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

#309

AT THE WHITE HOUSE

WITH RON NESSEN

AT 11:33 A.M. EDT

AUGUST 28, 1975

THURSDAY

MR. NESSEN: Frank and the Governors will be out here shortly.

You have an addition, some additions that have been made to the schedule for today. Did everybody get ahold of that?

Q They are posted.

MR. NESSEN: Then there will be one addition to tomorrow's schedule that I thought I would tell you about since there has been some talk about it on the Hill. Senator Mansfield will be coming in to see the President at noon tomorrow.

Q What is the purpose?

MR. NESSEN: This is probably not the best place to speak for Senator Mansfield, but my understanding is that he is going to talk to the President about his views on the extension of the oil price controls legislation.

Q Has the legislation come down from the Hill yet?

MR. NESSEN: No, it hasn't and we don't have any idea when it will come down.

Q Maybe Mansfield will bring it?

MR. NESSEN: It is possible, hand delivered, he doesn't trust the mails.

Q Does the meeting tomorrow suggest it may not come today?

MR. NESSEN: I am not sure, you know, the visit by Mansfield is directly related to when the bill will get here. We just don't have any control over when the bill will get here.

Q Why has it not come, it has not been signed by traveling leaders or something like that?

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MR. NESSEN: Sarah, that is really something you need to address to the Hill.

Q Did Senator Mansfield say he was bringing any particular ideas to the President?

MR. NESSEN: I don't think they really talked. You know they had that helicopter ride out there at the Libby Dam and they didn't talk about this, about the oil decontrol program, so I frankly don't know what he is coming here to say.

Q He has objected to the staffing of the Sinai Pass, Mansfield has?

MR. NESSEN: That is right, he has.

Q Will that be a part of the discussion?

MR. NESSEN: I really don't know.

Q Has that been decided?

MR. NESSEN: No, I think it remains as the President said the other day in Milwaukee, which is the agreement has not been reached and signed yet and you will really have to wait and see if that is part of the agreement.

Q Is there any such thing as a compromise remaining on oil?

MR. NESSEN: Steve, the President feels that he has offered not just the one compromise but actually two compromises, that his original proposal was for the decontrol of oil and then he later modified that and offered as a compromise a phase-out of the controls on old oil prices over a period of thirty months and that was turned down by the House of Representatives. So in a further compromise effort he offered to phase it out over 39 months and put a ceiling on the price of all domestic oil. That second compromise was rejected by the House.

So, the President at this moment doesn't know of any compromise that is in the mill and there has been no third compromise proposed or considered by the President. He does feel, of course, that the door here is always open to leaders from Congress to come here and state their views on this important matter.

Q Ron, the door may be open, but is his mind open to a compromise?

MR. NESSEN: I think as a practical matter, Gaylord, Congress has had this question on its desk since January 15. They have rejected first the 30-month compromise and then the 39-month compromise and they have passed instead a bill to simply continue controls for another six months. So as a practical matter, that issue is not here and the President, as you know, has made a determination that at this moment he really has only two choices. One is to sign an extension, which really means doing nothing about the problem for six more months, or to really begin to deal with the problem of ridding America of its dependence on foreign sources of oil. He has decided between those two choices, that the country needs to get started solving this problem.

Q Is the President impressed by the figures put out on the high rise in prices that we would get on many items throughout the land if he decontrols this oil?

MR. NESSEN: Sarah, let me answer that in two ways. The President has received the figures from his own economic and energy advisers which indicates I believe it is a three to four cent rise in the price of fuel spread over some period of time.

Q Two to three?

MR. NESSEN: Two to three. I am sorry, it is probably about three, a shade less. The real issue the President feels is: are we going to control our own prices of fuels and other things made from petroleum as would be the case with his plan, or should he go along with the congressional way, which is in effect voting to let the Arabs and other foreign oil producers set our prices, and he has decided that the United States ought to determine its own prices and not follow the course which Congress is charting which is to abdicate the choice and level of our prices to foreign countries to set our prices.

Q Ron, that is exactly opposite of the way this case was stated before the House Rules Committee when they were considering the energy bill. That is exactly a turn around.

MR. NESSEN: No, it isn't, Sarah.

Q Remarks were made there, on the record, at the Rules Committee hearing by members of the Congress and others that it was the President who was letting the Arabs set the oil prices and set the prices of other goods in this country. Somebody has got to be wrong.

