This Copy For

-

AT THE WHITE HOUSE WITH RON NESSEN AT 11:31 A.M. EDT JULY 9, 1975 WEDNESDAY

MR. NESSEN: The President has just about two minutes ago signed his oil spill legislation which is going up today, and we have the fact sheets and the letter of transmittal which we will give you immediately after this briefing.

The President noted that the House passed legislation yesterday authorizing a big increase in oil production from Elk Hills. He also noted that the Senate passed legislation which would begin to set up this petroleum reserve that he called for in his energy program. These are both matters that the President had in his program, and he supports this legislation.

He is happy with both pieces of legislation. He is happy to see that Congress is finally moving on some energy legislation. These are rather small pieces of the program and he would hope that with this start now the Congress would go on and pass the major portions of his energy program, especially the rebate to people to give them their money back for higher petroleum prices, and he would hope that with this small start that they would, as I say, tackle the larger parts of the measure.

There is a long way to go. It is a small start and he feels speed is important.

I think some of you were around when the President walked the Congressmen out to their cars this morning after the breakfast on Greek and Turkish aid, and the President gave you some of his views on the matter and there was the talk of the compromise which is being proposed.

MORE

#266

There were 140 people at that breakfast, roughly 140 Members. I think we posted the list of who was there -- basically Members of the House International Relations Committee, some freshmen Congressmen who have not actually had an opportunity since they have been in Congress to vote on the Turkish aid cutoff.

Dr. Kissinger was there and spoke for part of the meeting. The President, of course, led the discussion. He also called on Chairman Morgan and Congressman Broomfield, Zablocki and some others. There was also a fairly long question and answer session.

I could give you some of the highlights of the President's presentation, if you would care to hear them.

The President told the Members that Turkey is an old and faithful ally and, as you know, the military aid to Turkey was cut off on February 5 by the action of Congress. This imposed an embargo on any military purchases by Turkey and in fact even applied to \$78 million in military supplies which Turkey had paid for with its own money. \$78 million is the correct figure. The President said about \$70 million. The correct figure is \$78 million.

Turkey has paid for that with its own money. It is here in the United States blocked from shipments and Turkey is being billed for the storage costs. (Laughter)

The President feels that the Senate passage of the bill to revise this embargo is a first important step in re-establishing with Turkey our credibility as a trusted ally and friend. However, the Turkish trust in the United States does remain shaken, the President said.

The President reported, when he was in Brussels, that he had talked to the Turkish Prime Minister about the military aid cutoff and other aspects about the American-Turkish relationship. The Prime Minister of Turkey expressed to the President -he told the Members this morning -- bewilderment about this embargo, saying that he couldn't -- that the Prime Minister of Turkey couldn't understand why the United States would do something that appeared contrary to America's own interest, to Turkish interest and to the historic friendship of Turkey and the United States.

MORE

- 3 -

#266-7/9

The President told the Members today that the relationship with Turkey is not a favor that the United States is doing to Turkey; rather it is something that the United States -- the relationship is something that is in the United States' clear and essential interest as well as in the interest of Turkey.

He pointed out that Turkey is right at the edge of the Soviet Union and right at the edge of the Middle East. It is vital to the security of the Eastern Mediterranean; it is vital to the southern flank of Western Europe and it is vital, he said, to the collective security of NATO, the Western Alliance.

Q Would you repeat the part about it being vital to those things?

MR. NESSEN: He started that portion by saying the relationship with Turkey was not something we were doing as a favor to Turkey, that it is a clear and essential interest of the United States as well as an interest for Turkey. He pointed out the strategic location next to Russia, next to the Middle East, and he said the relationship is vital to the security of the Eastern Mediterranean, the southern flank of Western Europe and the collective security of the Western Alliance.

MORE

#266

. *

.

- 4 -

#266-7/9

The President pointed out that Turkey has a half million men in its armed forces, that its land force, its Army, is 375,000 men, it is the second largest Army in NATO, and that it had strategic position with respect to the Soviet Union and the Middle East and that it did make a vital contribution to NATO.

The NATO military authorities have stated that a continuation on the ban of aid to Turkey will seriously deteriorate the ability of all branches of the Turkish armed forces and will also deteriorate their ability to join up with the other NATO forces in a time of tension.

The President feels that the ban on aid to Turkey imposes a grave limitation on NATO's military posture in that Southern region.

