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NEWS CONFERENCE

#454

AT THE WHITE HOUSE

WITH RON NESSEN

AT 11:15 A.M. EST

MARCH 8, 1976

MONDAY

MR NESSEN: I think what we ought to do is move along because at 11:45 the President is going to be announcing the appointment of Major General Jeanne Holm as his Special Assistant for Women, and we will take some people into the Oval Office to hear that.

Q Who is he?

MR. NESSEN: It is a she. (Laughter)

Q Where is she from?

MR. NESSEN: She is a she.

We will have a biography and so forth. That is a half-hour from now so let's see if we can get done with this.

I think some of you know the President made some phone calls this morning to his telephone centers in Florida. Beginning at about 9:35 he called the phone centers in Delray, West Palm Beach, East Broward, West Broward, Clearwater and St. Petersburg. I listened to the first one so I could give you a little report on them. I think most of them followed this pattern if you want to hear how it went.

Q This is Delray?

MR. NESSEN: The one I listened to was the call to Delray and the lady's name at the other end of the line was Ann Brevetti. He said, "Hello" --

Q Who is she, Ron?

MR. NESSEN: She is the contact at that particular phone bank.

Q Where?

MR. NESSEN: In Delray, Florida.

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Q How do you spell Delray?

Q Is that one word or two words?

MR. NESSEN: Delray is one word.

Q We will play Ann and you play the President.
(Laughter)

MR. NESSEN: All right.

The President said, "Hello, good morning, Ann. I wanted to call and thank you and the others in Delray manning the phones. You are doing really a great, great job. I urge you to continue the effort." He said, "I understand 300,000 calls have been made from the phone centers and another 200,000 have been made from private homes. You have really covered Florida. Volunteers have done a tremendous job. There is just a little over 24 hours left. The final whistle does not come until tomorrow night."

Then he listened for quite a while and I think she was telling him how it was working at that particular phone bank and what response they were getting because the President, after listening for quite a while, said, "Thank you, that is very encouraging."

Then he said, "Well, it is going to be a close ball game but I think we are going to win for the following reasons: We have good policies; the economy is picking up speed and inflation is going down, unemployment is coming down; and third, we are strong as a Nation. We have the military ability to deter aggression and maintain the peace. That is the message we have to get across."

Then he referred again to the final whistle blowing tomorrow and urged them to keep working until then. He said the Florida primary is "crucial" and "critical." He said he thought he would win and continue the momentum that was built up through New Hampshire, Massachusetts and Vermont.

He said, "Don't quit in the last quarter. We are in there to win and we are going to." It could be basketball, though, or even soccer. "Thank everybody there for their contribution in time and enthusiasm."

Q Ron, was this conversation with one person or was it put on a loudspeaker in the headquarters?

MR. NESSEN: Actually, it was on a loudspeaker and in the headquarters, and he said that he could hear some reaction at the other end in terms of applause and the crowd's -- not the crowd's but the workers' --

Q Is she the head of this office?

MR. NESSEN: Well, she was the contact for this particular phone call and there is someone to call in each of the six places. He has completed the calls now.

Q Ron, if he asks them not to quit in the last quarter, does he look at this as a kind of a last quarter of his battle with Reagan or was he speaking of just Florida?

MR. NESSEN: Just of the last 24 hours or so of the Florida primary. Don't let down, in other words, before the voting.

Q How long did this call take?

MR. NESSEN: Each call is scheduled to take about 15 minutes or so.

Q Who paid for the phone call?

MR. NESSEN: The President, just before he took the first call, instructed Nell Yates to instruct the switchboard to send the bills for the six calls to the PFC and I went out and I heard her call the switchboard and tell the switchboard to bill all six calls to the PFC.

All right. For the rest of the day, then, I told you that we are going to have this appointment with General Holm.

At 4:30 this afternoon, the President is going to have a meeting with Members of the House Budget Committee. I can post the names for you. This will be a further opportunity for the President -- we will post the names of the participants, it is a fairly large meeting -- it will be a further chance for the President to tell the Members of the Budget Committee why he feels his full budget for the Defense Department should be approved.

