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NEWS CONFERENCE

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AT THE WHITE HOUSE

WITH RON NESSEN

AT 11:40 A.M. EDT

AUGUST 7, 1975

THURSDAY

MR. NESSEN: I have one or two small things to tell you. One is the slightly revised departure plans for Sunday. We will give you a little extra sleep on Sunday. The President now tentatively plans to leave Andrews Sunday at 12:50 in the afternoon -- ten minutes to one, to put it another way. That would put him into Fort Smith, Arkansas, at 2:15 Central Daylight Time.

The press plane, that means, will leave at 11:50, or ten minutes of noon, and will arrive in Fort Smith at 1:15 in the afternoon, Central Daylight Time.

Q What time is baggage check-in?

MR. NESSEN: The baggage check-in is at 11 o'clock Sunday. These are still tentative and the firm times will be given tomorrow.

Q What is the reason for the change?

MR. NESSEN: I ~~guess~~ just getting the schedule straightened away.

Q Baggage check-in 11 o'clock?

MR. NESSEN: Yes. Margita has done a thing here which is nice. Someone has sent her a copy of the publication of the National Newspaper Publishers Association called Publishers Auxilliary.

In it is a special supplement on the history of White House press coverage. It is facinating. It goes through all the different Administrations back to the beginning. I think it is neat and we have a whole box of these in the press office for you if you want them.

Q How much are they? (Laughter.)

MR. NESSEN: You can take a copy, if you would like, to read the history of this.

Those are the only two things.

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The transcript of the interview with Martin and Paul is being prepared. I don't think we will do it a page at a time. We will have it plenty early in the afternoon.

The deal we have worked out is, it can be for 6 P.M. release, the transcript can be for 6 P.M. release. PBS wants to hold back on the tape until they have had a chance to air it themselves, so I guess the networks cannot get a hold of the tape in time for their shows, but the writers can use the written materials.

Q What time will we get it?

MR. NESSEN: I think by three o'clock, certainly.

Q Is this going to be run in its entirety?

MR. NESSEN: I understand they are going to run it in its entirety.

Q How long was it?

MR. NESSEN: One hour.

Q What time will it be shown?

MR. NESSEN: Eight o'clock.

Q The tape will not be available until eight?

MR. NESSEN: PBS owns the tape. I guess that is their rule.

Q If we could get half of the transcript when it is ready, that would help.

MR. NESSEN: We will see what we can do.

Q Is the President planning to call Congress back into session to deal with energy?

MR. NESSEN: Absolutely not.

Q Are you aware from where Senator Roth and Congressman Conable may have gotten that idea?

MR. NESSEN: I listened to a tape this morning on WTOP, and I didn't hear them indicate he received with any favor at all their idea. They did present the idea to the President. In fact, they presented it twice, once in writing and once at a dinner where they saw the President. But from Roth himself, I heard him say on the radio this morning they offered the idea to the President, but he never gave any encouraging answer to them.

In fact, the President has no intention of calling Congress back for a special session on oil decontrol. He listened to them and told them he could not do it, and he will not call them back.

Q What is the President going to do on the pay boost for members of Congress and other top Government officials?

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

Q What about the Silberman nomination?

MR. NESSEN: I will have to check on that. I just don't know.

Q Is he going to send it back?

MR. NESSEN: I will have to check on the whole matter.

Q I heard a report he was going to send it back.

MR. NESSEN: I spoke briefly about that on the plane the other day from Helsinki. I have not checked with him since then.

Q Ron, what is the President's reaction to the latest wholesale price index?

MR. NESSEN: You all know that there was a 1.2 increase. You have probably seen that on the wires. The increase was slightly less, actually, than expected at the White House.

Q Why?

MR. NESSEN: Alan Greenspan testified before the Joint Economic Committee on July 26, and in that he indicated that even back in July, we could tell that there was a significant increase in farm product prices, so you would have to say that today's increase came as no surprise.