The President said that he knew and understood that the ban on aid to Turkey was well intentioned, and those who voted for it certainly did so in the belief that it would influence Turkey in the Cyprus negotiations but the President said that the results of the ban have actually been to block progress toward reconciliation over Cyprus and that actually this merely prolongs the suffering of Cyprus and the Cypriot people and that it further complicated America's ability to promote successful negotiations.

That being the case, it really, in the longrun, increased the danger of a renewed or broader conflict. For instance, he pointed out that the intention of the supporters of this cutoff was to force concessions from Turkey in the negotiations. Rather, it has hardened the position of the Turks in the Cyprus crisis.

It has, in addition, contributed to other Greek and Turkish tensions in the Aegean area, and the President feels that at this point there is a very real risk of serious damage to American-Turkish relations and to NATO relations.

The President pointed out that his goal is to assist all the parties in the Cyprus crisis -- the Greeks, the Turks and the Cypriots -- to reach a settlement that will accommodate the interests of each one, and, in turn, that would contribute to stability in the Mediterranean and would contribute to the strengthening of the NATO Alliance.

Obviously, to reach a settlement on Cyprus the attitudes of Greece and Turkey are vitally important, and the President feels that this action has alienated one of the parties in the negotiations and, therefore, has not been helpful in solving it.

MORE

The President pointed out that there is a growing irritation in Turkey over the embargo against a long-time trusted friend and ally in NATO. The Turkish Government, as you know, in mid-June said that within 30 days -- and I believe the 30 days is up about July 15 or 17 -- if the aid was not resumed or if some steps foward resuming the aid were not taken, that Turkey would want to begin consultations on the reduction of U.S. facilities in Turkey, the bases.

The President thinks that any Turkish moves against the American installations there would have an adverse impact not only on the United States, but also on NATO security interests in the Eastern Mediterranean and again would merely contribute to further damaging the prospects of a Cyprus settlement.

The President thinks that if the House will pass legislation which restores a proper balance in the relationship with Turkey and which is fair and equitable to both Turkey and Greece, that this would then increase the American flexibility in working with both sides to get a Cyprus solution.

Without legislation to revise the ban on aid, the President told the Members that progress toward a settlement will not be made on Cyprus and that the situation will almost certainly deteriorate and that this will work against the interests of everybody involved -the Greeks, the Turks, Cypriots, the United States and NATO.

In conclusion, the President said that the need is for immediate legislation because the 30-day period is nearly up. The legislation is needed to restore an important ally to access to U.S. sources of supply for spare parts and component parts and other material compatible with that that had been supplied previously to Turkey.

This will enable Turkey, first of all, to fulfill its NATO role. It will also safeguard America's own vital installations in Turkey and will remove what the President called a substantial impediment to progress on the Cyprus negotiations.

I think it would be fair to say that during the question and comment session from the Members after the President's presentation that there were some Members who indicated that they were prepared to support Congressman Morgan's compromise proposal.

MORE

#266

- 5 -

- 6 -

#266**-7/**9

Q Are they changing their minds? Are you indicating that?

MR. NESSEN: I am not clear how each one of those voted on the original go-rounds, but my impression was that some who voted originally to cut off the aid were now saying that they would support this compromise.

Q But not the leaders? Not Brademas and Rosenthal?

MR. NESSEN: They did not speak, that I heard.

Q Can you explain to me what the elements of compromise here are? It is not clear to me who is giving up what, if anything.

MR. NESSEN: I don't think it is proper to outline the compromise here in the White House. It is not something we have drafted.

Q They didn't really tell us what it was out here.

MR. NESSEN: I think they did. They gave the major elements of it. But, I don't think it is proper for me to do that.

Q Isn't it a misnomer to call it a compromise if you don't have your adversaries here agreeing to the compromise; in other words, Sarbanes and Rosenthal?

MR. NESSEN: I think you know, Walt, that there were several meetings here in the past couple of weeks in which they were here.

Q The question is, have they agreed to what was outlined out here by "Doc" Morgan?

MR. NESSEN: I don't know. You will have to ask them.

Q What does the President think of the original problem of enforcing an American law to cut off aid to countries which use arms for illegitimate purposes? I am not going into the merits of his arguments on security.

MR. NESSEN: I know.

Q You do have a law on the books which says this must happen if something else happens. What is his philosophy?