MR. NESSEN: I am not familiar with the hearing you are talking about except I know he feels strongly about this. So long as the United States won't do anything to end it, at the present time, importation of 38 percent of its petroleum supplies and rising steadily, so long as that continues, the Arabs and the other foreign oil producers will be able at will to determine domestic oil prices and the prices of other things made from oil. We will continue to see jobs in the petroleum and pipeline and related industry reduced because production is being reduced and we will see at the present time \$25 billion of American money being sent overseas and that will be rising up to \$35 billion in the next few years. He feels that he can't, in honesty and for the best interest of the country, let Congress see American jobs, American money go overseas and have foreign countries set our prices. So he thinks we need to get started on a program where we will produce our own oil, be independent of foreigners and be independent of letting foreigners determine our price levels, take our jobs away and take 25 now and an increasing number of billions of dollars out of our economy every year.

Q After what you have said, is it fair to conclude Senator Mansfield is wasting his time coming here tomorrow to try to persuade the President to sign the extension?

MR. NESSEN: At the moment, the President's plan is to veto the bill, as he has announced. As I say, the door is always open to hear the views of congressional leaders.

Q Ron, what alternatives are there? Just technically now, nothing that has been proposed by the White House. How could something be revived at this late date?

MR. NESSEN: Steve, as I say, there is nothing on the horizon on that we know about here at the White House.

Q When President Ford announced he would veto the bill, he said he was instructing Frank Zarb to take the steps needed for immediate decontrol. What has Frank Zarb done?

MR. NESSEN: Frank has, first of all, recommended that the \$2.00 import fee be taken off as a way of curbing the economic impact in a general and overall sense and Frank also is pulling together, as I think some of you know, other recommendations dealing with specific areas of the economy, regions of the country and economic groups, so that there will be first of all, as the President said, the \$2.00 will be taken off if the veto is sustained to cushion the overall impact and as we go down the line to see what the specific impacts are, Frank is pulling recommendations together to see how to lessen those, too.

Q Does Mr. Zarb think the country is ready for decontrol?

MR. NESSEN: As the President does, Frank does and, as far as I know, all the President's advisers.

Q Does the two or three cent estimate include the unannounced price rise by the major oil companies last week?

MR. NESSEN: I don't know what you mean, Pat.

Q When the economists advised him what the de-regulations would mean in price, I think you said two to three cents?

MR. NESSEN: The net would be two to three cents. I guess you know as a result of the \$2.00 we have had something like a three cent price rise. Then you take the \$2.00 off, you get rid of that three cents, you decontrol the price of oil, and over a period of time the price will go up about six cents, so you have a net gain of about three.

Q In those figures are you including the unannounced rise by the major oil companies?

MR. NESSEN: I don't know what the unannounced rise is. I am not familiar with that. Frank will be out later and you can ask him.

Q The reason given for putting the import fee on the crude oil was to discourage imports of oil, which is the President's larger strategic goal. By lifting that fee, isn't he working against his own principal, long-term goal?

MR. NESSEN: There is a whole series of considerations that have to be weighed and juggled, including the effect on the domestic economy, the need to encourage conservation and the need to stimulate domestic production, and looking at all the factors, trying to weigh all of them and come up with a formula to see what you can do with Congress refusing to go along, this is what he has devised.

Q Would it be fair to say you are not ruling out a compromise on the question of decontrol of prices, but you are skeptical of one?

MR. NESSEN: I think it would be much more than skeptical. There just isn't anything in the works that anyone here knows about.

Q That is why I asked my technical question. Is it just impossible? Is there nothing left that can be done, or if there is something left that Congress could initiate, or the White House could, what possibilities are there?

MR. NESSEN: Let's look at the possibilities, Steve. First of all, the President has offered two compromises, one phased over 30 months and the next phased over 39 months, with a ceiling on oil. What do you do next, go to 45 or 50 months? There comes a point when spreading out the decontrol over such a long period of time defeats the purpose of it, which is to stimulate domestic production rapidly. I think the President feels 39 months is the maximum he can go and accomplish the goal, which is to increase production of oil in the United States, to create jobs in the United States in that industry, and to reduce the dependence on foreign oil imports. So he doesn't really feel like he can go beyond 39 months and achieve the goal. Congress had two chances in something like eight months to approve a compromise and turned down two compromises.

Q Does the President have any figure on how high the airline rates will now go and how high the prices of food and the other items we buy will go as a result of his decontrol action?

MR. NESSEN: The airline is one of the industries that Frank is keeping an eye on to see whether there needs to be any specific economic help for that industry. The food prices -- you are talking about the possible increase in the price of propane to farmers?

Q I am talking about the prices of nearly all goods we buy that have a little oil in it. They are all going up.

MR. NESSEN: You have oil in your food, Sarah?

Q I sure have. I hope you have. If not, you are going to be in bad luck.

MR. NESSEN: The decontrol takes effect at midnight on Saturday. Frank and Alan Greenspan have briefed a number of times on this, but we could make them available again to clear up some of these detailed questions between now and Saturday.

Q Ron, may I ask an unrelated question?

MR. NESSEN: Yes.

