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NEWS CONFERENCE

#264

AT THE WHITE HOUSE

WITH RON NESSEN

AT 12:12 P.M. EDT

JULY 7, 1975

MONDAY

MR. NESSEN: You got the regular 10:00 posting and no other announcements have come up since then.

Does anybody have any questions?

Q Is the President going to announce tomorrow that he will be a candidate?

MR. NESSEN: I won't get into a guessing game on what day he is going to do it.

Q What is his schedule for tomorrow?

MR. NESSEN: I haven't seen his schedule for tomorrow.

Q Has the decision been made on how and where he will announce it?

MR. NESSEN: I am just not -- Ted, when the time comes, he is going to do it.

Q Will we have any advance notice on this one?

MR. NESSEN: You will have enough notice to be at the proper place at the proper time. He is not going to do it in secret, let me say that. (Laughter)

Q Ron, it has been reported the President is going to be proposing an additional tax on crude oil to finance cleaning up of oil spills. Can you confirm that?

MR. NESSEN: I haven't heard about that one. I will have to look into it.

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Q It was in the Wall Street Journal this morning.

Q He announced last week he was going to submit some scheme for dealing with oil spills in one of his speeches, in Cleveland, I think. Can you give us any background on that?

MR. NESSEN: I cannot. Let me check on the details for you.

Q Ron, when are the gun bill and the minimum sentence bill going to Congress? Those are the ones promised for June 5.

MR. NESSEN: Hopefully, this week, but I can't be absolutely positive they will go up this week.

Q What is holding them up?

MR. NESSEN: Drafting the legislation. It is complicated legislation and it is taking more time than anticipated.

Q Who is doing the drafting?

MR. NESSEN: The Justice Department and Domestic Council in the Council's office.

Q They said the proposals are over at OMB.

MR. NESSEN: A lot of people are working on them and they are just not finished yet.

Q May I ask two unrelated questions?

MR. NESSEN: Yes.

Q The first one is, the other day you made reference to the fact the President has met with a number of different groups and you included the phrase "consumer groups."

I remember Helen asking Bob Pierpoint, but I guess it didn't come to your ears, but can you tell us now which consumer groups he has met with?

MR. NESSEN: I will have to check back on the schedule in detail, but I remember this so-called Citizens Action Committee -- I believe that is the correct name for it. He has met with them at least once.

Q It was the WIN Committee, wasn't it?

MR. NESSEN: I think it was the successor to the WIN Committee.

Let me check the schedule, but let me also make one other point I didn't make last week. That is, I think Jim asked whether the President isn't isolated from views, specifically on gasoline and oil, and so forth, and does he only get the views of his own advisers in the FEA? I think that is in the context in which this came up.

I guess I should have mentioned then -- I have been thinking of it since. That is, the President, as you know, is an omnivorous newspaper reader. He reads carefully, I guess, three or four papers in the morning, his news summary, he scans three or four other papers in the morning, and he gets three or four afternoon papers, and he reads the news magazines and watches television.

Q Can we get a list of those, because we are going to be asked?

MR. NESSEN: We have done the list so many times but I will do it again, if you want me to.

Q He certainly listens to radio, doesn't he, Ron?

MR. NESSEN: This is not a new list, Helen, but I will be happy to give it to you. It is the Post and Times, New York Daily News, Wall Street Journal, Christian Science Monitor, the Baltimore Sun and the Chicago Tribune in the morning. That should be seven.

The News Summary -- which I guess some of you have seen. If you haven't, we can give you copies of it which rounds up even more newspapers.

And in the afternoon, the Grand Rapids Press, the Washington Star and the St. Louis Post Dispatch. And the three news magazines and the evening television shows which he does not always have time to watch.

Q That is a full day's work. (Laughter)

MR. NESSEN: He doesn't usually leave the office until 7:30. That is one of the problems.

Q Is the third U.S. News and World Report?

MR. NESSEN: Yes. On occasion he asks to have tapes of the news shows played back and he always watches the 11:00 news when he is home.

The News Summary spends a considerable amount of its space summarizing the news shows from the previous night.

My point is not to talk about his reading habits but to say that the kinds of things Jim raised the other day -- is he aware that people don't believe some of these figures and some of these processes; is he aware of these questions raised and the answers? Of course, yes, because he reads them in the paper, including Jim's own paper.

Q Ron, he may have read in the paper this morning that one of the mayors at the Mayors Conference in Boston said that something is wrong when the Nation can spend \$600 million on the refugee problem, short-term spending, and \$300 million for the entire year for all of its people in the area of welfare and jobs, and that kind of thing. They said something is wrong.

