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NEWS CONFERENCE

#437

AT THE WHITE HOUSE

WITH RON NESSEN

AT 11:05 A.M. EST

FEBRUARY 12, 1976

THURSDAY

MR. NESSEN: Two things, to start with. One, you know the President is going over to the Lincoln Memorial for the Lincoln birthday and memorial ceremony. This afternoon, at 2 o'clock, he is going to take part in the swearing-in of Mitchell Kobelinski as Administrator of the Small Business Administration. That is in the State Dining Room at 2:00. That is open for coverage, if you want to.

Now, one problem has come up on the Florida trip that I should tell you about. In St. Petersburg they have a different phone company than the rest of Florida. It is General Telephone and Electric Company and they have made a rule for the campaign season, which they are applying to Presidential travel as well as to the other candidates, that reporters have to order their own telephones. There are four locations in St. Petersburg -- the airport, Williams Park, Bayfront Center and the Bay Pines Veterans Hospital.

Q Can you go over that again?

MR. NESSEN: What I propose to do -- anyone who is going to have a problem with phones in St. Petersburg ought to get together with Larry and Ray Zook after the briefing. They have the phone numbers and the details of how you order your phones. This is the only stop in Florida where we have this problem. In St. Petersburg they have a different phone company and they have installed these rules for the campaign season. This is a rule they apply to every candidate that comes to St. Petersburg.

Q What time do we land and what time do we leave St. Petersburg? Can you give us an idea?

Q And the four drops again, please. The airport and what?

MR. NESSEN: Aldo, we arrive in the Tampa International Airport -- Air Force One arrives there at 9:20. I am sorry. I think I have an old schedule here, and we better get the right schedule. This is a very old one, I am afraid. We have changed airports since that schedule was in effect.

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We arrive there at the St. Petersburg-Clearwater International Airport at 10:15 on Saturday, a.m., so the airport, as you see, is one place. Then we motorcade down to the Williams Park, which is the outdoor place I told you about, getting there at 10:45 on Saturday. That is another location and the President does speak there.

Then, it is a five-minute drive from that park to the Bayfront Center, arriving at 11:35, which is another possible phone drop. The Neptune Room is where he is meeting PRC volunteers. He is staying there until 12:20 and going to the Bay Pines Veterans Hospital, a 25-minute ride away, arriving there at 12:45, which is another location, and then staying there until 1:20 and getting back to the airport at 1:40 and leaving at 1:45.

So those are the locations for phones, but Ray and Larry can help you through this mess.

Q What's the next phone point after that, Ron?

MR. NESSEN: After St. Petersburg is Ft. Myers, where we are back in Southern Bell territory.

Q Will there be telephone cars in St. Petersburg?

MR. NESSEN: There will be telephone cars, yes.

Q What is the point of this telephone company requiring hired phones?

MR. NESSEN: I don't know anything much about it since I only got brought up to date five minutes ago, but Ray can tell you later. It clearly has something to do with campaigns and fears of election law violations and so forth.

Q I don't have yesterday's schedule or the notes from yesterday -- when the President lands in St. Petersburg, is he apt to have remarks at the airport?

MR. NESSEN: No, he probably will not.

Q The big speech is Williams Park?

Q What about Bayfront Center? That is a logical place to put a drop, is it not?

MR. NESSEN: That is the PFC reception, where he will talk. He will talk at Williams Park, that will be the main speech there, he will talk at Bayfront Center, and he will speak informally outside the Veterans Hospital.

Q Is there a Q&A at any of these things?

MR. NESSEN: Not in St. Petersburg, no.

Q Is there a telex in St. Petersburg?

MR. NESSEN: We will let you know -- Ray will let you know.

With that good news, I complete my morning announcements.

Q Did the President see Secretary Kissinger this morning?

MR. NESSEN: I think he is seeing him now, I believe.

Q In advance of the press conference?

MR. NESSEN: I don't think it is related to the press conference. He was scheduled to come in at 11:00.

Q What does the President think of the fact that four out of seven members of the House Judiciary Subcommittee may ask for a reinvestigation of his pardon testimony?

Q Question?

MR. NESSEN: Helen notes that Bob Woodward has made a little straw poll among the Judiciary Subcommittee in the House on the question of whether there needs to be any further inquiry into the pardon. I think the President has said himself before on many occasions that he told the complete and accurate story in his previous testimony to the Hungate Committee.

Q Will he try to block another investigation?

MR. NESSEN: Walt, I think you can read the story and see what the genesis was, and you know there is no formal, so far as I know, movement to re-open the investigation.

Q Were there, would he try to block it?

MR. NESSEN: I think we will just wait and see if anything like that ever gets going.

Q Would the President welcome a further investigation by that subcommittee?

MR. NESSEN: He has told the complete and accurate story and he told it at a time when everybody's memory was fresher than it is today.

Q Would he object to a further investigation?

MR. NESSEN: It has not reached that point yet where that question needs to be thought about.

Q Is it true that a pardon statement was drafted ten days before his first press conference?

MR. NESSEN: Helen, I want to stick to the President's testimony, which was a complete and accurate story, and, you know, what other participants may have told Bob Woodward, I don't think I should address. I was not here then. Those people are not here now. The President has told his story completely and accurately and at a time when memories were much fresher.

Q It would not be a question of memory.

Q Would you at least ask the President that question -- whether the statement was drafted ten days?

MR. NESSEN: I refer you to the Hungate testimony and many of these questions were addressed directly in the Hungate testimony.

Q I don't think that statement was.

MR. NESSEN: That is something I cannot answer because I was not here.

Q But you can find out.

MR. NESSEN: The President has said in his Hungate testimony that nobody urged him to grant a pardon between the time he became President and the 27th of August.

Q Why was not anything as important as that agreement that was worked out by the White House with the Pike Committee, why wasn't that put in writing?

MR. NESSEN: It was.