Q The LA Times story on Rustand indicates Mr. Rustand received some sort of clearance for his involvement in that business project from the White House General Counsel. Is that your understanding?

MR. NESSEN: When Warren asked for the advisory opinion, he asked in somewhat general terms and was given a somewhat general opinion.

Q Is it your understanding of the President's conflict of interest guidelines of October that White House staffers can initiate new business ventures while they are on the payroll?

MR. NESSEN: The White House legal counsel's office has reviewed the facts in this case and has concluded that there was no legal conflict of interest had the transaction been concluded. As you know, the transaction was never concluded, but had it been concluded there would have been no legal conflict of interest because Warren's duties here at the White House did not place him in a position to benefit his business partners.

Maybe you know that in the White House code of ethics under President Ford there is also a provision that staff people here avoid even the appearance that they are using their public position to private advantage.

Warren was aware of that and, therefore, decided that in order to avoid such an appearance he would withdraw from the pending business venture, and has.

Q Did he have any financial investment in the corporation that was being financed by Amway to take over the Lincoln Life Insurance? Did he have any cash involved in this deal?

MR. NESSEN: Frankly, Pat, I don't know what the specific financial arrangements were but I did track down this morning, in anticipation of this question, the fact that the legal counsel's office had looked into it, had reached that conclusion and on his part Warren had reached the second part of the conclusion.

Q Ron, in the legal counsel's review after this came out, did they decide there was an appearance of impropriety?

MR. NESSEN: It really never came to that because the business venture was never concluded.

Q Ron, you strongly implied a moment ago that that was the case because in saying had the deal been concluded -- I think those were your words -- there would have been the impropriety.

MR. NESSEN: No, I hope you didn't get that out of what I said. I said two things. One, had the deal been concluded, there would have been no legal conflict by ruling of the legal counsel's office. Two, with the knowledge of the White House code of ethics admonition against giving even the appearance of benefiting privately from public position, Warren himself decided to withdraw from the arrangement. The legal counsel's office did not make a ruling on appearance because by then Warren had withdrawn from the deal and there was nothing to make a ruling on.

Q You put a lot of emphasis on the legal counsel's office decision. Mr. Buchen was a lawyer in Grand Rapids. Had an extensive practice there. Did he have any financial dealings with Amway while he was in Grand Rapids?

MR. NESSEN: I have no idea. I have no knowledge of that.

Q Did you ask him if he had any connection or involvement with that corporation?

MR. NESSEN: I never did because it never entered my mind. I was sort of focusing down on Warren's question. I had no knowledge that he had anything to do with Amway.

Q Did you know that Mr. Seidman, one of the President's chief advisers on economics, is the accounting firm for Amway?

MR. NESSEN: I don't know that, Pat.

Q Has he any financial involvement or past financial involvement in Amway, Mr. Seidman?

MR. NESSEN: I have no idea.

Q Could you check on both Mr. Seidman's and Mr. Buchen's involvements?

MR. NESSEN: I certainly will. I wouldn't want the record to indicate here that any of the suggestions you are making are confirmed by facts until we have had a chance to do so.

Q Ron, in view of the appearance of conflict provisions, does it appear to you that White House staffers are entitled to attempt to form new business ventures at the same time they are on the White House payroll? That is the point I would like to clear up, even if there is no direct conflict.

MR. NESSEN: I think the only way to really do this is to deal with the specific case at hand here, which I have, and as a non-lawyer I don't see how I can take on a hypothetical case like that.

Q Ron, you made a statement here a moment ago where you said what was done did not directly relate to Rustand's duties in the White House.

MR. NESSEN: That is right.

Q Therefore, Rustand was not considered to have any conflict of interest, I believe that is what you said.

MR. NESSEN: Not quite, Sarah.

Q Why don't you re-do that because it is very interesting and I wonder if that is going to be a precedent?

MR. NESSEN: The legal counsel's office has ruled there would have been no conflict of interest if the transaction had been concluded because Warren's duties at the White House do not place him in a position to benefit his business partners or himself.

Q His duties at the White House do not place him in a position to benefit his business partners --

MR. NESSEN: Or himself.

Q If his business partners benefited at all by getting this business and getting this contract, the very fact he was at the White House and a White House official, might not that be considered to be of influence? I recall a man named Sherman Adams who had nothing to do with textiles, coats or rugs in his White House job, but he talked to the Federal Trade Commission. I also recall John Connally talking to the President about agriculture when he was Secretary of Treasury. These positions of influence do have weight, do they not?

MR. NESSEN: Let me say two things at this point. One, in answer to Pat, Phil Buchen has had no financial or legal connection with Amway.

Sarah, I would say this: I think we need to be awfully careful here.

Q We sure do.

MR. NESSEN: People's reputations and so forth shouldn't be lightly treated. I am dealing here with the matter at issue, which is a very specific matter, and I have given you a specific conclusion.

