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NEWS CONFERENCE

#478

AT THE WHITE HOUSE

WITH RON NESSEN

AT 1:17 P.M. EST

APRIL 14, 1976

WEDNESDAY

MR. NESSEN: There was a Cabinet meeting this morning, as you know, which partly accounts for the delay of the briefing. Basically, Dr. Kissinger, who came in late after testifying on the Hill -- some of you asked about his whereabouts -- he did come in later, gave a kind of general wrap-up of foreign policy, where it stands today, Alan Greenspan gave an update on the economic situation, Jim Lynn talked about the Congressional Budget Committee activities and Rog Morton spoke briefly on where the campaign stands.

You saw the Thomas Gates swearing in ceremony and --

Q Can you be a little more specific on these? These are very interesting things.

Q Particularly Morton.

MR. NESSEN: Actually, I missed most of Morton's part of the Cabinet meeting because I had to step out to do something else.

Q How about the economic?

MR. NESSEN: I don't think any of it broke any new ground. I think it was to bring the Cabinet members up to date.

Q Morton said the other night that Texas was too close to call. Does he still maintain that?

MR. NESSEN: As I say, I was not in there for most of the Morton presentation.

Q Did Kissinger discuss the Panama Canal?

MR. NESSEN: He did not.

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We are also announcing today that the President has designated Mayor Ralph Perk of Cleveland to be his representative at the Fifth Annual Conference of the Mayors of the Great Cities of the World. This takes place in Milan, Italy.

Q Is that a junket?

MR. NESSEN: No, it is a Conference in Milan, Italy.

Q Was Mayor Perk going anyway?

MR. NESSEN: Mayor Perk departed yesterday.

The purpose of the Conference is to provide a forum for the exchange of views between the leaders of the world's great cities and to consolidate and strengthen the international links between local administrators of large cities and metropolitan areas. The Conference will be useful in preparing for the United Nations' Habitat Meeting later this year in Vancouver concerning the problems and challenges facing urban areas.

Q What great city will Perk say he represents?

MR. NESSEN: He represents the great City of Cleveland.

Q How much are we spending on this junket?

MR. NESSEN: I don't know.

Mayor Perk was going on his own, presumably paid for by his city -- his great city. (Laughter)

Q What other mayors did the President pass over to choose Perk? (Laughter)

MR. NESSEN: I don't have much else, I guess.

Q Ron, speaking of cities, first of all, is Mayor Washington going to this to represent the great City of Washington?

MR. NESSEN: I do not know.

Q In that connection, in the Rose Garden two days ago Mayor Washington said that Canon Jeffrey Cave's warning to Bicentennial visitors that Washington is a slaughterhouse has gone all over the country. That's what he said. Now, since you said you would check to find out what the President's reaction to Canon Cave's sermon was and since the President is scheduled to go to that church this summer with Queen Elizabeth, could you tell us what is the President's reaction to the Cave statement?

MR. NESSEN: I don't have any Presidential reaction to give you to the Cave statement.

Q He had no reaction to the claim that is going all over the country that Washington is a slaughterhouse?

MR. NESSEN: I don't have any reaction of the President to that statement.

Q You said you would check, Ron.

MR. NESSEN: That is correct.

Q Did you check?

MR. NESSEN: I tell you I don't have any Presidential reaction to that statement.

Q In other words, the President has no comment on it?

MR. NESSEN: That is essentially correct.

Q Ron, there is a report on the Hill that Ambassador Bunker told a Congressional subcommittee that the treaty being negotiated with Panama would ultimately give unto Panama control of the Canal, which seems diametrically opposed to what the President said Saturday in Dallas. How do you square those statements?

MR. NESSEN: I have not seen Ambassador Bunker's testimony. I saw the press release from Congressman Snyder, I believe it was, or saw a story based on the press release from Congressman Snyder.

Q There is no reaction? Aren't you looking into it?

MR. NESSEN: I find it a little hard to know what to look into, though.

Q Do you think they coincide with the President's views?

MR. NESSEN: Does what coincide?

Q That eventually the Panama Canal will revert to the hands of Panama.

