

FOR IMMEDIATE RELEASE

NOVEMBER 4, 1975

OFFICE OF THE WHITE HOUSE PRESS SECRETARY

THE WHITE HOUSE

PRESS CONFERENCE
OF
ROBERT P. GRIFFIN
SENATOR FROM THE STATE OF MICHIGAN
AND
JOHN J. RHODES
REPRESENTATIVE FROM THE STATE OF ARIZONA

THE BRIEFING ROOM

9:47 A.M. EST

MR. NESSEN: The President had a meeting this morning with the Republican leaders of Congress. I will have a list of participants.

There were five topics on the agenda this morning. The meeting lasted over an hour and a half. The topics were the President's tax and budget ceiling proposal, the status of energy legislation, the New York City legislation, military aid package for the Middle East, and one item that was of a special interest to the President was the consumer protection legislation and his views on that.

So I will turn you over to Senator --

Q Did they discuss the shake up of the Administration?

MR. NESSEN: There was not a word in it.

Q You're kidding.

MR. NESSEN: I never kid you, Helen.

Q Is Senator Scott there or is he on his way to China?

MR. NESSEN: I am not sure where Senator Scott is.

Let me bring the members up -- Senator Griffin, who is representing the Senate Republicans, and Congressman Rhodes, the Republican leader of the House.

CONGRESSMAN RHODES: Helen, we predicted somebody would say "you're kidding" when we say the personnel situation was not discussed.

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Q I would never question the veracity of the Press Secretary, but --

CONGRESSMAN RHODES: Well, he happens to have some witnesses here who testify to his veracity.

As far as the New York City default was concerned, it became rather apparent from the explanations from the various committees of the House and the Senate that there is not really a chance for the types of legislation that the committees seem now to be working on to become law prior to the time that New York City is faced with a default and if the State of New York does not act this time -- maybe somewhere around the 15th or the 20th of November, we are told. We feel very strongly that the situation could approach chaos unless there is some amendment made to the Bankruptcy Act to allow the city, if it has to, to go that route and as of now the law is just not in that situation.

We feel that this type of an amendment could pass, could become law prior to the time that an emergency occurs, but it is probably the only kind of legislation which can become law in time to avert a really chaotic situation.

After all, there are ways and means, as all you people are certainly aware of, of slowing down legislation in the House and particularly in the Senate, and such means I would imagine would be employed in the event that the legislation exceeds the scope that I have mentioned.

Also as far as the energy situation is concerned, there were reports, of course, from the conference on the energy bill, which has been in conference for some weeks between the House and the Senate. Particularly, however, there were references made to the attempt to decontrol natural gas. Recognizing the fact that winter is almost upon us and that it becomes necessary to increase the supply of natural gas if possible in those areas of the country where shortages are expected. The legislative situation seems to be now that the House committee has shown no tendency to act in a hurry, if at all, and certainly not on anything which approaches permanent decontrol. We hope that they will act on permanent decontrol, but certainly if not, then they should act on some sort of a temporary measure which would give the areas affected some relief immediately.

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SENATOR GRIFFIN: Well, contrary to the rumors, Hugh Scott is not on his way to Peking. He is up in Philadelphia voting in a local election today.

We did spend a lot of time talking about the President's tax cut/spending cut proposal and got in-depth reports from the Representatives of the Ways and Means Committee and also from the Senate Finance Committee.

It appears that the 600-page bill that the Ways and Means Committee is now looking at does not really take into account some of the recommendations of the President and so there is some discouragement as far as the progress being made, but we are convinced that the people back home realize that if there is going to be a tax cut we are going to have to do something to cut back on spending.

Henry Kissinger, with his one hat, was there this morning and reported on the foreign assistance program, discussed the details -- 70 percent of the package which was submitted, of course, is for the Middle East -- and answered a good many questions about it.

There was also discussion about the consumer protection bill which is a matter now in the House. We got the report that there are going to be plenty of votes to sustain a Presidential veto of that bill if it becomes necessary, and there is even a possibility that the bill may not pass in the House.

