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NEWS CONFERENCE

#412

AT THE WHITE HOUSE

WITH RON NESSEN

AT 11:33 A.M. EST

JANUARY 9, 1976

FRIDAY

MR. NESSEN: You know the President has a series of short, sort of courtesy calls with various people. Do you want me to run through them and tell you what their purposes are and who the attendees are?

Q Yes.

MR. NESSEN: 11:25, which should be now, is to accept a credential as the 100,000th member of the Reserve Officers Association of the United States. At the 1975 annual meeting of the Reserve Officers Association of the United States they proposed to make the President the 100,000th member and he accepted.

This organization was founded in October of 1922. It is chartered by Congress, made up of members of the Reserves of the Army, Navy, Marines, Coast Guard and Public Health Service and members of the Army and Air National Guard and others with an interest in the defense of the Nation. They have 900 chapters in all 50 States and that is the purpose of that. About half a dozen officials of the Reserve Officers Association are attending.

The President will meet a little later -- about 45 minutes from now -- with the newly elected National Commander of the American Legion, whose name is Harry G. Wiles and, as I say, he is the newly elected National Commander, and also the National Adjutant, who is William F. Hauck. Let me give you their home towns.

What happened to the biographies that were supposed to be attached? See if we can get those two home towns, can you?

At the 1975 American Legion National Convention which was held in Minneapolis, Mr. Wiles was elected National Commander. The American Legion has 2,200,000 local chapters around the country and if you recall, the President spoke --

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Q Two million?

MR. NESSEN: I am sorry -- 2,700,000 members.

If you recall, the President spoke at that convention in Minneapolis where Mr. Wiles was elected.

Q Ron, why is the meeting only five minutes long?

MR. NESSEN: It is a courtesy call to congratulate him and welcome him and have his picture taken.

That is the purpose of that.

Then, right after that the President will receive the National Education Association Bicentennial Commemorative plaque. This was awarded to the President in recognition of his commitment to the celebration of the Bicentennial.

At the NEA's annual meeting this year they did vote to award this plaque to the President in recognition of his commitment to the Bicentennial, and the NEA has 1.7 million members. As you know, it is a professional organization of the educators. There will be five officials of the NEA coming to present that. I think there was some interest in taking pictures of that and that will be all right if anybody cares to.

Then just briefly, this afternoon at 2 o'clock the President will drop in to greet a number of sub-Cabinet members who will be here at that time for a briefing, kind of preview, of the directions of the State of the Union speech and the new budget.

Q When will that be held?

MR. NESSEN: That will be in the -- where or when?

Q When?

MR. NESSEN: Two o'clock in the Cabinet Room.

Q Where?

MR. NESSEN: In the Cabinet Room.

Q Do you have a list of those attendees?

MR. NESSEN: I do. It is about -- I don't know how many names -- it is probably too long to read but you can get it after the briefing if you would like.

Q Ron, who is going to brief him on what is in the State of the Union?

MR. NESSEN: I say the directions of the State of the Union. I will have to check on -- oh, I have it here. As I say, the President will speak briefly at the beginning -- Paul MacAvoy, Paul O'Neill and Jerry Jones.

Q Is that open for coverage?

MR. NESSEN: No, it is not.

Q The President's remarks?

MR. NESSEN: No, they are not either.

As you know, the unemployment figures came out today. They show that unemployment remained unchanged in December at 8.3 percent of the work force. The encouraging part of this was that the number of people employed, those with jobs, increased by 240,000. Now 240,000 additional jobs were created in the month of December. That was considered to be a significant increase. The number of people with jobs now is 77,800,000.

Another significant part of the unemployment figures, from the White House point of view, was that there has been an increase in the level of man hours and those of you who are aware of the pattern followed after previous economic recessions know that the first thing that happens is that the people who are already working, their hours are extended, and this shows an increase in productivity as well and it sets the stage for additional new people being hired.

Q What was the increase in hours?

MR. NESSEN: I don't have the breakdown here on that. I know the Labor Department gave it, though.