MR. NESSEN: That is something that was announced, I guess, in 1964 at the time that the negotiations began, and it has obviously been on the record. In fact, somebody gave me a State Department press release put out, I guess, nearly a year and a half ago tracing the history of the negotiations and pointing out that in late 1964 -- following the riots in which ten Americans were killed, if I am not mistaken -- negotiations began in 1964, which was 12 years ago, when the United States announced what its aims or objectives were, one of the objectives was to negotiate a treaty with a terminal date on it. But, as I say, that is 12-year-old news. I don't know that it is any news coming out of whatever it is that Congressman Snyder --

Q To follow up, the dispute seems to center on the negotiating directives that the President gave to Ambassador Bunker. What were those directives?

MR. NESSEN: As you know, these negotiations have gone on under three Presidents.

Q We are interested in this President.

MR. NESSEN: Ambassador Bunker's directives are based on, again, a publicly announced position of more than two years ago, the so-called principles agreed to by the Secretary of State of the United States and the Foreign Minister of Panama announced on February 7, 1974 in Panama and available as press releases ever since at the State Department, eight principles. Ambassador Bunker's instructions, or whatever, are based on those eight principles.

Q What did the President mean Saturday in Dallas when he said he could assure the American people that the United States will never give up its defense rights to the Panama Canal and will never give up its operational rights?

MR. NESSEN: That is correct, that any new treaty -- this is in the principles of 1974. This sounds like something new has happened, and nothing new has happened since the principles of 1974 were announced. If you look at those principles, you will see that any new treaty must guarantee that the United States will maintain its vital interests in the operation and the defense of the Canal. That was true then and true now.

Q How can you say "never?"

Q How long, Ron?

MR. NESSEN: What do you mean how long?

Q It does not say "maintain these rights in perpetuity," does it, not according to those agreements signed by TAC and Kissinger, to my knowledge, Ron. I may be mistaken.

MR. NESSEN: As I say, Les, the decision to negotiate a new treaty with the terminal date to it was made and announced in 1964. It is not news in 1976 that the new treaty will have a termination date on it.

Q More than a third of the Senate has strongly resolved against it. More than a majority of the House have resolved against it. You cannot do such a treaty without the permission of Congress. Why does the State Department, why is it allowed to continue these negotiations in the --

MR. NESSEN: This is, obviously, a delicate issue. It is a complicated issue. It has a long history to it. The fact is all three of the Presidents who have been involved in these negotiations have consulted with Congress. This President certainly has consulted with Congress. When a treaty is concluded, it, obviously, will be submitted to the Senate for ratification. But, there has not been any treaty either signed or its terms agreed to.

As the President has said repeatedly, no treaty will be agreed to unless it safeguards the U.S. interests in the Canal and guarantees our interest in the operation and defense of the Canal. That is what he has said every time he is asked about this question.

Q Is it fair to assume when the treaty finally reaches its termination date those rights go with it?

MR. NESSEN: What the treaty provides for I have no idea because it has not been negotiated.

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Q Ron, what has been blocking the treaty all these years? Why have we failed to get an understanding?

MR. NESSEN: I don't really know, Howard. The negotiations, like all negotiations, have been conducted in privacy and what the specific outstanding issues are remaining, I don't know myself.

Q Does the President uphold the eight principles?

MR. NESSEN: Ambassador Bunker's instructions are based on the eight principles. They were agreed to by the Secretary of State and the Foreign Minister. They are still in force.

Q In February 1974?

MR. NESSEN: That is correct.

Q Before he was President?

MR. NESSEN: They continue to remain the principle upon which these negotiations are conducted by both sides.

Q Ron, there is a difference between saying the treaty will preserve the American interest in the operation and defense of the Canal and saying, as the President did Saturday, that he would never give up the defense and the operation of the Canal. Did he overstate the case?

MR. NESSEN: Let me see what he said on Saturday, if I have it here. Where was that at, San Antonio?

Q Dallas.

Q Could you read that, please?

MR. NESSEN: I will get you a copy of it, Walt, if you want one.

No, I think if you read it he is saying just what I said, which is any new treaty will have to guarantee the interest of the United States and the continued rights to defend and operate the Canal. Any new treaty will have to do that or else there won't be a new treaty.