MR. NESSEN: Dr. Kissinger spoke on the legal requirements of the foreign aid legislation, and the situation is somewhat ambiguous as to Turkey's original use of the weapons.

Q What was ambiguous about it? They used American equipment to invade Cyprus.

MR. NESSEN: That is a judgment --

Q What did he say was ambiguous about it?

MR. NESSEN: On that point, I think we have always referred that particular question to the counsel's office at the State Department, which has a lot more expertise on that than I.

Q You said this. I thought maybe you took notes. All I want is what the man said. What was Dr. Kissinger's explanation?

MR. NESSEN: You have to go back and you have to face the entire history of how that particular outbreak on Cyprus came about, which he did, and that is about all I can say.

Q The Turks invaded Cyprus using American equipment. What is the ambiguity?

MR. NESSEN: I would frankly rather have that aspect discussed by the State Department, which has the knowledge of the legal requirements of the foreign aid bill.

Q When the President was reviewing that situation today, did he talk about the invasion?

MR. NESSEN: He talked about the whole sequence of events that resulted in that war.

Q Did he refer to the use of American equipment by the Turks in the invasion?

MR. NESSEN: He talked about the legal questions, yes.

Q Was Brademas invited?

MR. NESSEN: I don't think Brademas was there.

MR. HUSHEN: Let me say, about that particular aspect, that Brademas, Sarbanes and Rosenthal have met with the President three times previously on this issue. They were not invited today.

MORE

#266

- 7 -

#266-7/9

Q Why not? Is there an answer to that question, Ron?

- 8 -

Q Ron, was there any discussion of the narcotics problem and the Turkishagreement?

MR. NESSEN: Let me do one at a time, and I will get back to that.

My understanding is there were 140 people invited, who represented the International Relations Committee and those freshmen, and he has had those previous meetings with Brademas, Rosenthal and Sarbanes.

The specific reason why they were not there this morning, I don't know. It is not any question of their not having had a great opportunity to, in a very much smaller group, discuss this with the President.

MORE

Q Ron, has there been any indication that these gentlemen would accept this compromise since they represent the opposition in this thing?

MR. NESSEN: Well, they weren't there, Bob, and I have no way of knowing what their views on the compromise are.

Q You just said they had met three times with the President, so the President must have some indication.

MR. NESSEN: But I am not aware of what their views are, I personally am not.

Q You have referred me to the Hill and I have called the Hill and those guys are in committee. Did the President discuss this specific question with Brademas and Sarbanes?

MR. NESSEN: I don't know.

Q I would think any bargaining situation with Turkey, that we would have to discuss the narcotics source that Turkey has been, and what has become of our old agreements and what has become of the \$34 million that we were supposed to get down to Turkish farmers which I understand never got down to the Turkish farmers. Was there any discussion about that?

MR. NESSEN: In a very, very brief exchange one of the Members asked about the narcotics problem and Dr. Kissinger explained that the previous agreement had been replaced by another method in which the Turkish Government would have to tightly control the disposal of the poppy crop.

Q I am a little confused. Did any of the Members press Kissinger about the illegal use of American equipment by the Turks?

MR. NESSEN: No, one Member raised it and Dr. Kissinger talked of it as being -- the way he answered it was to trace the factual history of how the outbreak occurred and to say that the legal standing was included.

Q Ron, this morning when we raised the question of the legal problem involved, he passed the question on to Mr. Zablocki who said that in the compromise there was not going to be any restriction on the past use of American equipment illegally.

MORE #

It was simply going to be in the future that they couldn't do this, which leads me to wonder if in fact the Administration and the leaders of the House that the President met with this morning have not decided that they are going to ignore the past violation of the law and go on from here. Is that the situation?

MR. NESSEN: Bob, I would say this: If you want to understand why the President feels strongly about the need to restore the ability of Turkey to buy this aid and to release the aid they have already paid for, you need to look at that long list of reasons the President gave the Members.

As to the past, the way Dr. Kissinger handled the question was to trace the history of the outbreak which has various elements in it, and to say that the legal status was **cloudy and** ambiguous.

Q It wasn't cloudy or ambiguous in the minds of a lot of people on the Hill.

MR. NESSEN: I don't know that I can clear that up, and I do have a number of other things here.

Q Could I ask one final question on this? With respect to the President's own views, does the President want that law, that particular part of the Foreign Aid Act repealed, or does he still believe that provision should remain in the Foreign Aid statute?

