the Rockefeller dinner is Joe Canzeri, or Roger White. The Area Code is 914, and the phone number is 631-3090.

Q That is for which one?

MR. NESSEN: That is the contact for Rockefeller. I guess the New York Security Analysts' number must be in the phone book.

Q What time does that take place?

MR. NESSEN: The Security Analysts --

Q -- no, Rockefeller.

MR. NESSEN: It is in the evening, but I do not have the exact time.

The President will come back to Washington that evening from New York, and the press will stay overnight at J.F.K. (Laughter.)

Here are some additional details on the trip to Houston and Topeka. The President will probably leave Andrews around the middle of the day on Monday. We do not have an exact time yet. He will fly to Ellington Air Force Base, which is near Houston. He will address, first of all, an energy conference organized by the Houston Chamber of Commerce, speaking there at about 4 o'clock. Also, speaking to that group before the President will be Secretary Morton, Alan Greenspan and Frank Zarb.

Q Is that 4 o'clock Central Time?

MR. NESSEN: That is local time.

In the evening on Monday, the President will host a working dinner for the Governors of the following States from the Southwestern area: Arizona, Arkansas, New Mexico, Oklahoma and Texas. It will be similar to the dinner earlier this week in Atlanta with the Southern Governors.

The President will be staying at the Shamrock Hilton, and the press will also be staying at the Shamrock Hilton. The press center will also be in the Shamrock Hilton. I guess we will follow the same drill we did last week, which is, I will go to the dinner and then try to bring some Governors with me to the press room after dinner.

On Tuesday morning, the President will have a working breakfast, as he did in Atlanta, with news organizations and broadcast station executives from the Southwestern region. The President will leave Houston at about 9:30 on Tuesday morning and fly to Forbes Air Force Base, near Topeka. He will go from the airport to the State Capital building, where he will address a joint session of the Kansas State Legislature. The time of that speech is noon local time.

After that, the Governor of Kansas, Governor Bennett, will take the President to Cedar Crest, which is the State Governor's mansion, and there, the President will have a working luncheon with Governors representing the Midwestern States of Colorado, Illinois, Iowa, Kansas, Minnesota, Missouri, North and South Dakota, Nebraska and Wisconsin.

I guess we will do the same thing with that luncheon that we did with the other Governors' meeting. The rest of the afternoon, the President will work with his staff and do other business that he takes with him.

In the evening, at 7 o'clock local time, on Tuesday, the President will hold a press conference at the Ramada Inn in Topeka.

Q Seven p.m. Central Time?

MR. NESSEN: Seven o'clock local time. I think Kansas must be Central Time. It will be similar to the Atlanta press conference in that the questions will come from both the White House press and the local people, regional people. We are going to put up at 3 o'clock this afternoon the sign-up list, if the briefing is over by then, and you can put Fred Barnes' name on. (Laughter.)

We will do the same thing. We will take people in the order of their questions. They will ask their questions in the order they sign up, except for duplicates from the same organization. If any of the networks care to carry it live, it is available.

After the press conference that evening, the President will come back to Washington and should get back to Andrews at about midnight.

Since the departure time on Monday is still tentative, we cannot give you the details about check-in and baggage and press plane departure. I think we are going to have a bible ready tomorrow, and also, it will be handed out on the press plane and on Air Force One.

If you want to gear up a little ahead of time, the phone number of the press center at the Shamrock Hilton is 713 Area Code, 668-9211. I do not have the phone numbers at the Ramada Inn in Topeka.

Those are the travel plans for the moment.

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Q Ron, did you mean to say around midday for departure Monday, or around midmorning, since that is more in line with what we have been hearing?

MR. NESSEN: No, I think midday.

Q Is that for the President or for us or for both?

MR. NESSEN: I think the President will leave midday. That might mean a midmorning press departure.

Q Ron, will the President visit an off-shore oil rig while in Houston?

MR. NESSEN: Not that I have heard of.

Q Ron, is it possible, on the sign-up list for questions, to clip the names and draw them out of a hat in order? It puts a lot of premium on people that can stand around here to three o'clock.

MR. NESSEN: I don't have any problem with that, if everybody wants to do it. In fact, then we would not have a sign-up list. You could put your name on a slip of paper and we will put it in a hat and have Joy draw them out, and the winner gets a week in Philadelphia. (Laughter)

Q Why not do that for press conferences here?