Q Why is it then that on April 8, which was just a couple of days before that, that Bunker said in answer to the question, "Is the object of the negotiations to give up the Canal zone?" Answer, "To give up the Canal zone over a period of time, that is correct." In the next question, "And the Canal over a longer period?" Answer, "That is correct." Now, that is a guy that is negotiating for the President. Why would he say that?

MR. NESSEN: I suppose he is going back to 1964, Bob, at which time -- following the riots in which ten Americans were killed -- it was decided to negotiate a new treaty which would have a termination date to it.

Q The President is saying we are going to maintain our operational rights. He seems to be saying we are going to give up the operational rights.

MR. NESSEN: No, I think you are sort of mixing apples and oranges there.

Q Then you put them together.

MR. NESSEN: The point is today there is nothing new except that a Congressman has chosen to leak part of a document for some reason in a political season. The fact is that Ambassador Ellsworth Bunker's instructions have not changed. The negotiations are based on the principles agreed to more than two years ago.

The objective is to negotiate a treaty with a termination date. That was decided on 12 years ago, and I don't know why these -- except that it is a political season -- why these questions are raised now as if something was changed or something was new.

Q If you are going to terminate the thing, why is the President saying you are going to maintain your operational rights?

MR. NESSEN: Any new treaty will maintain the interest of the United States and the continued operation and the defense of the Canal.

Q Temporarily, isn't that right?

MR. NESSEN: For the duration of the treaty.

Q What will happen at the conclusion of the treaty?

MR. NESSEN: I don't know, Ralph. We don't have a treaty. How can I tell you what happens at the expiration of the treaty when we don't have a treaty?

Q What are we shooting for in terms of time limit?

MR. NESSEN: I don't know. That is something negotiators are working on.

Q Does that terminal date have the objective of the Panamanian Government. assuming the operating control of the canal?

MR. NESSEN: I don't know what any treaty will provide for because there is no treaty agreed upon.

Q Is that the objective?

MR. NESSEN: What the length of the treaty will be -- I suggest if you need a little background on this, to understand that nothing really new has happened, you can get from the State Department what I think is a very good history review. It has the 1964 aims that the United States announced when it undertook the negotiations. It has the eight principles agreed to in 1974. It lists also six of the issues in the negotiations and so forth. There is just nothing new.

Q What is the aim of the negotiations? What is the President's aim of the negotiations?

MR. NESSEN: It is all in the eight principles, Helen.

Q What is it?

MR. NESSEN: I don't want to stand here and have a story written about "The White House announced today that the President's aim in the negotiations is" --

Q The stories have already been written.

MR. NESSEN: Well, I don't know what the story is because it is a story of something that was announced in 1974 in some of the matters we have discussed and something announced in 1964, when it comes to other matters we have discussed.

Q Does the President stand today behind the statement he made Saturday that "The United States will never give up its operational rights"?

MR. NESSEN: Any new treaty will never give up the rights or interests -- or however he worded it -- of the United States to operate in the Panama Canal. That will not happen in any new treaty. There won't be a new treaty if it does not provide for that.

Q Ron, what is Bunker saying, that it is to give up the Canal? Ron, don't you see the contradiction here?

MR. NESSEN: I certainly don't.

Q Bunker says to give up the Canal, as was quoted. The President says never give up the operational rights of the Canal. Do you see no difference?

MR. NESSEN: Look, Les, it is a complex subject and it has been going on for a long time and I think you should look carefully at the record and at the principles that were agreed to and what was stated in 1964, what the President has said.

Now, what Bunker has said we don't know because it is only a few sentences leaked by a Congressman, but I can take you through the thing very briefly.

Q But you say there is no contradiction?

MR. NESSEN: Between the President saying no treaty will give up --

Q He did not say a treaty.

MR. NESSEN: It was in that context. The question, I believe, was asked in the context of, will a new treaty give away Panama or however the question was worded.

Q You are telling us today there was no contradiction in what Bunker is reported to have said and what he indeed has confirmed himself?

MR. NESSEN: Not only no contradiction, but nothing new.

Q No contradiction and nothing new?

MR. NESSEN: That is my view, from reviewing, I think carefully, what has been said, going back 12 years on that matter, up to and including today. There was an announcement made in 1964 that a new treaty would be negotiated following riots in which ten Americans were killed.