Q Is that an increase in the productivity rate or is it an increase in the production? In other words, did the productivity rate go up?

MR. NESSEN: Demand is increasing and the first thing that people do is to extend the hours of those already working to take care of the extra demand.

Q Which is it you are saying happened? The production or productivity rate?

MR. NESSEN: Production.

Overall I would say that the White House believes that the economy continues to recover and as for the future outlook for employment and the unemployment rate there will be tables published in the budget next week or the week after next projecting where the President believes the unemployment rate will go and also the employment rate.

Q Will that be an optimistic projection, Ron?

MR. NESSEN: It will be an honest projection, Ralph.

Q I just wondered what the trend is?

MR. NESSEN: I can't at all say.

The wholesale price index also came out this morning. It was a drop of four-tenths of one percent in wholesale prices in December. It is the first time the wholesale price index has gone down in six months. I think you may recall that last month or the last monthly report, which was for November, showed no change one way or the other. Now we have a four-tenths of one percent drop.

Just to give you some annual figures with the completion now of the December figures we know how much the wholesale price index went up for the entire year; in other words, from the end of December 1974 to the end of December 1975 the wholesale price index went up a total of 4.2 percent. If you compare that with 1974, the full calendar year of 1974, the increase in 1974 was 20.9 percent.

So the Administration feels that these figures, both the monthly decrease for December alone and the relatively small increase for all of 1975, compared with 1974, is a further indication that inflation is moderating, continues to moderate, and there is no evidence of an acceleration based on these latest figures.

To be perfectly honest, I should point out that the industrial component of the wholesale price index went up six-tenths of one percent and the Administration feels that that particular component at that rate is unsatisfactory. Again, though, you have to look at where it was just two or three months ago when it was going up each month at better than one percent a month. So there has been some improvement there.

The questions have been asked since yesterday as to the President's reaction to the resignation of the Labor members of his Construction Industry Collective Bargaining Committee. The President regrets that these members have resigned and he expresses his appreciation for the work they have done.

As Secretary Dunlop said yesterday -- and the President shares this view -- "At some future time the Nation's interests as well as those of this industry require a resumption of such a committee for constructive collective bargaining discussions and activities."

That is the end of the quotation from Secretary Dunlop.

Q Where did Secretary Dunlop say that? Publicly, or what?

MR. NESSEN: He issued a statement this morning.

The President pledges that his Administration will continue to work to achieve a better understanding of sound labor-management relations and prosperity in the construction industry.

Some of you have asked about funeral plans or delegation plans for Premier Chou En-lai. At this point the United States is not certain as yet of what the Chinese plans are for a funeral or whether foreign delegations will be received in connection with the funeral, so I don't have anything to report to you on that.

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Q Can we go back to the Labor Committee for a moment, Ron?

MR. NESSEN: Yes.

Q Does the President plan to find replacements for these nine members or does he plan to wait it out?

MR. NESSEN: Well, I don't know that those are the only two choices, but I think if you read Secretary Dunlop's statement, you will see what he feels the reality of the situation is.

Q May I ask a question on that, please? Has the President received any indication as to whether Mr. Dunlop will leave or stay?

MR. NESSEN: He has received no indication that Mr. Dunlop is leaving.

Q Does he have any plans to meet with him in the next several days?

MR. NESSEN: There is nothing on his schedule.

Q Ron, did the President talk with Secretary Dunlop before this Dunlop statement was issued?

MR. NESSEN: He did not, no.

Q What are the other choices?

MR. NESSEN: Of what?

Q You said you were not sure those were the only choices.

MR. NESSEN: Well, the choices are to do nothing or to -- I mean, I think what Dick was suggesting was --

Q I don't mean to put words in your mouth, I want to know what the President is going to do.

MR. NESSEN: Well, at the moment, as I say, I think there are no immediate plans to attempt to find replacements for these members.