MR. NESSEN: I have been tempted to do that, Carroll, and I have been a little leery of toying with the traditional system. I would be delighted to do it that way. If we could get that agreement, I think it would be a major step forward in press conferences.

Instead of a sign-up list, before you leave -- any of you that want to ask questions -- let's get a standard slip of paper. We will put them in a hat and some of you can stand around and witness the drawing, if you want to. If we can get agreement here, I would be delighted to keep this as a policy for future Presidential press conferences.

Q Let's just not do it because nobody is objecting.

MR. NESSEN: I knew we would have to back away from that.

Q Why don't you use the sign-up list?

MR. NESSEN: Do you mean the sign-up list for the trip?

Q Yes.

MR. NESSEN: I don't think some of the people want to ask questions that are on the sign-up list. I guess we backed away from the idea of doing that on Washington news conferences.

Q I think you should have some sort of an applied system for it.

Q It is kind of hectic the way it is.

MR. NESSEN: The jumping and shouting? I have been tempted to go to this system, but as I say, I have been leery of breaking a tradition. But now that it is out in the open, let's talk about it between now and the next Washington news conference.

Q It is his business. He is the President. If he wants to have a news conference, he can have it any way he wants to and we will cover it and ask questions under what the ground rules are. I am not here to tell the President how to run his press conference.

Q I like it just the way it is, if you want to know my feelings on it.

MR. NESSEN: Let's say we will have a name drawing for Topeka and see how it goes. If it works out, we will maybe think about it.

Q Ron, along with the idea of not wanting to toy with established policies, I have been a bit concerned -- and some I have spoken to have as well -- with the policy that has been changed in sending the pools on Air Force One, for a good reason.

We normally had, beside the two wire services, three reporters -- one network, one magazine and one newspaper. There are times when it is a very busy situation there. The President comes back; Kissinger comes back.

I am not sure that we are not asking for trouble if we just have one reporter responsible for feeding it to everyone, getting it, typing it, being able to check quotes. I think that is a danger, a risk that you are running.

MR. NESSEN: I have had that expressed to me by others. My feeling is that we have a fair amount of stuff to go through today, and that probably a discussion of the make-up of Air Force One pools ought to take place probably in my office at a time when we have some time to talk about it rather than now.

But, I am aware of the concern of others about that same problem.

Q I brought it up now because I thought people ought to know there should be a time to discuss it somewhere.

MR. NESSEN: There will be.

Q For those who do not go to Houston, do they have to camp here Monday or will there be no briefing?

MR. NESSEN: No, there would not be because we are going to leave around briefing time, I think.

Q Unless Colson goes on TV Sunday night. (Laughter)

MR. NESSEN: I want to announce resignations and other stuff today, but not mine. (Laughter)

Q Did the President leave the White House last night? Did he make any trips out of the White House? The reason I ask, there was a limousine and a police car leading it and several cars following it as if it were Secret Service cars, about 7:30 last night, at Seventeenth and Pennsylvania.

MR. NESSEN: It probably was Bhutto. Let's check that. We will call the SS and find out who it was. What time was it, 7:30 last night?

Q Approximately 7:30.

MR. NESSEN: Out at the Northwest gate?

Q I was standing at the Southwest gate and saw it go down Seventeenth Street and down New York.

MR. NESSEN: The President does accept with deep regret the resignation of Peter Brennan as Secretary of Labor, effective on or about March 15. We have copies of the exchange of letters, and we have passed those out.

The President will announce his intention to nominate William A. Ervin of Allison Park, Pennsylvania, to be Governor of the Postal Service for a term expiring on December 8, 1976.

Q What does that pay, Ron?

MR. NESSEN: That is not a government organization, is it? Isn't that a private corporation?

He will succeed George Johnson, who resigned effective August 7.

The President also announces his intention to nominate Michael Ross of Bethesda, Maryland, to be alternate Executive Director of the Inter-American Investment Bank. He succeeds Kenneth Gunther, who resigned effective August 7, 1974. I think you have biographies of both of those gentlemen.

I think you have the joint statement by the President and the Prime Minister of Pakistan, don't you?

Q It is in the bins.