Q Can you explain why the shake-up was not discussed? I mean, was it ruled out of the agenda or did --

CONGRESSMAN RHODES: It certainly was not ruled out. It was not on the agenda. The agenda, I think, had been prepared some time before the so-called shake-up. The President did, at the end, ask if there were any other subjects that anybody wanted to discuss and nobody mentioned the personnel situation.

MR. NESSEN: John, it would be fair to point out too that there was this meeting at 6:30 last night.

CONGRESSMAN RHODES: There was a meeting at 6:30, it was a bipartisan leadership group and, of course, there were many people at this meeting who were not at the last and, conversely, some who were there who were not there today.

Q Well, since you are both Republicans, could I ask you what you think this will do to President Ford's chances to win the nomination?

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CONGRESSMAN RHODES: Well, actually as far as having a far-reaching effect, really what the President did was to move some people into a position that he knew and had worked with for a long period of time and I think most Presidents have done this historically, and I don't really see that what the President has done is all that big a deal.

He has indicated very strongly, of course, his appreciation for the fine work of the people who were replaced but also has indicated that he did want to have his own team go in, and I think that is certainly to be expected. Possibly the more cogent comment would be that he has been in office for quite some time and had not made these changes.

Q The idea there may be chaos if there is no bankruptcy legislation strikes me as being somewhat of a new tack. Can you say if there is no bankruptcy legislation but there is pre-default legislation which would assist New York City to avoid chaos that may result, would you recommend to the President that he take some action to avoid a default?

CONGRESSMAN RHODES: I don't know what pre-default legislation really is. To me pre-default legislation would be some sort of a guarantee of bonds or something of that nature, and this is exactly the type of legislation I had in mind when I stated that I didn't think that there was time for that type of a bill to become law. The opposition to it is well-known, and its intents.

The only bill that I feel could become law would be some sort of an amendment to the Bankruptcy Act which would make it more efficacious for the City to go that route if it found that the necessity.

Q And you are satisfied that that would avoid chaos?

CONGRESSMAN RHODES: Yes, it would certainly be a step in the direction of an orderly transition from a city with the ability to pay back to a city which can't pay back, and it would allow the Federal courts to take jurisdiction and to issue the necessary orders to do those things which would avert chaos.

Q Mr. Rhodes, how can you say it is not all that big a deal when the President fires his Secretary of Defense, fires his Central Intelligence Agency Director? Why isn't that a big deal?

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CONGRESSMAN RHODES: Well, I certainly didn't intend to denigrate the importance of those two offices but what I was trying to say was that Presidents historically when there is a transition of power have wanted to have their own teams go in when the teams were ready to go on the field, and the President has decided that he wants to put his team into those spots and he has done so.

Q There is a logical inconsistency there. You are talking about the President's team, yet he still has three Nixon holdovers -- Butz, Simon and Kissinger. That team analogy does not quite stand the test.

CONGRESSMAN RHODES: Well, I think it probably does. That does not mean that he cannot adopt some players who were on the preceding team if he desires to do so and he had in these instances for 14 months. I think personally that the President's action was to be expected and was very natural.

Q What do you think about Rockefeller's dropping out? Do you think that he is the President now to win the conservatives?

CONGRESSMAN RHODES: Are you asking me?

Q I will ask you both.

CONGRESSMAN RHODES: All right.

As far as the Vice President's action is concerned, I don't foresee any really massive political repercussions either way. I think it is much too early to tell exactly what will happen because of it. I do think that the Vice President acted as a beautiful team player in a situation which he felt that his continued presence and the possibility that he might be on the ticket was detrimental to the ability of the President to conduct the affairs of the office and his own campaign, and I think the Vice President is to be commended and praised for being as selfless as he certainly was.

Q Senator Griffin, since you are from Michigan and therefore perhaps the only Republican in town who is not going to be considered as Mr. Ford's running mate -- for that reason only -- what would you say are the qualifications that President Ford will be looking for in a running mate?

SENATOR GRIFFIN: Well, I don't think I am going to try to answer that question for President Ford.

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I will say, Helen, as far as my view on the Vice President's action, that I personally was disappointed that he took himself out of contention. I think a Ford-Rockefeller ticket would have been a very strong ticket in November. He did this because he believed that it would be the best way to serve the President under the circumstances, as I understand it.