Let me finish on Chou En-lai. As I say, we are not certain of what the Chinese plans are for the funeral or whether foreign delegations would be received. Now, I mentioned to you yesterday that in addition to the public statement of condolence which I read here that we anticipated that private messages of condolence would be sent and they will be sent to Chairman Mao, to Chu Teh, who is the Chairman of the Standing Committee of the National People's Congress, and to Madame Chou En-lai. There will be private messages of condolence sent to them.

Now, let me back up a minute and give you the hometowns of those American Legion officials. The Commander is from Macksville, Kansas. That is Mr. Wiles. William Hauck, who is the Adjutant, is from Holgate, Ohio.

Q Ron, could you give us that Presidential pledge? I got lost somewhere in the midst of that about labor. The President pledges his Administration will continue to work to achieve better understanding --

MR. NESSEN: To achieve better understanding, sound labor-management relations, and prosperity in the construction industry.

Q Thank you.

Q Does the President feel that he has lost a lot of ground with the labor movement as a result of his veto of the common situs bill?

MR. NESSEN: I think, Helen, that the reasons he has stated, I think on two occasions, have fully, really, explained his view of why he did it.

One other thing on weekend plans, I guess. The President will be here in the White House working. At 2 o'clock tomorrow afternoon, the President is going to have a meeting -- it is likely to be a lengthy one, perhaps two hours -- to discuss foreign intelligence issues. This is another step in the process that he has talked about and we have talked about, part of the comprehensive review that he is making of the foreign intelligence community prior to making the recommendations for any changes that he has talked about.

Q Who is he meeting with?

MR. NESSEN: The principal foreign affairs and national security advisers are expected to attend, along with a number of White House staff people. The issues are oversight and restrictions, organization and management, relationships between the Executive and Congress, and other matters that are part of this review will be discussed. I believe that as a result of the meeting, a timetable for presenting the recommendations may be clarified at tomorrow's meeting.

Q Who is attending it?

MR. NESSEN: Well, as I say, all the key foreign affairs and national security advisers. I think some of the names are obvious -- Kissinger, Rumsfeld, Levi, Scowcroft, Lynn, General Brown, Bill Colby, Phil Buchen, and so forth.

Q Bush?

MR. NESSEN: No, he has not been sworn in. He has not been confirmed, I guess.

Q Do you expect anything to come out of that tomorrow, Ron?

MR. NESSEN: No. These subjects are really very sensitive and all highly classified and I don't believe we will have any kind of briefing or read-out after the meeting.

Q Will the Vice President be there?

MR. NESSEN: The Vice President was invited but is out of town.

Q Ron, on the subject of intelligence, is the Administration trying to track down the leak that led to the disclosure of CIA activity in Italy?

MR. NESSEN: The President has not directed anyone to make inquiries among Members of Congress or their staffs as to the source of the recent leaks.

Q But are inquiries underway?

MR. NESSEN: At the same time, the President is still concerned about the impact of these leaks on America's ability to carry out an effective foreign policy and an effective intelligence policy in our own national interest.

Q Ron, this subject -- the relations between the Executive and Congress -- is that a late starter on the agenda in light of what happened this week?

MR. NESSEN: Oh, no, John. Absolutely not. From the very beginning, I think if you followed this entire year's developments, you know that discussion of Congress' proper role in intelligence has been one that has been discussed from the very beginning and this is, by no means, something thrown in.

Q Ron, earlier this week you said that the publication of the allegations about the money in Italy raised some questions about this relationship. Are those questions to be discussed tomorrow, and will we hear any more about them?

MR. NESSEN: Well, you know, Dick, the President has been working on this for over a year, really, and it is quite comprehensive and a lot of people have done a lot of work on it and he has, and to suggest that it gets down to some level of who leaked what is really not the proper characterization of the kind of issues being dealt with.

Q Ron, you said that the President has not directed any inquiries. Are inquiries underway?

MR. NESSEN: As far as I can determine, there are not any.

Q Ron, is this the day we are going to get the Anne Armstrong announcement?

MR. NESSEN: Not this morning.

Q Should we stick around this afternoon for it?

MR. NESSEN: Well, off the record, it is possible.