Q Mr. Pike said the other day it was not in writing, it was an oral thing, and later on in a hearing of his committee that, as well as they could, they mentioned it in the meeting testimony, but it was not in writing and he said it never, at any time, covered this final report.

MR. NESSEN: I don't know why in the world you would get that idea.

Q He said it was within a certain context, it was never in writing, and it was not really formally decided just exactly what it did and did not agree with, but it did not include his final report.

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MR. NESSIN: Well, it certainly is in writing.

Q You have a copy of it. Could we have it, please? You put out some stuff here one time about Buchen, I recall. If you have a copy of it, if you could give it to us, it would certainly be helpful.

MR. NESSEN: It was published in the hearings of the Select Committee on Intelligence, U.S. House of Representatives, 94th Congress, First Session, Part 2, September 30, 1955, Page 767.

Q That is what he said.

MR. NESSEN: I read the item.

Q He said it was put in there after the agreement was made, discussed on the telephone after that. As well as we could recall, we put it into the minutes of the session, but he said it never at any time included my final report.

MR. NESSEN: I refer to you also the Congressional Record, and I can give you the page citations there. Certainly Members of the committee felt they had a solemn agreement and that spelled out in page after page. It is not something I am saying or the White House is saying. It is Members of Congress, and it is Members of the committee who were part of the agreement.

Q He said it was Mr. McClory's business and thinking.

MR. NESSEN: It is Mr. McClory, it is Mr. Anderson, it is Mr. Treen and it is an overwhelming majority of the House of Representatives.

Q That is not the answer to my question. The overwhelming majority of the House of Representatives is something that came about as a result of something Mr. Pike said, so now I am questioning you.

MR. NESSEN: Let me stop you and correct you at that point.

Q You don't correct me because I am right. I said an overwhelming majority of the House of Representatives did not stand on that agreement. It stood on a contempt of that agreement.

MR. NESSEN: I suggest you read the Congressional Record of the debate immediately preceding the vote and see what it was the Members were voting on.

Q I have, but that is not the question here.

MR. NESSEN: That was the question of the vote by the House of Representatives.

Q The question to you today that you are dodging is, why a thing -- if a thing like that was so important -- was not committed to writing in the White House and, if you say it is, then can we have a copy?

MR. NESSEN: It certainly is written down on page 767 of the hearings of that committee, and I will read you the language, if you would like.

Q I would like to have it from the White House because what was put in the record of the committee is what somebody else put into it.

MR. NESSEN: It was a solemn agreement made by the committee and voted on by the House of Representatives and contained on page 767 of the minutes of the committee hearing. I can read you the language, if you like.

Q According to the chairman, who is well aware of all of the problems --

MR. NESSEN: And quite embarrassed, too, I would think.

Q That is what he said as of this week on the record.

Q What is the President's attitude toward putting out the Pike report?

MR. NESSEN: The President made an agreement with the Pike committee, a solemn agreement. The agreement was that after there had been a whole series of leaks of classified material the Administration said, "We will have to have an agreement before we can continue to provide you with classified material."

The committee accepted that agreement in return for 90,000 pages of secret information from one organization alone, the CIA, not counting classified material provided from other agencies. In return for that 90,000 pages, plus the others of secret material, the committee made an agreement and the agreement was that they would, first of all, before they published any classified material, would show it to intelligence agencies of the Government to see if the declassification of that and publication of it would damage national security.

Now, if there was a disagreement between the intelligence agencies and the committee as to whether it would damage national security, the matter would be then referred to the President and he would make a judgment. If the committee still disagreed with the decision, then they would refer to the courts.

Now, that was the agreement, and the agreement was made for one purpose and that was what the committee agreed to in return for these tens of thousands of pages of classified material.

Now, I think the thing you should understand is that the President never has suggested that he had any veto power over conclusions or recommendations or opinions or anything like that. The committee entered into in this agreement, that in return for the classified information they would agree to this process. They have clearly violated their solemn agreement.

Q What is the position right now in terms of the report? The President is going to look over the report and put out the parts he thinks should be?

MR. NESSEN: At this point, it is a Congressional report. It is on the Speaker's desk, I suppose, and it has not been sent here for that process.

Q You are not blaming the committee officially for the fact it leaked the reports, are you?

MR. NESSEN: I suppose, Mort, that that is really a matter that the Speaker will want to look into or may want to look into. Somebody clearly has violated an overwhelming vote by the House of Representatives, and the President has communicated to the Speaker today his offer of full resources and services of the Executive Branch to help the Speaker take whatever action he thinks is necessary.

Q Let's do that over again.

Q What does that mean?

MR. NESSEN: What it means is the President asked his Congressional Liaison Office this morning to get in touch with the Speaker and to offer whatever services or resources the Executive Branch has to help the Speaker take whatever action he may decide upon in response to this violation of the agreement and violation of the House action.

Q Ron, I am about to get very conspiratorial, but I am not the first one who has thought of this. Since the leakage of this document seems to damage most of all the Congressional committee itself --

MR. NESSEN: I would just have to disagree.

Q May I finish my question -- and raises suspicions about the Congress' ability to maintain oversight of the CIA, there have been suspicions raised that somehow the Executive Branch was indeed responsible for this.

I wonder if the President has satisfied himself that no agent of the Executive Branch, no office of the Executive department of Government, is in any way responsible for Congressional leaks in material about the CIA?

MR. NESSEN: The President is confident that the information published in the Village Voice, whatever it may be -- we have not seen the Village Voice, and we don't know what it is actually -- all we have seen are wire service reports quoting from whatever it was the Village Voice printed.

As I say, nobody here is sure what it is the Village Voice has printed, but whatever it is, we consider it did not come out of the Executive Branch. After all, the Executive Branch has all along been arguing against the publication of classified material.

Q Ron, Mort's question was much broader than that.

MR. NESSEN: I thought your question was, is the President satisfied it did not come out of the Executive Branch?