MR. NESSEN: I have not heard him say anything that would indicate he wanted it repealed.

Q Then how does he propose to go about getting around this rather clear provision of American law?

MR. NESSEN: The provision is clear, the provision is relatively clear.(Laughter) Whether the episode violated that provision is not clear.

Q May I ask on a related question, in his presentation, did Dr. Kissinger express the concern that senior American officials expressed that if they don't restore this aid to Turkey, that Turkey launch an attack on Greece during the period they run out of spare parts?

MR. NESSEN: There was nothing that specific talked about, but you know the President referred repeatedly to the fact that the situation would deteriorate, that Turkey's ability to play its role as an important part of NATO would deteriorate, and so forth.

MORE

#266

- 10 -

Q When you talk about the situation deteriorating in the Mediterranean, was that what he was referring to -- an attack on Greece?

MR. NESSEN: That wasn't referred to.

- 11 -

Q You talk about the trust in the United States remaining shaken. What is the foundation for that?

MR. NESSEN: The foundation is that Turkey is an important ally and an old ally and has an assignment in NATO and a location in NATO that puts it in an extremely vital position, and Turkey does not understand why the United States would cut off aid to a friend and ally who occupies a critical position and whose military strength is important not only to NATO security but to American security.

Turkey, as I understand it, does not understand why the United States would cut off aid to a friend and ally.

Q But don't they understand that the Congress has a law and that the law is to be obeyed?

MR. NESSEN: Walt, I don't think we are going to be able to resolve the legal question to anybody's satisfaction, I sense.

Let me just say again that the history of the outbreak of that conflict was reviewed and that Dr. Kissinger felt that any question of a violation of the law was ambiguous and cloudy, and I just don't think I can resolve it to your satisfaction beyond saying that.

Q In view of that position Dr. Kissinger takes, do the President and Dr. Kissinger believe Congress misunderstood the law when it enacted it?

MR. NESSEN: Jim, I don't believe we are going to be able to clear this up.

There is an addition to the President's schedule. It is a meeting this afternoon, at 2:00, with Postmaster General Bailar.

Q We have that --

MR. NESSEN: Well, that is not an addition to the President's schedule, then. The purpose of the meeting is -- in the Oval Office -- for the Postmaster General to bring the President up to date on the status of the negotiations with the postal workers.

MO RE

- 12 -

#266-7/9

I have a couple of questions left over from yesterday. One was, is Phil Areeda still on the White House payroll? He is carried on the payroll as a consultant. That means he is paid only for the days he works.

My understanding is that since he left the office of the legal counsel as a full-time employee he has not worked any days, and therefore has received no pay.

There was also a question, I believe from Bob Endicott, who wanted to know about Congressman Udall's proposal and complaints about the increase in the White House staff, and so forth. I think there may have been some confusion about that piece of legislation that is up there.

That is an authorization bill; it is not an appropriations bill. There has never been an authorization bill for the White House before. In other words, there has been no bill that set limits on numbers of employees or categories of employees, so this would be the first time.

In the past, the appropriations bill for the White House has been passed without authorization. The only restriction that has been in the appropriations bill in the past has been a limit of a maximum of 14 people at the level 2 salary, which is \$42,500. The limit has been 14. Actually, there are only nine here in that category.

It was the President, himself, who proposed the authorization, feeling that this was needed to clarify the situation. The committee, as you know, took the action of setting restrictions on all grade levels from \$36,000 and up, and the Administration doesn't think this action has any justification.

By way of contrast, the Congress does not set limits of that kind, for instance, on its own staff employees and staff salaries.

Q $\$ It certainly does, Ron. That is a mistake. That is not true.

MR. NESSEN: The information I have from the White House legal counsel's office ---

Q I can't help it. How come you say this is the first time we have ever had an authorization bill on White House staff? We have certainly had authorization bills on White House staff matters before. How come youdon't? Everybody else has to get authorizations, except the State Department.

MORE

MR. NESSEN: That is why the President asked for the authorization bill. The Administration believes that the President should have flexibility in determining how his staff is organized and paid within the budgetary and appropriation limits set by Congress, because this is the same flexibility that Congress has given itself.

- 13 -

Now, there was some question about the size of the White House staff and various categories of people. As of April 1, the White House had the following staff people, all of them well below the authorization of Congress.