Q What is holding it up, Ron?

MR. NESSEN: The normal paperwork and nothing else.

Q Ron, did the President meet with Secretary Rumsfeld this morning?

MR. NESSEN: Yes, he did.

Q What was that, Ron? I didn't hear the question.

MR. NESSEN: Aldo asked -- or Adolph asked -- whether the President met with Secretary Rumsfeld and he did, and this is part of a normal morning staff schedule. He does periodically.

Q Is there a conscious effort, in setting up the President's schedule, to make certain that Secretary Rumsfeld spends as much time with the President as does Secretary Kissinger?

MR. NESSEN: No, the conscious effort is to make sure that everybody spends as much time with the President as they need to.

Q Is there an effort to make sure that no one person in the Administration spends that much more time with the President than others?

MR. NESSEN: Not that I am aware of.

Q Ron, in his message -- statement -- yesterday on the death of Chou En-lai, the President expressed the U.S. desire to continue the course of relations with China. Is there any indication or any expectation that the death of Chou En-lai will bring any changes in U.S.-China policy?

MR. NESSEN: No. The death of Chou En-lai is not expected to have any effect on the relationship between the United States and the People's Republic of China.

Q On that same issue, Ron, if it does turn out that foreign representatives are received for the Chou En-lai funeral, is there any possibility that Vice President Rockefeller will head our delegation?

MR. NESSEN: Jim, that is just so far ahead of where we are right now. We don't know what the plans are or whether foreign delegations are invited or will be accepted, so it is just too far ahead.

Q Ron, did you announce there is a meeting in the Residence between the President and the State Chairmen of the Board of the Election Committee today?

MR. NESSEN: There was, I think on the schedule issued last night, a 5 o'clock meeting between the President and the State Chairmen of the PFC, right.

Q And that is on the schedule today?

MR. NESSEN: Yes, it is.

Q Is there anything planned at all that he will announce at that time, either the appointment of Governor Scranton or Rogers Morton to the committee or as a political counsellor in the White House?

MR. NESSEN: No. He will, as far as I know, not have any announcements, including that one.

Q Is he going to sound them out about that?

MR. NESSEN: No.

Q Is that open for coverage, Ron?

MR. NESSEN: No, it is not.

Q Why not?

Q Ron, could we get a report on that meeting from somebody after it is over?

MR. NESSEN: I don't think so, Bob.

Do you cover the other candidates' meetings with their State Chairmen?

Q We try.

Q Can you give us any idea of what happened at the NSC meeting late yesterday afternoon?

MR. NESSEN: No, I can't.

Q When you say no he is not going to consult, does that mean he has made up his mind on having a political deputy here?

MR. NESSEN: I don't have anything to announce on that today, Helen.

Q Tomorrow?

MR. NESSEN: I don't think tomorrow either.

Q Sunday? Monday?

MR. NESSEN: You are getting warm. (Laughter)

Q It does indeed sound like he has made up his mind. Is that a correct assessment?

MR. NESSEN: It is not a bad assessment. I would not argue with that.

Q What was that?

MR. NESSEN: I said that Jim has made a good assessment that I would not argue with.

Q What is his assessment?

MR. NESSEN: Tell us what your assessment is, Jim. (Laughter)

Q I got a question about my assessment. (Laughter)

Q Ron, did you ever get an answer to my question about technical representatives of U.S. firms in Angola?

MR. NESSEN: Let me double-check. See me after the briefing.

Q Ron, is there any anticipation the President will tell the GOP campaign leaders this afternoon what his primary plans are regarding personal campaigning?

MR. NESSEN: Not beyond what has been said publicly, which is that he does not plan to do very much because, frankly, nothing beyond that has really been decided. Dates and lengths of time in the individual States have really not been decided.

Q No decisions have been made yet about trips to New Hampshire?

MR. NESSEN: I think we are getting close to an announcement on that, Russ, but it won't be this weekend.

Q Do you know if it will be announced this weekend?

MR. NESSEN: That it will be announced this weekend?

