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N E W S C O N F E R E N C E

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AT THE WHITE HOUSE

WITH RON NESSEN

AT 11:51 A.M. EDT

SEPTEMBER 3, 1976

FRIDAY

MR. NESSEN: I think the President's next campaign trip will be to Ann Arbor, Michigan sometime during the week of September 13, probably to the University of Michigan. When more details are ready to be announced, we will have them for you.

Q Why is it still so vague?

MR. NESSEN: It is not vague, Helen. We have had this plan arranged and organized for quite some time. It is our conscious decision. It is the plan that we believe is best designed to win this election, to get across the central theme of this election, which is that the President ought to be elected.

It is the way we have chosen to do it. Perhaps you have a disagreement with it. Perhaps other candidates in other years have done their campaigns differently.

Q I am not questioning that.

MR. NESSEN: I just want to tell you that this is the strategy that we are following, that we have devised after lots of thought, after the President has spent a long time on it. It is our strategy. As I say, others may think it is right or wrong. It is not the strategy that other candidates have followed in other years, but it is our strategy and it is the strategy that we have drafted up because we believe it is the one that will win.

Q What is the strategy? All I was saying is you are vague about the date and you are vague about the place. It is probably the University of Michigan perhaps during the week of September 13?

MR. NESSEN: I didn't say perhaps. I said the week of --

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Q What do you mean by central theme of the campaign, that the President ought to be elected. That is the objective, isn't it?

MR. NESSEN: I didn't say central theme. I didn't mean the theme, I meant the objective. The objective of the campaign is to have the President elected.

Q Who is questioning that?

MR. NESSEN: We are following a strategy that has been worked out, and all of you have written about or talked about our big strategy book.

Q What is the President doing next week? Does he have campaign engagements or speeches in Washington next week?

MR. NESSEN: I think you know he is probably going to speak to the B'nai B'rith next Thursday. I think that has been announced. He probably is going to see the Catholic Bishops next week.

Q You said Wednesday or Thursday.

MR. NESSEN: I don't have it.

Q Plus the rerun of the acceptance speech on CBS.

MR. NESSEN: The time has been purchased Tuesday night for the rerun of the acceptance speech.

Q That Michigan thing, is that what he is going to call the official kick-off of the campaign?

MR. NESSEN: I think that is what you are going to call the official kick-off. That is a kind of tradition. I don't know. You could say the campaign began on July 1, 1975 when he announced this candidacy or the acceptance speech or the Russell, Kansas trip or whatever. We consider this to be the next campaign trip.

Q When and why is he going to see the Catholic Bishops?

MR. NESSEN: It was sort of mutually arranged so that they could discuss issues that were of interest to the Bishops and of interest to him.

Q Here?

MR. NESSEN: It will be in the White House, right.

Q Did the President request the meeting with the Bishops?

MR. NESSEN: I think it was sort of mutually agreed to. Obviously the President invited them to come to the White House.

Q Did you announce the day?

MR. NESSEN: I don't think the day is fixed yet.

Q When you were asked a question of what he was doing for the campaign next week, you mentioned the Catholic Bishops.

MR. NESSEN: I didn't mean to say that the speech to B'nai B'rith and meeting with the Catholic Bishops was campaigning. As I say, the next out-of-town campaign trip will be to the University of Michigan, the week of the 13th.

Q These are not campaign things?

MR. NESSEN: I wouldn't call them campaign things.

Q Do you have anything for us on the Tuesday after Labor Day?

MR. NESSEN: It will be a regular work day here. I don't have anything to announce.

Q Are you going to have -- is the President going to be speaking in the stadium up there?

MR. NESSEN: I don't believe that was ever considered.

Q The answer is he is not?

MR. NESSEN: The answer is, he is not.

Q Some sort of field house?

MR. NESSEN: There is a hall up there, and I don't know which one it is going to be.

Q Is September 14 a good date, because this has been published?

MR. NESSEN: At this point, I would stick to the week of September 13.

Q You said yesterday the reason you couldn't announce this yesterday was because you knew you would have a lot of questions about what you revealed.