Q Congressman Pike himself said that they sent a copy of the report to the CIA and the possibility was they had leaked it, to the damage of the committee.

Q And OMB got it and the Defense Department got it. Mort did not ask just about Village Voice. He asked about the leaks in particular. There is a scenario here that somebody in Defense could have leaked this because they are out to get Henry.

MR. NESSEN: You are even more conspiratorial than Mort. We don't know what the Village Voice has published. The reason I say that is there was an early draft that I believe was sent around to some agencies of the Government. Then there was a second draft, and then there was a third draft, and the second and third drafts have never come to the Executive Branch.

If it turns out what the Village Voice has published is part of or all of the second or third drafts, then that would be 100 percent conclusive. Meanwhile, before we get that, we can go as far as to say we are confident that it did not come out of the Executive Branch.

Q Ron, did the President have any reason to believe that the Speaker of the House wanted any assistance in finding out the source of the leak or is he merely volunteering all these resources?

MR. NESSEN: He is volunteering on the basis of the fact what has happened is, first of all, a violation of the agreement with the committee and secondly, flies in the face of overwhelming votes of the House of Representatives.

As I say, if the Speaker does need some help in taking whatever action he decides on, the President is offering the help.

Q Will he ask the FBI to aid?

MR. NESSEN: I think we have to wait and see what help the Speaker asks for.

Q He is offering the investigative units of --

MR. NESSEN: He is offering any services by the Executive Branch.

Q Why? If he does not know even what has been printed, what is his problem?

MR. NESSEN: The offer was made to the Speaker for whatever help the Speaker may want. It only happened within a very short period of time.

Q Can we construe this offer as a suggestion from the President that the Speaker proceed along this line?

MR. NESSEN: It would be a matter for the Speaker to decide.

Q How was the offer communicated?

MR. NESSEN: Through the Congressional Liaison Office to Carl Albert's office.

Q Under what legal statute would that offer be extended or is there already a statute that you have determined?

MR. NESSEN: I would have to look up the legal citation.

Q Wouldn't that be a suspicion of violation of law if somebody figured out that what was a law was violated?

MR. NESSEN: I don't know that we are talking necessarily about law violations at this point. As I say, it is an offer of help to the Speaker if he decides to take some action.

Q Ron, this is presuming the leak came from the Hill. What about if it did not? Is the White House going to offer its resources to investigate -- if you want to say so -- itself? It just seems to me your offer seems to presuppose the leak came from the Hill.

MR. NESSEN: That is the predisposition.

Q The question is, are they going to look around to make sure it did not come from the Executive Branch?

MR. NESSEN: A lot of it will depend on once the copies of the Village Voice arrive and a determination is made of what it is that they printed, it will be easier to absolutely rule out any Executive Branch leak.

Q On what basis?

Q To what degree might the national security have been damaged by the leaks?

MR. NESSEN: Again, it is very difficult to tell from the wire service stories, which are all that have been seen.

Q Isn't that offer of help a little premature, Ron, if you don't know what you are talking about and what the source may have been?

MR. NESSEN: It purports to be at least a section of one of the three drafts of the Pike committee report.

Q On what basis can he act without having a presupposition of an illegality? You just don't go around trying to find out the source of news.

MR. NESSEN: It is an offer of help to the Speaker if he wants to take some action.

Q This is a self-serving offer. Since when does the Executive Branch make any kind of offer, unless they ask for it, to the Legislative Branch?

MR. NESSEN: I think offers of help are made all the time to the Legislative Branch. As I said, this is something that -- it appears to be, anyhow -- to go against a majority vote of the House and a solemn agreement between the committee and the White House.

Q Mort's original question was much broader than leaks to the Village Voice. I think he was asking, can the President guarantee that any of the leaks relative to the House Intelligence Committee report even prior to the Village Voice publication, were not leaked from the Executive Branch -- the CIA, OMB, Defense Department and so on?

Can you make that guarantee, because as I understand, they had copies of that.

MR. NESSEN: I don't know who all had copies. There were not very many copies, and whatever copies there were were of the early draft. He is confident that none of the leaks have come from the Executive Branch because whatever you may see as the effect of the leaks, the Administration's position all along has been that it is harmful to have classified information unilaterally declassified when it harms the national interest.

Q Ron, can I carry that one step further? Is he confident and has he checked that no agency of the Executive Branch is responsible for the leaks? What I mean by that -- and just to clear it up -- is that an agency of the Federal Government, of the Executive Branch, might have an ally or a plant in the committee staff who is conveniently leaking the material out to embarrass the Congressional investigation. Has he satisfied himself that that possibility is foreclosed?

MR. NESSEN: He is confident it did not come from the Executive Branch.

Q Have you ever heard anybody on the staff make a statement sort of like this, "This is such a sorry report and it, as a result of such a poor investigation, is so poorly put together that it would really be to our advantage to have this report leaked"?

Have you ever heard anybody on the White House staff say that?

MR. NESSEN: I have not.

Q Have you also heard anybody around here say these leaks have actually helped the White House exposition, they have damaged any chances that Congress could come up with fairly restrictive legislation on intelligence agencies?

MR. NESSEN: I have not. The President's main concern all along -- and as far as I know, everybody else's all along -- has to be to avoid damaging the national interest by having classified material unilaterally declassified.

Q Why is the President so confident that leaks have come solely from the Congress? This is a town which runs on leaks. How can he be sure the leaks didn't come from DOD or CIA or OMB?

MR. NESSEN: How can you be so confident they did?

Q Did the President run any investigation -- is what we want to know -- throughout the Executive Branch?

MR. NESSEN: He did not.

Q To answer your question, because it may well serve the Administration advantage to have those leaks come from those agencies.

MR. NESSEN: I told you the main interest all along and up until now has been to avoid damaging the national interest by unilaterally declassifying information.