Q Yes.

MR. NESSEN: No, I don't. I really don't.

Q May I go back to your answer --

MR. NESSEN: Your accurate assessment.

Q Well, you said you thought it was a good assessment when I asked if he had made up his mind, but I have to ask further, do you mean that he has made up his mind to add a political strategist or adviser here in the White House or do you mean he has made up his mind on a specific individual?

MR. NESSEN: Well, I think I have given you a little something on that today and I don't think I better -- we just don't have anything to announce today.

Q Is it Scranton?

MR. NESSEN: I read in the paper this morning where Bill Scranton said nobody had talked to him about it and he was not going to do it or had not been asked to do it, and so forth.

Q Is it Morton? (Laughter)

Q Ron, when is the President going to make public his financial and medical records?

MR. NESSEN: The plan on the medical records, at this point anyhow, is that, as you know, January is the normal time when the President has his annual physical checkup and that after that we would make public the results.

The financial statement, the President has promised, is on record as saying he will update all those financial records he turned over to his confirmation hearing but precisely when and in what form has not been worked out yet.

Q Do you have a date for the physical examination?

MR. NESSEN: It is in the last week of January and I don't have the specific date.

Q Will it be open coverage or just a pool?
(Laughter)

MR. NESSEN: An all female pool.

Q Ron, did Bo Callaway make some overtures at the White House with a view to getting a Gurney trial delay and so forth?

MR. NESSEN: I checked this morning on that and all contacts between the White House and the Justice Department go through the Counsel's Office and they have made no contact with the Justice Department on that matter. In addition, it is not something that is a White House decision; it is a decision made by the Justice Department and we have never interfered, and don't intend to, with decisions on trial dates for anybody.

Q Yes, but that is not what I asked. I asked if Bo Callaway had asked the White House --

MR. NESSEN: I have not been able to find anybody that Bo Callaway made that request of.

Q He was here this morning. Did you ask him?

MR. NESSEN: He was not here in the White House. He was over in the EOB, I am told.

Q Well, that is not so far away.

MR. NESSEN: No, but I didn't see Bo this morning.

Q Did you talk to Cheney?

Q Ron, has the President talked to President Nixon on his birthday or does he intend to?

MR. NESSEN: The President does plan some time later today -- because of the time difference he is going to do it later today -- to phone former President Nixon and wish him a happy birthday.

Q Ron, does the situation in Angola look better today?

MR. NESSEN: I don't have anything to report. You know the OAU meeting at the Foreign Minister's level at least has now opened. I think it would be fair to say that the United States is encouraged by the fact that the OAU is meeting on the Angola problem and meeting at the summit level because it shows that the African countries are seeking an African solution to an African problem which has been our position all along.

We do hope that the meeting at Addis Ababa will result in an early end to the fighting and resolution of the political problems there and to the withdrawal of all the foreign elements.

Q What is the latest on South Africa, Ron? Have we heard any more on their plans?

MR. NESSEN: You know, it is the same as it was yesterday, that we have not heard -- and maybe I was overly cautious in using the word "official" yesterday because it seemed to raise some questions in your mind, but you know I can drop the word "official" if it will help any and say that we simply have not heard of any withdrawal of South African troops.

Q Ron, on that point, is the United States Government urging the South Africans, as it is urging the Soviets and Cubans, to withdraw its troops?

MR. NESSEN: We want all foreign elements out of there, Bob.

Q I know what we want but what I am asking you is, are we asking the South African Government directly through diplomatic channels to withdraw its troops?

MR. NESSEN: We are asking all foreign troops and elements to get out of Angola and let the Angolans settle their own form of government.

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Q Ron, the other day when it was announced that the President's budget was going to be coming in under \$395 billion, no mention was made of whether -- I assume he still plans to ask Congress to formally adopt the spending ceiling. I am wondering -- is he going to stick with that \$395 billion figure or gear it to whatever this lower one is?

MR. NESSEN: It will be the lower figure. Whatever the budget is below \$395 billion will be the budget that he hopes and expects Congress to pass.