In the \$42,500 category, there were nine people here. The House bill would authorize 12. In the \$40,000a-year category, there were two at the White House; 13 authorized in the House bill. In the \$38,000 to \$40,000 category, there are five now. The authorization in the House bill would be 15.

In the \$36,000 to \$38,000 category, there are now 38 people in that group. The House bill authorizes 55.

To add those numbers up for you, there are 44 people in the \$36,000 and up category. The House bill would authorize 95.

Q Wait a minute. Those figures don't add up.

MR. NESSEN: Yes, it does -- I am sorry, that is 54.

Q You say the House bill would authorize ---

MR. NESSEN: I will explain that in a moment.

The total White House staff, on April 1, was 535 people. The budget ---

Q Can you say how many of those were detailed over here from other agencies or departments?

MR. NESSEN: Detailees have been cut back to almost zero. I don't have the exact number. As you know, a previous legislation limited detailees to a six-month period.

The White House budget for a year that began on July 1 is for 500 people. That is a reduction of 35, and the plans are for a reduction below that.

MORE

- 14 -

#266-7/9

Now the question, the specific leftover question from yesterday, was: Why is the President planning such a big increase in the staff? The fact is, he is not planning a big increase in the staff.

This is authorizing legislation. The appropriation will reflect the actual levels, which are dropping, and this is more or less really for future possibilities in case the President does want to rejigger his staff in some way.

It also is involved somewhat in the so-called compression problem where these people at this level don't get that level and those below get regular pay raises, and all the people below or rising up to the level of these few categories.

Q Ron, what was the total White House staff as of last August 9?

MR. NESSEN: I don't have that number, Saul.

Q Ron, when are you going to put out a new staff list updating the list?

MR. NESSEN: I have been thinking about that myself. I think we will have to do that.

Q Ron, could I try to clear up one thing? You kept talking about, as Les suggested, a House bill. Isn't it a fact that the White House had 54 people getting \$36,000 or more, and is now asking for 95 people getting \$36,000 or more?

MR. NESSEN: No, that is not right. The authorization is for 95 people who could get that much. The plans are not to have 95 people.

Q Who sponsored the House bill?

MR. NESSEN: I don't know who sponsored it?

Q You say it is not right, but then you say it is right. I know we are talking about an authorization bill.

Isn't it a fact the White House is requesting 95 people in the authorization bill, as opposed to 54?

MR. NESSEN: Yes, and there are no plans to fill all 95 positions.

MO RE

#266-7/9

Q Why are you asking for them?

- 15 -

MR. NESSEN: As I just said, as you know, the authorization goes on into the future.

Q Does he have plans to increase it in the future?

MR. NESSEN: Not that I know of.

Q How did they happen to pick that number? Why not 75 or 68?

MR. NESSEN: I can't tell you why the specific figure 95 was picked, but I know of no plans to increase to that number.

Q He is asking for a larger appropriation in order to reduce the staff. That is what you are saying?

MR. NESSEN: I am saying that the White House staff is being reduced instead of increased, that the number of positions in each of those categories, as I told you, is well below the authorized number, and there are no plans to fill those authorized slots. When the appropriation bill goes up and money is asked to pay actual salaries, that will be clear to you.

Q Ron, you say there are no plans to fill any of the slots. You don't mean there are no plans for two or three. I mean there may be some.

MR. NESSEN: No, I mean there are no plans to balloon the staff to 95 people.

Q Do you know of any specific plans at this point --

MR. NESSEN: To add anybody?

Q Yes.

MR. NESSEN: I don't. In all honesty, I mean, one of these days he may want to hire somebody, one or two people.

Q Why now, when he is facing an election? What is the wisdom in asking for an arrangement whereby somebody else gets elected and comes in here and then puts 95 in? What is the wisdom in that?

#266-7/9

MR. NESSEN: As I said, Sarah, it is for future planning purposes, and when another President comes in, Congress will have an equal opportunity to review that President's appropriation plan.

Q Are these the maximums there have been, or were the figures arbitrarily pulled out of the air?

MR. NESSEN: I don't know how the 95 figure was picked, but it is for future long-range.

Q What is the total personnel authorization requested? You now have 535.

MR. NESSEN: We are going down to 500. It was at 500 on July 1.

Q What is the figure?

MR. NESSEN: What figure?

Q You are asking for a total authorization for personnel totaling how many?

MR. NESSEN: When you get below Level 2, you are not required to have a number in the authorization bill for persons below that figure. But, I am telling you what the actual plans are, which is to reduce it below 500, which was the case on July 1, which was the number on July 1.

