

This Copy For _____

NEWS CONFERENCE

#310

AT THE WHITE HOUSE

WITH RON NESSEN

AT 11:30 A.M. EDT

AUGUST 29, 1975

FRIDAY

MR. NESSEN: We have a couple of minor additions -- I think they were in the 10 o'clock posting, weren't they? Okay, you have all that.

As you know, Mike Mansfield is coming in at noon and this morning Speaker Albert called and asked whether the President would mind if he joined that meeting. The President said of course not, so Speaker Albert will be coming with Senator Mansfield.

Q Did he invite them to use the South Drive?

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

Do you know about the Labor Day message being recorded?

Q No.

MR. NESSEN: The President has a Labor Day message which I think you have probably all seen. At the request, I guess, of television and radio people he will film it and record it this afternoon for a pool made up of NBC and then it will be available to all the other networks and also available to independent broadcasters through Don Meany of NBC.

The taped and filmed version of his message is embargoed for 6 o'clock Sunday, as is the written version of the message.

Q Are they the same?

MR. HUSHEN: They are not identical.

Q Can you explain why he doesn't even mention the unemployment problem in a Labor Day message?

MR. NESSEN: Why does he not mention unemployment? I don't know, he certainly mentioned it elsewhere a lot.

The President will go to Camp David when he gets back Saturday night and will spend Sunday and Monday and come back Monday evening.

MORE

#310

My feeling is that this office is going to be pretty much closed on Monday, so we won't have a briefing on Monday.

Q Do you know what time he goes up to New England tomorrow?

MR. NESSEN: Let me get to this in an orderly fashion. As you know, when we went on the last Midwest trip the President recorded a filmed interview with Irv Kupcinet for broadcast on a station Sunday night. For any of you interested, we have a transcript of this and it should be embargoed --

Q It is normally on Saturday night.

MR. NESSEN: If it is on Saturday night, then it is embargoed for Sunday A.M., if it is on Sunday night, it is embargoed for Monday A.M.. I have it both ways here so we will have to get it straightened out.

The bible for the trip to Maine and Rhode Island we have in the works. I think you have seen the check-in times. Also, we hope to have an advance on the President's speech at the AFL-CIO benefit for the hospital in Augusta and I would hope to have that one by early evening.

If we do get it out tonight, it will be embargoed for Saturday P.M. If we are not able to get it tonight -- and it really depends on when the President will have a chance to look at it and approve it -- if we can't get it we will put it out on the airplane for use on delivery and I don't look to have any advances on the political speeches.

Now, you mentioned the airplanes. The President is flying in a Jetstar. There will be a --

Q Why?

MR. NESSEN: To save money for the people who are paying for the trip.

Then there will be a DC-9 which will carry the normal White House type people plus a press pool and then there will be a press plane for the press.

Q How does that save money? You have to have a DC-9 as well for the staff and the press pool?

MR. NESSEN: Well, the Jetstar will carry the people who are involved in political affairs and that will be paid for by the RNC, and the DC-9 will carry the other people who have to go along with the President because he is President, such as Secret Service, communications, press spokesmen and the press pool.

Q Isn't it also the case that the Green Airport in Rhode Island won't accommodate Air Force One?

MR. NESSEN: That may be possible, I will have to look into it.

Q Has the President ever considered flying in a Jetstar to save the taxpayers' money?

MR. NESSEN: He actually has flown in a Jetstar. to save the taxpayers money.

Q Does this mean the RNC will not pick up the DC-9 expenses?

MR. NESSEN: That is correct.

Q What is the cost of the DC-9 versus Air Force One?

MR. NESSEN: \$889 an hour.

Q Is that how much it costs or is that the difference?

MR. NESSEN: That is the rental fee that the RNC will pay, \$889 an hour for the Jetstar.

Q What does a DC-9 cost?

MR. NESSEN: \$1,004 an hour.

Q Is that in the air or every hour it is gone?

MR. NESSEN: My understanding is the cost is calculated on the estimated total time that the airplane is in use, its fuel and its crew and so forth.

Q Air Force One couldn't land at that airport up there anyway, could it?

MR. NESSEN: That is something we need to check.

Q How much is Air Force One?

MR. NESSEN: \$2,206 an hour.

Q Does the President think it is fair to stick the taxpayers for \$1,004 an hour and Republicans only \$889 an hour?

MR. NESSEN: That is what I like, a question seeking information.

Q I am serious, does he consider this to be an equitable situation?

MR. NESSEN: Phil, it is, as you know, partially an official trip. His speech to raise money for the Children's Hospital is a Presidential appearance.

Q Is the AFL-CIO paying for any of this?

MR. NESSEN: They are not.

Q It would be cheaper to donate the money to the hospital.

MR. NESSEN: Let me finish Phil's question, Les.

There are certain people that need to be with the President by Act of Congress wherever he is because he is the President.

Q Yes, but, Ron, they wouldn't have to travel if he wasn't going on a political trip.

MR. NESSEN: Well, you know I thought about --

Q That is the fact, isn't it?

MR. NESSEN: I am not clear exactly what the question is, Sarah.

MORE

#310

Q It is not fair according to the question, is that what you said?

MR. NESSEN: I said I don't understand the question.

Q The question is that the Secret Service men wouldn't have to be going on this \$1,004 an hour plane if the President wasn't going on this particular trip, which is a political trip.

MR. NESSEN: I think I have, over the past few days, tried to indicate generally what the White House has done to live up to the election law, and I feel after that period of time that we are probably up against a philosophical difference rather than a question of facts.

I probably am not going to be able to convince you and you are probably not going to be able to convince the President's lawyers, so I think we will have to agree to disagree on this one.

Q I beg your pardon. This has nothing to do with your philosophical discussion. This is a question of fact. The Secret Service salaries are paid anyway, right? But the Secret Service expenses for this trip would not have to be undertaken at all and the taxpayers could be saved the money if the President was not going on this trip, right?

MR. NESSEN: Right.

Q Ron, can I go back to what has happened in the past? You have been advising us that these things happen every four years, at least every time an incumbent President runs, and some of these things seem strange to some people just because we haven't been here before.

It is my recollection when Eisenhower was traveling around in 1960, when he was campaigning, the RNC picked up the entire tab for the signal corps, the Secret Service and everyone. I was under the impression the RNC picked up the tab for the entire Presidential expenses on political trips, even to the present day.