Also the increase in fuel prices was expected, based on the heavier demand during the summer driving months.

Q Is that why fuel prices are higher, because people are using more?

MR. NESSEN: That is one of the reasons.

Q The import fees?

MR. NESSEN: The import fees could add to that.

Q I thought the import prices were controlled under the Emergency Allocation Act. The only reason they could go up was because the President's surcharge would drive them up in terms of the import prices?

MR. NESSEN: No, as you know, the prices are controlled to the extent that the oil companies are allowed a margin, a margin being different from profit. They are allowed a margin between what they paid for the crude oil and what they are able to charge after the refining. And out of the margin they pay all of their expenses.

Well, because of the lower demand in the winter months, they were not using all of their margin. Then when the demand increased and also their expenses increased, they raised their prices a few cents within that margin, but they have nothing over the margin. In fact, they are still not up to the margin in many cases.

Q Ron, are you acknowledging that the increased import fees also contributed to this, that was one of the factors?

MR. NESSEN: I don't understand the use of the word "acknowledging". Is it the same old thing, confession is good for the soul?

You know what the purpose of the oil tariffs is.

Q The factors involved are increased margin differences and increased driving in the summer. They are increasing prices on gasoline because they are losing money on selling windshield wipers? Are you agreeing also that the President's oil entry import fees is one of those factors?

MR. NESSEN: As far as I know, it is no revelation that the \$2 tariff adds -- what is it, a cent and a half to the price of gasoline. A dollar is a cent and a half, so some of that has already filtered in.

Q What is the President going to talk about at the economic and energy meeting?

MR. NESSEN: He has to make some decisions now, as you know, on what Frank Zarb has called the orderly transition to a decontrol of oil and, as I mentioned to you, there are ways to adjust or minimize the economic impact of that, so he has a number of decisions to make about that. I am not sure he will make the decisions today.

Q Could you list some of his alternatives?

MR. NESSEN: I would rather not.

Q Could I follow upon that? Has the White House contacted any energy companies to ask them to voluntarily hold prices down during the transition period?

MR. NESSEN: Not that I am aware of. You would have to ask Frank what the FEA has done.

Q Do you expect any announcement this afternoon?

MR. NESSEN: I don't know.

Q If the legislation expires, the President has no control over prices, is that right?

MR. NESSEN: No, that is not right. There are administrative steps he can take and which he will be considering to minimize the economic impact.

Q What is the authority for those administrative steps?

MR. NESSEN: He is going to review those possibilities today and I would rather not speculate on what they might be. But there are possibilities.

Q What are the possibilities involved?

MR. NESSEN: Let me just leave it that way. There are ways to do it and he is going to explore some of those ways.

Q There are ways to do what?

MR. NESSEN: To minimize the economic impact of decontrol on August 31.

Q What are some of those administrative steps?

MR. NESSEN: I would just rather not discuss them until he has a chance to review them.

Q Ron, is there any doubt in your mind that price controls will expire August 31?

MR. NESSEN: No.

Q Can you foresee anything happening so those price controls might continue?

MR. NESSEN: I, myself, don't foresee anything.

Q Does the President foresee anything?

MR. NESSEN: I think he spoke about that on the plane the other day and was pretty clear about it.

Q Ron, when you announced the trip on Tuesday, I wasn't here. Did you announce a press conference in Peoria?

MR. NESSEN: No.

Q Is there going to be one?

MR. NESSEN: Not that I know of.

Q Ron, can you tell us how many and names of the candidates who have been suggested to the President for a Secretary of the Interior and will the President make a selection or a nomination while he is on his two weeks vacation?

MR. NESSEN: I don't have any idea where that process stands. I don't get into the personnel problems.

Q Who can tell us or tell me?

MR. NESSEN: I am not sure anybody could until its time to announce the nominee.

Q Senator Dole -- 21 Senators and Dole have recommended Kent Frizzell who is now Acting Secretary.

MR. NESSEN: Yes.

Q What impact would that have on the President?