Q But this is a very big case, if this is going to be a precedent. The White House legal counsel's office says because a man works in the White House and has something to do with the schedule, but he could come along and help people form a new company, they get an advantage. He is a big White House official. If the legal counsel's office is going to rule these two things are completely separate, this is a new precedent.

MR. NESSEN: Sarah, I would ask you to keep in mind some of the concepts and ideas you are throwing around, that we need to be careful not to tarnish people's reputations when there is no justification for doing so.

Let me say that another part of the ethics code of the Ford White House is that everyone on the staff here is forbidden to make contacts on behalf of anyone with an independent regulatory agency. As far as I can determine, that provision of the ethics code has been lived up to.

Q Ron, on this morning's meeting with the Governors, my understanding is one of the States with a very high, critical expected shortage is California, and the Governor of that State is not here. Two questions on that. One, did you get an explanation for his absence, and is the President disappointed that he couldn't make it?

MR. NESSEN: He was invited, and I will have to find out why he declined to attend.

Q There were three Governors. Is the President disappointed there wasn't full attendance?

MR. NESSEN: He wanted the Governors to be here or else he wouldn't have invited them. He wanted to hear their views before making his decision.

Q I would like to go back to the Rustand matter for a moment. What do you mean when you say the deal was not concluded? Mr. Rustand was listed as an original stockholder and purchased stock and held that stock until after inquiries were made and then he sold out.

MR. NESSEN: I just feel a little uncomfortable venturing into the details of someone's private business deal, but since I, in my own remarks, used the expression that the deal was not concluded, I will explain that my understanding is that the loan which was obtained by the company was a contingency loan, that it depended on the permission of the Insurance Commissioner of Nebraska for permission to buy that particular insurance company and if the permission was not forthcoming and the company couldn't be purchased, then the loan wouldn't be completed. The permission has not been granted as of yet, so the loan is not concluded and in the meanwhile Warren has dropped out of the company.

Q When did the partnership become aborted? Was it prior to or following publication of the LA Times story?

MR. NESSEN: I frankly don't know the exact moment Warren withdrew from the proposed --

Q Could we request that Mr. Rustand come out and see us sometime during the day?

MR. NESSEN: I will put in your request.

Q You said the legal counsel determined there was no legal conflict of interest. Did he determine if there was any potential or actual violation of the White House code of ethics?

MR. NESSEN: I think that is really what I am saying, that the White House code of ethics provision on conflict of interest, first of all, was never put to a real test because the deal was not concluded. But, if the deal had been concluded, the counsel's office concluded there wouldn't have been a violation legally of the code of ethics.

Q Ron, to follow up on that, I believe the Times story said Mr. Rustand did not withdraw until after the Times started making inquiries. Do you know if that is so, or can you check on that?

MR. NESSEN: I suspect that is right, which really goes to the point I said before, that Warren, as I understand his reasoning, withdrew to avoid the appearance of a conflict of interest.

Q Ron, to change the subject, how close is the White House to the point where it will have a reform proposal on food stamps?

MR. NESSEN: I frankly don't know, Howard. I have not heard the matter discussed.

Q There is a meeting today. Is it a meeting to discuss a piece of legislation?

MR. NESSEN: I lost track of that one. I will have to look it up.

Governor Brown sent word to the White House that he had 150 pieces of legislation on his desk to review and sign. Therefore, because of that press of State business, he felt he was too busy on State matters to come to this meeting.

Les?

Q Ron, on another subject, I was wondering if you could give us some guidance as to why it is when the Vice President is touring the South, trying to apparently convince the Southerners that he is very conservative, the President at the same time has indicated he will campaign for the repeal of the Byrd Amendment, which amendment he supported as Congressman?

MR. NESSEN: It sounds like something of a non sequitur to me, but I will try it anyhow.

As I say, I don't quite understand your question, and I would only say that the President has had his position favoring repeal of the Byrd Amendment for some time. I think Jerry terHorst, when he was here -- almost exactly a year ago, as a matter of fact, August 20 and 29 -- spoke out then and relayed the President's views that he, at that time, favored repeal of the Byrd Amendment.

While we are on the subject of politics, I thought I might try to point out something that I am not sure everybody has quite seen. We have had a fair number of questions about it, so maybe I will take this opportunity to answer the specific questions people have put into the office, and everybody in general.

It has to do with the Federal Election Commission's ruling on Senator Bentsen's request for an advisory opinion on his appearance before the New York Chamber of Commerce. Have most of you read the opinion?

Q No.

MR. NESSEN: Then I will read selected highlights.

Q I move the dispensing of the reading. (Laughter)

MR. NESSEN: I think, Saul, it is important I do it because I think the stories were just a shade off track.