Q Ron, this is just an all-encompassing offer, that no matter what the Speaker would ask for -- you don't mean he could call out the 82nd Airborne on something like that?

MR. NESSEN: I think we need to wait to see what action the Speaker takes and what help he asks for, but the President has offered assistance.

Q The President is a little premature because unless Carl Albert has changed something in the last 24 hours, he has not even gone over the report. So, why would the President make such an offer unless he thought Carl Albert really needed help but Carl Albert has not asked for help?

MR. NESSEN: It is an offer of help, Sarah.

Q Why does he do this prematurely? Why does he do this in advance of anybody asking for help?

MR. NESSEN: You are interested in the subject. You brought it up.

Q Ron, is there any question that the second and third drafts of this report never reached any agency in the Executive Branch?

MR. NESSEN: That is my understanding.

Q If they didn't, then when you get the Village Voice, how will you know which draft it is because you have only seen one?

MR. NESSEN: Because if it contains quotations and paragraphs that were not in the original draft, of which some copies were circulated, then it clearly came from a later draft, or it is something that is known of the drafts. It may be something else.

Q If it turns out what the Village Voice printed did come from the first draft, what is the President going to do then? Is he going to investigate the Executive Branch?

MR. NESSEN: I think we will have to wait and see.

Q Why is the President offering this help? Is it to find out the source and then to prosecute?

MR. NESSEN: It is to help the Speaker if the Speaker decides, or in whatever way the Speaker decides, to find out why the vote of the House and the agreement of the committee was violated.

Q Ron, has there been a reaction from the Speaker?

MR. NESSEN: No, it was a very short time ago.

Q How did he communicate this?

MR. NESSEN: By telephone from the Congressional Liaison Office to the Speaker's office.

Q Friedersdorf?

MR. NESSEN: Yes.

Q Did he talk directly to Albert?

MR. NESSEN: I believe Albert was not available, and his assistant was informed.

Q Who did that?

MR. NESSEN: Max Friedersdorf.

Q Ron, bearing on the same issue, when is the President's proposal to reform the intelligence agencies going to be forthcoming?

MR. NESSEN: Within the next two weeks.

Q Isn't there a delay on that? In December you said it was just a week or two away.

MR. NESSEN: But it is a very complex issue, and there are lots of different people and agencies involved, and it is taking longer than the President wants, for one thing.

Q Will he decide, if Secretary Kissinger --

MR. NESSEN: I don't want to go into the position of each of the players, but the President has been very firm and had to be very firm in overcoming some delays.

Q What does that mean?

MR. NESSEN: It means he is pushing very hard and it is taking longer than he wanted and he has made that clear to people that the time has come.

Q Ron, will the President do anything about cutting down the number of people who can classify material? Mr. Pike said the number was around 15,000 or something who could classify and apparently no clear-cut means as to who could de-classify.

MR. NESSEN: If I remember correctly, there has been come move to do that. I will have to check it, though. I remember vaguely there was. There was some reduction in the number, but I will have to check.

Q I have a note here he offered the resources, but I think I missed something else.

MR. NESSEN: And services.

Q Was Friedersdorf any more specific than just those two words when he talked to the Albert aide in what was being offered?

MR. NESSEN: No.

Q Ron, you did say the President had no investigation made to insure his confidence that there were no leaks from the Executive Branch, is that right?

MR. NESSEN: He has made no investigation, as far as I know.

Q What does he really base his confidence on, just the fact that it was his view that this stuff should not come out?

MR. NESSEN: Ann, I think members of the staff have talked about it and compared notes and so forth, and it is felt it did not come out from the Executive Branch.

Q Mr. Pike, Ron, was just as confident as the President -- not talking about just this last report leak but all the other leaks -- Mr. Pike was just as confident that he knows specifically some of those leaks came from the Executive Branch and the CIA.

MR. NESSEN: I think Mr. Pike, a few weeks ago -- or two weeks ago -- voiced the exact opposite opinion when he said "we have to wrap this up because there are too many leaks."

Q He also said just this week at a press briefing that many of the leaks came from the Executive Branch and the CIA, and that Congress should not be blamed for all of them.

Q Ron, if the President is confident that the leaks did not come out of the Executive Branch, is he, in effect, accusing the Congress?

MR. NESSEN: I think I told Marya -- I forget what your word was -- disposed to believe it came from Congress and I think that is right. The disposition is to believe it came from Congress.

Q All of the leaks?

MR. NESSEN: Yes.

Q Does the President also not believe that the Speaker has either the will or capacity to inquire into the source?

MR. NESSEN: I don't see why or how he could make that judgment.

Q He has not waited for any request for assistance from the Speaker?

MR. NESSEN: He is not telling the Speaker what to do. He is offering help for whatever the Speaker decides to do. After all, it is a matter of a violation of an agreement made by a House committee and it is a violation of a vote taken by the overwhelming majority of the House.

Q But isn't it an internal Congressional matter?

MR. NESSEN: Of course it is a Congressional matter, and he is offering what help he has for whatever Carl Albert wants to do.

Q Isn't it a violation of a law?

MR. NESSEN: I don't know. That is a legal question that I am not qualified to answer.

Q Your investigative agencies investigate violations of the law, so that is a pertinent question.

MR. NESSEN: It is a legal question of whether or not it is a violation of the law and I am not competent to answer it.

Q Does the White House plan any other steps besides offering these services to the Speaker?

MR. NESSEN: Not at the moment, no.

Q Are you, in effect, saying it is up to the Speaker to make the decision now, then?

MR. NESSEN: At this point, that is correct.

Q So, in other words, if the Speaker does not want to utilize any of the services that the President is offering, they won't be involved?

MR. NESSEN: I think it would be better to wait and see what the Speaker decides to do.

Q Is the President confident the Speaker could get to the bottom of this without the help of the Executive Branch?

MR. NESSEN: I don't know. He has offered the help for whatever the Speaker wants to do.