MR. NESSEN: Then you have that. We have the exchange of letters, and what else do we have. I wanted to point out to you a couple of things.

The Wharton Business School, which is a source of a good deal of economic forecasting and so forth and has one of the accepted models for projecting economic trends, has forecast that the addition to the cost of living from the President's energy plan, the total energy plan, would be something less than 2 percent.

I thought you would be interested in getting in touch with them to find out about that, and I finally got my charts drawn on the --

Q There was a story on it in the Post this morning.

MR. NESSEN: As usual, the Post is right up there.

The Postal Governor gets \$10,000 a year plus \$300 a day for up to 30 days of meetings every year. The maximum salary he can make or the maximum amount he can make is \$19,000 a year.

I finally got my famous charts drawn explaining why the cost of living statistic used in the budget is higher than what the actual increase in the cost of living will be.

The actual cost of living increase from January 1, 1975, to December 31, 1975, is calculated to be 9.2 percent. That includes 2 percent from higher energy cost. Actually, there is general consensus here that it will be less than 2 percent, but we are going to go with the higher figure, giving a total of 9.2 percent for the year.

If anybody really cares to sit down and try to understand why the budget figure is 11.3 based on their statistical method of calculation, I have got a pile of these, and if you want to come around to my office at four o'clock -- anybody that is interested -- we can look through it and I will have probably either Greenspan or somebody from OMB there to help out with the technical questions.

I might as well go ahead and plunge into the 8.2 since I am sure that will be the first question anyhow.

The President is concerned about that level of unemployment. He does believe that the United States has a serious economic problem. He has known for some time that the increase in unemployment in January was going to be a sharp one, and now he has seen the actual figure. It is within the range of what he had been told ahead of time to expect.

He does think that this is a further reason why Congress should move faster in approving the tax cut, which would give people a rebate on their 1974 taxes with the first check coming in May, and he hopes that that unemployment figure will persuade Congress to pass that tax cut quickly.

The President had a meeting with his economic advisers this morning--which accounts for my being late-- at which this and other economic factors were discussed.

A number of steps that the President might take were considered, and the President will keep a close watch on the unemployment figures and other economic statistics and will not hesitate to take further action, if it appears that the economy is worsening more than expected.

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Q Is that Executive action or proposals to Congress?

MR. NESSEN: That would be Presidential action.

Q Is this level of unemployment what his advisers led him to expect?

MR. NESSEN: They led him to expect a sharp increase in unemployment for January and, as I say, this figure is within the range of what they thought it would be.

Q We were told at the budget briefing that the unemployment rate was not likely to go higher than around 8.5, and Greenspan once said it would go to 8.5. Is that still the upper level?

MR. NESSEN: Yes, I talked to him about two minutes before I came out here and that, at the moment, is his forecast -- about 8.5 is his forecast for the peak unemployment.

Q Who did you talk to?

MR. NESSEN: Alan Greenspan.

Q We are very nearly there, so what you are saying is next month the rate of unemployment is going to slow considerably, is that right?

MR. NESSEN: Alan does feel that about 8.5 will be the peak unemployment at the moment.

Q Did you check those figures with Arthur Burns?

MR. NESSEN: It is interesting that you mention Arthur Burns. Don't you hate Press Secretaries that start that way?

There was a discussion yesterday of unemployment figures and other statistics, and Arthur Burns offered two observations. I just offer you these as his views, and the President --

Q Where was this?

MR. NESSEN: In the Cabinet Room.

Q With the President?

MR. NESSEN: Yes.

Q Was that in that economic advisers meeting?

MR. NESSEN: Yes. He makes two points. One is that when you have the head of a family laid off -- that is the father of a family laid off of his job, he is added to the unemployment rolls and he is out looking for a job.

In those circumstances in many families he feels that the mother, and sometime an older child, will also go out and look for work and this really adds three people to the unemployment rolls instead of only the father.

Then, when the father gets his job back, it decreases the unemployment rolls by one, but then the mother and the older child also stop looking for work, so you lose three numbers on the unemployment rolls.

Q Are you sure about that?

MR. NESSEN: I am quoting to you what Arthur Burns told the President. His second point is that he told the President that historically, ever since the end of World War II, economists have underestimated the rate of recovery from recessions, and the President asked him to provide the statistics to back up that statement, and he is getting those statistics now.