I think you know that we are coming up on the March 15 date for the substantive committees to make their recommendation to the Budget Committee and the Budget Committee is supposed to pass its first concurrent resolution of putting a ceiling on spending on April 15. So that is the purpose.

Now, I think we will have a pool in at the beginning of the meeting and if you would like to stay in there and hear part of what the President says to the Members, I think we can arrange that.

Q Will we be able to get some sound?

MR. NESSEN: Of the President speaking?

Q Yes. Is he going to have anything to say at the beginning?

MR. NESSEN: Yes, he is going to make his basic budget appeal for the Defense Department. I think we could probably -- you mean sound cameras and stuff? I think we could probably do that.

Q Is this in connection with the campaign?

MR. NESSEN: You mean the campaign for the defense budget?

Q No, I mean the political campaign?

MR. NESSEN: No, it is not. It is for the purpose of trying to win approval of his defense budget.

Q The President told some PFC backers in Springfield, at a meeting we were allowed to hear, that the encouraging economic signs in the economy -- the falling unemployment, et cetera, et cetera -- may lead him to change his fiscal estimates.

MR. NESSEN: That is right.

Q Would you relate how that affects the budget proposals?

MR. NESSEN: I think I may have mentioned this the other day to some people in connection with the unemployment figures -- maybe not, maybe it never came up -- but the President is required to revise his budget, the underlying assumptions, isn't it, John, periodically? I think the next required revision is March 15. We will check on that.

Anyhow, he is required to update the economic assumptions periodically.

Now, if the unemployment figures continue to fall at the rate they are, and if some other interrelated economic statistics turn out to be better than anticipated it would require revision in the forecast.

If you recall, the President has said from time to time that he personally has hoped and kind of anticipated that the figures would be better than the economists said they would be and at least on the unemployment front it appears that may be turning out to be true.

Q How can you translate this to the average taxpayer? What does it mean in terms of revising the budget?

MR. NESSEN: Well, the assumptions on which the budget forecasts and so forth were based include the unemployment rate, the inflation rate, the GNP growth and that sort of thing. At the moment, it appears that the unemployment rate for the year may be better than the forecast placed it and it may be that some of the other economic figures that are inter-related with that have to be changed, but it is too soon to tell.

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Q Ron, does that translate into more revenue than the original estimate?

MR. NESSEN: Well, I would rather get you together with Alan Greenspan or somebody who can speak in more detail on it.

Q Is there a possibility of a bigger tax cut, Ron, if the figures changed drastically or is the deficit just going to be less?

Q What we are saying is what does it mean?

MR. NESSEN: I know what you are asking and I would rather get an economist down here to talk in more detail about it than I have.

Q What did the President have to say about Mr. Reagan's comments that all this good news that he is taking credit for is just a harbinger for the same things?

MR. NESSEN: Well, as we have said all along, Phil, I think the reply to political campaign charges ought to come from the PFC rather than from the White House.

Q Is the President aware of this charge that Reagan made?

MR. NESSEN: Yes, he is.

Q But he looks on this as campaign talk, is that what you are telling us?

MR. NESSEN: Yes, he does. He looks at it in the context of the campaign in which it was made.

Q Did he watch Reagan on Meet the Press yesterday?

MR. NESSEN: I am not sure he was back from church in time to do that. I will have to check.

Actually, I was going to open this briefing with something and I forgot to do it so I think I will go back and congratulate Fran Lewine on being voted into the Gridiron Club. I think it is well deserved and good news.

Q Burning Tree next.

MR. NESSEN: That's right. (Laughter)

Is that right?

Q I am practicing my golf. (Laughter)

MR. NESSEN: I am not sure that you would have to be a good golfer to get into Burning Tree.

What was the other thing I was going to do at the beginning of this briefing?

Q Congratulate Tom DeFrank. (Laughter)

MR. NESSEN: Let me tell you about an event here tomorrow.

I told you about the Budget Committee meeting at 4:30.