MR. NESSEN: I think those are the right figures, but ---

Q Do you have any comment on that?

MR. NESSEN: A couple of things. The President has followed the Mayors Conference, the reports of it, and he feels the vast majority of the mayors there were not critical in that way. There were a few who were.

I dug out some figures this morning which indicate that, as I understand it, the main complaint of a few of the mayors -- only a few, in the President's view -- was that defense spending was getting too much money, and help for people, as you say, was getting too little money. Either way you take it, in actual dollars or in dollars corrected for inflation, the fact is just the opposite.

If you go back, let's say, 10 years, to 1966, in real dollars, not corrected for inflation, the defense budget in 1966 was \$55.9 billion. The payments to individuals -- by that I mean Social Security, railroad retirement, Federal employees' retirement and insurance, military retired pay, unemployment assistance, veterans' benefits, Medicare, Medicaid, housing payments and welfare, public assistance -- the payments to individuals were \$34.1 billion that year, so there was more defense spending than there was payments to individuals 10 years ago.

This year -- I could go through it year-by-year, but let me give the results after 10 years. The defense budget was \$94 billion this past year and the payments to individuals in all those various categories was \$152.7 billion.

Now, if you correct for inflation, you get the same sort of figures. Defense spending in 1966 in constant dollars -- \$112 billion. Actually, inflation has cut the defense budget down to \$87 billion, if you correct for inflation.

Payments to individuals, even with inflation taken into account, went from \$64 billion 10 years ago to \$160 billion this year.

Q What was that figure?

MR. NESSEN: \$160 billion payments to individuals.

Q What was the welfare 10 years ago? There was a total of \$34.1 billion?

Q Constant, which year's dollars?

MR. NESSEN: 1976 dollars.

\$34.1 billion in 1966 in real dollars, that was the real dollar budget for payments to individuals that year. That went up to \$152.7 billion in real dollars this year. If you correct for inflation, the \$34.1 billion becomes \$64 billion in constant 1976 dollars.

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Q What do you mean 1976 dollars? We don't know what the inflation rate is going to be this coming year.

MR. NESSEN: You have the anticipated inflation rate.

My point is, just to sum it up, the President feels only a few mayors felt that way, and the figures do not justify those sorts of complaints.

Q May I ask my other question now?

MR. NESSEN: Yes.

Q The second question is this: The other day Senator Fulbright was in to see the President. I believe we were told he had just come back from the Middle East.

MR. NESSEN: Right.

Q But he didn't go to Israel. I checked. He did not go to Israel.

My question is that Senator Baker recently went to the Middle East and Senator Buckley, I think, is due back today from that area.

Is it the President's intention to bring in other Senators -- Baker, Buckley, et cetera -- or was there any special reason why Senator Fulbright came in?

MR. NESSEN: I will have to check the schedule and see if he is going to see Senators Baker or Buckley. Senator Fulbright was the Chairman of the Foreign Relations Committee and has a long and abiding interest in foreign policy. I will check the schedule to see if the other two are coming in.

Q Ron, there has been some criticism in Congress today on the floor of the Senate about the President not seeing Solzhenitsyn. Has there been any re-evaluation of that, and is there any possibility of the President changing his mind?

MR. NESSEN: It is not on the President's schedule.

Q Is the White House withholding the CIA file on Chile from the Senate committee?

MR. NESSEN: I haven't heard of it, if it is.

Q There is some indication in a story in the Post today that the White House is.

MR. NESSEN: I have not heard of it. I will check on it.

Q Ron, apropos of what the President reads in U.S. News and World Report, on the Thursday afternoon, following your reference to the "cynicism and blind and irrational", you had a meeting of reporters and the White House correspondent for U.S. News and World Report was standing right next to one of those who were invited in, but he was not invited.

That was one meeting I don't know who was there, and there was another meeting you referred to in the transcript. My question is this: Does the President want you to maintain a policy of special relations with certain selected and privileged periodicals and networks, or is this your own idea?

MR. NESSEN: I think I will pass on answering that one, Les.

Q Ron, does the President think this is fair?

MR. NESSEN: Ted?

Q While we are on the mayors, do you have any view of the President on the committee's action recommending that the revenue sharing formula be changed to put more dollars into cities that need it most, based on unemployment?

MR. NESSEN: The President feels that that general revenue sharing program has worked well. The President believes that it is important to have the program extended. He thinks that if you attempt to tinker with the program at this point, there is a real chance that the extension would get stalemated in Congress and might endanger the entire general revenue sharing program.