MR. NESSEN: And you do. And lo and behold, you do. (Laughter)

Q I can't think of a single thing. Gosh. (Laughter) The President is going to make a speech at the University of Michigan and you can't tell us exactly where or exactly what date and beyond that what fascinating detail is there? (Laughter) The President is making a speech, right, and you are not even classifying it as the kick-off of the campaign. Maybe you can tell us some of these things we ought to be asking about. I am serious.

MR. NESSEN: I realize that.

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Q Is there some unusual format that is going to be undertaken there?

MR. NESSEN: No, it will be a speech.

Q On what?

MR. NESSEN: I haven't got the subject matter to give you today.

Q Will it not be the theme of the campaign, this speech? Will he not outline and unveil and pinpoint what he is going to do?

MR. NESSEN: I think he did that in Vail, Pat, the seven points of the campaign, the seven themes of the campaign.

Q Then, that changes from what Baker told us subsequently after he had that Vail news conference?

MR. NESSEN: Which was?

Q That he was going to outline the theme of the campaign in one of his initial speeches rather than just pointing out a few of the issues that he found significant among the voters.

MR. NESSEN: I am not going to announce a theme for that speech today.

Q Ron, you said this was the President's --

Q There must be something that we are not asking.

Q You said this was the strategy. Was the strategy to make one speech every two weeks?

MR. NESSEN: Probably more often than that, as Jim told the Sperling Breakfast the other morning, and I think he outlined the strategy pretty thoroughly at that time.

Q He said one a week, is that right?

MR. NESSEN: That is probably a little closer to it than two a week. That would be closer to the fact than one every two weeks.

Q Ron, you said that this was your strategy, and it was reached after careful thought. Could you share with us or give us some idea what the thought was, and what you are trying to accomplish by this strategy?

MR. NESSEN: What I tried to say before is that the strategy is designed to elect the President. After all, the issue of this election is, you have a President who has been here for two years, who has a record and who has run up accomplishments, who has proposals for additional accomplishments. Do you want to keep him?

Or, you have another candidate with proposals and promises and positions on issues. Do you want to replace the President you have with the other fellow. That is the issue of the campaign. Our strategy is designed -- look, you asked me a question, and I am answering it with our answer. If you want to laugh, okay, and if you want to laugh it off, I will stop and go to the next question.

You asked me a question and I am trying to answer it. That is the central issue of this campaign. Our strategy is designed to make the point that you should keep the President you have and a lot of people have worked a lot of hours, including the President, and, as I said, you have all heard about or seen the strategy book and so forth.

We are following our agreed-upon strategy.

Q Is that your strategy, keep the President you have?

MR. NESSEN: It is one of the themes.

Q That was the one you used in Texas, where it didn't work too well. Was there any consideration of that?

Q It seems to me that if we can pinpoint this a little bit more --

Q If you don't stand in front of the room, you don't get a question anymore. You started out with an announcement that he is going to speak in Michigan, and then, if I have notes correctly, you said this is the plan, and later, you said this is the strategy.

MR. NESSEN: That is right.

Q Maybe we have a semantic problem here, but to me a plan or strategy is more than one speech.

MR. NESSEN: Maybe I misunderstood Helen's initial question because I thought Helen was saying, "Why are you doing this and why are you waiting so late?"

I think I did misunderstand Helen's question, which led me to begin to talk about strategy when nobody had really asked about strategy.

Q That is what I am trying to ask. You made an announcement of one speech. What is this strategy that you say is laid out in a book?

MR. NESSEN: The overall strategy is what I was trying to tell Phil, to draw this distinction, to draw the fact that you have a President with a record and with accomplishments, and you have a challenger with promises and proposals. Our strategy is designed to emphasise the point that you should keep the President you have.

Now, as for tactics or specific speeches, Howard raised that question and I think Jim Baker has probably outlined the specifics of that a number of times, which is some major speeches on some of the important topics; the debates, of course, are an important part of this campaign, as has been said, and that is as much of the strategy as I care to outline.

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Q Why did the President decide to go to the University of Michigan? Can you tell us anything on that?