Q He said they always underestimate or frequently underestimate?

MR. NESSEN: He said always.

Q Did he also say they have never had a recession to recover from as deep as this one during that period?

MR. NESSEN: I think that is obvious on the face of it.

Q Did he complain in that meeting about not having those figures that were included in the budget in the economic forecast checked with him originally?

MR. NESSEN: No, he did not.

Q He made that complaint today.

MR. NESSEN: I saw that wire story on that. He did not bring that up at the meeting.

Q Ron, you have said that these figures were in the range that the President was led to expect. Was he specifically told that it could be this figure, 8.2, or was he told it may be 8 or what?

MR. NESSEN: He was told it could range around 7.9 to 8.3

Q Ron, why did you tell us then that the President did not expect it to go to 8 percent when we asked you shortly after the economic writers meeting?

MR. NESSEN: When was that? I said at that point Mr. Greenspan was forecasting about 8 percent, I think. I thought I had. I thought I said Greenspan's estimate at that point was about 8 percent as a peak. I thought I did, but perhaps I said 8.

Let me just say this now. I think the economists and the President, and in our briefings here, we have been very honest about the statistics. As I have joked with you, if nothing else, we should get points for honesty because there has never been any effort to put a rosy picture on any statistics or to shade any statistics or to hold back any statistics.

As you know, the famous table on page 41 is not required to be incorporated in the budget, and the decision was made to incorporate it to show the state of the economy without any fudging.

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Q Ron, as I recall, the President told the economic writers that the January figure would show a jump, and the next day, we asked you if that could possibly be around 8 percent and you said, "No."

MR. NESSEN: I was going at that point on what Alan Greenspan had told the President, which was it would be about 8 percent.

Q In this meeting yesterday -- if I may get back to it for a moment -- did Burns indicate to the President, or say to the President, that he would not make more money available, or that he would not loosen the reins on credit in the Federal Reserve? Was there a discussion of that?

MR. NESSEN: There was not, Tom. All the meetings I have ever been in with Arthur Burns, the President is very conscious of the independent status of the Federal Reserve Board and has never ever suggested in any way what the policies of the Board should be.

Q But did Burns, independently, yesterday, raise that in any fashion, about future policy?

MR. NESSEN: He did not.

Q Ron, the President, I take it, is determined that the 8.2 figure does not require any adjustment in his basic economic package?

MR. NESSEN: No, except he wishes Congress would pass his basic economic package so that money could get into the economy and start turning it around.

Q Do you think there is a possibility --

MR. NESSEN: I say, he went over a number of possibilities today if it worsens more than expected and will not hesitate to take the action if needed.

Q Can you say what some of these possibilities are?

MR. NESSEN: I really can't, Carroll.

Q Does he have a reaction to the bill that has been proposed by Williams and Javits to add another million public service jobs?

MR. NESSEN: Actually, Tom, that bill -- I am not even sure if it is a bill. I guess, at this point, it is a press release. The President would like to see the legislation before he makes any judgment on it. I do want to call to your attention that in that area the President, last summer, directed the Labor Department to accelerate a program which provided \$1 billion for 170,000 public service jobs.

That was last summer and, then, on December 31, the President signed a bill, which he recommended, the Emergency Jobs Unemployment Assistance Act, which authorized \$2.5 billion for approximately 275,000 jobs. Actually, Congress appropriated almost \$1 billion, and that will provide 100,000 jobs.

Now, it is my understanding that, of the original 170,000 jobs that he authorized last summer, they are all filled. Of this 100,000 jobs and the nearly \$1 billion that he signed last December 31, only about one-third of those jobs have been filled. So there is somewhere around over 60,000 jobs where there is money for them, and they have not been filled.

Now, the President has been told that the states and cities are moving along on schedule to fill those jobs, but there is money in their slots which have not been filled yet. In addition, the President has taken some other action to restore the public service jobs program of \$125,000 that was transferred to the Commerce Department.

Q \$125,000?

MR. NESSEN: \$125 million -- to transfer that back to the Labor Department because the President believes the jobs can be filled more quickly under the Labor Department. In addition, the President has recommended, and then signed, as you know, the increased unemployment benefits, the extension of unemployment benefits to those who did not have it. There is concern here that there not be a panic by pumping \$8 billion more into the deficit and have that risk ruining the recovery of the housing industry, bring back inflation, which would lead to further economic instability and so forth. The President believes this needs to be handled with an even hand, which he thinks he is doing, and the one complaint he would make about Congress' handling is that it has not acted on any recession tax cut.