Again, he feels that those who spoke at the meeting in favor of a revision were really quite a small group and that the other mayors, or the majority of the mayors, understand that it is important that the extension of the program is the important part and that attempting to change the formula now would endanger the program.

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Just to give you some revenue sharing figures -- let me put it this way. Federal aid to State and local governments in 1960 was \$7.1 billion. That was aid to States and cities in 1960. In 1976, this aid, counting general revenue sharing, is \$55.6 billion.

Under the program now operating, the revenue sharing would continue at just about that level, or slightly less. But if you take all the aid to cities and States, plus the revenue sharing, it has gone up rather sharply since 1960.

Q Ron, does the President have any reaction to the Israeli Cabinet's action in postponing a decision about an interim agreement?

MR. NESSEN: Actually, we don't know anything official about what went on at the meeting, but our understanding is that Ambassador Dinitz will be returning to Washington soon and we will have an opportunity to talk to Dr. Kissinger before Dr. Kissinger leaves on Wednesday for his trip to Europe.

Q Ron, did the President have any input into Dr. Kissinger's comments on Saturday implying that the level of American aid will be tied to Israel's willingness to take a chance?

MR. NESSEN: I didn't get that implication out of the Secretary's remarks, frankly. I think what we have always said, and which is still the case, is that the aid levels for the entire Middle East are being reviewed and that the reassessment of Middle East policy is not aimed at any particular nation and that aid will not be used as any kind of punishment.

Q What about the Helsinki conference? Is it on or off?

MR. NESSEN: No change in the situation, which is, no date has been set for it. There are still issues to be resolved.

Q I am a little unclear because I didn't work Saturday and thus wasn't at Camp David, and I heard stories on two of the three television networks saying it looks like we are going to Helsinki. What was the foundation for that story, inasmuch as I presume you were at Camp David?

MR. NESSEN: I was, and I don't know exactly what the foundation of that story was. The Secretary talked to some reporters around the helicopter pad while he was waiting. I didn't get the impression he had been that strong.

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Q He said there was a good chance that the summit would be at the end of July.

MR. NESSEN: The fact of the matter is -- and I don't think what Henry said clashes with this -- that the negotiations are still underway, there are still some issues to be resolved, and there has simply been no date set for the conference.

Q You don't rule out the month of July then, do you?

MR. NESSEN: I just can't rule out or in anything--

Q When do you expect to know?

Q Do you want to finish your sentence, why you can't rule in or out anything?

MR. NESSEN: Simply because the negotiations are continuing and we have to wait to see what the results are. There is no way to set any date until you know what the results are.

Q You don't plan to give us any guidance until the formal, official announcement is made?

MR. NESSEN: If I had any guidance, I would give it to you, but the guidance would be exactly the same as the public statement, which is that no date has been set.

Q Ron, we have been given an indication here that the Finns need three weeks lead time so they can set up the conference. If you are going on the 28th, they would need to get started yesterday.

MR. NESSEN: I know that.

Q So, the 28th is just about out?

MR. NESSEN: I would really just rather say no date has been set for the conference.

Q Do you support Dr. Kissinger in saying there is a good chance? (Laughter)

MR. NESSEN: I don't think he needs or wants my support. (Laughter)

Q I mean, the White House doesn't differ from his point of view?

MR. NESSEN: I talked to Henry about this this morning, and what I am saying to you represents Dr. Kissinger's views.

Q Ron, does the National Security Agency listen to American telephone conversations?

MR. NESSEN: I am still not able to answer that question.

Q Ron, could I follow up Fran's question about the criticism on the Senate floor, the Solzhenitsyn thing? All during the week of Mr. Solzhenitsyn's speech, the White House was telling us it was a crowded schedule, he had a previous engagement, he had to have dinner with Susan and so forth and now we get the report over one wire service and in the Post that it was Dr. Kissinger who requested that he not do this because it might hurt detente.

Why is the White House saying "no comment" and not either confirming or denying?

MR. NESSEN: I didn't read the articles as saying that Dr. Kissinger -- whatever the word was you used --

Q I am just paraphrasing -- requested that he not do this, that it might have harmed detente.

MR. NESSEN: I think it is fair to say the President seeing a visitor, a foreign visitor, or specifically Mr. Solzhenitsyn, that an appointment would have some foreign policy ramifications, as other foreign visitors do, and it is natural that the President would ask suggestions or advice from his Secretary of State and National Security Adviser.

Dr. Kissinger has said many times that he is an enormous admirer of the writings of Mr. Solzhenitsyn, but I do think it is only fair that whatever advice the President gets from Secretary Kissinger, or from any other adviser for that matter, is a matter that I think rightfully should be kept between the two of them.