MR. NESSEN: It is his alma mater and he wanted to go there. It is his home State, it is his home school, and he believes that it is a particularly appropriate place for the speech that he intends to make.

Q He knows what the theme is, then, huh?

MR. NESSEN: He knows what he will be saying in the speech, yes.

Q Earlier, you said one speech a week would be closer to it. Can we say then, he is likely to make more than eight or nine major speeches in the campaign, since there are eight or nine weeks left?

MR. NESSEN: All I was doing was quoting back to you what Jim Baker and others have outlined to the Sperling Breakfast and in Vail, and other places. I thought everybody knew the strategy and, apparently, they did not. So, I was relaying to you what has been said before.

Q I have tried three or four times. I want to go back to what Phil said and also something that Baker said to pinpoint this question of strategy a little more specifically.

One of the things Baker said was that the rough average of out-of-town campaign trips in September would be about one a week, but he expected that to pick up and increase from October. So, is part of your strategy that the President is going to spend more time in Washington in September? Is this in line with the idea of presenting an image as President and so forth in September?

MR. NESSEN: It is not an image of the President. He is the President.

Q The political image--and then speed it up and increase it in October. Is that part of the strategy?

MR. NESSEN: The strategy is that early in October to see where we stand, what progress has been made, the first debate will be over, and to then make a further set of decisions early in October.

Q Ron, Baker yesterday indicated at the breakfast, at the Sperling Breakfast, that the geography the campaign was apparently flexible. Is that your understanding?
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MR. NESSEN: What do you mean by that?

Q The Republicans, in 1968 and 1972, had a so-called Southern strategy.

MR. NESSEN: We have a national strategy, which is to win all of the States and as many votes as possible.

Q In terms of travel, have you picked any States, and do you have any general regions or any specific areas that are being considered? He indicated that there were not. Is that the case, or do you know some particular areas where the President is likely to go?

MR. NESSEN: As I say, we have a national strategy.

Q He is not going to every State?

MR. NESSEN: I think you asked that question yesterday, and I did not say he would.

Q Would you say that he is going to more than Michigan on this trip?

MR. NESSEN: This is as much of the strategy as I care to disclose today, and as we go along we will talk more about it.

Q Would you include a stop in Grand Rapids?

MR. NESSEN: I don't expect we will.

Q And stay there for the duration of the campaign on the front porch?

MR. NESSEN: That is a thought. That is one option. I should say that is not one option.

Q Can we rule out a news conference for the rest of this week?

MR. NESSEN: Yes.

Q Can you tell us something about the President's reaction to Levi's report on Kelley, whether he has read it and when we will hear something about that?

MR. NESSEN: The Levi report has arrived at the White House as the Justice Department has told you. The President has not received it yet. He will receive it later today and will read it. I don't anticipate that I will have anything to tell you further until next week.

Q Can you describe at all the President's reaction to this episode?

MR. NESSEN: Not anything further than I have already said.

Q What is the President's reaction to the increase in unemployment?

MR. NESSEN: He is disappointed that the total unemployment rate edged higher in August. Despite another new record high of Americans at work, 88 million, there were unprecedented increases in the number of people entering the labor force in recent months.

Q Unprecedented what?

MR. NESSEN: Unprecedented increases in the number of people entering the labor force in recent months have temporarily reversed the sharp decline in the unemployment rate. The President's advisers believe this rise in the size of the labor force--or the rise in the growth of the labor force is coming to an end and they expect continued strong growth in job creation will soon sharply reduce the unemployment rate.

Q Ron --

MR. NESSEN: I haven't finished yet.

Q Could you have this printed for us?

MR. NESSEN: It is some scribbled notes I have. It is that the growth in the rise of the labor force is coming to an end and they expect that continued strong growth in job creation will soon sharply reduce the unemployment rate.

It is important to emphasize that the recent temporary increase in the unemployment rate is the result of the abnormal increase in the number of people seeking work and it is not the result of people losing their jobs.

In fact, half a million new workers have been added to the payrolls during the past two months alone, an exceptionally large number.

Q In the last two months, did you say?

MR. NESSEN: Yes, an exceptionally large number. The President is firm in his belief that his policies will sharply increase employment and reduce unemployment in the year ahead.