Tomorrow the President is going to speak at the 57th Annual Convention of the Associated General Contractors of America. That is at 2 o'clock at the Washington Hilton.

The President also is going to receive, following the speech, the Distinguished Service Award from the Association.

To get into the speech either White House, Police, or Senate-House Gallery credentials will be fine. If you don't have any of those, you should call Mr. Richard Haas at the Contractors' Press Room, 234-0340, and make arrangements to get in if you don't have the other.

Q What is he going to talk about, Ron--the theme of his speech?

MR. NESSEN: Well, let me give you some further technical details and then we will go to that.

If you are going to have cameras in there or sound equipment, you should be set up by 11 o'clock because the Secret Service wants to sweep the room and then they will be finished with that by 1 o'clock and you can get back in there and man your equipment at 1 o'clock.

The distance from the camera platform to the stage is 45 feet. If you don't want to go over there, the President's remarks will be piped back here.

Now I am hoping that we will get a text late this afternoon and make it for flat P.M. release, which is 6:00 A.M. The speech comes a little late in the day to be doing that, but if there is any interest in doing that, I think we could.

Q Do you think we can get it today?

MR. NESSEN: The text -- I am hoping we will get it late this afternoon for P.M. release.

Q And my question about the theme?

MR. NESSEN: I have not seen the draft yet, Ralph.

Q Ron, is he going to speak on the economy, some aspect of the economy?

MR. NESSEN: I am assuming that will be part of it at least.

Q Is the presentation of this Distinguished Service Award related directly to the veto of common situs? (Laughter)

MR. NESSEN: I don't think so. The award is supposed to be for skill, integrity and responsibility.

Q In what?

Q So Russ is right. (Laughter)

Q Ron, he he going to speak to the Mayors' Convention sometime this week?

MR. NESSEN: I think he is. I will check on that.

Incidentally, you asked about the budget updates. By law he is required to update the budget on April 10 and on July 15.

Q What about tomorrow night?

MR. NESSEN: Tomorrow night the plan is pretty much as it has been for the previous primaries which is a very minimum staff over here, probably myself and Cheney, a few people in the Press Office and that is it. As far as I know, the President indicated this morning he was going to watch the returns over in the Residence.

Q Is there any chance that he would back up and go over to the PFC?

MR. NESSEN: I would say the chance is zero, Phil.

Q Is there any chance that he would accept any invitations to go anywhere tomorrow night?

MR. NESSEN: I don't have any indication now that he is going to.

Q Do you expect him to appear here or anywhere?

MR. NESSEN: I do not.

Q Is he going to support the inclusion of an extension in North Carolina?

MR. NESSEN: The what?

Q The river stretch as part of a Federal system in North Carolina.

Q A scenic and wildlife river.

MR. NESSEN: I think he was asked about that yesterday, wasn't he, in the radio interview?

Q We have not heard the radio interviews.

MR. NESSEN: We will have a transcript available on the radio interview by noon.

Q What did he say?

MR. NESSEN: I think he said it is in litigation and that it is not proper to comment on a case in litigation.

Q What is he going to say Saturday in North Carolina?

Q The New York Times says that he is going to come out strongly for it on Saturday in North Carolina.

MR. NESSEN: Not if it is in litigation he is not.

Q The litigation was concerning a barge canal. That is what he was talking about.

MR. NESSEN: Let me look into it. I am not all that familiar with it.

Q You are saying the same lineup tomorrow night at the Ford headquarters?

MR. NESSEN: You mean of people?

Q Yes.

MR. NESSEN: Yes, I do.

Q Is Spencer going to be over there or is he down in Florida? Do you know offhand?

MR. NESSEN: I think he is here.

Q There is no chance that the President will go any place tomorrow night?

MR. NESSEN: I don't have any indication now that he will, Phil.

Q He has not accepted any invitations to any dinner here?

MR. NESSEN: Did you have some indication he did?

Q His committee is indicating today that he will have an engagement.

MR. NESSEN: Which committee?

Q The President Ford Committee.

Q What is the engagement?