Is that not correct? Is this a new policy?

MR. NESSEN: You mean when everybody flew on the big plane?

Q No, I am talking about people who fly on the back-up plane and people who are traveling with the President as part of the Presidential party as apart from the political --

MR. NESSEN: As you know, the RNC files its required quarterly reports listing everything they have paid for, and frankly I have not looked at those.

Q Take the Cleveland trip, the Cleveland-Cincinnati trip. Did the RNC pick up the tab for the signal corps and the Secret Service?

MR. NESSEN: I would like to check this, but it is my understanding the RNC rents the airplane so it doesn't make any difference how many people fly on it.

As far as hotel rooms and so forth -- I would want to check on this -- my understanding is, prior to checking it, that the people who are by law required to accompany the President wherever he is -- Secret Service, WHCA, military aides and so forth -- their hotel expenses, I don't think, have been paid by the RNC, but I would like to check on that.

Q What about the advance men? You have had a lot of advance men on some of these trips recently. Some of the places they go, they wouldn't have to go if he wasn't going there for political purposes, so who is picking up their trip expenses?

MR. NESSEN: Barry, let me ask you a question. I just wanted to confirm that my belief is right; that, of course, the RNC pays the advance men's expenses on political trips. I would only point out -- a minor point -- but obviously the Congress has passed a law which requires Secret Service protection for all the candidates.

Again, this is another area, as I pointed out yesterday, where the President is really performing and has the same constraints and problems as all other candidates, or they have the same problems he does.

Q Will he be using the Jetstar to to this non-political thing in Sacramento?

MR. NESSEN: No.

Q You still maintain that is a Presidential duty to address the legislature and the businessmen?

MR. NESSEN: That is part of his Presidential duties, that is correct.

Q Ron, you say the RNC pays for the advance men. What advance men? It doesn't pay for the WHCA advance men, the Secret Service advance men or the press advance, does it?

MR. NESSEN: The press advance and the White House advance.

Q There is the WHCA advance and Air Force One advance.

MR. NESSEN: Are their expenses paid by the RNC?

MR. SPEAKES: No, they are required to be there.

Q What is the answer?

MR. NESSEN: The answer is that they are required by law to have certain, in the one case, protection and the other case communications, medical care and so forth for the President wherever he is, and consequently their expenses are paid by whatever agency they work for.

Q It is your understanding they do the same for all the other candidates, the other candidates would not have to pay for any Secret Service expenses or any other protective expenses required by law?

MR. NESSEN: I didn't understand the question.

Q Other candidates for President who are required to have Secret Service protection that would be paid for out of the Secret Service budget and all the advance required for their protection would likewise be out of the Secret Service budget?

MR. NESSEN: Yes. I don't know if you recall this, Fran, in 1972 -- who was the candidate that made the Secret Service buy tickets on his plane?

Q I don't know, but does the Secret Service pay -- the guarding of candidates, does that take effect before the National Convention?

MR. NESSEN: I forget the wording of the law. The wording of the law has something to do with when it becomes obvious this man is a serious contender for the nomination, it does take place before because there is protection given during the primary season, for instance.

Q Ron, the General Counsel of the Federal Elections Commission yesterday, while the Commission itself didn't take it up, issued an opinion which says that when the President travels on behalf of a candidate, that the costs of that travel must be counted against either the President or the candidate.

MR. NESSEN: Do you have the opinion?

Q No.

MR. NESSEN: What the opinion says --

Q If you are going to read the opinion, let me ask --

MR. NESSEN: I only want to do this, Ted, because these opinions, as I said yesterday, tend to get generalized and simplified and they are not at all general or simple. If you don't mind, in the interest of keeping the record straight, I would like to make sure you know what we are talking about.

Are you going to ask the question?

Q My question very simply and broadly is, has that opinion caused the White House to change or amend or rethink any of the things that you have been telling us this week about the division between the President as titular head of the party and as a candidate, or anything else?

MR. NESSEN: All right, I have your question.

The request to the FEC was made on August 12 by George Young, who is campaign chairman of Louis Wyman's campaign in New Hampshire. It pointed out President Ford and other Republican leaders may travel through New Hampshire to campaign on behalf of Mr. Wyman. Their expenses will not be paid by the Wyman for Senate Committee, which is the principal campaign committee for him.

The questions are one, does this constitute a contribution in kind to the Wyman campaign? If so, how is that contribution to be computed? Does their travel to and from New Hampshire count, and what does a candidate do to avoid accepting this kind of contribution under the law?

The answer, as you say, is merely a draft by the General Counsel of the FEC and has not been formalized by the full Commission. The rule is: "Therefore, the cost of the type of activity described in this request might well be considered an expenditure by either Presidential candidate and attributable in whole or in part of his expenditure limitations under 18 SC 608.

"While there may be some carryover effect to the Presidential campaigns of both individuals, the General Counsel is of the opinion that these expenses should be attributed solely to the Wyman Senatorial campaign. The timing of these visits raises the presumption that these visits are likely to have maximum effect on the more approximate election" -- meaning Senate election -- "rather than on the 1976 Presidential election, nominating conventions, on March 2 New Hampshire primary election."

Then it says, "It must be emphasized that this analysis pertains only to this particular set of circumstances and is not to be construed as applicable to other campaign activity engaged in by Presidential candidates."

Q Is that why the President is not going to New Hampshire?

MR. NESSEN: What do you mean, why he is not going to New Hampshire?

Q Does it have anything to do with this?

MR. NESSEN: The ruling is that Wyman, if the President or any other Republican leaders come there to campaign for him, that the expenses are attributed to his campaign.

MORE

Q Will the President go to New Hampshire?

MR. NESSEN: It is under consideration and no decision has been made, as I said last week.

Q Will Wyman join the President in Maine this weekend?

MR. NESSEN: Wyman will not join the President in Maine this weekend.

Q Will the President mention him in his talk?

MR. NESSEN: I haven't seen the talk, Sarah.

Q The answer to my question is --

MR. NESSEN: The answer is obviously no because it applies solely to a Presidential visit to campaign for Louis Wyman before the special Senate election.

Again, I want to make the point these rulings need to be read.

Moving right along to my other items, I said we are going to be closed Labor Day. I told you the President is going to tape his Labor Day speech. He is going to use a Jetstar.