Q Ron, do the President's advisers still believe that the unemployment rate will drop to 7 percent or below by yearend?

MR. NESSEN: Basically, yes. It could be in December or it could be in January. It is hard to fix the precise date, but certainly within that period.

Q Ron, you refer to this abnormal growth in the number of people seeking work, but I have looked over the latest unemployment report and there was no appreciable rise in employment for August, but you still have the unemployment rate going up.

MR. NESSEN: You had an increase of 74,000 people employed and --

Q That is almost statistically insignificant.

MR. NESSEN: You have had two million in eight months, and that is not statistically insignificant. We are talking about increasing employment.

Q He was talking about the increase in the number of people entering the work force this month. The long-term trend may be true, but the specific rise this month cannot be attributed to that because it didn't go up by any appreciable number.

MR. NESSEN: That is what Alan Greenspan concluded from reading the figures. Now, if you want to get into the more technical aspects of this, as you obviously do, I could ask Alan to come down here and talk to you about 2:30 or so.

Q You don't have anything to back up the abnormal increase?

MR. NESSEN: Do you want to have Mr. Greenspan to come down? He indicated that he is pretty jammed up until 2:00 or 2:30 and I will have to check back with him and nail down an exact time.

Q Can I ask a question about this? Does the President believe this will have an adverse impact politically on his campaign?

MR. NESSEN: Well, I don't think that a one-month's figures in one economic category is the proper way to look at where we stand. The fact of the matter is, we are in the 17th month of an economic recovery and it is not only the President's economic advisers that agree with that but, if you read the Wall Street Journal or you follow the vast consensus of economists, they all say we are in the 17th month of an economic recovery.

You have wholesale prices going down yesterday. You have as a lead story that the Wall Street Journal is supporting what Alan told the Cabinet the other day. There is now another piece falling into place; that is, the increase now in capital goods orders.

And you have good news on the consumer purchase front and you have good news on the automobile sales front. So, what you have is a whole set of economic statistics all pointing in the direction of an economic recovery well underway and with a long way to go, and a single month's small increase in one economic indicator is not going to --

Q Well, it seems for the past three months, the unemployment rate has kicked upward. Does the President think this will have an adverse effect on his election?

MR. NESSEN: I would have to give you the same answer, Walt. We have a 17-month economic recovery strongly and healthily underway and a month or three months --

Q You said a long way to go. How many months more is it likely to take?

MR. NESSEN: For what?

Q For the recovery.

MR. NESSEN: How much longer will the economy continue to grow and expand?

Q How much longer will it go, the 17-month recovery that you describe in which you said it had a long way to go? How much longer?

MR. NESSEN: Maybe I should say the 17th month in a row of continued economic growth, and maybe that would be better.

Q Could you finish what you started to say? You said that the one small indicator is not going to -- and then Walt interrupted you.

MR. NESSEN: It is not going to change a bright economic outlook.

Q Is the President readying any kind of proposals for Congress in case?

MR. NESSEN: The way we got into this economic mess of enormous inflation, 12 or 14 percent, and high unemployment, and so forth, was kind of a knee-jerk reaction where one month's figures and one month's categories had to be responded to by some crash program. That is how we got into this.

The way we are getting out of this mess is by a steady economic policy which has now brought about 17 months in a row of economic growth, a decline in the unemployment rate from its high levels, and the President intends to stick to his economic policies because they are working.

Q What program are you referring to as the "knee jerk"? Were you referring to 1972 price controls?

MR. NESSEN: Any kind of program that is thrown in for some kind of a short-term program. That is a crash emergency basis to try to turn --

Q You said we got into this economic mess by this knee jerk?

MR. NESSEN: I am talking about generally in policy that tries --

Q The policies of the Nixon Administration, you mean? They were here. They were the ones that were throwing them in.

MR. NESSEN: I think any kind of policy, economic policy that is turned off and on on an emergency or crash basis, in response to a one-month or three-months' change in one category is not the way the President is going to go.

Q Would you include the President's tax decrease in 1975 in that category?

MR. NESSEN: No.