Q The reason given that Solzhenitsyn's visit couldn't be fit into the President's schedule, is that no longer the reason? It is now that it had to be passed through ---

MR. NESSEN: There is always a variety of reasons for decisions made here and there was a variety of reasons for this decision.

Q You have changed the whole context of this. I would like to take it one step further. Is the President willing to listen to people he doesn't agree with?

MR. NESSEN: He does all the time.

Q In the foreign policy field?

MR. NESSEN: He certainly does, all the time. He has people come in to see him all the time. He had an Arab-American delegation in last week. He has seen some Israeli-American delegations, and I dare say that Senator Fulbright -- (Laughter) -- doesn't agree with all the President's foreign policy decisions and I am sure he would feel free to tell the President. You know what the President's schedule looks like.

Q We got the clear impression the Russians wouldn't like it if the President saw Solzhenitsyn.

MR. NESSEN: As I told you last week, there was the letter from the two Senators suggesting a specific date. It was not possible to see him on that date. His schedule was crowded last week and obviously there were foreign policy implications on which he got Secretary Kissinger's advice.

Q Did he meet with Mrs. Mick Jagger? Was she a guest in the White House?

MR. NESSEN: I believe she came to see David Kennerly.

Q She didn't see the President?

MR. NESSEN: I don't believe so.

Q Do you have Kennerly's schedule for tomorrow? (Laughter)

MR. NESSEN: His schedule is always secret.

Q When I asked about Senator Fulbright, I made mention of the fact he had not gone to Israel. Reportedly he had gone to the Middle East. You seemed a little surprised by the omission.

I was wondering whether the President knew, or whoever arranged the appointment, knew that while the Senator had gone to the Middle East he had not gone to Israel?

MR. NESSEN: As I think I explained at the time, the genesis of that meeting was that Senator Fulbright came in to talk to Secretary Kissinger and Secretary Kissinger suggested the President would want to hear Senator Fulbright's views on what he had seen and who he had talked to in the Middle East.

Q Ron, with the Congress back in session, does the President have some priorities on actions he wants Congress to take before the next recess?

MR. NESSEN: I haven't heard the priorities actually listed. I would say that it would certainly be fair to say that something is going to have to be done about the decontrol of old oil during the three weeks that Congress will be back here in Washington.

Q When is he sending that message up? Do you have a date?

MR. NESSEN: I don't have a date for you, but, obviously, it has to be in this three-week period, because the law giving any authority to control oil expires on the 31st of August when Congress will be away for another month, during the month of August. So, during this time in Washington, it has to come to grips with that.

The President would hope that Congress would do something in the way of passing his entire energy program during this period.

Q On that, there has been one scenario outlined whereby the President would wait. Right now in both the House and the Senate they are working on a bill to extend the Allocation Act and some have theorized that what the President is going to do is wait until they pass that and then wait until the very last minute on vetoing that and send his decontrol plan up during the 10 days.

MR. NESSEN: The way it was left last week was that Frank Zarb would come in this week -- I forget what date the meeting is scheduled, maybe Wednesday or Thursday -- and the decisions on timing and phasing and all the other elements of it would be decided. They are not decided.

Q You don't deny a linkage between what Congress does when extending the Allocation Act and when the President sends his veto up?

MR. NESSEN: I can't really address the question because the President's own timing has not been decided yet.

Q Ron, on this highway legislation, did the President get any of his ideas on that from the trips he made around the country over the winter? Remember, he would talk about that to the Governors who said they were interested in that, but let's talk about highways, too, and he did release some highway funds. Is that where he got some of his ideas?

MR. NESSEN: I think some of the ideas came from the Governors. For one thing, the sharing of the gas tax is a position the Governors Conference has taken for some years back, I guess, and the President certainly was aware of it and the Governors talked to him about it as he went around the country.

Also, the Governors spoke strongly in favor, as he went around the country, of this element of giving them the money in a lump sum, or at least in a very few lump sums rather than in 30 separate categorical grants. So that is another idea that came from the Governors.

Q Ron, does the President plan another State of the Union message during this three weeks, to jog Congress a little bit?

MR. NESSEN: I have not heard of one.

Q Ron, isn't there something inconsistent in the President wanting the Americans to conserve on consumption of oil and gasoline and developing a highway program that basically continues the level of spending that has been available in the past?

MR. NESSEN: I don't see it in the broad terms that way, Mort. I see it as a completion of a system which has been planned for 15 or 20 years.