Senator Bentsen sent a request into the Federal Election Commission -- or actually his counsel did -- which contained the following language: "Our specific question is whether or not Senator Bentsen may legally receive a reimbursement from the Chamber of Commerce for air fare and other travel expenses under the circumstances noted above," and above he has given details of this and so forth.

That was the specific question.

The specific ruling was -- and this came back from Thomas B. Curtis, dated August 18, 1975 -- "Accordingly, since the requesting party" -- meaning Bentsen -- "is a Presidential candidate, he would be prohibited from accepting corporate funds to pay his travel expenses in connection with the speaking engagement" -- meaning the New York Chamber of Commerce invitation.

That is what the request from his office was, and that is the opinion that came back from the FEC, and that is really what it amounts to.

Q Could you tell us why you are bringing this up today? That opinion was given several days ago. What is the reason for you bringing that up? What relationship does that have to what Bentsen said yesterday about Ford's travel?

MR. NESSEN: The reason I am bringing it up is some things I read suggested it was a general opinion that applied to a general circumstance and to general candidates, and it wasn't. It was a specific ruling on a specific invitation by a specific candidate.

Q This wasn't the opinion Bentsen reported yesterday?

MR. NESSEN: Yes.

Q What is your reason for bringing this up today? Does that have any relationship to what Bentsen said about Ford's travel?

MR. NESSEN: I think so, because he cited another section of the opinion. I don't know how it got generalized, but it was a specific opinion to a specific candidate and about a specific appointment.

If you would let me say just a word about the period we are in and the whole question of travel and just offer you a couple of thoughts, it is this: I don't know how many of you have read the new Federal Election Law. If you haven't, I urge you to do it before we get too deeply into this period.

It is an enormously complicated document. It will be the first election run under this law.

My second point is that there are whole platoons, literally, of lawyers, accountants, other people here at the White House who have spent hours and hours every day -- some of you have had trouble getting me. I have been in those two- and three- and four-hour meetings. The purpose of these meetings is to make sure that the President in his travels in his various capacities totally lives up to the spirit and the letter of the law.

The purpose of these meetings is not to find a way to slip around the law but rather to make absolutely sure that he totally obeys every provision of the law legally and in spirit.

As I say, it is an enormously complicated law, and these are very difficult, complicated, legal and accounting questions. I guess one of the reasons I bring it up today is it is a subject that doesn't lend itself to simplification or generalization.

Q Ron, could I ask you a question on that point? You were quoted yesterday as saying until the first of next year the President will not be traveling around in his capacity as a candidate for nomination as leader of the party.

Are you saying, for instance, that the September 5 appearance in Sacramento, where the President is going to be in Ronald Reagan's own backyard talking to all the problems of business leaders of California, that at that moment the President will not be in any way acting as a candidate for the Republican Presidential nomination?

MR. NESSEN: I am not aware of an appearance before businessmen in Sacramento.

Q If there were such an appearance. (Laughter)

MR. NESSEN: What I am trying to say is people here at the White House, at the President's campaign committee, at the Federal Election Commission, serious people are spending a good deal of their lives in a serious way, trying to understand and live up to this.

As I said before, it is not a subject that can be handled by simplification and generalization.

Q Was that quote correct as reported?

MR. NESSEN: There are no plans for the President to travel in the immediate future or before the end of the year as a candidate for nomination.

The other point that I want to make is that, as you know, some of these very long meetings have to do with drafting a formula that would be sent into the Federal Election Commission, proposing a method for paying for the three types of travel the President does; one, in his official capacity as President; two, in his role as leader of the Republican Party; and three, eventually in his role as candidate for the nomination for President.

You will get that proposal, and we will have people here to explain the reasons behind it and to answer your questions about it.

Q Ron, how can you say he is not going as a candidate, to follow up on Leo's very logical question? Why is it that the President of the United States has to go to Sacramento on September 5? What Presidential function is he going to exercise in speaking in Reagan's back yard? Could you tell us? How could this be construed logically as a Presidential duty and obligation rather than as a candidate?

MR. NESSEN: He is going there to speak to the California legislature in his capacity as President of the United States.

Q Ron, if I could follow that briefly, I think the words in the opinion of the FEC on Bentsen's question would be it might in some way advance his candidacy when he spoke to the Chamber of Commerce.

Isn't there a possibility the President, in speaking in Sacramento, might in some way advance his candidacy?

MR. NESSEN: I am not the best one to answer that question, if it is a legal question--

Q No, it is not.

MR. NESSEN: I want to finish this answer, if I might. If it is a legal question of the President abiding by both the spirit and the letter of the law, the Federal Election Commission will make that determination and notify the White House, and we intend to live up to each and every ruling of that Commission.

What I want to get over more than the fact that we obviously will live up to the letter and spirit of the law is that many people here are spending a good deal of their time figuring out ways to live up to the law and not figuring out ways to sidestep the law.