Q How about the WIN button campaign which was launched by the President? That is a knee jerk response and I don't know what knee jerk response you are talking about.

MR. NESSEN: I am talking about the President's belief that a steady long-range economic policy is the way that has brought about 17 months of sustained economic growth, and he intends to remain steady and to not respond for any sort of short-term benefit, but to stick to a steady policy.

Q I have one question that has not been answered in this. Why all of a sudden are so many more people looking for jobs and where do they come from?

MR. NESSEN: Well, Howard, I have talked to Alan and he has a number of extremely complex technical responses for that. If we are going to be able to get Alan down here this afternoon, I would rather he dealt with those technical economic matters, because he is qualified and I am not.

Q I have a political question for you.

Q You said he has some technical response for that? Did he indicate it was unexpected?

MR. NESSEN: I will let him answer.

Q We have to file on this. Can't you give us some idea why there is suddenly this abnormal amount?

MR. NESSEN: It is extremely complex and as a non-economist I don't want to take it on.

Q Could I leave this thought with you: Following up what Ann said, when Alan Greenspan talks here or in similar circumstances, one gets the impression he is talking to other economists. Is it possible for him to translate his terms to you so you can talk to us in simple terms?

MR. NESSEN: I don't think that this subject, beyond a certain point, can be reduced to that. I have tried to give you some general thoughts on it but you are talking about a very unusual economic phenomenon that Alan and the other economists have looked at, and they have some ideas why they think it is coming about. I don't think I want to be in a position of saying, "Let me simplify that for you."

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Q Is the issue of jobs still the number one priority in that list of campaign issues that he gave us in Vail?

MR. NESSEN: What do you mean by that?

Q When the President came out and listed his campaign issues for us, the first one was jobs. Is that still that?

MR. NESSEN: Absolutely.

Q Did you say the unemployment figures are expected to start down again in December or January? I just heard the month, but I didn't hear what you were saying.

MR. NESSEN: The question was, do the President's economists stick by their forecast that unemployment, the rate, will be down to 7 percent by the end of the year.

I said it is possible that the figure will drop to that in December and it could be January and it could be a bit later, but we can't pinpoint it exactly. In that time period they do.

Q Would you expect it to start downward? It has gone up for three months.

MR. NESSEN: Yes, I know. The President's economic advisers have told him that the rise in the growth of the labor force is coming to an end and I will let Alan try to pinpoint that better for you.

Q A little bit ago, a couple of people asked you questions about the instances of whether you were standing on or disassociating yourself from the Nixon wage-price controls and that sort of thing.

MR. NESSEN: I think you know the President. I am not telling you anything new today, to tell you the President opposes wage and price controls.

Q Was that what you were referring to as to a knee jerk program that had come in?

MR. NESSEN: I wasn't talking about any specific program, Helen.

Q Something caused this mess, that is what you said.

Q The point I was going to make is that Carter the other day, up at the AFL-CIO, and Meany referred to the Nixon-Ford Administration in terms of the economic record. What I am wondering about is, is the President prepared to run defending the entire last eight years of Republican rule as far as the economy is concerned?

MR. NESSEN: He certainly is willing to run on 17 months of sustained economic growth, unbroken, brought about by his economic policies.

Q He is willing to defend his own record, but not Nixon's?

MR. NESSEN: He has 17 months of sustained economic growth brought about by his policies, and he is happy to run on it.

Q Does the President, from an economic standpoint or any standpoint you want -- Carter and other Democrats have quite consistently used the phrase "The Nixon-Ford Administration," and does the President accept that phrase, that designation or does he disagree with it and not accept it and what is his reaction to it?

MR. NESSEN: As I have said every day out here, I am not going to use the next 60 days to respond to campaign stump speeches from this platform. We are talking about unemployment figures and jobs and economic policies which I will be happy to talk about, but I won't answer campaign speeches every day from here.

Q Ron, Dave Wendell, Steve Studdert and Dave Frederickson, as far as we can find out, are still on the White House payroll.

MR. NESSEN: They went off the White House payroll Saturday and on the PFC payroll Sunday.

Q They say they are not aware of the switch-over.