Q What is the speech on?

MR. NESSEN: He is going to tape the Labor Day message.

Q What about the AFL clambake speech?

MR. NESSEN: I haven't read that speech. That will be ready about 2 o'clock this afternoon.

Q How many political people will be on the Jetstar?

MR. NESSEN: The President -- the ones you would have to count as political people are, I think, Rumsfeld and Hartmann and the President. The others are in their role as serving the President, which is Lukash, the Military Aide, Dick Keiser of the Secret Service, Bill Greener of the Press Office, and Terry O'Donnell. Regardless of who is on the plane, the RNC is paying for the full cost of it.

Q Who will be on the DC-9?

MR. NESSEN: On the DC-9 will be eight people in the Secret Service detail, ten people in the press pool, Red Cavaney of the Advance Office, Bill Fitzpatrick of the Photo Office, Larry Speakes of the Press Office, and others who normally travel with the President.

Q Who?

MR. NESSEN: Like secretaries, guards for the airplane, Gully of the Military Aides Office, Oldenburg, who gets the baggage off and on and so forth.

Q Where will you be?

MR. NESSEN: Here in the office cleaning up my paper work.

Let me tell you, since there is enormous interest in travel and trips, that the -- I told you the other day that the President would be going out and speaking to the State Legislature in his role as President in Sacramento. So maybe I will tell you about the other stops on that trip so you can plan your lives.

Q Has he invited Governor Reagan to ride in the plane with him, Ron?

MR. NESSEN: I haven't heard that.

Q He is not Governor.

Q Former Governor, excuse me.

MR. NESSEN: Thursday, next week, the President will probably leave the South Lawn somewhere in the 9 to 10 o'clock area, it is still a little bit open, get to Seattle somewhere around noon, maybe shortly before noon, and will be first of all speaking to a Republican fund raising luncheon on behalf of the Washington State Republican Organization.

The next event will be to appear at the White House Conference, Regional Conference, on domestic and economic matters somewhere in the 3:30 to 4:30 area.

The format will be the same as the Milwaukee format which is very brief remarks and then questions from members of the audience representing the various civic groups in Seattle.

From there somewhere around 5:30 to 6:00 he will fly on to Portland where he will address a fund raising reception on behalf of the Oregon State Republican Organization. After that the President will go to the Memorial Coliseum of Portland, 8:00 to 8:30 generally, where he will take part in a Youth Pageant, which is a Bicentennial event, partly

sponsored by youth organizations of the Portland area, including Boy Scouts, 4-H, YWCA, YMCA, Girl Scouts, Campfire Girls, and so forth, and he will speak to the Youth Pageant.

Then, leaving there at 9:00 or 9:30, something like that, and flying to Sacramento where he will spend the night. That is Thursday. Then on Friday quite early --

Q What hotel, do you know?

MR. NESSEN: Not at this point.

Quite early on Friday he will address what is known as the Sacramento Host Breakfast, an event that began in 1926 when a number of California businessmen began a tradition of gathering at breakfast to discuss California State affairs. These meetings have grown in the past 49 years. The sponsoring organization is the California Chamber of Commerce and the Sacramento Host Committee, and the President will speak at that breakfast.

Mainly, it is community and business leaders from all over California.

The President will have a meeting that morning with Governor Brown, at the request of Governor Brown, primarily on energy problems. He will also meet briefly with the bipartisan leaders of the California Legislature at their request.

Q Before you go on, can you give us a little more about the meeting with Governor Brown?

MR. NESSEN: That is all I have, he asked for the meeting and he wants to talk about energy and it is about 10 o'clock in the morning. I don't know any more about it.

Q You don't know when Governor Brown asked for the meeting, whether it was a telephone call to the President, or a letter?

MR. NESSEN: I don't.

Following that he will meet with the leaders, both Democrat and Republican, of the California Legislature, again at their request, to discuss problems they have on their minds, and at 11:30 will address a Joint Session of the California Legislature and then will come home.

Q What time will he get home? Do you have any idea?

MR. NESSEN: You can sort of figure it out. If he leaves there at noon, 3 o'clock in the East, say, five hours, 8 o'clock, or so, in the early evening, middle evening.

Q Just a logistical thing, getting back to Saturday, will there be the same arrangement that there has been in the past for the press to monitor the TV interview at the time it is taped?

MR. NESSEN: Yes. It is going to be difficult to get a picture because it is being taped and then re-broadcast an hour or so later, but what we will do is pipe in the sound of the interview as it is being taped.

Q How much time is there between the taping and the dinner?

MR. NESSEN: Virtually none.

Q He goes directly, then, to the dinner from --

MR. NESSEN: He tapes from 6:00 to 6:30 and goes directly to the dinner.

Q Where is it being taped?

MR. NESSEN: I think in one of the hotels.

Q Perhaps you explained, but why did Governor Brown not come here yesterday with the other Governors?

MR. NESSEN: As we said yesterday, he was invited and he sent a note saying he had 150 pieces of legislation on his desk and felt he needed to spend his time more profitably dealing with those State matters than coming here.

Q Can you find out whether it was in that note or whether it was before he declined that invitation that he requested this meeting?

MR. NESSEN: All right.

Q Ron, is there an interview tomorrow -- is that what you are saying, 6:00 to 6:30?

MR. NESSEN: Didn't we announce that?

Q No.

MR. NESSEN: As one of the events on this trip to Maine and Rhode Island, at 6 o'clock, I believe it is, he is going to be interviewed by a panel of correspondents from television station WJAR in Providence, and then that will be broadcast at 7 o'clock over that station. I think they may have hooked into some other stations, too.

As I say, the sound of that interview will be piped into the press room as it is being conducted.

MR. HUSHEN: Isn't it 7:30?

MR. NESSEN: Yes, it is.

Q There are not going to be any of those television things on the West Coast trip?

MR. NESSEN: The Portland, Seattle, Sacramento trip? I don't think there is going to be any time in Seattle or Portland. He may do an interview with a local correspondent in Sacramento if there is time. It hasn't been totally nailed down yet.

MORE

#310

Q Ron, do you suppose, since he is going to speak before this legislature, he will speak before many other State legislatures?

MR. NESSEN: As you know, he already has spoken to the New Hampshire legislature and the Kansas legislature and the Louisiana legislature. He has spoken two, three, four or a half dozen times.