Q Ron, you left out something important about the Sacramento agenda. It has been announced there by the sponsors that not only will the President speak to the legislature, he will be the main speaker at the Sacramento Host Breakfast, which is the annual meeting of all the major business and finance leaders in the State, many of whom backed Reagan in earlier years.

My question really was that appearance, that activity by the President, how do you square that with your earlier statement that that does not involve promotion of his candidacy for the Republican Presidential nomination?

MR. NESSEN: Leo, maybe you weren't here the other day when we talked about the three roles of the President. I don't think Les was, either. Secondly, I am not aware of that appointment. I have not seen the schedule for Sacramento other than the speech to the legislature.

Q You can't isolate these three things, one, two, three. They are not completely independent. Wouldn't you acknowledge there is some rub-off of his own candidacy every time he makes an appearance?

MR. NESSEN: As I said the other day, the President is not in a unique position, either historically or in a contemporary sense. Incumbent Presidents have run for election before. They don't stop being President when they run for election, nor do they stop having Presidential duties when they run for election.

In a historical sense, Jerry Ford is not the first incumbent President who has run. In a contemporary sense, all the other candidates who hold public office face the same problem.

The Senators and House Members who are seeking nomination have official duties as Senator and House Member, and presumably when they are off on those official duties, their expenses are paid out of the public treasury.

They also have duties as leaders of their party. I assume that State parties and county parties invite them to come in as fund-raising attractions. On those occasions, I assume their expenses are paid by their national committee, State committee or county committee.

They also have a role as a candidate for the nomination.

So, the President and all the other candidates share those three hats. It is not unique to the President.

Q This is the second day that you mention Senate and House Members. The ADA pointed out the other day the incumbent has a \$488,000 running start.

MR. NESSEN: That is Senators and House Members.

Q Ron, is the next briefing a joint briefing by Zarb and the Governors, or just Zarb?

MR. NESSEN: No, it will be a joint briefing.

Q Just to nail this down, are you still saying, then, whatever the President is going to do in Sacramento will not be in his capacity as a candidate for the nomination?

MR. NESSEN: That is right.

Q Ron, would the President, given Bentsen's precedent now, consider taking the initiative and requesting an opinion from the Election Commission?

MR. NESSEN: I would say it differently. I would say when the formula is done, it will be, as I have said all along, sent over to the Election Commission and whatever the findings of that Commission are, the President will abide by them.

Q Ron, I understand from the Republican National Committee that the lawyers are miles away from any agreement on this.

MR. NESSEN: On the formula?

Q Yes.

MR. NESSEN: Where did you hear that?

Q From the Republican National Committee. We have been asking for this, been promised it by you people since Bo Callaway -- right after he was named, I recall right at that particular time. It has been a long time coming, and while it is coming, we could be having violations of this or not. Who is paying for these platoons of lawyers? Where do they come from?

MR. NESSEN: They come from everywhere. They come from the President Ford Committee. They come from the White House and they come from the RNC.

As I say, if you have not read the election law, you should because it will be an eye opener in terms of the complexity of the kinds of problems you have to be sure you are handling in a legal way.

This is well along now.

Q How far along is it? Rather than miles, are we yards or feet away from it? (Laughter)

Q How about how soon?

MR. NESSEN: I hate to commit to a date, but soon.

Q Could you tell us what Presidential duty --

MR. NESSEN: Fran.

Q Have you ever come up with any figures yet of what the Republican National Committee has paid for any of the prior trips?

MR. NESSEN: It is difficult to do, Fran, and everything is in a separate little box.

Q Don't they get the bill? We have had a lot of trips designated as payable by the Republican National Committee.

MR. NESSEN: The fact is they don't, Fran. The airplane bill comes separately, the hotel bills come separately and the automobile rental bills come separately. It doesn't come on a ledger sheet, and you pay the total at the bottom. All the bills come separately.

I am sure the RNC will be happy to sit down with you and go through the bills for any trip.

One of the reasons for raising this today was I wanted to try to get away from the concentration on how much does this thing cost and how much does that thing cost and give you some general thoughts of how the thing is being handled.

Q There was a story today that the Republican Party loses money, in effect, on the President's travels, that it costs more than he brings in. As titular head of the party, does the President think it is a good deal for the party to spend more than it takes in for anyone's travels or operations?

MR. NESSEN: I don't know about the bookkeeping and who loses and who gains on those things.

Q It has an intrinsic value. (Laughter)

MR. NESSEN: He raises money for these State parties when they have a fund-raiser or county party or whoever he is speaking to.

You are saying it cost the RNC more than it gets back?

Q That is what the story said.

MR. NESSEN: You will have to check with the RNC.