MR. NESSEN: I don't know.

Q What is the President's comment on Senator Gurney's exoneration in Florida?

MR. NESSEN: I don't have anything for you.

Q Does that mean the President was asked or you just don't have anything for us?

MR. NESSEN: It never came up.

Q Some time ago the President asked all concerned agencies and departments to comment on the Rockefeller Commission Report and the recommendations on this reorganization of the CIA.

MR. NESSEN: Yes.

Q What is the status of that?

MR. NESSEN: It is here and being reviewed.

Q Ron, when do you expect the proposed changes in the organization to be announced, before he leaves for Vail?

MR. NESSEN: Not before he leaves for Vail, no.

Q Ron, you told us a minute ago these price increases were expected on the basis of what happened in July. We are now in August. Do you have any forecast of what we are going to see in September on the basis of what happened this month?

MR. NESSEN: I think Frank probably talked about that in his testimony. I don't have it right at hand and I can't recall it.

Q Ron, was the President notified about the bomb threat at the hotel where Susan Ford is staying and has he been in touch with her since then?

MR. NESSEN: This is the first I have heard of a bomb threat at the hotel where Susan Ford is staying.

Q Will you check?

MR. NESSEN: Yes.

Q I know Colby now says the National Security Agency has been monitoring people's phone calls.

MR. NESSEN: I thought of you when I read that, Bob.

Q I thought of you when I read it and wondered if you wanted to extend your remarks or revise them.

MR. NESSEN: No, I don't think so. You mean what I said before?

Q Yes.

MR. NESSEN: No.

Q You said they were operating well within the law, that was your understanding. I believe that is what you said.

MR. NESSEN: I wouldn't change what I said before.

Q That seems to be a violation of law.

MR. NESSEN: I thought Director Colby said not.

Q Didn't Aspin say yes? There seems to be some difficulty.

MR. NESSEN: What are you asking?

Q You are still sticking with what you said previously then?

MR. NESSEN: Yes.

Q Ron, to go back just a minute to the administrative steps the President might take to ease the impact of decontrol, you said you didn't want to get into specifics but isn't the most obvious one just lifting his \$2.00 import fee? In fact, that is about the only thing he has done administratively in the last several months.

MR. NESSEN: I think I am going to leave it alone until he has looked at it. There are various ways of lifting the economic impact.

Q During the course of this meeting this afternoon, will he be discussing New York City?

MR. NESSEN: I haven't seen the agenda but that is not the purpose of it. I don't know what the issue would be to talk about New York City.

Q The problems that they are having.

MR. NESSEN: As far as I know that is not a matter on the agenda.

Q Ron, what is the President's view on the CIA continuing to monitor conversations? Does he favor it?

MR. NESSEN: Let me give you some general views on this subject since I sense an interest.

I think it would be fair to say that the intelligence agencies, including the NSA, have a vital national security responsibility. The President in no way will preclude these intelligence agencies from carrying out their legitimate foreign intelligence responsibilities.

The President has stated that all intelligence agencies will operate within the Constitution and the applicable laws. The Administration is reviewing recommendations for possible administrative and legislative adjustments growing out of the Rockefeller and Murphy panel reports on U.S. intelligence activities.

Q He still has full confidence in Helms as Ambassador and Colby as Director?

MR. NESSEN: Yes.

Q Does that mean he would like to change the law so that some of the things they are doing now that are illegal would be legal?

MR. NESSEN: I can't accept your characterization of them doing some things which are illegal, Bob.

Q What does that mean, he is going to make some of the things they are doing now illegal? You said he was going to make some legislative adjustments. What does that mean?

MR. NESSEN: It means what I told Vic, which was he does have recommendations and views based on the recommendations of the Rockefeller and Murphy reports. He is reviewing them and others here are reviewing them and at some point he will make whatever administrative adjustments and recommend legislative adjustments that he thinks are needed to carry out those recommendations.

Q Does that mean he will tighten the restrictions or ease some of the restrictions?