Q How far into the future do those plans go? Do they go just through the current term of the President, or do his long-range plans go on through another four years?

MR. NESSEN: Do you mean will there be a steady reduction over five or six years?

Q I mean, if he is re-elected, does he plan to go the other way and start filling up those 95 slots?

MR. NESSEN: I don't know of any plans to fill up the slots, Marty, as I thought I said several times. What his plans are for a second term, I don't think it is fair to say.

Q When you refer to a White House bill, this is a White House proposal?

MR. NESSEN: It is an authorization for the White House, right.

MORE

Q When you double the authorization from 54 to 95, and then you say it is for future planning, that is a rather thin explanation, isn't it?

- 17 -

MR. NESSEN: I don't think so. If you are familiar with the authorization process, you know what large numbers go into authorizations for construction projects, personnel projects --

Q Ron, I beg your pardon. Before any request goes to a committee, it has to have a verdict on it from the Office of Management and Budget, which is the President's budget arm, so the Office of Management and Budget must have set this down as to why they wanted this number.

MR. NESSEN: Sarah, I don't know what more I can tell you, other than the fact that there are 54 people now in those categories.

Q That is not the answer. That was not my question.

MR. NESSEN: Let me finish, if I may. I will tell you what I would like to tell you, if you don't mind. There are now 54 people on the White House payroll at those salaries. There are no plans to go anywhere near the 95 figure.

I think you all understand the authorization process, and I have told you again and again there are no plans to go up to that number. I don't know what more I can say on that subject.

Q How many are you seeking in the appropriation request?

MR. NESSEN: I don't know what the number is.

Q Ron, is the President's tax statement required with this authorization request?

MR. NESSEN: I will check. I am not sure.

Q Can you also check the number of people this Administration inherited from the previous Administration?

MR. NESSEN: You wanted the figure on August 9, didn't you?

Q Both in the \$36,000 and up, and in total.

MORE

- 18 -

#266-7/9

Q Can you get anything from the Office of Management and Budget as to why this request went up like this? Can you please get it for us?

MR. NESSEN: I will. I thought I had, but I will get further information for you.

Q No, I want the Office of Management and Budget's reasons for making this request for authorization.

MR. NESSEN: Have you attended any of the hearings where testimony in support has been given?

Q No, I have not.

MR. NESSEN: That is probably where you could hear that.

Q It has probably been printed, but I thought I could get it better from you because it had to come to the White House.

Q I know you said that the appropriation requests for fiscal 1976, starting July 1, is for 500.

MR. NESSEN: I said that was the actual number on July 1.

Q But you plan to reduce below 500, which was the number on July 1. Is that what you are saying? The number of people on the White House payroll as of July 1, which I believe is the most recent figure, is 500?

MR. NESSEN: That is correct. Bill Roberts is doing all the research. The budget request is for 500.

Q The number of people who are on the staff as of July 1 is higher.

MR. NESSEN: That is somewhat higher.

Q We know what the figure is.

MR. NESSEN: 540 is the correct figure.

Q Then it went from 535 on April 1 to 540 on July 1, and now you are going to let those people go that just came in? You are going to cut back those people who just came in?

Q Ron, are you sure you want to sit on that table so close to Sarah? (Laughter)

- 19 -

#266-7/9

MR. NESSEN: If Sarah doesn't mind, I don't mind.

. -

Q The figure is now 540, but it will be reduced?

MR. NESSEN: That is right. It was 535 on April 1, 540 on July 1, the budget calls for 500, and there will be a reduction.

Q Has the White House received information that the Soviets are planning, or are in the process of completing, a major purchase of wheat from the United States?

MR. NESSEN: Bill, I think, is probably checking on some more details of the payroll problem because he did all the research this morning.

My understanding is that the Agriculture Department has not received any of the official kinds of notification that has to be given if there is going to be a wheat sale of this size or ary kind of grain sale of this size. I think you are familiar with the provisions of that.

If and when the notification is given, you can get that from the Agriculture Department, and I would only point out that my understanding is that the wheat crop this year is anticipated to be a really bumper crop, which would be big enough to satisfy all the domestic needs and export needs.

Q Ron, I would like to ask one question. Yesterday, at the State Department, there was a very strong enunciation -- it concerns a housekeeping question --

MR. NESSEN: I am not going to talk about Secretary Kissinger's garbage, if that is the question, Les.