Q I have one other to follow up. The part I have trouble with is you are setting out a formula dividing the cost according to whether he is President, titular head of the party, or candidate. That is okay. Isn't it inconsistent then for you to say, however, there are no plans for him to travel as a candidate in the immediate future until the end of this year?

So, you are in effect -- that is catch 22 -- saying for the rest of 1975, which has another five months to go, he will never consider himself to be traveling as a candidate.

MR. NESSEN: Let me answer your question, but first of all, let me re-emphasize, Ted, that the President and those platoons I am talking about are doing everything they can do to make sure that the President lives up to the spirit and letter of the law.

I mean, if we start off with that instead of starting off with the assumption that the President and the White House are going out of their way to find every loophole they can to cheat, it is not that at all. They are going out of their way to make sure that they obey the law.

Let me start there and then answer your specific question. I think we have been around it several times.

The fact is the President has a role as head of his party and he is fulfilling that role. He raises money for the party. He gives pep talks to the party and so forth. I have sat in on most of those, and I have not heard him advocate his own candidacy.

Whenever we get started on the period where he will advocate his own candidacy, you will know the difference, I feel.

Q Can you differentiate between his Presidential role and when he is advocating his own candidacy?

MR. NESSEN: There are several things. Actually, to try to differentiate his role as candidate for nomination and his role as head of the party is quite easy.

Q When he appears in Dallas later in September at the National Federation of Republican Women, how in the world do you decide that that is strictly a party function and not at all a Presidential contender's function when he is an announced candidate for the Presidency?

MR. NESSEN: I think your question is somewhat like Leo's question, and really I think it is a philosophical problem that we will probably never be able to resolve. Let me try one more time, and then I want to tell you something else here.

There are three distinct roles, and the President has them, and every candidate who is also a public official has them. The President goes out and on occasion raises money for the Republican Party -- national, State, county, whatever the level. None of it goes into the President Ford campaign. It goes into the Republican Party bank account, wherever it is.

It is clear that if somebody is going to give a fund-raiser, they say, "Let's raise money for President Ford's campaign," and he goes and speaks at that, that is clearly the role of a candidate for the nomination.

If he goes out, or if any other Republican goes out -- Goldwater does a lot of it, all the Senators do and all the Republican officials -- and is invited by any unit of the Republican Party to come to their fund-raiser, raise money for the party, they are there -- the President and the other Republicans and Democrats on their side -- are there as Republicans. Then he has a role as President, and he will have a role as candidate.

As I told Ted, when he starts traveling as a candidate, you will be able to clearly see he is out there drumming up votes for himself.

The only other point I would make is that we are living under a new law -- and a complicated law. We are living under a heightened requirement that public officials show a high level of morality, and I think that may be responsible for some of your questions, plus the fact I think people who have not been in Washington or at the White House during an election year, all this may seem new and strange, but this is the way it is every four years.

For those of you who are interested, at 12:20 this afternoon the bill to extend the oil price controls-- namely, Senate Bill 1849--arrived at the White House.

Q Who received it?

MR. NESSEN: It goes into the Records Office.

Q That point of the bill, you mentioned earlier that the White House has been impatient because it has been months, but on the Hill the feeling is the opposite, that their process can't be hurried. If Mansfield counters with a three- or four-month extension suggestion, would that be ruled out or is that possibly within the cards?

MR. NESSEN: Leo, I don't think I can take this much further. I say the door is open to Congressional views, but there is at the moment no compromise in the works that anybody here knows about.

Dick?

Q Before this briefing breaks up, have you got any response today to the Church Committee and specifically the Senator's comments?

MR. NESSEN: Do you mean a response to the committee or a response to you?

Q Let's say a response to the Senator's comments about the White House being reluctant to turn over these --

MR. NESSEN: I would just as soon, rather than appear to be responding to Senator Church, which is really the duty of the legal counsel's office, like to make a couple of points, which maybe have not been made before.

Number one, all the material that relates to the matter they are investigating, which is the death of General Schneider in Chile, falls into two categories. One is material that may be in the Nixon papers, which are covered by court order. You know the status of that.

We have asked the court to tell us what we can or cannot do about that, so let's leave all that aside and talk about the other papers which may relate to the Schneider episode, which are in other agency files and are not covered by the court order on the Nixon papers.

The White House has given the Church Committee every document we can find that is not tied up in the court case, given them every document we can find that relates to the death of General Schneider.

In addition, Director Colby, Ambassador Helms, Secretary Kissinger and a number of others, totaling about ten, have gone to testify before the Church Committee on this matter. Not only that, but beyond even those two elements, the White House has turned over to the Church Committee papers -- again not those involved in the court case, but other papers -- relating to other matters concerning Chile not involving the Schneider death.

That is where it stands.

Q Ron, when do you intend to veto -- not you but the President -- intend to veto the decontrol bill?