MR. NESSEN: I don't see how we can speculate on what he is going to do while he is still reviewing it.

Q We would just like some idea.

MR. NESSEN: I think you have all read the recommendations of the Rockefeller Commission and the Murphy Commission, for that matter you know the direction they go in.

Q Would his take the same direction?

MR. NESSEN: How can I tell you when he is still reviewing them? We will have to wait and see what he comes up with.

Q Could you tell us if it was a consensus of the agencies and departments which commented on those recommendations of the Rockefeller and Murphy Commissions, that the reports are going in the right direction, or did the agencies and departments contradict those reports?

MR. NESSEN: I don't think it is proper for me to comment on what the President is doing. It is impossible for me to tell you what he intends to recommend.

Q When the administrative adjustments are made, will they be announced?

MR. NESSEN: This is -- incidentally, just to make sure you understand--this is no news. The President has said this publicly himself many times, that he is going to do this.

Q He is?

MR. NESSEN: The answer is, of course they are. How in the world can you send recommendations to the Congress without making them publicly?

Q No, I said the administrative adjustments, will they be announced?

MR. NESSEN: As far as I know, the President has said that publicly before.

Q Do any of these recommendations have anything to do with the question Bob originally raised?

MR. NESSEN: How is it possible for me to say, John, when he hasn't made the recommendations yet.

Q I mean, is this one of the areas that we were talking about? There was a question that came up today about the monitoring of American citizens' overseas telephone calls. Is that one of the subjects under review or are we talking about something entirely different here? Is it really applicable to Bob's original question?

MR. NESSEN: It is just not proper for me to talk about what he has under review, and it is not possible to say what he is going to recommend.

Q Let me ask you this, then: I just want to make sure -- you said you stick by your original statement that there is nothing illegal.

MR. NESSEN: I will have to look up what I said originally. As far as I know, I have not said anything that I want to take back in this area.

Q Let me ask you this: Is what you are saying based on sort of old information, or has there been a review of what Colby said yesterday? In other words, was that news to the White House -- what Colby said up on the Hill yesterday -- or did you know about that when you made your original statement?

MR. NESSEN: Let me put it this way: I think the views that I passed on to you certainly reflect the President's views. I just don't think this is an area that lends itself very well to very much detailed discussion in this particular room.

You have the President's Director of Central Intelligence up and testifying on the Hill and I would prefer that on sensitive subjects like this that are being discussed publicly and in the proper forum, that this just doesn't seem the right room to go into very much detail on this subject.

Q Does the President feel that the quantity and quality of the intelligence he is receiving has suffered any because of the Congressional investigation, so far?

MR. NESSEN: Was he not asked that question recently? I think he was.

Q I don't know.

MR. NESSEN: I would rather --

Q Would you refresh our memories on what he said?

MR. NESSEN: I am trying to refresh my own memory on what he said and I need to check it. I forget.

Q Has the President ordered an investigation into the Swedish Air Force incident?

MR. NESSEN: No, what would be the need for an investigation?

Q There was an apparent violation here, or some confusion at least.

MR. NESSEN: Well, maybe I can clear it up.

Q Wasn't it an unfriendly act by a war-like power? (Laughter)

MR. NESSEN: Here is the deal, basically -- while I am waiting for the official version to arrive -- obviously a flight plan was filed, as it is for any flight. When things ran late in Helsinki, there was a revised flight plan filed to make up some time. I mean, filed with the Swedes.

We were delayed at Helsinki. In order to make up some time enroute to Bucharest, McClelland -- who is the aircraft commander -- refiled the flight plan just before take-off. The revised flight plan was cleared with and approved by Stockholm and Malmo Control Centers. These are the control centers that control the air space in that area.

When the Swedish plane appeared, nobody on Air Force One was aware of what his purpose was. He waggled his wings on the left side of Air Force One, slipped underneath Air Force One and flew on the right side.