Q By this very direct way of offering this help the President has accused and assumed that the leak was done over at the Hill.

MR. NESSEN: I told you there is that assumption, Sarah. I said it three times. I am not shy about saying it.

Q He is assuming somebody is guilty without any proof. He is doing it awfully early. He is very careful always about not declaring somebody guilty unless there is proof.

Q Is the President confident that no one in the Executive Branch has used the classification system to cover up a crime or a mistake?

MR. NESSEN: In this area?

Q Yes.

Q Any area.

MR. NESSEN: I don't know. That is such a broad question.

Q But it is in the report. That is one of the thrusts that is in the report. That is in the Village Voice today and it was in the original draft and the original contention was that Secretary Kissinger has used the national security label to cover his own policy errors, and that is in the first draft of the report.

MR. NESSEN: Let me say two things about that. One, as I said before, the purpose of the agreement that the committee made with the President was not to prevent the committee from publishing its conclusions, opinions or recommendations. So the President made no effort at any time to prevent the committee from reaching whatever conclusions it did.

Secondly, on specific questions like that, that committee took a great deal of testimony and talked to Secretary Kissinger, talked to Bill Colby and talked to a lot of other people and it was in that testimony that they had an opportunity to explore those areas, and I don't think that I can stand here and deal with each of their allegations.

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Q Without disclosing national security information, would the President be adverse to the publication of the conclusions of the committee as to whether there had been a cover-up?

MR. NESSEN: He has never, ever, from the beginning, attempted to stop the publication of conclusions, recommendations or opinions.

Q But isn't the flak about the committee's report being made public right, as far as the White House is concerned, in light of the agreement?

MR. NESSEN: Only because they broke the agreement not to publish classified material before they had an opportunity to go through the process which the committee agreed to.

Q Isn't the net effect of the President's action, though -- while you say he never made an effort to prevent them from publishing conclusions -- the net effect of his action is nonetheless the prevention of the publication of the conclusions?

MR. NESSEN: I think we should go back to a very basic point here, which is that every drop of information or virtually every drop of information the committee has -- about everything came from the Executive Branch of the Government, 90,000 pages of documents from the CIA alone, as well as from everybody else, so if you are talking about some kind of effort to not give them information that would point up what Helen refers to as mistakes or embarrassments, if there was any effort going to be made to keep embarrassment secret, I don't see why the Executive Branch would turn over tens of thousands of documents. The basic motivation from the beginning has been to give the committee -- and both committees, in fact -- all the information they need to fulfill their legislative purpose.

Q That is not true, Ron. According to the record and according to Mr. Pike's statement, the White House rebuffed them and refused to give them information in the White House and in the CIA the whole time and he said sometimes they would ask for information and they said, "You are being like McCarthy," and other times they said, "You cannot have it because it is included under Executive Order." They said the White House bucked them the whole way.

MR. NESSEN: I am not aware of any outstanding request for information from either the Pike or the Church committee for information that they were not given access to. I am not aware of a single document.

Q Furthermore, your contention is the Executive Branch speaks with one voice, which we both know is not true; that is, there was information presented by one section of the Executive Branch which was not flattering to another individual or person involved in the Executive Branch.

Q When is the President going to make his recommendations on the CIA?

MR. NESSEN: I mentioned to John it will be within the next two weeks.

Q I think it would be reasonable for Carl Albert to come back this afternoon and say, "What resources or services does the President have in mind?" What would be your response? Is he talking about asking the FBI agency to go up and talk informally with Congress and the staff, or does it run to a grand jury investigation in which there would be testimony under oath?

MR. NESSEN: It is a matter for the House of Representatives and the Speaker and whatever course they decide to take, the Executive Branch will help them with it.

Q If Albert said he wanted the FBI agents to conduct an investigation, would that be agreeable to the President?

MR. NESSEN: I just don't want to speculate on what he might or might not do.

Q Would you say in this offer he has ruled out the use of the FBI agents?

MR. NESSEN: The President said all services and resources of the Executive Branch.

Q It is a carte blanche offer?

MR. NESSEN: All services and resources.

Q Ron, what is the President talking to Dr. Kissinger about now?

MR. NESSEN: I think a variety of things. The Secretary is about to take off on his Latin America trip in a couple of days. He has the deteriorating Angola situation and a number of other things.

Q Are they talking about any of this that we have just been talking about?

MR. NESSEN: I am not in there, and I don't know.

Q Will there be any answers in advance of the press conference?

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

Q Would resources be available to investigate Congressmen themselves or the Village Voice or what?

MR. NESSEN: You need to go ask Carl Albert what, if any, action he plans to take and if there are any resources he would like to use from the Executive Branch.

Q Ron, I ask this question in view of a recent question. Does that include the Internal Revenue Service?

MR. NESSEN: I think we will wait and see what the Speaker has in mind.

Q There are reports that there is disagreement within the NSC over the SALT agreement that Secretary Kissinger presented to the Russians. Specifically, he had gone -- and this is a UPI story this morning -- he had gone beyond what the NSC called option two on Backfire bombers and cruise missiles and let the Russians have many more Backfire bombers than the NSC had sanctioned and left us with less cruise missiles than they had intended.

What can you say about that, one, and is there a disagreement? Did the President sanction what Secretary Kissinger offered to the Russians?

MR. NESSEN: The Secretary in his negotiations in Moscow stuck strictly to his instructions, and he agreed upon the position of the United States. I did not see that story on UPI today. I know it has been around for a week or so, the same story.

The Secretary went, had an initial meeting, and prior to his going there had been a NSC meeting scheduled at the specific time it was held, knowing that he would report back what had happened at his first meeting, and the meeting was held and then I believe he held a second meeting and then went off to keep his longstanding meeting in Brussels. But, I can simply say he did not exceed his instructions.

Q Ron, can you tell us anything about the possibility of Governor Scranton being appointed to the U.N. job?

MR. NESSEN: I cannot.