MR. NESSEN: That is what I am told.

Q Do they have White House walkie-talkies?

MR. NESSEN: I will have to look into that.

Q They are still wearing White House staff pins in advancing for Senator Dole.

MR. NESSEN: That may be to help them with Secret Service recognition or whatever, and I don't think that that is necessarily --

Q When did they go off the payroll?

MR. NESSEN: I am told they went off on Saturday.

Q What is the President's weekend like?

MR. NESSEN: I would look for him to work here in the office tomorrow. Sunday perhaps he will go to church. Monday he will be back in the office with at least one meeting I know about with Transportation Secretary Coleman on the noise abatement legislation proposals, and I will fill in the other meetings tomorrow and Monday.

Q Do you plan to brief here?

MR. NESSEN: I don't think I will brief Monday.

Q You said it was a regular working day and I thought you would brief.

MR. NESSEN: I will be happy to brief, then, on Monday, shall we say at 11:30. We can make it a little earlier, perhaps 11:00, for the briefing.

Q The President has throughout the Midwest promised farmers a wide open export market for their grain in years to come, and I think he said we had a five-year agreement. Brezhnev is saying in Moscow today that the Soviet crop presently is such that they will be self-sufficient and not need to buy grain.

Doesn't the President expect the Russians to buy grains in future years if they do indeed become self-sufficient and don't need American grain?

MR. NESSEN: They have signed an agreement, and I will have to look up what the terms of the agreement are. I have been told they have committed themselves to a minimum of six million tons for five years.

Q But my question is Brezhnev is saying in Russia that they aren't going to need that grain anymore.

MR. NESSEN: I don't know. They signed an agreement, and that is the agreement.

Q Ron, Senator Tower has a news conference at 2:30 this afternoon on speculation that John Connally will be announced as heading the Texas campaign for the President.

MR. NESSEN: I am certainly not going to upstage John Tower's news conference.

Q Can you tell us anything about the President's call to Reagan yesterday and did he get any commitment from Reagan to campaign outside of California or anything else you can tell us about the call?

MR. NESSEN: The call was around 1:45 or 2:00 or something like that, and it lasted about ten or 15 minutes. I don't want to go into exact quotes, but generally there were about five points made:

One, the President asked Reagan for some advice about the campaign. He then asked Reagan for his help and assistance in the campaign. Reagan expressed his willingness to help. They then arranged or agreed that their staffs would get together and work out the details of the role that Reagan would play and the President then thanked Reagan and concluded the conversation by thanking Reagan for agreeing to speak at a fund-raiser in Los Angeles on October 7. That was pretty much the phone call conversation.

Q Will the President be there?

MR. NESSEN: No. I think some of you know that October 7 is designed as an evening for fund-raising for the RNC and there will be a series of dinners around the country, and I don't know how many. You can check with them. Different leaders of the party will speak at different fund-raisers around the country.

The President will be at one of them, and I don't know which one yet, and will speak to the others through closed circuit television.

Q Does the President have any feelings about Gene McCarthy or Maddox suing to participate in the debates as it appears they are going to do?

MR. NESSEN: We haven't any particular view to give on that. We took part at the invitation of the League of Women Voters in negotiations for a debate with Carter. We accepted the invitation to negotiate on that proposal. We did, and we reached agreement and we are going ahead with it. The other is a matter that really hasn't come here for any particular reaction.

Q With all due respect, didn't the President initiate the challenge to debate Carter?

MR. NESSEN: He initiated the challenge to debate Carter and then the question was what the format was going to be and the League of Women Voters said, "We would like you to come and talk with us because we would like to be the sponsor," and we did.

Q You didn't have to accept the League of Women Voters. Does he want or does he not want participation of other candidates for President?

MR. NESSEN: It is just a matter that hasn't been addressed here because it is not a matter that really has come here.

Q Why didn't he issue the challenge not just to Carter but to former Senator McCarthy and other candidates? Why did he issue the challenge only to Carter?

MR. NESSEN: That is the candidate of the other major party, and that is whom he challenged.

THE PRESS: Thank you.

END

(AT 12:30 P.M. EDT)