At the time the negotiations were announced, it was announced that this new treaty would have a termination date to it. The negotiations have gone, off or on, through the years. The next sort of major event was in 1974 when the United States and Panama reached agreement on eight principles that would guide the further negotiations.

Those eight principles, which you can get, are still in force. They also refer to a termination date of the treaty and it is from those principles that Bunker's instructions have been drawn and that is where it stands. The fact is that because of the principles and because of American policy, no treaty will be agreed upon unless it does what the President said on Saturday or whatever day or what he says every time, which is to continue and maintain the American interest in the operation of the Canal. That is sort of a concise statement of where I see things standing today.

Q Ron, has the President given Bunker instructions that the treaty will provide that the United States will never give up operational and defense rights of the Canal, never?

MR. NESSEN: I am not going to be able to give you the wording of the Ambassador's instructions, obviously. What I want to say is his instructions are based on the principles announced in 1974.

Q Wait. You seem to be revising what the President said last week.

MR. NESSEN: No, not at all.

Q You were saying the treaty will never relinquish those rights?

MR. NESSEN: That is correct.

Q However, the treaty has a termination date. And a termination date implies the exact opposite from the word "never." Never means in perpetuity.

MR. NESSEN: For one thing, we don't know if there is going to be a treaty or when it is going to be, what the terms will be, what the termination date is and what happens after the termination date, so it is not possible to answer what I think your question was.

Q My question was, has the President instructed the negotiators that the basis of American policy is that the United States will never give up defense and operation of the Canal?

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MR. NESSEN: The basis of the American policy in negotiations on Panama are in the eight principles of 1974. We have the requirement that the President has stated again and again which is that we will not agree to a new treaty which requires or forces the United States to relinquish its interest in the continued operation.

Q Until the termination of the treaty.

MR. NESSEN: Or, you know, there may be terms that go beyond the termination of the treaty, if they negotiate such terms. I don't know what the terms are going to be because they have not agreed to it.

Q What he is asking is quite simply will the President require his negotiators to negotiate only a treaty that will have in it beyond a termination point the extension of American operational rights and defense rights in the Canal Zone?

MR. NESSEN: Beyond the termination of the treaty?

Q Beyond the termination date of a treaty that is now negotiated. That is the basis of the question. When the President says "never give it up," does he mean beyond -- does he mean a treaty with a terminal point?

MR. NESSEN: A treaty will never give up these interests.

Q A treaty will not, but when the treaty expires, what happens then?

MR. NESSEN: We don't know. How do we know, Bob?

Q You are playing silly games.

MR. NESSEN: Just a moment, Bob. I have read the instructions to the Ambassador. I know what they say and the matter of what happens at termination point of the treaty is one of the matters of discussion.

Q But Mr. Bunker said in the committee hearing, "To give up the Canal, correct. To give up the Canal Zone, correct." He said that that was his instructions.

MR. NESSEN: That is what was announced in 1964, Bob, and if it strikes you as news 12 years later, I don't know how it could.

Q So he is negotiating to give up the Canal?

MR. NESSEN: He is negotiating based on the principles announced two years ago and on the goals announced 12 years ago.

Q Is he negotiating to give up the Canal?

MR. NESSEN: Have you read the principles?

Q Is he negotiating to give up the Canal?

MR. NESSEN: Bob, I am not going to force you to make me say something that will enable you to write a news story that is 12 years old.

Q Is Bunker wrong then?

MR. NESSEN: I think I have explained to you what the American policy is, what his instructions are and where the state of the play is.

Q Would you concede the possibility that once a treaty is negotiated, based on what Bunker has to work with, the principles and the agreement of 1964, that there is very real possibility that the United States would have to give up operational rights?

MR. NESSEN: I have no idea, Tom, because that is a matter of negotiation, what happens after the termination of the treaty.

Q You keep referring us to the principles.

MR. NESSEN: That is correct.

Q And the principles include a termination point, a terminal point.

MR. NESSEN: That was announced two years ago, that is correct. And 12 years ago it was announced that the Canal be operated and defended by the United States for a reasonable extended but definite period of time. That is 12 year old news. Now if you think something has happened today that makes that a new story, I can't understand it.

Q The President made it a new story on Saturday by saying something which seems to be in conflict.

Q Why are you so upset, then, about this so-called leak?