Q Do you think he will speak to all the others?

MR. NESSEN: I haven't heard any plans for that, Sarah. It depends on who invites him to speak.

It looks to me as though I have gotten through my announcements.

Q Going back to the airplane set-up this weekend, why is it necessary for the pool to ride in the DC-9? Why can't the pool go with the regular press corps since it is not close to the President?

MR. NESSEN: I thought there would be some desire to do that, but if not, we don't have to. I think it may be too late to turn it aside for this weekend, but as he uses Jetstars in the future, if there is a feeling of not wanting to ride on the DC-9, I see no problem in putting everybody on the press plane.

Q I don't see any advantage to it. We are not closer. We are not with him.

Q Is it closer? Is the DC-9 in view of the Jetstar?

MR. NESSEN: The DC-9 is the slowest of the three planes being used, if I am right about that.

Q Is it going to land ahead of the President?

MR. NESSEN: Yes, because it has got the Secret Service on it.

Q And so will the press corps?

MR. NESSEN: Yes, and so will the press corps.

Q Ron, to clear up a point that was brought up earlier in this fascinating discussion, who pays the expenses of the advancing for the press party on these resource trips?

MR. NESSEN: John, I would like to check this out, but my understanding is the Press Office advance team expenses are paid by the RNC for political trips.

Q Maybe you said this before. Is the RNC picking up the Western trip?

MR. NESSEN: If the formula has not been sent into the FEC and sent back -- and I doubt if it will be -- then, of course, the RNC will pay for the entire trip.

Q How about the transportation on this part of the press advance?

MR. NESSEN: What is that? The Zook operation?

Q You know, who books the hotels and so forth?

MR. NESSEN: Does anybody from Transportation go out on the advance team?

MR. HUSHEN: Not on the advance team.

MR. NESSEN: I don't think they go on the advance team, but we will check that.

Q Is the President's car being flown up there?

MR. NESSEN: I think that is a judgment the Secret Service makes on security grounds.

Q Do you have a back-up plane?

Q Is that part of the security costs then?

MR. NESSEN: Yes.

The question of the back-up plane, sometimes they are used and sometimes they are not. It depends on what the need is, where he is and so forth.

Q Will the taxpayers have to pay for the President's plane to be flown up there this weekend for this trip?

MR. NESSEN: As I said, the RNC is paying for the Jetstar this weekend.

Q That is not my question. Will the taxpayers have to pay for the President's car to be flown up there by separate plane this weekend?

MR. NESSEN: If the Secret Service decides on security grounds that that car is needed, then that is a security judgment and they would take it up there.

Q That would be another plane trip to pay for, in addition to these you have listed?

MR. NESSEN: If the car goes for security reasons, the Secret Service would pay to have it taken up there.

Q Ron, when will you have an announcement on the President's decision on Government pay raises?

MR. NESSEN: It is possible that we will have that by the end of the day.

Q Ron, are you going to have anything for us on this 11 o'clock economic-energy meeting?

MR. NESSEN: I wanted to go, but I couldn't. John Carlson is in there. I know that it is basically a review by Alan Greenspan of where we stand at this moment in the economy. He gave me a little preview, which basically is that he is convinced that the economy is moving upward, continues to move upward. He continues to feel that the inflation rate for August, when those figures come out, will not be at the level of July, which was 1.2 percent.

In looking at the figures for insured unemployment, he sees those coming down. As he told some of you in Vail, he is somewhat puzzled by the monthly unemployment rate. I think he told you that statistically he felt it shouldn't be as low as it is, that for statistical reasons he believes there may be some sort of statistical aberration and, for that reason, that it is possible that the unemployment rate could go up again before it starts permanently down.

These are the things I think he said on that Saturday in Vail. He has convinced himself of that, that that remains true, and will report that at the meeting.

If the unemployment figure should go up, he doesn't believe that it is necessarily an indication of an actual rise in the unemployment rate. He thinks it is some kind of statistical quirk, and in any case, if we do get this upward blip, it will not be long before the rate starts down on a steady basis and a permanent basis.

Q Does he have any figure it will go down to before the end of the year?

MR. NESSEN: I didn't ask him what that figure was.

Q Was this Greenspan speaking?

MR. NESSEN: Yes, it was.

Q What is it now?

MR. NESSEN: 8.4, I believe.

Q Do you have anything on the unemployment insurance?

MR. NESSEN: It is moving downward. Insured unemployment is moving down.

Q Is that caused by the fact they are running out of the period they are insured for?

MR. NESSEN: No. As you know, the unemployment compensation has been extended to 65 weeks and the average length of time a person is on unemployment is four weeks.

Q Does the President feel any discomfort about going to the State with the highest unemployment on Labor Day Weekend?

MR. NESSEN: Which one is that?

Q Rhode Island, I think it is, is over 16 percent.

MR. NESSEN: I am sure the people who do that television interview will point it out to him and ask him his views of it on Saturday.

Q Ron, there is a report the legal office is considering looking at the professional code of conduct to possibly tighten up the conflict of interest provisions. Is that correct, and can you tell us more about that?

MR. NESSEN: I don't know much about that. I think that is probably an overstatement of what the case is. I think there are some people in the legal counsel's office who are looking over the code of conduct --

Q Who are those people?

MR. NESSEN: Phil Buchen and the other lawyers up there. I don't have the specific names. It is really kind of under constant review. As you know, this code of ethics has been, with modifications here and there, in effect since 1968.

So, the legal counsel's office is constantly looking at it and seeing whether it needs any changing. There is no specific review or rewriting going on.

Q Ron, has the decision been made on who will manufacture machine guns for the F-16?

MR. NESSEN: Is this the Congressman Cohen meeting this afternoon?

Q Yes, it is.

MR. NESSEN: They are coming in to talk about that.

Q It is not the F-16. It is in return for the F-16 contract.

MR. NESSEN: We have announced the meeting with Congressman Cohen and Congressman Emery.

Q Did you say that code of ethics has been in effect since 1968?

MR. NESSEN: The essential code has. It has been modified over the years.

Q Do you know what happened to it in 1972?
(Laughter)

MR. NESSEN: I think you will have to address that question elsewhere.

Q What was it, Ron, that was distributed here last October with the Rumsfeld briefing and assorted other documents?