Q I am not going to ask about his garbage. I wanted to ask -- in view of the fact this is of interest, or it wouldn't have been on the front page of the Washington Post -- is there any security of White House garbage so there won't be any raiders here? (Laughter)

I would like to ask that. It is a question featured on page 1, and it was a question the State Department spoke to, so I really would appreciate it, Ron, if we could get some explanation.

Q I would like to follow up with a question as to what you do about your garbage.

- 20 -

Q You come here every day, and you don't know that? (Laughter)

Q I am not saying it is anybody's fault, but we had an article in the paper today saying there were rats and mice in the White House. Yesterday we had a pool report from the President's Oval Office saying there were flies on the President's desk and fingerprints on the President's desk.

Did the fingerprints bring the flies or what was going on? (Laughter) I checked up on this thing yesterday with the staff to see who was responsible for cleanliness in the White House, and apparently it is the General Services Administration. I wonder if you all think a proper job is being done.

MR. NESSEN: I think a very proper job is being done. The President, especially in the warm weather, sometimes will open one of the doors of his Oval Office and the flies do occasionally come in. It is the nature of flies to come in.

Q Ron, could we get back to my question, please?

MR. NESSEN: It is not unusual to have a fly in the Oval Office. (Laughter)

Q Ron, what about the White House garbage? (Laughter) I would like to know, Ron, what do they do with the White House garbage?

MR. NESSEN: There has been no change in basic American strategy toward flies, Sarah. (Laughter)

Q Ron, may I ask a question about the President's meeting with the Postmaster General, please?

MR. NESSEN: Yes.

Q If my understanding is correct, the Postal Agency is going to propose or is going to put into effect a 3-cent increase in price of the cost of firstclass postage for an increase from 10 cents to 13 cents. I am wondering what the President's reaction to a 33 percent increase in postal rates is at a time when inflation generally is only 6 or 7 percent. Does he think that is justified?

- 21 -

#266-7/9

MR. NESSEN: Jim, he has not taken a specific position on that rate increase, but the President has a position on postal rates generally, which I think I mentioned to you one other time here before, and that is that the users of the mail should pay for the service.

You know, whether it comes out of the higher cost of stamps or the higher cost of taxes, somebody has to pay for the postal service, and the President's general view, without specific reference to this increase, is that the people who use the mail should pay for the mail.

Q That raises a question. The moment you talk about users, of course, first-class carries other classes than itself to a certain extent. It pays for itself, but carries some second and third class. When the President says users, does he mean users overall or users in each category should pay?

MR. NESSEN: I am not familiar with that much of a refinement of his view.

Q I would like to return to this question of the inflationary impact of a 33 percent increase in postal rates at a time when the President has been trying very hard to get inflation down and has been drawing attention to the fact that he has been cutting the rate in half.

What does he think the effect of this will be on those efforts?

MR. NESSEN: As I say, Jim, somebody has to pay for the use of the mails. It has to be paid by the people who use the mail or the taxpayers.

So, the impact on the economy, on people's pocketbooks, would be the same either way. He believes the people who use the mail ought to pay for the mail and that the general taxpayer should not absorb it through a subsidy.

- 22 -

#266-7/9

Q Does the White House have any information on this CIA payment of about \$100,000 to Ashland Oil, what it was about?

MR. NESSEN: I don't have any information on that.

Q Ron, this morning there was a story that the President would leave for Helsinki the 28th and be there until the 30th, and then go to Yugoslavia, Bonn and London.

MR. NESSEN: Who had the story?

Q We have the story.

MR. NESSEN: The last word I had this morning was there are still issues remaining to be resolved on the negotiations and that there is no date set for any signing ceremony.

Q Will there be an announcement this week?

MR. NESSEN: I have no way of knowing how long the negotiations will go on.

Q Will the announcement come from here, or come from Geneva?

MR. NESSEN: I don't know; probably both.

Q Can you tell us about the weekend trip? Does the President consider that a campaign trip, and who is paying for it?

MR. NESSEN: Certainly not. It is not a trip for his candidacy. In fact, it is not a trip in his other role as leader of the Republican Party.

It is a trip in his role as President of the United States. He is speaking to a college commencement; he is speaking to a group of executives, I believe; he is playing a game of golf; he is speaking to some judges in Michigan.