Q Is he being considered for it?

MR. NESSEN: I can't say.

Q Is the President going to New Hampshire on Wednesday?

MR. NESSEN: Next Wednesday? Not that I know of.

Q Is he going to New Hampshire next week?

MR. NESSEN: It has not been decided yet.

Q Ron, how will we get coverage of the New Hampshire radio interview? Is it going to be piped in here?

MR. NESSEN: No, it is not.

Q Will there be a transcript?

MR. NESSEN: Eventually.

Q When will it be aired?

MR. NESSEN: I guess at various times.

Q Are you making progress on restoring transcripts?

MR. NESSEN: I am making progress on reconsidering my position.

Q Is he talking on the phone to them, or what is the deal?

MR. NESSEN: They are coming here.

Q When is the first broadcast?

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

Q It is definitely not live, though?

MR. NESSEN: It is not.

Q When will the Boston television interview be aired?

MR. NESSEN: I believe next Thursday.

Q When will we get the bible on Florida?

MR. NESSEN: This afternoon.

Q Will there be a briefing here tomorrow, Ron?

MR. NESSEN: No. By the end of the afternoon we may be able to tell you about the schedule for the morning. If there is something that will keep you here fairly late into the morning, we will have a bus to Andrews.

Q Do you anticipate anything more than the veto, if the veto does not come today?

MR. NESSEN: Yes, possibly.

Q Can you rule out the veto today?

MR. NESSEN: Yes.

Q That means it has to be tomorrow?

MR. NESSEN: That is about it. I am 90 percent ruling out the veto today.

Q Will the New Hampshire transcript be available today?

MR. NESSEN: I don't think we can get it done that fast.

Q Are you piping in the Kissinger press conference here?

MR. NESSEN: Yes.

Q Ron, about this veto, you seem to be a little coy about what is going to happen tomorrow morning. Is there a possibility the President might come down here to announce and explain his decision on that bill?

MR. NESSEN: Actually, the details of how to do it have not been worked out, and whether or not there is any other event that is going to be here tomorrow, I don't know.

Q Do you rule out a press conference tomorrow morning?

MR. NESSEN: Yes.

Q Is it going to be some sort of appointment?

MR. NESSEN: There may be just some other events here in the morning.

Q Thank you, Ron.

END (AT 11:50 A.M. EST)

AT THE WHITE HOUSE

WITH RON NESSEN

AT 4:00 P.M. EST

FEBRUARY 12, 1976

THURSDAY

MR. NESSEN: We have just given to you a complete financial statement for President and Mrs. Ford, the top sheet of which is a summary of their income and the taxes they paid for the years 1966 and 1974. Also attached to this you will find a net worth statement as of December 31, 1975. This statement of their income and taxes paid and the other material was prepared with the help of the President's accountant, Mr. Robert J. McBain, of Grand Rapids, Michigan.

You will see on the primary table here, the first one, the year listed in the left column, next to that his gross income. That is all the money he made that year, each of the years.

Q Does that include the entertainment allowance of \$100,000 or not? Does that include it or exclude it?

MR. NESSEN: In the year 1974, it would be a year that included at least partially an expense allowance.

Q Isn't that answered in 1975 when it says \$250,000?

MR. NESSEN: Yes, \$200,000 income and \$50,000 expense allowance.

You see his gross income, which is all the money he earned in those years. The taxable income is calculated based on his deductions and the deductions, the main ones, are listed there in the next four columns; that is, medical deductions, his charitable contributions, the State and local taxes he paid and the interest payments he had.

The next to the last column shows you the amount of Federal income tax he paid in each of those years and the last column shows you the percentage of his gross income represented by those income taxes, rising to a total of 42 percent of his gross income paid out in Federal taxes -- I am sorry, all taxes and the 42 percent is the percentage of his gross income that was paid out in taxes.

You see the percentage of his gross income paid in taxes for the previous years.

Q The State taxes would be for the previous years, wouldn't they, Ron? Deducted in 1974 it would be 1973 Michigan tax.

MR. NESSEN: To be taken as a deduction, they would have to have been paid the previous year.

Q Is 42 percent the average for taxable income of \$28,000 a year?

MR. NESSEN: Do you want my personal opinion?

Q Yes.

MR. NESSEN: I think it is probably generally agreed that he is paying a very large percentage of his income in taxes and that people in that income bracket normally don't pay that much.

Q Why is he doing it?

MR. NESSEN: He has no interest expenses, which are normally a large deduction for most people. He owns all his property outright, and his own personal philosophy is to not make any effort to find things that some people find to avoid taxes.

Q Is Mr. McBain a private accountant?

MR. NESSEN: A Certified Public Accountant.

Q Has he done the President's returns for a number of years?

MR. NESSEN: Yes, he has. If you will look on the last sheet there, which is a Xerox reproduction of some of his financial statements turned into the committees which confirmed him, you will see that Mr. McBain was his Certified Public Accountant back then.

Let me go on just here a bit and finish.

The President and Mrs. Ford's tax return for the calendar year 1975 has not yet been prepared. We do know his gross income for that year will be slightly above \$250,000. There were taxes withheld throughout the year for Federal taxes. They amounted to \$106,200.

In addition, another \$9,123 has been paid in estimated Michigan State income taxes and, of course, when his return is prepared sometime before April 15, his actual tax liability will be calculated and we will make those figures available to you at that time.

Maybe just a word about some of the other paper here, the net worth statement.

Q Before we leave that, did he spend all of the \$50,000 in allowable expenses on expenses or did he keep some of that as personal?

MR. NESSEN: That is calendar 1975?

Q Yes.

MR. NESSEN: That is something I will have to look into, Ted. I don't know the answer to it.

Q When he was a resident of Virginia, did he ever pay Virginia State income tax?

MR. NESSEN: My understanding is that his legal residence is in Michigan, and that is where his tax liability lies. I can check for you and find out.

Q Do they have a State income tax for Michigan?