MR. NESSEN: That was the revision made by this President and this White House in the existing sort of basic document.

Q Then there was extensive change in it?

MR. NESSEN: I frankly don't know what the previous one looked like, so I can't tell how much changing was done.

Q As a result of the Rustand thing, is there a new review going on?

MR. NESSEN: As a result of the Rustand thing, there is not a review going on.

Q Was there a review going on before the Rustand thing?

MR. NESSEN: Only a kind of constant review, not a specific review.

Q Shifting to another subject, the President must be aware of the fact there is a liberation movement going on in the Azores, where we have a key base.

MR. NESSEN: It is the M-60 tank you are talking about, Russ. The Army has been testing over the past year a number of different machine guns as a replacement for what is known as the M-219 machine gun, which is outdated, and it is used on the M-60 tank. A number of various weapons are being looked at, including one made in Maine and one made in Belgium.

Congressman William Cohen and David Emery and two mayors from Maine -- the mayors of Saco, Maine, Mr. Burton Braley, and the mayor of Biddeford, Maine, Mr. Lucien Dutrembley -- are coming in to talk to the President, I assume. I don't like to speak for them, but I assume it is to urge that the machine gun made in Maine be adopted.

Q Has there been any deal with the Belgians?

MR. NESSEN: No, they are both under evaluation.

Q Did we not already agree we would buy this machine gun in Belgium? Wasn't that part of the agreement we made to get these people over there to buy this airplane from Fort Worth? I believe it was the F-16.

MR. NESSEN: No, that is not the case. Both weapons are still under review. They both need further testing and a final decision is not expected until early in 1976.

Q Wasn't it implied as part of the agreement when they bought this that we would buy that over there?

MR. NESSEN: It was not, no.

Q You are positive that was not done?

MR. NESSEN: Sarah, I am reading from the briefing paper the President himself has received on this meeting today, and it rejects the idea that such a --

Q It says they are both under review?

MR. NESSEN: It says they are both under review and both require further testing.

Q Ron, about the Azores situation, this movement toward liberation, the IEA rebellion against the Lisbon Government, the President apparently is aware of it. Has he shown any interest in it or said anything about it? Is there a chance he would recognize such a rebellion, and what about the fact that it is being run in Fall River?

MR. NESSEN: I know you asked that question the other day, Les, and I didn't understand it when I read it in the transcript, and I still don't.

Q What is the President's viewpoint on this rather significant movement that is being run out in the United States? There are large numbers of Azorian-United States citizens, and this is a key United States base.

Does the President have any interest in it or has he said anything on it? That is the question. Has he expressed any interest or said anything, or what?

MR. NESSEN: He has not.

Q Ron, back to the machine gun business for a moment. How big is the order, do you know? The weapons testing is for the F-16 machine gun, right?

MR. NESSEN: How big is the order? Do you mean how much would it be?

Q Yes, and what is the company in Maine?

MR. NESSEN: It is Maremont Manufacturing Corporation. There is a company called Maremont, which makes the one gun that is made in Maine. There is no indication of the size of the contract or the number of weapons that would be bought in this particular briefing paper.

Q Can you give us a Presidential point of view --

MR. NESSEN: Let me just assure Sarah of one thing. The President is prepared to tell Congressman Cohen and Congressman Emery this afternoon that he wants to assure them that no prior commitment or agreement of any kind was made with the Belgians concerning the purchase of the MAG-58 machine gun, which is the one made in Belgium at the time of the F-16 sale or on any other occasion.

Q Are we going to get a readout on this meeting between Albert and Mansfield?

MR. NESSEN: I am going to talk to Frank after the meeting and see what it is that might be said after the meeting, so I am not going to put a lid on until after the meeting is over.

I told Frank to come in and see me as soon as the meeting is over, and he will, and we will not put the lid on until after that meeting.

Q Can't we have the two men come in here --
Mansfield and Albert? Can't you tell them and they
will come in and talk to us?

MR. NESSEN: I am sure if they know you want
them to come, Sarah, they will.

Q Will you ask them to?

MR. NESSEN: Yes.

MORE

Q I would like to follow up on something we discussed yesterday, the June 6 meeting between the President and the owners of Amway. Subsequently, in July the President met with Mr. VanAndel, did you have an opportunity to check on that meeting?

MR. NESSEN: I have had an opportunity to check with the President on all of his meetings at various points of his life with these friends from Grand Rapids and the President says flatly that he has absolutely never, on any occasion, ever talked to them about an FTC complaint against their company.

Q Ron, when the political formula is drawn up for the President's travel, is there a possibility it may be retroactive?

MR. NESSEN: That would be up to the FEC.

Q Have the platoons of lawyers recommended it be made retroactive?

MR. NESSEN: As I told you, it is in three parts. Two of the parts are now in effect, that is, the parts that cover: how do you pay for his travel as President, how do you pay for his travel as a leader of the Republican Party. And the third part, which will begin later, is how do you pay for his travel when he is out campaigning as a candidate for nomination.

Basically the formula for the first two parts is being followed now and this is the addition of the third part.

Q Will he formally announce when he is campaigning as candidate?

MR. NESSEN: As I said, you will know it, Helen. We will announce it in the sense you will say, "who is paying for this trip?" and I will say, "the President Ford Committee," and you will know he is campaigning.

Q Ron, can you tell us if there are any energy issues on the agenda for this meeting that is taking place with Greenspan and the others?

MR. NESSEN: No, the meeting with Greenspan and the others is an economic policy board meeting.

Q It said energy on the schedule.

MR. NESSEN: He met with the few who are specifically interested in energy for a few minutes before this meeting.

Q What was that about?

MR. NESSEN: Trying to decide on the date of a veto, the form of a veto, and so forth, but there were no decisions made in that one.

Q Ron, we were told there are several other important decisions, not as big as natural gas, but several other angles of the energy question which the President will make decisions on in the next two or three days. When do you think would be a good time for us to check on that, after his travel?

MR. NESSEN: I think in two or three days. If I am correct in what I think you are talking about, you are talking about some proposals -- not proposals but some study and options that Frank Zarb is pulling together, as I mentioned yesterday, dealing with possible economic problems in specific industries and regions and economic groups from decontrol.

Q Yes.