MR. NESSEN: I am not upset at all, Helen. I have spent some time researching this item today. I think I am fairly well versed on how we got from there to here and I am trying to share some of that information.

Q You are acting as though you did not know what Bunker has said.

MR. NESSEN: I don't know what Bunker has said because I have not read his transcript.

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Q Ron, this has been going on for 12 years mainly because the Panamanians want us to give them exactly what the President said we would not.

MR. NESSEN: The principles announced in 1974 were agreed upon by both the United States and Panama, so those are the principles upon which the treaty is being negotiated on both sides.

Q Ron, that phrase you just read, was that one of the principles that was announced in 1964?

MR. NESSEN: 1964 was not the principles. Those were sort of guiding "with a view to insuring that" --

Q They form the basis of some of the instructions to Bunker, is that correct?

MR. NESSEN: To the earlier Ambassador.

Q I am not sure I got the whole phrase.

MR. NESSEN: I am going to let you read this yourself because I am not announcing from the platform something 12 years old.

Q I understand one of those goals to be the United States would operate and defend the Canal for an extended but definite period of time.

MR. NESSEN: That is a 12-year-old statement and anybody that makes that, saying that I announced that today, is doing a disservice, I think.

Q I am not suggesting that is news.

MR. NESSEN: I would like you to get it from the State Department.

Q That strikes me as being something different from what the President said Saturday in Dallas.

MR. NESSEN: We are going around and around. What the President said in Dallas was -- the question referred to treaty negotiations or negotiations or whatever, I believe, and what he was saying is that no treaty will be agreed to if it requires that the United States give up its interest in operating and defending the Canal.

Q Under the existing treaty, does the United States own the Canal and the Canal zone?

MR. NESSEN: Again, if you go back to 1903 the issue was left somewhat ambiguous. It referred to that the United States would operate as if sovereign in the Canal. The language was changed somewhat in 1905 and in 1936 the United States declared that it was not sovereign in the Canal.

Q Ron, I disagree with that. That is wrong, Ron. That is just simply wrong.

Q Why has Reagan been able to take this 12-year-old story --

MR. NESSEN: I was wondering the same thing. I thought you might want to look into that.

Q And not only raise it as an issue, but cause so many people to take it seriously.

MR. NESSEN: I have had that same question in my mind all morning, Bob, and I thought you folks might want to look into it yourselves.

Q So, all you are saying is he has just revived a 12-year-old issue?

MR. NESSEN: I am not going to get into political comments here.

Q Ron, are you certain of your facts because there have been two Supreme Court decisions and here is the statement right here, if you want to look at it. Two Supreme Court decisions on it. Three Attorney Generals have stated it and two Secretaries of State -- Hughes and Hay -- have all pointed out that it is sovereign; in other words, we have sovereign rights there and all sovereign rights of the Republic of Panama are excluded under the existing treaty in 1903, if you want to look at it.

I also wonder how you can say it was ten. Are you certain it was ten Americans who were killed or was it ten Panamanians? I am not sure, and I wonder if you are.

MR. NESSEN: In the 1964 riots -- I am sorry, 20 Panamanians and four Americans were killed in the riots that year.

Q Can we assume President's Ford's objectives in the Panama Canal negotiations are precisely as stated in the State Department document to which you referred?

MR. NESSEN: The President's aims and goals in the Panama Canal negotiation?

Q Yes, sir.

MR. NESSEN: They are based on the eight principles that are stated here and have been in many previous documents.

Q Ron, did the President in any way inadvertently misstate himself on Saturday in Dallas, in any way?

MR. NESSEN: To tie up some of the questions, for instance, that Jim has raised -- and if you are going to get into all the legalese and the background and what was said years ago and I am referring to the term of the treaty and so forth, obviously there could have been a lot more precision and detail given, but that is all that I see.

Q Can you Xerox the eight principles?

MR. NESSEN: I would rather you got them from the State Department, Helen.

Q Why not?

MR. NESSEN: This is about the 12th Xerox I have got, and you would barely be able to read it, and I have made some marks and notes on it, anyhow.

Q Ron, to follow up Bob's question, in all fairness, I can't recall before last Saturday the President having varied from the statement you used frequently here today that the interest of the United States would be protected by any new treaty. Yet, on Saturday he said he could assure the American people we would not give up the defense or the operation of the Canal.