Q Ron, you brought up Arthur Burns and his various comments, so I would like to ask you -- this morning before the Joint Economic Committee, he was asked about the President's energy program, and Dr. Burns said, "Some parts of it, I think, are hazardous at a time like this."

He went on to say -- the referring to the oil import fees and the rest of the higher entry costs -- "I, for one, would like to phase in that kind of a program and not concentrate it in the manner the President has proposed."

MR. NESSEN: Was that Dr. Burns?

Q Yes, sir. Has he communicated these thoughts to the President, that you are aware?

MR. NESSEN: I have not heard him communicate those thoughts to the President. The President's plans are to go ahead with the one, two and three dollars and the decontrol of oil. However, the President feels that there has been a great deal of concentration on this one, two and three dollar interim measure and that somehow, perhaps, sight has been lost of his energy program, which is a complete program to meet the goals of the energy problem and, especially, to get \$30 billion back into the economy, partly in the form of a permanent tax cut; that Congress seems to be concentrating on stopping this interim, initial step, which is not an energy program, and he wants to remind people that he has an energy program on which nothing has been done and that energy program does meet the goals of making the United States invulnerable to a cutoff of its oil by the Arabs and others and; especially, provides a tax cut for people on a permanent basis.

Q Could I just follow that up with one more question. Also, is the President willing, yet, to negotiate at all on the one million barrels' target?

MR. NESSEN: Not that I have heard of. You have to start somewhere.

Q Ron, you quoted Mr. Greenspan as saying that he believed the upper levels of unemployment will be 8.5 percent?

MR. NESSEN: Eight point five, right.

Q Have you heard any discussion, or has the subject ever been raised in any of the President's economic meetings, what if it goes above 8.5 percent, because so far, you have only quoted Mr. Greenspan. Has the President ever said it will go above 8.5, or has anybody there? Have you ever heard the expression "double-digit unemployment" discussed here?

MR. NESSEN: No. The question was raised at this morning's meeting very firmly about where is this going to go, and Dr. Greenspan said about 8.5..

Q Did anyone disagree?

MR. NESSEN: There were others there who did not disagree.

Q Ron, Dr. Burns is quoted as talking about the economists underrating the rate of recovery from recession. Did Dr. Burns give the President his prediction of when the recovery would come?

MR. NESSEN: Who, Dr. Burns?

Q Right.

MR. NESSEN: Norm, that did not come up. There has been no change in the forecast that the turn-up will come about the middle of the year.

Q Ron, has the President decided whether he will sign or veto the food stamp bill yet?

MR. NESSEN: No.

Q Ron, could you explain to us a little further what you mean about concern that there not be a panic by pumping additional money into the economy?

MR. NESSEN: The President just feels that \$8 billion on top of -- what did we get it up to yesterday, \$52.5 billion dollars -- is going to be just a tremendous load on the capital markets. It will raise interest rates, which will stifle the recovery in the housing industry, make it difficult for business to finance their needs, and those are the things he has in mind.

Q Ron, where do you get the \$8 billion figure? What are you talking about there?

MR. NESSEN: That is, as I understand it, the Williams-Javits bill or the Williams-Javits press release.

Q Mr. Greenspan placed that figure of 8.5 percent as the ceiling on unemployment. Did I not hear you say when that would come?

MR. NESSEN: About the middle of the year. He has not named the month, that I know of.

Q That would mean between January and June unemployment would only creep up 3/10 of a percentage point by this Administration's proposal?

MR. NESSEN: Something like that, yes. That is his forecast at the moment.

Q Does the President intend to nominate John Dunlop to succeed Brennan?

MR. NESSEN: We will have to wait until we have a new Labor Secretary to announce.

Q Has the President had a chance to study the Ways and Means Committee's tax cut legislation?

MR. NESSEN: He has, and as I understand it, the Committee has given sort of tentative approval but is holding on to it for some possible changes. The President wishes that the Committee had stuck to his recommendation. He thinks his tax cut is better. He especially wishes that

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the schedule for considering this tax legislation was faster, and he understands that it still has to have a final vote in the Ways and Means. It has to go to the full House. It has to go to Senate Finance and the full Senate, and you just do not know how it is going to come out.