MR. NESSEN: They do.

Q The gross income for 1975 is \$250,000 plus? That is the actual Federal income, is it not? What is the plus?

MR. NESSEN: The plus would be the rental for the three homes he owns.

Q Ron, if he makes \$250,000, as we all know he did last year, and all of his homes are paid for and he only has \$1,200 in the bank, could you give us any idea of what he did with all that money? That is a serious question.

MR. NESSEN: I don't know that all that much is left after his \$106,000 withholding and his estimated Michigan payment. Personally, I don't know what he spends his money on, but there is a good deal of expense connected with being President.

Mrs. Ford buys clothes, of course. He does. He pays for his meals. He pays for his entertainment expenses. He paid his own expenses, of course, and his family's expenses, on the various vacation trips during calendar 1975. He also had four children in college in one calendar year, and I think some of you know what that means in terms of expenses.

Q Ron, there are \$2,700 in interest payments in 1974. If he owns his property outright, does he have outstanding loans?

MR. NESSEN: He did have an outstanding loan, which he paid off, and this is the interest payment on the loan.

Q Can you tell us how many exemptions are on his income tax?

MR. NESSEN: He carries, as far as personal exemptions goes, six, one for each member of the family, and himself, and he provides more than 50 percent of the support for each of his children.

Q Including Mike?

MR. NESSEN: Including Mike and Gail.

Q He does provide more than 50 percent?

MR. NESSEN: That is correct, for each of his children.

Q Haven't you said before he paid for the 35,000 Christmas cards out of his pocket? How does that expense come in?

Q Is the Alexandria house rented?

MR. NESSEN: It is.

Q Are all three of the houses rented?

MR. NESSEN: I think the Vail condominium is rented off and on. The other two are rented.

Q On the 1973 statement here, it shows a note payable to the National Bank of Washington for \$3,200.

MR. NESSEN: That is the loan that was paid off in 1974 for which the large interest payment is shown.

Q How can you pay \$2,700 in interest on a \$3,200 loan?

MR. NESSEN: Let me check it for you and find out. I don't know the answer.

Q Do the President and Mrs. Ford have a joint checking account?

MR. NESSEN: I don't know whose names the bank accounts are carried in, Fran.

Q Is he allowed to keep any of the leftover from the \$50,000 if he does not spend it all?

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

Q Does the President think everybody should make public, every candidate for public office, should make public his financial statement?

MR. NESSEN: I think you were there, Helen, at the year-end interview. He was asked about that and he said he thought all candidates for public office should make their financial statement public.

Q How about the tax returns, the tax summary?

MR. NESSEN: Yes. This he considers to be the central document of a complete financial statement, this breakdown of how much in taxes were paid and what the percentage of gross income was.

Q Does the President believe that all candidates should follow the same philosophy you described in terms of paying the rather high percentage of taxes without --

MR. NESSEN: I don't think he gives other people advice on how to manage their personal affairs. I think this was commented on, Jim, if I recall. I recall I covered the confirmation hearings, and I know there was some astonishment expressed there that he paid such a high percentage. He was asked why, and I think at that time he outlined his philosophy.

Q Prior to the confirmation hearings, do you know if he ever released his financial statements as a Member of Congress?

MR. NESSEN: I don't know his record in running for Congress.

Q Ron, according to these figures he paid more taxes in one month than Nixon paid the whole time he was in the White House. Has the President commented on the former President's tax returns or the philosophy he followed in filling out his tax returns?

MR. NESSEN: No.

Q Ron, in light of the fact that Governor Reagan has not disclosed to any extent at all, does the President believe this should be and will be an issue in the New Hampshire primary and other primaries?

MR. NESSEN: I don't think the President determines what the issues are, John. He said he was going to do this. He did it at his confirmation hearing in 1974. He promised to do it now. He has done it now, and he has expressed his belief all candidates should do it, but I don't think we ought to say what the issues are.

Q Why does he think all candidates should?

MR. NESSEN: Because I think you know his belief that public officers, public officials, are servants of the people, and he believes that the people have a right to know that their public servants are conducting ; their own personal finances in an ethical and legal manner.

Q Can you explain? Most of us, when we buy a house take 20 or 30 years to pay off the mortgage. Can you explain how the President owns three residences and has no mortgage expenses at all?

MR. NESSEN: As you see, he has acquired no property since he became President. In fact, he has acquired no property, I guess, since he bought the condominium in Vail. At the time of his confirmation hearing, he was asked that question and it brought out that he borrowed from his own life insurance, I believe, and I think borrowed from his children's savings accounts in order to pay cash for his properties.

Q He must have paid back the life insurance loans at least because that does not show up as a liability.

MR. NESSEN: You see since his liabilities are only \$1,200 he obviously has paid back all of his outstanding loans.

Q He paid cash for all properties he bought?

Q Why is he against mortgages? (Laughter)

Q Did he pay cash for all his properties?

MR. NESSEN: All three of the properties were paid off two years ago, when he had his confirmation hearings. My memory is that he paid cash for all of them.

Q The only increase in this from the past seems to be in the increased value of his property and his amounts in his various life insurance policies.

MR. NESSEN: That is correct.

Q That is the only increase, so he appears to have spent all the money that he earned as President in excess of fixed expenses.

MR. NESSEN: The primary increase in his net worth -- almost the entire increase in his net worth -- has been in the value of the three properties he owns, plus the couple of other minor items that Fran mentions. As I say, the retirement funds --

Q To what extent, if any, is the White House able to determine that the increase in the value of those properties was because he was President?

MR. NESSEN: It really is somewhat immaterial here, Jim. This is, obviously, an estimated value of the property. The real value, of course, is determined by how much it would bring if sold. The figure is immaterial. It does not really apply to anything. It is just an estimate.

Q Could you check his tax assessment in the three jurisdictions? That would be one way to do it.