Q Never.

Q Was that not a slight misstatement of his intentions?

MR. NESSEN: I pulled together some recent things he said about Panama. His wording differs from time to time. He has not used the same language each time, but I think the thought has been there each time.

Q But he had referred, had he not, to protecting American interests?

MR. NESSEN: No, not really.. He talked one time about "protect our right to defend the Canal and to maintain and operate the Canal" in one place. Another time he talked about "control of the operations of the Canal, military protection of the Canal." He has used different formulations and they all add up to the same thing.

Q Would it be possible for you to get us some materials you have, Ron, and is it humanly possible that Mr. Bunker -- the State Department has often taken a position that is just a little bit different from the President?

MR. NESSEN: This is not one of those cases.

Q You are certain of that, Ron?

MR. NESSEN: Absolutely.

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Q It sure looks like it, Ron, that there is a vast differentiation between what Bunker says, "we are going to give it up," and the President says "never." Never is a long time.

MR. NESSEN: I think I explained to you, first of all, that Bunker's remarks referred back to the original intent of 1964 when these negotiations began. The President's statement in Dallas referred to never giving up our interest to defend and operate the Canal during the period of any new treaty.

Q You have tried, Ron, really, seriously, and I think you are in a really serious dilemma here, Ron. You may be entirely right. We should know tomorrow.

MR. NESSEN: How will we know tomorrow?

Q I imagine a lot of people will be doing some research and we hope to get that transcript out early and so forth.

Q Aside from the differences in terminology, does the President buy the interpretation that is in all the papers today that his views and Carter's views are the same on open housing?

MR. NESSEN: I am not going to try to contribute to an interpretation of his views.

Q Do you see any differences?

MR. NESSEN: I am not going to offer my own opinion, Helen.

Q Does he feel his own views were properly interpreted, that he would not go for any Federal intervention in settled established neighborhoods?

MR. NESSEN: I did not really talk to him on this subject this morning.

Q Why not? It seems to me that was the key thing out of his press conference.

MR. NESSEN: He said what he wanted to say and I didn't know what follow up questions to proceed on since I thought he had said it the way he wanted to say it.

Q He did not say what he wanted to say because you had to correct part of what he said.

MR. NESSEN: No, I didn't correct it. I wanted to make sure everybody understood what the reference was to.

Q The reference, in reading that transcript, is a little different than what you told us.

MR. NESSEN: But I knew what he had thought over in his own mind to say and I knew what he was referring to.

Q Did you ask him about this Canal thing, if he said it the way he wanted to say it?

MR. NESSEN: This morning?

Q Yes.

MR. NESSEN: We discussed the Panama Canal question this morning.

Q Ron, you said earlier the Panamanian Government had agreed to these guiding principles and negotiations. If I am not mistaken, there has been at least one change in the Government of Panama since then. Was General Torrijos in power when these principles were agreed to?

MR. NESSEN: I don't know that much about Panamanian history.

Q It would seem that is a relevant factor.

MR. NESSEN: I don't know. Then you get into the question of do succeeding governments assume the obligation of preceding governments, all that diplomatic stuff.

Q Ron, regarding the President's talk with Connally yesterday, he said he wanted to get the former Governor's assessment of how he is doing in Texas. Mr. Tower has said the President is going to get a majority of the votes in the primary. Mr. Morton apparently said that it is too close to call. And the President himself called himself an underdog. What was Mr. Connally's assessment?

MR. NESSEN: I don't know what Mr. Connally's assessment was.

Q Was the President pleased with Mr. Connally's assessment?

MR. NESSEN: I haven't talked to him about it since he got it.

Q Did you talk to him at all about what Mr. Connally talked about?

MR. NESSEN: A little bit.

Q What did he say?

MR. NESSEN: Well, it was a private conversation, as he said yesterday at his news conference. Don't forget, though, the Texas primary is a very -- you have essentially 24 separate primaries in Texas, each district, and it is very possible, for instance, for someone to get a majority of the popular vote and not a majority of the delegates, or to narrowly win the delegates and widely win the popular vote or widely lose the popular vote, so it is difficult to get a peg on where everybody stands.

Q When the President said he was an underdog, was he referring to the popular vote or the delegate vote?

MR. NESSEN: Both.