Q But does he agree with the broad concept of the legislation?

MR. NESSEN: He believes his proposal is better.

Q Can he work with this legislation in his economic program?

MR. NESSEN: This legislation, Tom, is only a tentative tax cut, tentatively approved by the Ways and Means Committee. I think you have to wait and see what emerges from all the other steps in the legislative process before you can say whether he can live with what emerges or not. He would hope his tax cut is what emerges.

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Q How tentative it is? It is a good deal more firm than what his tax program proposes. That in in terms of the reception it has been getting from Congress.

MR. NESSEN: I see.

Q Is this a basis for compromise that he has been talking about with the House Ways and Means Committee?

MR. NESSEN: I just think it is too soon to talk about a tax bill because there is no tax bill.

Q Ron, is there anything in the proposed legislation which has received tentative approval that the President finds extremely offensive and would cause him to veto it?

MR. NESSEN: He just thinks his is better, Gaylord, and I think we need to wait and see what comes out at the far end of the pipeline.

Q Wouldn't it be political suicide to veto a tax bill now?

MR. NESSEN: Is that a philosophical question? It does not relate to anything. There is no tax bill to veto or sign.

Q It relates to practicalities of this.

MR. NESSEN: He thinks his tax cut is the best method and we will wait and see what happens.

Gaylord?

Q Ron, Mr. Colson said this morning that Mr. Nixon considered resigning in December of 1973 but decided not to because he had doubts about whether Mr. Ford was up to the job, and especially whether he could control Dr. Kissinger. Was the President aware --

MR. NESSEN: He said what about Dr. Kissinger?

Q The President did not know whether he could control him since Kissinger was unstable. Now, is the President aware of Mr. Nixon's feelings toward him on this point, and does he feel he can control Dr. Kissinger?

MR. NESSEN: I would not really have any comment on either one of those questions.

I notice there was another comment about Dr. Kissinger by Senator Bentsen, and I would like to say that while I do not have any comment on the substance of his statements, the President has, on a number of occasions, made clear his support for Secretary Kissinger and his satisfaction with the current organization of the State Department, and the NSC staff.

I might add that in view of the fact that Secretary Kissinger is just about to embark on negotiations of the greatest importance, the President would hope the Secretary would have the support of the American people instead of having to face such criticism by political candidates.

Q Ron, what was Dr. Kissinger doing here this morning? Did he meet with the President, with the economic people, or in a separate conference or what?

MR. NESSEN: No, he has his regular morning meeting every morning of the week with the President. He also works in his National Security Council office several hours each morning.

Q Did Dr. Kissinger have any role in writing this statement?

MR. NESSEN: That is a statement that the President wants made clear.

Q Ron, are you asking for a moratorium on criticism of Henry Kissinger until the 1976 election?

MR. NESSEN: I am just telling you how the President feels about Senator Bentsen's comments.

Q Ron, where should the fitness of the Secretary of State be discussed if not in the political arena?

MR. NESSEN: I think I will stick to what the President feels about this particular criticism of the Secretary.

Q Could I renew Mr. Fulsome's question, which you did not answer, which was, did the Secretary of State have anything to do with writing that statement?

MR. NESSEN: It is a statement that comes out of my office.

Q But did the Secretary of State have anything to do with it?

MR. NESSEN: It is the President's views.

Q But did the Secretary of State have anything to do with it?

MR. NESSEN: The Secretary of State did not draft this statement.

Q Did he approve it?

MR. NESSEN: It is a Presidential statement, and Presidential statements do not need to be approved by the Secretary of State.

Q What we are asking is, whether he looked at it or commented about it or had any input into it?

MR. NESSEN: I think he probably looked at it. I did not show it to him, but I have a feeling he looked at it.

Q Did the Secretary and the President discuss this criticism this morning?

MR. NESSEN: I do not normally attend that meeting, and the meeting is not normally concerned with criticism. It is concerned with foreign affairs.

Q Ron, are you still seeing the President daily?

MR. NESSEN: Oh, several times a day. I have seen him I think three times already this morning. I probably will several more times before the day is over. What would raise that question?