MR. NESSEN: I will have to check on how the value was estimated, but as I say, it is somewhat irrelevant other than to give some sort of scope to the value of his property, but until it is sold you don't know what the real value is.

Q It would be very helpful if we could get just a ballpark figure on the profit made from the three rentals because that is, I suppose, almost clear profit because he has no mortgages on these.

MR. NESSEN: Quite the opposite, Walt. People who do own property know that the way you shelter the income from rental property is to have interest and high expenses, so really, if you don't have any expenses against your rental, it passes straight through the income and is taxed at the full income rate.

Q My question was, what are the rentals on those three properties?

MR. NESSEN: I don't have the figures, but I will check for you.

Q Ron, has he ever been to this cabin in South Branch Township since he has been President? Do you know who owns the other three-quarters of that?

MR. NESSEN: Does that show on the footnotes chart? It does not. I will have to check that for you.

Q Who is the present owner of the Ford Paint and Varnish Company?

MR. NESSEN: The ownership of the Ford Paint and Varnish Company is passed to stockholders other than any members of the Ford family. They own bonds in that, but the stock of the company is owned by others.

Q Ron, the President is not going to make public any of his expenses for the past year, is that correct?

MR. NESSEN: You mean the phone bills and the clothing bills?

Q His taxes and expenses in operating.

MR. NESSEN: You are certainly going to have his taxes.

I said as soon as his return is filed, we will give you the figure of tax payments.

Q But you won't show the item-by-item deductions?

MR. NESSEN: You have them through 1974, Fran, and as soon as the 1975 returns are prepared, you will have another line on this chart which reads 1975 with gross income, taxable income, et cetera.

Q There are things we don't have that we would have in a return-- for example, deductible expenses. \$50,000 is a figure that is spent out of that as a deductible expense, and that would apply also to the last several months of 1974.

Q It is an expense allowance?

MR. NESSEN: Yes.

Q I think your view is if you calculate that back out yourself it seems to be a relatively small number by adding up the deductions and then by adding on a figure for personal exemptions and the remainder is some kind of expense allowance or some kind of expense item. I think you will find if you go through each of those there is not very much of a remainder.

MR. NESSEN: Let's take 1974. If you take \$174,000 gross income and \$128,000 taxable income, you have a difference there of \$19,000. Now, take his deductions shown here, which add up to \$14,000, so we are looking for \$5,000 more.

Now, you take personal exemptions, \$750 times six members of the family, which adds up to \$4,500, you are up to a matter of several hundred dollars in other deductions.

Q Ron, the value of the President's stock-holding went down during the period since his last report.

MR. NESSEN: A not uncommon occurrence these days.

Q Does he still hold the amount of the same stock?

MR. NESSEN: Exactly the same stock, whose value has declined as of December 31. If you recall, there was a little increase in the market since December 31.

Q Charitable contributions -- \$5,000 a year is the biggest in 1974. Where did that go?

MR. NESSEN: The bulk of those include small contributions to a large variety of charities, no single larger charity. By way of example, but not meant to be exclusive, things like the Boy Scouts, Red Cross, the Cancer fund, those kinds of things.

Q Does he have any savings bonds? I recall he pledged to buy some. (Laughter)

MR. NESSEN: My understanding is each time they have one of those savings bonds drives, he buys the bonds in the name of his children.

Q How does he get paid? Does he get paid by the month or every two weeks?

MR. NESSEN: Every two weeks.

Q Does it sound right to you from looking at those figures that the President has not been able to save any money out of his salary as President?

MR. NESSEN: From the net worth chart, it appears he did not save any money last year. That sounds right to me.

Q He contributed to the pension fund.

MR. NESSEN: The gross income includes large contributions to his pension fund. So, that is a form of savings.

Q Ron, the President made a \$500 contribution to the fund that built the pool. Does he list that as a charitable deduction?

MR. NESSEN: I am not sure whether that contribution qualified as a tax deductible item.

Q The President indicated he made public the income tax returns, not just the summary. Why did you decide not to do the same?

MR. NESSEN: I am not sure we ever thought about it. We took all the information and put it in chart form, which contains really all the figures from the tax return.

Q Ron, who does he owe the \$1,200 to?

MR. NESSEN: Those are your basics. It is a month's accumulation of bills he has not sat down and written checks for.

Q What is that third thing under securities?

MR. NESSEN: That is a mutual fund that Mrs. Ford, I believe, has had for quite a long time, and of course I know it has not been added to for years.

Q Ron, the medical deductions in 1970 and 1971 are quite a bit higher than they were in any other year.

MR. NESSEN: Yes.

Q Can you explain that?

MR. NESSEN: I don't know what occurred that year that would have caused his medical bills to be that high.

Q His operation.

MR. NESSEN: That would have been in 1974 and would have been covered by Government hospital insurance or else paid for by the Government.

Q Ron, has he ever been audited?

MR. NESSEN: I think most of you remember that during his confirmation hearings his returns for each year -- 1966, 1967, 1968, 1969, 1970 -- for six years -- were audited as part of the confirmation hearings. The IRS audited his returns for the six years prior to the confirmation.

Q That was his confirmation for Vice President.

MR. NESSEN: Vice President, that is correct.

Q Why was this done a year ago?

MR. NESSEN: What do you mean?

Q Was this done in the last year?

MR. NESSEN: No, it was not. This is an updating, really, of what was presented at his confirmation hearing.

Q Why is it being done now?

MR. NESSEN: Because he promised to do it in the context of candidates making public their financial statements.

Q Just to follow that, he thinks candidates ought to do this because people have a right to know if they are conducting their private affairs in an ethical manner?

MR. NESSEN: Correct.

Q Does he think if they do not make this public the voters can induce an adverse opinion of them?

MR. NESSEN: Ted, I am not going to go into that. He is responsible for himself, and he has done what he promised to do.

THE PRESS: Thank you, Ron.

END (AT 4:25 P.M. EST)