McClelland was in radio contact with the ground control but not with the Swedish plane. He asked ground control what the purpose of the Swedish plane was. Ground control said it was unaware there was any Swedish plane along side Air Force One.

Q Ground control?

MR. NESSEN: Swedish ground control.

Q Where?

MR. NESSEN: In Sweden -- Stockholm or Malmo, or both.

Ground control said they didn't know anything about a Swedish plane along side Air Force One. So ground control, Swedish ground control, contacted someone by telephone and shortly after that the Swedish plane flew away.

MORE

Q Was this a military plot inside the Swedish Government? (Laughter.)

MR. NESSEN: So that is all I know.

Q Did anybody explain why it was there in the first place?

Q Who launched it?

MR. NESSEN: Launched what?

Q The plane, how did it get there?

MR. NESSEN: We don't have any idea.

Q Presumably it was a lack of coordination between the Swedish civilian air ground control and the Swedish air defense network.

MR. NESSEN: I can't make any assumption about what happened.

Q Isn't it a little odd that an airplane would fly up -- I was sitting there looking at it 25 or 50 yards from Air Force One -- and nobody knows where it came from, who sent it up there?

MR. NESSEN: Bob, I am telling you the facts. You know we have spent some time, in response to questions, pulling together everything we know about it, and this is everything we know about it.

Q The question is, did the President ask for an investigation into how this all happened?

MR. NESSEN: No.

Q Does he have any concern?

MR. NESSEN: No.

Q Has the State Department been asked to find out about this for the good of future Air Force One travel?

MR. NESSEN: Not that I know of.

Q How close was it, 25 yards?

MR. NESSEN: I thought it was a half mile. It looked like a half mile to me, or so.

Q It was sitting out there on the wing.

MR. NESSEN: I didn't see it that close. It looked farther away to me than that.

Q It waggled its wings, flew under Air Force One, flew over and then came back.

MR. NESSEN: This report does not indicate a wagging of the wings on the right side. (Laughter.)

Q Have you concluded this was not a friendly salute as originally described?

MR. NESSEN: It is not clear precisely what it was since the Swedish ground control does not know what it was either, but the plane went away.

Q My question is, are you now retracting the original statement that was made on Air Force One that it was a friendly salute?

MR. NESSEN: As I understand, the original statement made on Air Force One was by Major Barrett, who said that no one knew why the plane was there, and he assumed it was merely a friendly salute, which was the assumption then and there is no reason to change his assumption at this time.

Q At the time, did Major Barrett check with the pilot before he gave this information to newsmen aboard?

MR. NESSEN: As far as I know, he did. He wouldn't have given it on his own.

Q The pilot of Air Force One said he assumed it was a friendly salute, but at the same time called ground control to find out what was going on?

MR. NESSEN: And ground control said they didn't have any idea what it was, they didn't know it was up there.

Q Was the President aware of what was going on at the time?

MR. NESSEN: As you know, his window is on the right side of the plane. Did it waggle its wings on the right or left side of the plane?

Q Left.

MR. NESSEN: I don't know, I didn't, frankly, ask him whether he saw the plane or not.

Q The information you have given us here, there is no way to know if it was even a Swedish airplane, I mean, it had Swedish markings. What if it was the Palistinians? I mean, that plane could have shot us out of the sky, and you are telling us here that nobody knows who it was, who sent it up there, where it came from. Somebody made a call and it went away.

MR. NESSEN: As I say, Bob, we must have called a right number. (Laughter.)

Look, we have all spent some time digging into this because of the President and these are all the facts we can determine..

Q Are you satisfied with all those facts? Does anybody care what its real intent was and how it happened?

MR. NESSEN: I don't get the sense that there is any concern about it.

Q Is any communication contemplated between the United States Government and the Swedish Government?

MR. NESSEN: I thought I said no a couple of minutes ago.

Q Ron, I guess as much as whether or not this is a big incident or not, we are talking about the credibility of what the White House has to say about this or that. We have an interest here whether it was a friendly salute, and it is only after we keep digging and asking questions that we get a little more each time. That is what we are talking about, the nature of my question is credibility.