Q Nothing in particular.

MR. NESSEN: Just keeping me honest. Okay.

Q Do you have anything else?

MR. NESSEN: I don't know. What did you want to know?

Q I would like to ask about Colson.

MR. NESSEN: I do have one thing about the sign-up list for Houston. I guess the sign-up sheet is already up, and I guess some people already put their names on it, so what we will do is this: We will take it down tomorrow afternoon and cut it up and we will put it in the hat and draw the names, and that is open for pool coverage.

Q Ron, I would like to go back to the Colson thing. You discussed this with the President this morning, I am sure.

MR. NESSEN: I did not.

Q You did not?

MR. NESSEN: I did not.

Q He is not aware of it?

MR. NESSEN: If it was in the paper, I assume he read it. He always does.

Q It was not in the paper.

MR. NESSEN: Was it on television?

Q On the NBC show.

MR. NESSEN: He may or may not be aware of it. He does watch some of the morning news shows sometime.

Q Did the President turn down a request to see a Swedish trade delegation because of irritation by the remarks of the Swedish Foreign Minister?

MR. NESSEN: As far as I know, from what I have heard, the request has not reached the White House, where it needs to be decided.

Q Did you discuss the Colson comments with anyone before you came out here to brief us?

MR. NESSEN: No.

Q It is my impression that you did not know about it until you came out here, until someone just brought it up?

MR. NESSEN: No, I did.

Q Then can you give us a reason why you did not take the time to consult somebody on it since it obviously deals with the integrity of the Presidency and the Secretary of State?

MR. NESSEN: Because it is the kind of thing we would not have any comment on, Steve.

Q If there is an allegation that the Secretary of State is crazy, you would not want to put those down?

MR. NESSEN: Phil?

Q That is what the man said.

Q That is a very serious question. Colson has challenged the stability of Henry Kissinger.

MR. NESSEN: I think you heard the President voice his support for the Secretary of State over and over again, including a statement I just read, and I believe that is sufficient answer to the question.

Phil?

Q Ron, my question was on another subject, and that is, Governor Reagan indicated he would like to be taken off the Commission and that Vice President Rockefeller would not accept that. Has Governor Reagan talked to the President about this, and would the President be willing to let him drop out?

MR. NESSEN: I am not aware that he has talked to the President about it, but it happened just before I came out here and I have not had time to check it thoroughly. I am not aware of any phone calls between the two.

Fran?

Q I don't understand your answer about the Swedish trade delegation. You said a request did not reach the White House this morning. Is there a meeting scheduled of this trade delegation, and has it been canceled or was there no meeting or what is it all about?

MR. NESSEN: I am just not aware of any request from a Swedish trade delegation to meet with the President.

Q Was no such meeting scheduled?

MR. NESSEN: No.

Q Ron, to get back to Senator Bentsen's comment, you said that you would not discuss a moratorium until the next election. Just how long does the President feel United States Senators should withhold criticism? Aren't all United States Senators and even Members of the House potential Presidents.

MR. NESSEN: I will just stick to what the specific reaction was to a specific statement, I think.

Q Ron, the statement on the Pakistani Prime Minister was silent on the question of lifting the arms moratorium. Did the President advance that beyond active consideration?

MR. NESSEN: No. As I mentioned the other day, the President agreed in his talks with Prime Minister Bhutto to give active consideration to the matter, and Secretary Kissinger said he did not expect a final decision during the visit. There just is not a decision.

Q Ron, is Senator Bentsen any less of a political candidate or any more of a political candidate than the President is at this time?

MR. NESSEN: I don't understand the thrust of the question.

Q The thrust of your statement was it was wrong for him to be engaging in this kind of talk because he is a political candidate.

MR. NESSEN: Right.

Q And the President has also been critical of a number of people a number of times recently, including Congress, even though he has said we are in a very bad economic situation now. When he says those, isn't he a political candidate, too?

MR. NESSEN: He has announced he intends to run again for the Presidency.

Q So, why do you introduce the element of --

MR. NESSEN: As you see, if you read the statement, the President says he hopes the Secretary would have the support of the American people as he moves into these very important negotiations, rather than having this kind of criticism from a political candidate.

THE PRESS: Thank you, Ron.

END (AT 2:25 P.M. EST)

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