MR. NESSEN: I don't know what they are saying over there.

Q But as far as you know, he has no plans to go anywhere?

MR. NESSEN: Right now he does not.

Q Has he finished his personal campaign now? I mean are the books closed or is he going to make further phone calls or confer with some people?

MR. NESSEN: I think right now, as he urged his workers to do in these phone calls, he wants them now to continue their efforts right up to the final whistle, as he said.

Q Ron, has he gotten any word on the Bradley ROTC situation that he was so outraged about on Friday night?

MR. NESSEN: No, but he will look into it.

Q Ron, has the President filed his income tax return?

MR. NESSEN: He had not when I checked last week in response to a question. He had not filed it.

Q Will you check again and see if we can get it when he does?

MR. NESSEN: You will get it when he does.

Q Ron, was there any response to Reagan saying that he will be happy with second place in the Florida primary?

MR. NESSEN: No, I am not going to respond to political stuff here.

Q The President would be happy if Reagan won second place tomorrow. (Laughter)

Q What will General Holm's duties be?

MR. NESSEN: General Holm? Maybe the President will tell you a little bit about it, but basically General Holm will be --

Q Is she from Florida?

Q What happened to Pat Lindh?

Q I think she may be as a matter of fact.

MR. NESSEN: Is she?

Q I think she may have a condominium down there.

MR. NESSEN: Come on now.

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Q I am serious. She has a boat, I know that.

MR. NESSEN: Pat Lindh is transferring over to be Deputy Assistant Secretary of State for Education and Cultural Affairs.

Q Who is she replacing? Do you know?

MR. NESSEN: No.

Q Will you get us salaries on these two posts, please?

MR. NESSEN: No, but I will by the time they are announced.

So then General Holm is being appointed to be the President's Special Assistant for Women.

Q Is she an Army General? An Air Force General?

MR. NESSEN: She is a retired U.S. Air Force General.

Q Major General.

MR. NESSEN: Major General. She is the first woman to ever serve as a Major General in the Armed Forces.

Q She is not being given the rank that Anne Armstrong is.

MR. NESSEN: Special Assistant for Women.

Q But Armstrong was Counsellor, she had other duties.

MR. NESSEN: That is right.

Miss Holm was Director of Women in the Air Force from 1965 to 1973. Last year she was a recipient of the Ladies Home Journal Woman of the Year Award in the area of Government and diplomacy.

Q So was Helen Thomas.

MR. NESSEN: She is a founding member of the Executive Women in Government.

Q She has worked with several of the women organization leaders. We will have a biography.

Is this what the President said about the New River?

Q Are you talking about the Neuse River, N-e-u-s-e?

MR. NESSEN: N-e-w. This says the Neuse River, N-e-u-s-e. Is that the same one we are talking about?

Q No, N-e-w.

Q There were two rivers in North Carolina -- one is the Neuse and one is the New.

MR. NESSEN: Is that right?

Q Yes.

Q It is New River, N-e-w, the second oldest river in the world that all of this is about.

MR. NESSEN: The President says in this transcript we will give you, if anybody wants it, that the Governor of North Carolina has talked to him about it at great length and others have communicated their views. Members of the North Carolina delegation, for example, have talked to him about it. His position is that the matter is now in the decision-making process in the Department of Interior.

"As President I should not pre-empt the decision to be made by the Secretary of Interior. I hope he will make it as quickly as possible."

Q For Saturday?

MR. NESSEN: "The comments you made in the process of asking the question point up something that I think all ought to understand."

Then he goes on to say that "Candidates for office can say anything they want to and the impact is not very great, but when a President makes a decision or makes a comment while a Secretary of Interior is in the process of making the decision, many people would think that the President was going beyond his proper authority ethically or legally" and so forth.

Q And that would be wrong? (Laughter)

MR. NESSEN: No, he didn't actually say that. (Laughter)

Q Does the President have a personal position on it?

MR. NESSEN: No, he is waiting for the Secretary of Interior to make his decision.

Q Has the Secretary of Interior stated to the President when he would have that decision?