MR. NESSEN: Would you point out to me the gap in credibility and let me see if I can resolve it for you.

Q This was described on Air Force One as a friendly salute.

MR. NESSEN: I can refresh your memory, Phil. Major Barrett was asked about the episode. He answered no one knew why it was there and he assumed it was merely a friendly salute. That was Saturday, this is Thursday. There is no reason that I know of why Barrett would change his assumption on the plane that it was a friendly salute, nor do I see where the credibility of the White House is involved in the President's military aide saying he didn't know why it was there, but he assumed it was a friendly salute when, in fact, at the time, nobody did know why it was there and did assume it was a friendly salute.

Is there a further example of lack of credibility you would like to have resolved?

Q I don't recall anybody saying they didn't know why the plane was there. They said it was a friendly salute. I am recalling from what the man told us. I am not reading somebody else's notes.

MR. NESSEN: I am reading notes of what he told the people who asked him on the plane.

Q I know what the reporters standing there asked him, and he said it was just a friendly salute, nothing to worry about. Now you are saying, with this elaborate security we go through, the minute-by-minute planning that is done to protect the President, that nobody knows anything about that airplane being up there. I am sure like everybody else, that it was just a foul-up, they got mixed up, launched a plane to come out there and find if we were there. But are you saying nobody knows that?

MR. NESSEN: I am giving you everything dug up between Saturday and Thursday. Let me go back to Phil's other possible lack of credibility.

Q Henry Bradsher. -- I was not on Air Force One at the time and was only listening to the questions from Henry. Henry said that he asked that the pilot be asked about what was going on. Now, the question that I want to know is, was he contacted? During that flight, did Major Barrett talk with the pilot?

MR. NESSEN: As far as I know, he did.

Q This is the story he came out with?

MR. NESSEN: The story at the time was that the pilot, Colonel McClelland, had radio contact with the ground, had filed his flight plan, had had his flight plan accepted, asked the ground the purpose of the plane, the ground said they didn't know what the purpose of the plane was and then the plane went away.

Q Were you aware of that information, and did you pass it along to the pool?

MR. NESSEN: I think some of you on that flight know it was an extremely busy flight because it was the flight on which the news conference was held. We got as much information as quickly as possible.

Q Ron, one thing that really interests me --

MR. NESSEN: Are there any other examples of lack of credibility?

Q Credibility, confusion, there was some confusion.

MR. NESSEN: Are there other examples I could clear up for you? Is it Major Barrett's credibility that is questioned?

Q It would be helpful if that piece of paper said -- did you called the Swedes up -- I know the Embassy phone number, they are in the phone book -- and ask them what -- why --

Q Has the Swedish Government said anything about it in any way?

MR. NESSEN: As far as I can tell, there is no further contact in any way between the Swedish Government and the United States Government.

Q Has friendly relations been broken off?

MR. NESSEN: Other than that. (Laughter)

Q The point is, here is the safety of the President of the United States, one of the most vital activities of much of the White House activity. I don't recall anything, except since Nixon was in the Middle East, of any such incident endangering the life of the President of the United States. And I frankly find it inconceivable to find no trace of any diplomatic contact between the U.S. and Swedish Governments over exactly what happened, purely if nothing else but to find out exactly what happened so it won't happen again. People will be worried about the President's travel.

MR. NESSEN: The pilot did what he could at the moment, which was to call ground control and say why is the plane out there. And ground control said, we don't know, and the plane went away.

Q That is the whole point I am making; things don't work that way.

Q Was it a Swedish plane?

MR. NESSEN: That is one element that I never thought was in any doubt. But if it is in doubt, I will ask how we know it was truly a Swedish plane.

Q Further, Ron, this is a sort of request. Bob Schieffer asked a many-part question before, one of which was what we are talking about now; one is: Do you know whose plane?

MR. NESSEN: I will find out.