It would be incorrect to say that that was a campaign trip, or it would be incorrect to say that it was his first trip as a candidate.

Q It is his first trip as a candidate.

MR. NESSEN: It is the first time he has left town since he announced his candidacy, I suppose.

MORE

Is there a Republican fund-raising 0 breakfast on the schedule?

MR. NESSEN: There is no Republican fundraising breakfast on the schedule. I am told at some point, one morning some Republicans in Michigan may come in and talk to him, but again, it is not in his role as a candidate.

He is having breakfast in Illinois on Q Saturday morning, isn't he?

MR. NESSEN: I am sorry, it is Illinois instead of Michigan.

> Is it Saturday morning? Q

MR. NESSEN: I haven't looked at the schedule details but that sounds right to me.

Ron, has the President had any comment Q on the Jerusalem bombing?

Callaway said this morning as far as he knows the President has not made up his mind whether he will push for Rockefeller's nomination at the convention. Is that the message that the President wants his campaign manager to put out?

MR. NESSEN: I think the message the President wants is the one I gave you from the President, and there has been no change in it.

> What is the message? 0

MR. NESSEN: I would have to look up the exact language because the President himself drafted it.

> He didn't say it was any different? Q

MR. NESSEN: I am not aware that Callaway did make any distinction. He certainly knows what the President's views are, and I am not aware that he in any way altered them. I would like to look up the exact wording because the President, himself, wrote that statement. We can dig it out for you.

Ron, did the President have any comment 0 on this bombing in Jerusalem?

MR. NESSEN: The President deplores violence of any kind, wherever it is.

MO RE

#266-7/9

He hasn't made any statement?

- 24 -

MR. NESSEN: And especially in that area, violence tends to beget violence.

Q

Q Ron, I have word from the Hill, from Sarbanes, Brademas and Rosenthal, they are saying they were not consulted on the Turkish aid compromise and they intend to fight the compromise when it comes to the House Floor. Do you have any White House comment on that, the throwing down of the gauntlet?

MR. NESSEN: No. As you know, the President has talked to them several times. The compromise was drafted by Doc Morgan and the other people up there so whatever conversations they had would be in their ballpark.

Q Ron, can you give us an idea of the type of coverage you will have tomorrow for this regulatory reform meeting? Is there going to be open coverage of the meeting?

MR. NESSEN: There is a meeting going on now, that began at 11:30, at which plans for tomorrow will be worked out, and that includes the plans for coverage.

Q Have you got a revenue sharing meeting here tomorrow?

MR. NESSEN: Bill Greener is in that meeting and when he gets word back, we will post it.

The revenue sharing meeting tomorrow that I think you refer to is a meeting with a fair number of mayors who are coming here. Do you know about that?

Q That is what I am talking about. I wonder whether the President will be involved in that?

MR. NESSEN: The President will come and it will be in the East Room at 2:00 tomorrow. There are about 100 mayors -- actually, slightly more than 100 mayors -- and all the directors of State and local government, public interest groups.

Q What is that category?

MR. NESSEN: Let me give you an example -- like the Executive Director of the National Conference of State Legislators, the Executive Director of the U.S. Conference of Mayors, the Executive Director of the International City Management Association, and so forth.

- 25 -

#266-7/9

As Jack said, the President will open the meeting and we hope to get you a text of his remarks, and that will be open for coverage.

After that, there will be a kind of roundtable discussion between the mayors and other Administration officials, and then after that, if I am not mistaken, there is a reception, I believe, for the mayors.

Q Will the President attend the reception?

MR. NESSEN: Yes, he is the host at the reception.

Q The round-table discussion will be open to us, also; is that correct?

MR. NESSEN: My understanding is that it won't be, that the President's part will be the open part.

Q Is this one of the Baroody meetings? What is this meeting being billed as?

MR. NESSEN: This actually was arranged by Jim Falk. I think you know Jim is the person on the Domestic Council who deals with State and local governments.

Q How long do you think that will last?

MR. NESSEN: I would think all afternoon, 4:00 or 5:00.

Q I see no reason for the press not to be in on that. I see no reason for a meeting with Administration officials and the mayors to be closed.

MR. NESSEN: Ted, that portion of the meeting will not be open. It is a portion of the meeting at which there will be a give and take between the mayors and Administration officials and it will not be open to coverage.

THE PRESS: Thank you, Ron.

END (AT 12:23 P.M. EDT)