MR. NESSEN: The President indicated that he would like to have it -- that he thinks it should be as quickly as possible.

Q Before March 23?

MR. NESSEN: He says, "I am sure his decision will be made as promptly as possible and the sooner the better." He said, "I think it should be a decision predicated on the facts both as to the environment, energy needs and all other ramifications."

Q Ron, do you have anything to tell us about this weekend's travel?

MR. NESSEN: No, not yet. I think you pretty much know that it will be divided between Illinois and North Carolina but I don't have the details to give you yet.

Q Does the White House have any information they are willing to give us today about this secret meeting down in Panama City, Florida, between Sheikh Yamani and --

MR. NESSEN: Well, you know, it is a private meeting. There seems to be some kind of a mystery about it --

Q It smacks of an international meeting, does it not?

MR. NESSEN: -- which maybe I can tell you a little bit about if I can find my notes.

Well, the only involvement that the United States has had has been in providing security for Sheikh Yamani as is required. The rest of it is all arranged by the private oil companies.

Q Just ordinary citizens?

MR. NESSEN: Aramco did make the arrangements. The United States is providing security for Sheikh Yamani but has not had any other contact with the Saudi Government about the meetings or with Aramco on the purpose or the agenda.

However, we do know that the purpose of the meeting appears to be to discuss arrangements for the final takeover of Aramco by the Saudis. These discussions were supposed to begin following the OPEC meeting in Vienna in December but, as you recall, there was a kidnapping episode there which prevented the meeting from taking place as scheduled.

The background on the Saudi Arabia Aramco takeover is that in 1972 negotiations began and the Saudis have taken over progressively larger portions of Aramco starting off with 25 percent, then 60 percent, which is where it stands now, and these discussions going on at Panama City are for the purpose of discussing a 100 percent takeover by the Saudis.

The talks are on the technical and financial arrangements as we understand it -- management questions, fees for ongoing services and access to oil.

Now if you ask what the White House thinks of this in general, even though it is a private meeting, the reaction here is that it is a good additional warning on why Congress should get busy and start adopting more portions of the President's plan to make the United States independent of Arab and other foreign oil. This is an example and a reminder that we do depend for 40 percent or better of our oil from foreign sources and they can cut off the supply or raise the price at will.

The White House views this meeting, regardless of what the specifics are that are worked out between Saudi Arabia and Aramco, as simply another reminder that the United States Congress needs to pass some more of the legislation the President has proposed so that the United States will be independent of foreign oil sources and dependent only on its own sources of energy.

Q What does the White House understand will be the effect of this takeover, Ron? Will it be less oil for us or will it be a higher price, or what?

MR. NESSEN: Well, since the meeting is just underway and we don't have any report on what is being decided --

Q But we have a pretty good idea of what the takeover will mean.

MR. NESSEN: That is what I say -- it is a reminder of the vulnerability of the United States to foreign oil.

Q I got that general propaganda conclusion, but what is the effect that we think this will have on the availability of oil and the price?

MR. NESSEN: I don't have anything specific on that to give you.

Q During the period that Aramco has owned various percentages of its investment in Saudi Arabia -- in other words, 75 percent and now 40 percent, and so forth -- in other words, during the period in which Aramco has operated in Saudi Arabia in recent years has Aramco been entirely free to take as much oil as it wanted to out of Saudi Arabia or a full amount of its contract arrangements or its ownings in Saudi Arabia -- has it been free to export, or, that is, to bring back to the United States, as much oil as it wanted to or has this been controlled by the Saudi Government?

MR. NESSEN: I don't know, Jim. I think maybe the FEA could give you that or the State Department. I don't have any details.

Q If I may follow up just once, if I might, because if Aramco's shipments of oil out of Saudi Arabia have been controlled by the Saudi Government, what change does this make and why does it in and of itself lead to this warning from the White House?

MR. NESSEN: I don't know that much about it, Jim.

Q Ron, how will the President or the State Department or even the Justice Department know what is taking place down there at that meeting if there is no U.S. Government representative attending?