Q One of the elements is that possibly Air Force One got too close to some secret Swedish installation?

Q That is what the Swedes say?

Q No, they said they didn't know why it was there.

MR. NESSEN: Colonel McClelland says he has been aware of two small restricted areas and that he was not over those restricted areas.

Q Ron, Colonel McClelland's predecessor used to just go up the wall if he saw another airplane in the area. Of course, Sweden is not the Middle East, but he took evasive action when one of the Middle East governments sent those planes up to escort him into Jordan.

McClelland, I take it, was not exercised by this. He is not as concerned about things like this as Albertazzi was.

MR. NESSEN: I don't know how exercised Albertazzi used to get.

Q McClelland, that day he wasn't that exercised.

Q Ron, I am saying even though you don't know why it happened, the incident is closed as far as the White House is concerned?

MR. NESSEN: I think it was closed when the plane flew away, as far as the White House is concerned.

Q Would you say the President's safety was in some jeopardy when you have a plane at the same altitude that close?

MR. NESSEN: How close is that close?

Q Somewhere between a half mile and 50 yards.
(Laughter)

MR. NESSEN: If it was, I haven't heard anybody say anything about it.

Q Ron, did you say earlier that as far as you knew McClelland had no contact with the pilot of the other airplane?

MR. NESSEN: I know that he did not have contact with the other airplane.

Q I wanted to raise that because I was told by someone this week he did have contact and the other pilot is supposedly to have said something like get out of our air space. There was communication and the pilot asked Air Force One to move out or make some adjustment.

MR. NESSEN: The ground control asked Colonel McClelland to adjust his course a few degrees to the left.

Q But that is new -- you say now ground control told him to move out or move over?

MR. NESSEN: When he called ground control, they altered Air Force One's course a few degrees to the left.

Q Why was that?

MR. NESSEN: I don't know. He was not over what he knew to be two small restricted areas.

Q Then he must have been off course, he wasn't where his flight plan said he was going to be.

MR. NESSEN: I have no way of knowing that.

Q Do you know if he was over or approaching a restricted area?

MR. NESSEN: I didn't read all the stories.

Q Is there any political significance in altering the course a few degrees to the left? (Laughter)

Q Is he a light Colonel or full Colonel?

MR. NESSEN: I think he is a Lieutenant Colonel.

Q May I ask another question on airplanes? What was the President's reaction to the idea of the FAA altering the flight paths so there wouldn't be noise over Lee's Mansion when he signed the citizenship bill?

MR. NESSEN: I have no idea.

Q Did the White House approve of that or ask for it, or was that just gratuitous?

MR. NESSEN: The White House did not ask for it, as far as I know. In fact, I know they did not ask for it. I have expressly forbidden that when some people have suggested doing it for an outside news conference.

Q In this case the White House definitely did not?

MR. NESSEN: It didn't have any role in what happened to the flight plan.

Q Ron, we have a conflict here. You said the flight plan was filed with and approved by Stockholm. You also said Colonel McClelland was following the flight plan that was filed and yet in following the flight plan Stockholm or someone told him to move a few degrees to the left.

MR. NESSEN: The ground control told him to move a few degrees to the left.

Q There is a conflict there. They either did not approve the flight plan or he was not following the one that was filed?

MR. NESSEN: I just can't answer those questions from here.

MR. GREENER: They felt he should move a few degrees to the left at the time.

Q Ron, you were asked yesterday about an Evans and Novak column report that the President had received a very gloomy report from the Economic Policy Board a couple of weeks ago. You said you would check on it.

MR. NESSEN: I did check on it.

Well, the feeling here among the President's economic advisers and himself is that the article was greatly distorted and in fact inaccurate. The discussions that they describe were not pessimistic and in fact were more optimistic than the last review and more optimistic than had been anticipated. The EPB examined the problems, reviewed the alternatives and basically reaffirmed that with the present economic policies, the country is just about on, or perhaps even slightly ahead of the recovery that has been forecast.