Incidentally, he was at the meeting last night, at the bipartisan leadership meeting, and he was at the meeting this morning and participated very actively in the discussions.

But now that he has made the decision, we go on from here and I think that in many ways perhaps Vice President Rockefeller can be very helpful and will be to the President both politically and in terms of his legislative program on the Hill.

Q Senator Griffin, you express disappointment in the Rockefeller decision but did you find relief on the part of some of your Republican colleagues?

SENATOR GRIFFIN: Some of them, yes. No question about that.

Q Do you think that his departure will help the President win renomination?

SENATOR GRIFFIN: I think it depends on what State you are talking about. In some States it will help and other States it will not help.

Q Well, why don't you list them for us?

SENATOR GRIFFIN: I suppose, although I have not been up in New Hampshire and studied it, I hear those say perhaps it will help him in New Hampshire, perhaps it will help him in Florida. I don't know whether that is true or not.

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Q Do you think there are going to be any confirmation difficulties for any of the new appointees? I am thinking particularly of Mr. Bush, having been a former Republican National Chairman. Do you think that the committee may be particularly tough on him?

SENATOR GRIFFIN: I could be wrong, but I don't think there will be any difficulties either with Don Rumsfeld or with George Bush, both of them having served so effectively in the Congress. They are well-known, their qualifications and their integrity, and so I would really be surprised if there were any difficulties.

Q When all of this came about, were you ever consulted and was the leadership on the Hill ever consulted while all of these changes were in the making?

SENATOR GRIFFIN: Well, I have the impression that the word got out through leaks before there was an opportunity to notify the leadership on the Hill.

Was I surprised? I was very surprised by Vice President Rockefeller's action -- decision. I was not too surprised or shocked by the other actions.

Q Senator Griffin, did the President discuss with you his timing on this? In the midst of his meetings with Sadat and the forthcoming trip to China and the SALT negotiations underway, why did he chose now to announce this shake-up?

SENATOR GRIFFIN: The answer is that he didn't discuss that either in the meeting yesterday or this morning.

Q Senator Griffin, you said you were disappointed by the Vice President's action. Last night the President said, or certainly indicated, that he did not try to talk Mr. Rockefeller out of his position, he said he accepted the Vice President's decision which indicated to us that he didn't do anything to try to change Mr. Rockefeller's mind. Are you disappointed that the President didn't even make the effort to change Rockefeller's mind?

SENATOR GRIFFIN: I don't know that I can read as much into his answer last night as you are reading into it.

Q We asked him flatly.

SENATOR GRIFFIN: I don't have any personal knowledge as to what the conversation was between the President and Vice President.

Q Did the Vice President give you any explanation either yesterday or today or anytime why he took the action that he did?

SENATOR GRIFFIN: Vice President Rockefeller called me yesterday morning, as I know he did other people on the Hill, and gave me his personal explanation, which was the same thing that was in the letter.

Q Which was nothing. .

SENATOR GRIFFIN: I really didn't get any more information out of him than that.

Q Are you concerned about the future of the moderate and left wing of the Republican Party with Rockefeller taking himself out of the running and with the President seeming to go more to the right to block a Reagan drive? Are you concerned about the future of your wing of the party?

SENATOR GRIFFIN: Everyone does not describe me as being in that wing, but I will accept that.

Q Michigan moderate?

SENATOR GRIFFIN: Michigan moderate.

Am I concerned? Yes, I am concerned. I think that it is very, very important, of course, that for President Ford to win election that he have the support not only of the conservatives, the right wing of the Republican Party, but the moderates and the so-called liberals, and the support of Vice President Rockefeller and people like Senator Javits and Senator Brooke and others is going to be very, very important.

I don't see the support, however, leaving President Ford because of the action of Vice President Rockefeller. I think that Vice President Rockefeller can continue to be very instrumental and helpful in keeping that wing of the party behind President Ford as we go down the road toward the election in November.

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Q A follow-up.

SENATOR GRIFFIN: Arizona moderate.

CONGRESSMAN RHODES: Yes.