MR. NESSEN: Frank has not turned those in yet so I would not expect --

Q He said the President would decide this within the next two or three days. So when would be a good time to check in view of all the travel and being out of town?

MR. NESSEN: Those decisions I don't think will be made until next week and you will be notified when they are.

Q Ron, has the energy veto message been written?

MR. NESSEN: I know that Frank talked to Alan about that this morning. If it has been written, he is referring to the message to Congress and I don't even know if that has been written but any public statement has not been written.

Q Does this mean he may have a public radio-tv address to the Nation in conjunction with this?

MR. NESSEN: As I said at Vail, it is possible and it still is possible.

Q For when, do you have a time?

MR. NESSEN: We haven't decided to do it yet and, secondly, he hasn't decided what time to do it if he does it.

Q Has the President decided to back the Governors five-year decontrol proposal? He was noncommittal on it yesterday.

MR. NESSEN: There has not been enough time to study it and make a decision whether to go for that rather than the total deregulation which he has proposed.

Q What did he decide about Seidman?

MR. NESSEN: What was the question?

Q Seidman's role with those Grand Rapids people, if he had been their accountant? The question asked here yesterday.

MR. NESSEN: Let me tell you what I remember while I am looking for the exact details. Bill Seidman, first of all, took a leave of absence from the company of Seidman and Seidman when he came down to work at the White House. Then four months ago he retired from the company entirely. His only remaining interest is his retirement benefits. Seidman and Seidman was the accounting firm for Amway and Company, or Amway Corporation, whatever the exact title is.

And as far as Bill knows, the complaint by the FTC against Amway did not relate in any way to its accounting procedures.

Q Maybe not, but he was with the firm, actively working for them as the accountant for Amway before he came to the White House?

MR. NESSEN: The accounting firm of Seidman and Seidman has been the auditors -- auditors, I guess, is the correct phrase -- auditors for Amway Incorporated for the past five years. Bill has retired now. He retired four months ago after initially having gone on leave. That is all I have.

Q Ron, is the President taking the Jetstar tomorrow to save money or because of the short runways or both?

MR. NESSEN: I am told both fields where he intends to land could take a 707.

Q So it is only to save money?

MR. NESSEN: Yes.

THE PRESS: Thank you.

END

(AT 12:22 P.M. EDT)

AT THE WHITE HOUSE

WITH RON NESSEN

AT 3:04 P.M. EDT

AUGUST 29, 1975

FRIDAY

MR. NESSEN: I don't have much, frankly, to add to this.

Q To change the subject, are we going to get anything on the pay raise?

MR. NESSEN: The pay raise was delivered to the Hill at 3 o'clock, the President's pay raise recommendations, and it is on the machines right now--I would think within a half hour.

Q What do you mean on the machines?

MR. NESSEN: The mimeograph machines.

Q What did he say?

MR. NESSEN: The figure he recommended was five percent, but as for his reasoning and so forth, you will have to wait until we get the paper out here.

Q Can we go to the last paragraph of this statement? How can he wait a number of weeks? It becomes law in ten days if he doesn't sign the extension.

MR. NESSEN: No, we are talking about three different things here. Number one, controls on old oil, price controls die at midnight Sunday, period, regardless.

Number two, a bill to, in effect, revise and extend those for six months will be vetoed by the President, although he, as we say in the third paragraph, however, he will delay the veto until Senator Mansfield has had his meeting with the Senate Democrats.

The third piece is that the President would not veto a short extension if he is reasonably confident that during that short extension period Congress would act favorably on a phased decontrol plan.

Q What are you talking about, a 30-day extension?

Q Less than six months?

MR. NESSEN: Less than six months.

Q Do you mean 45 to 60 days? That is what I heard.

MR. NESSEN: There was talk of various, 30, 45, etc., periods of course discussed this morning.

Q Was 60 the outside figure heard?

MR. NESSEN: Yes.

Q 30 to 60 would be accurate?

MR. NESSEN: Yes.

Q 30 to 60 days?

MR. NESSEN: Yes.

Q He says, if the Congress will act favorably on the decontrol plan offered by Senator Mansfield.

MR. NESSEN: Yes.

Q How long a period will that take?

MR. NESSEN: Howard, this plan, really I feel a little uncomfortable outlining it here before Senator Mansfield has outlined it to the Senate Democrats. It is not fair to outline it on this platform. But I would call your attention to what Senator Mansfield himself said outside, I understand, to the question, was any new compromise offered, and he said there were some old ideas talked about, so I think that would give you a clue.

Q Regardless of what Senator Mansfield may or may not be proposing, how would the President feel about a 50-month extension?

MR. NESSEN: Senator Mansfield said only things that have been previously talked about were talked about --

Q I don't mean a 50-month extension, I mean 50 instead of 39 months.

MR. NESSEN: That was not discussed.

Q Did Mansfield say something about five years?

MR. NESSEN: That was not discussed.

Q Did Senator Mansfield lay down what he considered a compromise?

MR. NESSEN: Yes.

Q What was the question?

MR. NESSEN: Did Mansfield outline what he considers to be his compromise. The answer is yes.

Q Was there a question of how many months over which the oil would be decontrolled? That is what he suggested outside.

MR. NESSEN: There are other factors.

Q That is the main one.

MR. NESSEN: There are many pieces to this to make it acceptable. You know what they are. The President has always said that this has got to go with a rebate to consumers, and windfall profits has been talked about, and so forth. These are all pieces of it.

Q Without getting into specifics, can you say we are about to see a revival of the program of a gradual phase-out over 39 months?

MR. NESSEN: That certainly is one of the old ideas that has been around and Senator Mansfield said that only previously discussed ideas were in contention today.

Q He didn't say that, Ron, he said he made a proposal to the President. They asked him what the President proposed and that is when he said the President proposed old ideas.

Q Ron, will the President not consider going past 39 months?

MR. NESSEN: I think we have said that before.

Q You have but I am asking if there is any change?

MR. NESSEN: There is no change.

Q Is there any indication when this short extension bill might reach the President?

MR. NESSEN: I think there are so many steps to go before we get to that. Mansfield has to talk to the Senate Democrats and Albert has to talk to the House Democrats and see whether they can assure themselves before there is any chance.

Q Is there any minimum they discussed?

MR. NESSEN: Do you mean in the timeframe of sending such a short extension up here?

Q Yes.

MR. NESSEN: No.