Q Ron, how does that affect the comments in the column about inflation? I think they said that inflation would take off again. I don't have it in front of me and don't remember exactly what their phrase was, something about rampant inflation followed by another cycle of business downturn. Have you got anything particular on that? The wholesale price was 2 percent or something like that.

MR. NESSEN: John, Alan said something this morning about inflation and how that figure was involved. I have forgotten what that was.

I will check that.

Q Are you denying that there was a report that contained a gloomier economic forecast than the official forecast?

MR. NESSEN: Your question has to do with the written report being more gloomy than the discussion?

Q I don't understand your assertion that the discussions were inaccurate. I thought we were referring to a report prepared for review by the economic advisers of the Administration that was in fact gloomier than the official forecast.

MR. NESSEN: John has been working on this for two days, perhaps he can come in and help us on this.

MR. CARLSON: It is not a report, it is input from the seven different agencies and it is called the Economic Policy Board Review. It is not a technical report, it's a staff study. It comes from seven different agencies and they review that material and that data.

Q Was it rosy.

MR. CARLSON: It stated the facts.

Q Apart from rosy, pessimistic, optimistic, did it say inflation would be rekindled, or reignited, or heat up again this fall? What did it say about the rate of inflation anticipated?

MR. CARLSON: It is an internal document, a confidential study, and I think this is stuff that will be presented in due time by the economic advisers.

Q You are saying Evans and Novak's characterization of what it contained is inaccurate?

MR. CARLSON: The thrust of the study is that things are not pessimistic. We stated the facts and said that unemployment is 8.4 percent. That is entirely too high, it is unacceptable but it is going down more quickly than we expected.

Q One of the themes that the President has recently followed is the battle against inflation, if not won, is at least making progress. Now we have new figures which seem to show a disturbing trend in the other direction. The question is, is there any review or decision within the White House by the President or his economic advisers that the war against inflation is now going badly?

MR. NESSEN: I am not aware of any in the White House that says the war against inflation is going badly. I think you know the President often stated views that it is something that has to be watched constantly and he is following a policy that he believes will prevent inflation from being reignited.

Q Along those lines, if I can go back for a minute to the reference you made to possible administrative steps to adjust the impact of the lifting of oil price controls, are you saying only that this is a possibility, or that the President will in fact take some steps that you simply cannot discuss at this point?

MR. NESSEN: He will review the situation and see what is needed, if anything. If something is needed, then he will choose which steps to take.

Q All of this is based on the assumption that -- I am out of touch with this -- he will veto the latest bill; is that right?

MR. NESSEN: What he said on the plane the other day still stands, Ralph.

Q Ron, does the President have any reaction to the action in the United Nations regarding Korea?

MR. NESSEN: The President's feeling is that he believes in the universality of United Nations membership and he believes that South Korea should be admitted to the United Nations and, if it is not, we would not find it acceptable for South and North Vietnam to be admitted because of the principle of universality.

Q Does that mean the U.S. would exercise a veto at the Security Council?

MR. NESSEN: I am not clear on the procedures of the UN, frankly, Dick.

Q That is what the State Department said yesterday.

MR. NESSEN: Can you veto a membership application?

Q Yes.

MR. NESSEN: Then we would if South Korea were not admitted.

Q Ron, are the South Koreans all that hot about getting in or is it that we are urging them to get into the United Nations?

MR. NESSEN: I think you will have to ask them, I don't know the answer to that.

I have some more information for you.

We did know at the time that it was a Swedish fighter plane, that it was not a PLO plane, or whatever it was that somebody suggested. The Swedish civilian ground control knew there was a Swedish fighter there. He didn't know why it was there because normally the military and civilian ground control sit side-by-side. In this case, they were not in the same room. That will clear up the fact that Sweden knew that one of its military planes was in the area.

The civilian ground controller called the military ground controller, who apparently called the plane and the plane went away.

THE PRESS: Thank you, Ron.

END (AT 12:28 P.M. EDT)

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