Q Can you clear up whether Connally has agreed to appear at an event with Mrs. Ford or at a Ford fund raiser.

MR. NESSEN: To my knowledge, I have not heard that he has. I know there are lots of rumors that he has, but I have not heard of it.

Q Ron, what was Dick Rosenbaum, the New York State Republican Chairman, doing out here?

MR. NESSEN: Dick Cheney invited him to lunch and they were late going to lunch because the ceremony was delayed so he asked Dick to come out and watch the ceremony and then they went to lunch.

Q And the President did not see him?

MR. NESSEN: He may have seen him as he walked by but they had no meeting scheduled.

Q What is the purpose of the lunch?

MR. NESSEN: I don't know.

Q When the President said he was an underdog, did he mean he expects to lose or that he is going to have to work hard to win?

MR. NESSEN: I think what he said in Texas was he was going to work hard and he hoped to win.

Q Does he expect to win?

MR. NESSEN: I don't know that he has expressed anything more than hope at the moment.

Q Does the President know this place is going to be picketed by the wives of policemen and does he have any concern about their grievances?

MR. NESSEN: What do you mean wives of policemen?

Q April 24.

Q White House Police?

MR. NESSEN: I didn't know that myself. I don't think he does.

Q Will you find out what his views are on that question?

MR. NESSEN: Yes.

Q Does the President have a reaction to that \$5.3 billion authorization vote by the Senate yesterday on public works? Is he going to veto that again?

MR. NESSEN: It is not much different from the bill he vetoed before, I think a couple of hundred million smaller, maybe, but not much different. He wants to look at it. After all, it has not gotten here yet. It has some other steps to go through so he will take a look at it. It has not really been analyzed closely but a first look at it indicates it is just as bad as the other one for all the same reasons.

Q Ron, does the President feel like Morton does, that the Texas race is too close to call at this point and could swing either way?

MR. NESSEN: I would rather have him use his own words which is he is an underdog, he feels, and he hopes to close that gap and win.

Q Does he agree with what Morton says?

MR. NESSEN: I would rather let him use his own words.

Q Ron, what is the President's reaction to the Federal Election Commission bill that has just come out of Congress?

MR. NESSEN: Actually he has not had a chance to analyze it yet and he does not have any reaction to it because he does not know exactly what is in it. His own personal feeling has not changed, which is the best way to get this thing resolved and have the candidates start getting their matching funds again -- and also, so as you don't change the rules of the game in the middle of the game -- he thinks a simple extension which he proposed is still the best way to do it.

Q Ron, you told us the Panama Canal story is 12 years old and there is nothing new in it. Would you like to tell us how the President feels about Mr. Reagan dredging up this issue?

MR. NESSEN: No, I said I am sure that job that reporters do is to examine why people say things and so forth. I am sure it will be done.

Q I am asking you if you would reflect on the President's feelings about the Canal becoming a campaign issue.

MR. NESSEN: I don't know that it is a campaign issue. I think I will just stick to the facts.

Q Ron, I am wondering, on this, if we were to negotiate a treaty which allowed for a certain period of control to end with the termination of the treaty, and then the Congress voted it down, does the President feel that the alleged uproar of the Panamanians would be greater or less than if we just stopped the negotiations?

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

Q All right. Here is the point. The State Department is claiming that we really ought to negotiate this Panama treaty and what some critics call giveaway because the Latin American countries are all pushing for it. They have stated so much in a release. And the point is that if we negotiate and sign a treaty and it has to come back to the Senate and the Senate votes it down and so does the House, then what does the President feel will be the degree of uproar in Latin America?

MR. NESSEN: I think that has too many ifs in it for me. Let me say this, I do think that the State Department has pulled together a good kind of historic review including -- attached to this is the full text of statement of principles. It is called "Department of State News Release, Panama Canal Treaty Negotiations: Background and Current Status." This one that I have is dated January 1975. It could well be that this has been updated since then. But it gives you the history straight through from 1903. It does talk about what the aims were when the negotiations started in 1964. It has a little history of a period of breakdown and then the resumption of talks and it has, as I say, the full statement of principles upon which the treaty is now being negotiated and it is dated January 1975.

THE PRESS: Thank you, Ron.

END

(AT 1:55 P.M. EST)