Q Can you give us that lower figure now?

MR. NESSEN: No. Can't you be patient? It is only another week.

Q Ron, will he also ask for a proportionately larger tax cut to conform to the lower spending limit?

MR. NESSEN: Whatever the reduction below the \$423 billion which the budget would be, he would ask to be put in the form of tax cuts, yes.

Q Ron, can I go back to the Callaway thing for a moment?

MR. NESSEN: Yes.

Q Mr. Callaway -- if the quotes are close to correct, and I have no reason to believe they aren't -- acknowledges that he didn't want the White House or the Administration to delay announcing his decision to re-try former Senator Gurney. I wonder how the President feels about that? Does he really want a campaign manager who complains that the White House is not politicized enough? How does Mr. Ford feel about Mr. Callaway's remarks that he asked the Administration to intervene for political reasons in an official matter?

MR. NESSEN: I don't know. Two of your colleagues, I guess, suggested the same thing about two weeks ago.

Q What was that?

Q What?

MR. NESSEN: No. The Evans and Novak column a couple of weeks ago suggested that the White House was not political enough because it had not tried to intervene in the Gurney trial.

I don't know what Bo's remarks precisely were, but I am telling you how the White House operates in its relationship with the Justice Department, and, specifically, that it does not ever attempt to affect the date of a trial -- any trial, this one or any other one.

Q That is not what you were asked. You were asked what the President thinks about this.

MR. NESSEN: I don't know what Bo said. I would like to see what Bo said before I react to it.

Q Was the President interested in what Mr. Callaway might have said? Has he called Bo to find out?

MR. NESSEN: I think that I will just tell you what the White House policy is, Phil.

Q Is Callaway going to be at this meeting?

MR. NESSEN: Yes.

Q Are you saying that if the President presents a budget lower than \$395 billion, he is going to ask for a bigger tax cut than \$28 billion?

MR. NESSEN: Whatever the difference between \$423 billion and the final budget figure will be the amount of the tax cut.

Q Well, Ron, this is a very important question because, since there is some question whether the \$423 billion real is \$423 billion or \$420 billion -- if you call it \$420 billion, there need not be an adjustment of the \$28 billion necessarily. On the other hand, if he is sticking with \$423 billion as a base from which to go downward, then it would be.

MR. NESSEN: I think I saw John scurrying off to talk to Paul O'Neill.

Q It would be more.

MR. NESSEN: Let's see what Paul says.

Q Ron, your remark just now indicates there is going to be a proposal for another whopping tax cut. I thought you said about \$10 billion the other day -- \$10 billion plus the 18.

MR. NESSEN: That is right.

Q You are now indicating that the difference between \$423 billion and approximately --

MR. NESSEN: \$395 billion, which is \$28 billion.

Q Oh, I see. That includes the 18.

MR. NESSEN: Yes.

Q Thank you.

MR. NESSEN: Let John check now on whether there will be an additional amount added to the proposed tax cut, and I think he will be back here shortly with that answer.

Q Ron, could I go back to Angola for a minute? Is there anything new on the two ships -- on that report this morning about a third ship headed in that direction?

MR. NESSEN: No, there is nothing new. We are aware of the various Soviet movements in that area.

Q Is there, in the President's view, as Secretary of State Kissinger is quoted as saying, the connection between the developments in Angola and the Middle East as far as American foreign policy is concerned?

MR. NESSEN: It won't go up and down depending on how far below \$395 billion the budget is.

Let me reverse myself then and say that the \$28 billion tax cut is a \$28 billion tax cut, period, and will be unaffected by how far below \$395 billion the budget goes.

Thank you, John; you saved me, again.

Q The difference, then, will be applied to adjusting the deficit?

MR. NESSEN: Yes.

Q But he will still insist on a spending ceiling the same as whatever his proposed budget is?

MR. NESSEN: His budget is the spending ceiling, that is right.

THE PRESS: Thank you, Ron.

END (AT 12:09 P.M. EST)