Q Has the President been in touch with any oil producers about leaving things as they are during the three- or four-day period that controls will be off until we get the whole thing unraveled?

MR. NESSEN: I don't know why you say three or four days. The controls go off Sunday night.

Q I know, but Mansfield says he is going to talk to the Senate Democrats Wednesday or Thursday.

MR. NESSEN: But that won't revive controls. After that meeting, the President will go ahead and veto, as he said.

Q But a 30- or 60-day period then?

MR. NESSEN: Sunday night the controls will be off, period. That is the end of that. Now, whether Congress can agree on a phased decontrol or not, who knows, but the controls, in the meanwhile, will be off.

Q Have producers or retailers been asked not to boost prices during the 30- or 60-day period until you can decide the course of action to be followed and whether it will be retroactive?

MR. NESSEN: No, they have not been asked.

Q Is this the way it goes? Controls go off,
one --

MR. NESSEN: Sunday night.

Q -- until he exercises the veto, which could be Friday?

MR. NESSEN: Right.

Q Then he will sign up to 60 days?

MR. NESSEN: If he is confident Congress will act favorably on a phased decontrol plan, that is acceptable to him.

Q What is the purpose for the delay in signing the veto since he is going to sign it anyhow?

MR. NESSEN: The purpose for that is -- during this period, it is obvious from this statement and the tone of the meeting that there is a cooperative spirit on both sides and the President wouldn't want to do anything that would exacerbate or destroy this cooperative spirit.

A veto during the period when Mansfield and Albert are talking to their people could be interpreted as a non-cooperative gesture, so for that reason, the President will hold off on the veto.

Ron, this seems to be taking for granted that Congress isn't going to override the veto. As I understand it, there is still a good possibility of that.

MR. NESSEN: Bob, the point is that it was Mansfield and Albert later who asked to come up here to discuss a compromise. So, you can use your own judgment on what their feeling is.

Q Do you know how the President looks at this compromise that has been put to him? Does it look good to him?

MR. NESSEN: Although that is not explicit out here, it is implicit in the last paragraph when he says, "If Congress will act favorably on the phased decontrol plan," I think it is fair to certainly infer from this statement that he would accept that.

Q What does the Administration think will happen to prices after the 31st?

MR. NESSEN: That hasn't changed, Fran, all along.

Q In other words, what I am asking is, can they rise that rapidly within a week?

MR. NESSEN: Frank has said over and over again that you are going to see -- you know, the period of time when you are going to get a 2 or 3 cent rise will be spread over one to nine months, in addition to which Frank Zarb feels that with this element now of the possibility at least that Congress might go back and pass a phased decontrol plan, that some of the oil companies might wait to see how that turns out before they do any price raising at all.

Q What happens to the \$2 tariff now? Does this put it on ice now? Do they plan to remove it?

MR. NESSEN: It goes off if Congress sustains the veto or does not try to overturn the veto. The President has said he would take it off.

Q How about if there is a phased decontrol?

MR. NESSEN: That is a little too far down the line for me to really give you any flat answer on.

MORE

Q Ron, you said the President will not go beyond 39 months in a phased decontrol plan.

MR. NESSEN: That is my understanding.

Q You also said a minute ago that he found the compromise proposed by Mansfield to be acceptable?

MR. NESSEN: Yes.

Q So, therefore, we can conclude that it does not include a phased decontrol of longer than 39 months?

MR. NESSEN: I think that is good deduction on your part, Fred.

Q Mansfield indicated outside that it would be longer than 39 months.

Q Yes, he said the numbers weren't right.

Q He said first 30 and then 39.

Q Ron, Mr. Mansfield says he has information that the oil companies are going to be very temperate in raising prices here. Why would the oil companies --

MR. NESSEN: Then he agrees with Frank and Alan, I guess.

Q He said this about the oil companies. He didn't say what was the opinion of Frank and other people.

MR. NESSEN: But that is what they have been saying for weeks.

Q That means they have been having communications with the oil companies.

MR. NESSEN: No, I wouldn't say that. As Frank and Alan have pointed out, there are competitive pressures. There is the pressure -- I think as Alan phrased it one time -- something to do with the current public image of oil companies. All those factors have been the reason why Frank and Alan have said for weeks now, months really, that the effects of oil decontrol will be really very moderate at the gas pump.

Q Ron, isn't there also the factor this could be retroactive, whatever Congress does?

MR. NESSEN: I said earlier Frank believes some of the oil companies may hesitate to raise prices until the matter is resolved.

Q Ron, could I ask again, is it not true that we are likely to have a retroactive bill, retroactive to 1 September?

MR. NESSEN: I see what you mean. That degree of technical detail hasn't really been worked out yet, John.

Q Don't you have somebody from the oil companies talking to the White House and don't we have the White House talking to oil companies here? We are bound to have.

MR. NESSEN: I think, as you may know, the decision was made that any form of jawboning or meeting with groups of oil executives would raise an antitrust question and, as far as I am aware, there haven't been any such talks.

Q The White House can talk to these people without an antitrust action?

MR. NESSEN: The point is, Sarah, the reason why nobody here has ever believed oil prices were going to go shooting up has been various reasons. One, the summer driving season is coming to an end so the normal yearly supply and demand pattern at the years end would tend to hold them down. There are competitive reasons between the oil companies, the public image problem which Frank talked about, the fact that old domestically-produced oil is only part of the picture that goes into making up the average price of oil.

You have foreign oil and you have domestically produced new oil and you have old oil and it is only the one element that is going up so the price average is down.

Q Does the President feel this action by the leadership today will help in convincing the OPEC countries that they ought to believe that we are trying to take care of this?

MR. NESSEN: I don't know that I could zero it down to this particular move by the Congressional leaders. I think you know the President's view all the way through has been that the United States has got to begin to get a real energy program underway in order to convince the OPEC countries that we mean business and that we are going to stop, over the next ten years, buying oil from them and that they will no longer be able to set the price of oil in the United States.

Q Ron, would the President consider the Senate Finance Committee getting down to serious work on a bill, would he consider that to be enough good faith to not veto a short extension of oil price controls?

MR. NESSEN: I really think at this stage, because this has gone on for eight months, two compromises were rejected, I think it is probably going to take more than that. You see how it is worded here, that he is confident that Congress will act favorably. It is not just that Congress will hold hearings, or will look at the thing again. He has to be reasonably confident Congress will approve the thing.