As an Arizona moderate which could be described in another spectrum as something other than moderate, I guess, I am not worried about what this will do as far as the party is concerned because, in my opinion, the Republican Party being a minority party now certainly cannot under any stretch of the imagination make its tent smaller. The party has to accommodate and will accommodate, in my opinion, the Republicans of all spectrums and it would certainly be in my opinion a very bad mistake if we were to try to narrow our scope and we are not going to. This is still going to be the party of Jacob Javits as well as Barry Goldwater, and it has to continue that way.

Q Does that mean a moderate or progressive running mate?

CONGRESSMAN RHODES: Well, I don't think it would be of any profit for me to conjecture as to who the President's running mate might be or what political spectrum he would come from but certainly it would mean to me that the President would and should and the convention would and should consider any Republican of the stature, in the event he needed to, to become President of the United States -- whether he be moderate, progressive or conservative.

Q Excuse me, Representative Rhodes. Your words about moderates, liberals, does that not rule out the call made by former Governor Reagan? Is he trying to keep it more conservative, trying to rule out the liberals?

CONGRESSMAN RHODES: I think you will have to ask him that. It is not my understanding that he feels that way. It is certainly my understanding that he recognizes the need and necessity for a Republican victory in 1976 and in order to have that kind of a victory we need to have a fairly broad appeal.

Q Could you two give us some idea what was said to the Vice President by folks like you either at the meeting last night or today? Presumably last night was the first time you were all together with him and he just said he was going to go. I presume you said something about it to him. Would you tell us what?

SENATOR GRIFFIN: I think what was said was said on an individual basis as I recall. Some spoke to him this morning on an individual basis and some last night. I don't recall any particular discussion about the Vice President's action as part of the meeting itself.

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Q Senator Griffin, you mentioned that there was a goodly amount of questioning of Secretary Kissinger with his one hat, which I presume was not a helmet, on the 70 percent of the expenditure from the Middle East. What was the thrust of that question?

SENATOR GRIFFIN: Well, the questioning brought out the levels of expected aid to Israel and Egypt before the Sinai agreement and what they are after the Sinai agreement. Secretary Kissinger sought to make the point that in the case of Israel there was practically no difference and that the request by the Administration is only slightly higher in the case of Egypt, but point out, of course, the very important and significant steps that Egypt has taken and what it means to have Egypt cooperating and supporting the Middle East situation.

So it was generally building the case with the Congress for a rapid consideration and approval of the President's request. I am sure the fact that President Sadat is in the country is in the background and the reports that were received from both the House and the Senate generally, I thought, were favorable.

Q Did he seem subdued today with only one hat?

SENATOR GRIFFIN: No, he was on his best.

Q On this Middle East aid on the Egyptian thing, did the Secretary say that the amount of the \$750 million, that that had been upped to \$750 million because they wanted to allow enough money for Egypt to have commercial credits for a nuclear reactor or a couple of nuclear reactors or did that get into the discussion at all?

CONGRESSMAN RHODES: No, the nuclear reactor was not mentioned by Mr. Kissinger at all.

Q Was arms sales to Egypt mentioned at all, sir?

CONGRESSMAN RHODES: No, there was no mention of arms sales except to Israel -- no mention of any sales at all to Egypt.

Q Any explanation why the Israelis got about \$60 million less than they expected?

CONGRESSMAN RHODES: The question was not asked.

Q Gentlemen, some weeks back -- some months maybe now -- a number of friends and confidants and advisers to President Ford urged him to let his good side come through more. Do you think that is working?

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CONGRESSMAN RHODES: I didn't realize that his good side had not come through. I have known this man for quite some time and I think he is the same man that I knew as Minority Leader, and I, frankly, have never seen a bad side to him. Do you want to explain more as to what you have in mind?

Q I think they were worried about some of the rhetoric, particularly in campaigning where he was complaining about cheaters on the welfare rolls and the food stamp program needing to be cut back and now he is saying that cities with holes in their pockets should not be helped and this type thing, that basically the good human nature of the man is not coming through in many of this political rhetoric. Do you believe it is?

CONGRESSMAN RHODES: Actually, nothing was said about this and I have great confidence in the President to say exactly what he is thinking at each occasion.

THE PRESS: Thank you, gentlemen.

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(AT 10:10 A.M. EST)