MR. NESSEN: There is no U.S. representative there, official representative.

Q Isn't this an arrangement between a foreign government and a group of American companies?

MR. NESSEN: You mean the meeting?

Q Yes.

MR. NESSEN: I said that at the beginning.

Q Well, the question is, do they have a legal right to make international agreements? I thought that was restricted to the Executive Branch.

MR. NESSEN: I didn't say anything about an international agreement. This is a business conference, private business conference.

Q But between a foreign government.

MR. NESSEN: And the American companies that are involved.

Q It is obvious, then, by your warning, though, that the President's concern is this is a bad omen of what is taking place there.

MR. NESSEN: Well, it is a reminder of how vulnerable we are to foreign oil.

Q Ron, will they make a report to the State Department when this meeting is over, the oil executives?

MR. NESSEN: I don't know what the requirement is for reporting this to either -- it may be Commerce or another department.

Q Maybe they will make it to the President direct?

MR. NESSEN: I have not heard of any plans for that.

Q How much is it costing the United States Government to provide security?

MR. NESSEN: I don't know. I think probably this would be Secret Service or the Executive Protective Service.

Q I mean, they don't provide details on that. I wonder if we could get that through the White House?

MR. NESSEN: You would have to get it through the people who are providing it.

Q The taxpayer is obviously paying a healthy amount for security alone on this.

MR. NESSEN: I don't know what it is, Phil, but they can give it to you, the people who are providing it.

Q It has to come through you.

MR. NESSEN: I don't have the figures.

Q Would you obtain it for us?

MR. NESSEN: I can inquire if they will do it.

Q Ron, you said that security is required. Is that required by law?

MR. NESSEN: I think there is a law that requires protection for foreign officials visiting the United States.

Q Any foreign official?

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

Q Has anyone from the Justice Department requested observer status at this meeting?

MR. NESSEN: Not that I know of.

Q What assurances do you have that the heads of the major oil companies will confine their discussions to Aramco?

MR. NESSEN: That is our understanding.

Q How were you led to understand that? Did Aramco inform the State Department?

MR. NESSEN: I don't have any other details, Helen.

Q But the President was informed officially?

MR. NESSEN: This is the White House understanding of the purpose of the meeting.

Q Was there any discussion of the legality of the cartel meeting in the United States?

MR. NESSEN: I didn't hear any but maybe the State Department or Justice can help you.

Q Did the Justice Department, so far as you know, waive antitrust requirements?

MR. NESSEN: I don't know, Phil. I don't know that much about it.

Q When did President Ford find out about this, or when did the Administration find out about it?

MR. NESSEN: About what?

Q About the meeting and what the subject of the meeting was.

MR. NESSEN: In a timely manner.

Q Was it before they got going?

MR. NESSEN: Well, in order to provide security you had to know that Sheikh Yamani was coming.

Q Well, apparently the officials at the air base didn't know that Sheikh Yamani was coming until about 45 minutes before he landed. If our security knew about it, why didn't they tell the air base he was going to be landing there?

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

Q Ron, despite the fact that this is a private corporation involved, the results of this will in part determine how much access the U.S. as a Nation as to Saudi oil.

MR. NESSEN: That is the point I am making.

Q Why doesn't the Government have a representative directly in on the negotiations?

MR. NESSEN: The only involvement we have is in the security.

Q The question is why?

MR. NESSEN: Well, it is private companies dealing with --

Q Doesn't it affect U.S. access to Saudi oil, a major part of our oil supply?

MR. NESSEN: Which is why I say it is an example of why Congress needs to move on on the question of American independence from foreign oil.

Q But that is not what Art is asking. He is asking about public interest.

Q Congress can't be there at this meeting, Ron.

Q Why don't you have an observer there if the public interest is involved -- public interest and I presume the national security?

MR. NESSEN: Well, it is a private meeting and I don't have any other information about it.

Q Ron, did the United States ask for the right to have an observer or someone there?

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

THE PRESS: Thank you, Ron.

END (AT 11:46 A.M. EST)

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