Q So maybe the Senate Finance Committee reporting out --

MR. NESSEN: I can't give you the precise mechanism that would trigger this belief.

Q Ron, I would like to ask you about the \$2.00 import fee, is it safe to assume that if a 30-day extension of domestic controls is approved, the \$2.00 import fee would be left on until the end of that 30-day period?

MR. NESSEN: As far as I know at the moment, the only conditions that the President has stated for taking the \$2.00 off are immediate decontrol and upholding of his veto, and no further action. Now, with these other things kind of bubbling around, I can't give you an answer on what would happen to the \$2.00 under other circumstances. But so long as you have immediate decontrol and nothing else happening, and the veto being sustained, then he would take the \$2.00 off.

Q Apparently in this package that was worked out today with Mansfield, there will be no attempt to override and, since there is no attempt to override, and the President agrees to go along with the shorter extension, the \$2.00 fee will be left as it is for the time being, is that right?

MR. NESSEN: For the time being, as far as I know, that is true, yes.

Q Is it your understanding there will be no attempt to override at least as far as the Democratic --

MR. NESSEN: I did not hear that today.

Q They have that option on Thursday, don't they, that is whether to take his 30-day proposal or their override attempt?

MR. NESSEN: Yes, I think that is right.

Q Before Mansfield came here today, were there preliminary negotiations?

MR. NESSEN: This was the first time anyone heard of Mansfield's plan when he came in and gave it to the President. There was no prior notification at all.

Q How about his comments earlier in Montana?

MR. NESSEN: The President and the Senator talked about other matters and didn't talk about this on the helicopter.

Q They didn't read the papers?

MR. NESSEN: What did the papers say?

Q Mansfield said he was going to come in and talk to the President about it.

MR. NESSEN: He said he was going to come in and talk to the President to urge him to sign the extension instead of vetoing it, the way I read it.

Q Did Mansfield specify how long of a phased de-control --

MR. NESSEN: There was a specific period of time mentioned.

Q Are you willing to tell us what that is?

MR. NESSEN: I think he ought to be able to outline his own plan to his own Senators before we talk about it here.

Q You still say President Ford feels very strongly 39 months should be the maximum?

MR. NESSEN: Yes, that is the maximum length he thinks would be effective to accomplish his goal.

Q The price, \$11.50, is that what the President still feels is correct?

MR. NESSEN: I am not sure that came into the discussion today.

Q The time factor is the key?

MR. NESSEN: Yes.

Q Has the United States made any commitment concerning civilians? For example, a peace agreement may be signed this weekend in the Middle East. It provides for stationing of an American team in the Middle East. Is that absolute as a part of the agreement, or is that --

MR. NESSEN: I wouldn't want to change, Helen, what the President has said on that, that it is the last word in the Administration's view on it.

Q Is it optional or definitely a part of the package?

MR. NESSEN: I don't think I will talk about that until it gets done.

Q When are the ten days up on this bill?

MR. NESSEN: It is ten legislative days, so Congress doesn't have its first legislative until Tuesday, so you count ten legislative days, with Tuesday as the first.

Q Where is the compromise if they wouldn't take 39 months before and he is still insisting on it?

MR. NESSEN: As I said yesterday, the President started off asking for total decontrol. He compromised that to 30 months. He compromised that further to 39 months for the ceiling. He originally proposed putting \$3 on.

He held off the second dollar for 60 days. That was a compromise. He didn't put the third dollar on at all. That is another compromise. Where does the compromise start coming on the other side? He made about five compromises.

Q They voted down 39 months before, and you say it is not going to be over that now. Why would they vote for it now?

MR. NESSEN: You will have to ask them. I think the answer is pretty obvious.

Q Has he had any conversation with any Members of Congress saying they want to carry the ball for him on this in the Congress?

MR. NESSEN: No, he has not.

Q Ron, does the President feel he has been right to hold to his firm commitment to let price controls go off immediately if he can't get decontrol in a form that he feels is effective?

MR. NESSEN: Yes, absolutely, because you know what we said here a long time ago was that, in their order of preference, the President wanted phased decontrol as his first choice. If he couldn't get phased decontrol, that left only an extension or immediate decontrol, and his second choice was always immediate decontrol.

If this works out, he would be going from his second choice to his first choice.

Q Ron, without going into detail, could you say, if the plan that Mansfield said was acceptable to the President, goes beyond 39 months?

MR. NESSEN: I would rather not get that specific, but by indirection I would like to say he doesn't think anything beyond 39 months would effectively accomplish the goal of stimulating domestic production.

Q Ron, without talking about Mansfield's plan, I gather that the President is willing to do something in order to show a little more flexibility in order to get the 20 votes or whatever is needed, and we have Mansfield pushing now along with the President.

Is the President prepared to be more flexible in other areas? He is not on the 39 months, but is he in another area?

MR. NESSEN: This is the period when Mansfield needs to talk to the Senate Democrats and Albert needs to talk to the House Democrats and by way of elaborating a little on Fred's question, which kind of answers your question, it might look to you as if Congress or at least the Democratic leaders of Congress perhaps felt that given a choice between immediate decontrol and a phased decontrol, taking a second look at it after turning down phased decontrol, they have perhaps decided that it would be best to go back to phased decontrol.

Q You are suggesting then, Ron, that the Mansfield proposal is just once again putting before Congress what was earlier rejected that the President put forth, the 39 months?

MR. NESSEN: I would just rather have Mansfield be the one to outline his own proposal.

Q Specifically, when we asked about the 39-month plan, he said you are on the right track, but you have the wrong number. Then I said 40, 41, 42, 43?

MR. NESSEN: What did he say?

Q He wouldn't buy it. (Laughter) The indication is that it is perhaps a longer term. What about something like 45 months? Is there that much difference?

MR. NESSEN: I just don't want to play the numbers game, Gaylord.

Q The only problem with this is we are really left in a bind here. You are indicating 39 is the maximum and yet Mansfield indicates it is more than that.

MR. NESSEN: He has to talk to his people up there, and I just don't feel I will outline his plan here.

Q Ron, did they talk about deregulation of natural gas?

MR. NESSEN: No, they did not.

THE PRESS: Thank you.

END (AT 3:26 P.M. EDT)