It seems to me the important part of this is not that the system is going to be finished, but rather the decision on whether to use some of the money for mass transit or other reasons is left up to local jurisdictions which know more about their own needs.

Q But as a matter of national priorities, the message itself does nothing to widen the ability of States to develop mass transit systems, and it doesn't do anything to further the Federal encouragement of mass transit systems, does it?

MR. NESSEN: I think there is a formula in there under which the States and cities can use a proportion of their money for mass transit.

Q It leaves it entirely up to them. I mean, there is no new encouragement?

MR. NESSEN: They are the ones in the best position to know what their needs are. That is one of the President's firm beliefs that things like that should not be dictated from Washington so much any more and should be left to the people who know their own needs best.

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Q Could you confirm a report that the President is going to name a noncareer top man to head all the intelligence agencies that would operate from here?

MR. NESSEN: I have never heard that talked about here.

Q Why does it take so long to get the highway legislation out? I understand back in February the proposal was ready.

MR. NESSEN: I don't think any special reason, other than the fact it is a very complicated piece of legislation that took this long to draft.

Q Ron, does the President have any reaction to charges that the oil companies have been decreasing their production in order to drive up prices and that prices may reach as much as 90 cents a gallon by Labor Day?

MR. NESSEN: He didn't have any specific reaction to that. Some figures that the President saw, sent in by Frank Zarb, show that production increased quite sharply through the week ending June 20, which is the last week for which there are figures.

It went up 2.7 percent that week. That was in motor gasoline production, and this is only 1 percent lower than the comparable week in 1974.

Q Didn't those figures also show they had been holding back in the previous weeks?

MR. NESSEN: I think we said here last week that there were ample stocks of petroleum and ample refinery capacity. It is normal that gasoline production is slack in the winter and spring months and then picks up at about this time. This is not an unusual annual development.

Q I am not sure of that, Ron. I think it is normal for them to develop their gasoline in the winter and spring for summer driving and develop fuels for heating homes and that kind of thing in the latter part of the summer for winter.

MR. NESSEN: My understanding is they are about on their annual schedule. The figure of only 1 percent below a year ago would indicate that is true.

Q You said that the President intended to rely on the price mechanism as a means of conserving fuel. I was wondering, if the price of gasoline were to go to upwards of 85 or 90 cents a gallon, is that in line with what the President had in mind for gasoline conservation through the price control mechanism, or would he consider that excessive?

MR. NESSEN: I think it is important, Walt, to keep in mind the broad picture and not what happened on one weekend in July. The President does not like higher gasoline prices for the sake of higher gasoline prices.

I think you have got to look at this thing in the longrun. Let's take just three specific parts of it.

Number one, if Congress had passed the President's energy program, as you all know, the people who are paying higher gasoline prices would be getting that money back through a rebate. So, the people who are complaining when they pulled up to the gas pump this weekend ought to tell their Congressman and Senator who are home this week that they want to start getting that money back through a tax rebate, which the President proposed.

I think the other way to look at it is if you are going to focus on one weekend in July, you are going to miss the point that the President has a goal, and the goal is to get unhooked from a large and growing portion of our petroleum supply being dependent on foreign countries, over whom we have no control. They can set the price and they can affect the price at their own whim.

As you know, the domestic portion of our petroleum supply is decreasing, and there are three components to our petroleum supply -- old domestic oil, new domestic oil and foreign oil.

Foreign oil is the highest priced component of that, and it is the one that is increasing. The lowest priced component of that is old domestic oil, and that is decreasing. That is why the President's program is aimed in the longrun to have us control our own prices and our own supply.

The third point is, again, if Congress had passed the President's program, there would be a windfall profits tax in effect now, so that nobody would have any question about whether oil companies were making unseemly profits.

The questions ought to be addressed to the other end of Pennsylvania Avenue.

Q Except I don't work there, I work here, so I will ask the question again. My question was, if gasoline were to go to between 80 and 90 cents a gallon by Labor Day, would that be in line with what the President had in mind for control conservation through the price mechanism, would he consider that excessive?

MR. NESSEN: The President, I think, was asked that by somebody the other day and sees no indication it is going to -- what was your figure, 80 or 90 cents -- there is no sign that is going to happen.

Q He doesn't think it will? He said that?

MR. NESSEN: Yes.

Q Even 70 cents?

MR. NESSEN: I don't see how you get to 70 cents. It started at 55 cents and it has probably gone up 3 cents or so. It is an average of 55 cents.

THE PRESS: Thank you, Ron.

END (AT 12:45 P.M. EDT)