MR. NESSEN: A date has not been set yet but I would not look for it before Labor Day. I would look for it after Labor Day.

Q Did you say the door is open or is not open?

MR. NESSEN: The door is open to hear the views of congressional leaders but there is no compromise in the works that I know of.

Q Ron, I would like to go back to the Rustand matter for one question, if I may.

MR. NESSEN: Okay.

Q The bill expires the 31st, Ron.

MR. NESSEN: I know.

Q Well, if decontrol is off the 31st --

MR. NESSEN: It is not really a pertinent point because the controls will die one way or the other.

Q How can you extend something that doesn't exist?

Q That is what I say, why do you wait to sign a veto message?

MR. NESSEN: It won't make any difference because, if he vetoes it, they die anyhow.

Q Why would he veto a message after it has expired?

MR. NESSEN: I have to look at the wording of the actual bill, what the bill does is actually revive the controls after they may have died for four or five days, whatever it takes.

Q Ron, you made a reference to Presidential duties --

MR. NESSEN: You know, if you want to, we can take a break and you can file while we are waiting for the natural gas people or whatever you prefer.

Q Ron, you said Mr. Rustand's duties at the White House did not place him in a position to benefit his business partners. My question is, what are his duties at the White House?

MR. NESSEN: He works in the scheduling office.

Q He works in the scheduling office, is he director of the scheduling office?

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

Q Does he arrange meetings with the President for people?

MR. NESSEN: That is his area, yes.

Q Did he arrange the meeting between the President and two of his business partners?

MR. NESSEN: Was that the meeting of June 6?

Q Yes. (Laughter)

MR. NESSEN: Sarah, why are you chuckling before you hear the answer?

Q I have heard the answer. I heard what happened. The question has the answer in it.

MR. NESSEN: The meeting with VanAndel and DeVos was on June 6. Warren asked for the advisory opinion of the legal counsel's office on June 11. The loan was made contingently on June 24, I believe. That is the sort of general timing.

I think the important thing is that on May 14, when a proposal for the President to sign a Declaration of Independence as a Bicentennial event for Mr. VanAndel and Mr. DeVos was first considered, Warren -- as is normal with schedule proposals, of which there are literally hundreds a day -- recommended against the President seeing Mr. VanAndel and Mr. DeVos.

Q On what grounds?

MR. NESSEN: Various grounds, mostly that it was one of several hundred requests for time and he just thought the President had other priority meetings he ought to attend that day.

Q Prior to June 6 had he informed Don Rumsfeld that the two people that this meeting was being arranged for were potential or actual business partners of his?

MR. NESSEN: My understanding from Warren is that, when he first talked to Mr. Sampson about this company they were going to set up, he had no knowledge of who was going to provide the financing for it, that in fact he had been sort of verbally led to believe they would probably get their financing from a bank and it wasn't until sometime after his recommendation against the President seeing these two men, the advisory opinion, and so forth and so on, it was sometime after that that the financing was arranged by Sampson and it turned out to be VanAndel and DeVos.

Q Was that recommendation overruled by somebody, Ron, or was it changed?

MR. NESSEN: No, the recommendation was never changed but it obviously was overruled.

Q By whom?

MR. NESSEN: By the President.

Q At the June 6 meeting, did they discuss other things than just this Bicentennial?

MR. NESSEN: I have talked to someone who attended the meeting and there were -- well, to be perfectly frank, there was some local Michigan politics discussed. But the FTC case never came up in the conversation according to a witness.

Q Who was in there?

MR. NESSEN: One of the staff people here.

Q One question, going back to Leo's question --

Q Wait a minute, before going back to Leo's question, Mr. Rustand and Mr. Nicholson were both listed as stockholders in this Sampson corporation.

MR. NESSEN: Correct.

Q Mr. Nicholson said he never bought any stock.

MR. NESSEN: Mr. Nicholson tells me his plan was to buy some of Warren's stock, to buy it indirectly.

Q Did Mr. Rustand actually buy stock?

MR. NESSEN: That is my understanding, yes.

Q Was it given to him by Sampson?

MR. NESSEN: Pat, again I think I ought to stop at some point in outlining a business venture that I don't know anything about really and don't have much interest in.

Q Could I just pin down, you ruled out on this under your three broad categories of the President's election campaign status, category number 3 for the Sacramento trip, as well as for anything else this year. Which of the two remaining categories would --

MR. NESSEN: Presidential or Republican Party leader?

Q Yes.

MR. NESSEN: I have not looked at the schedule and I don't know whether there are any Republican events on that trip so I can't really give you an answer. Hypothetically, if there are Republican events on the trip and the formula has not been submitted to the FEC, then the Republican National Committee would follow the practice it has, which is to not quibble but to pay for the whole trip even though it does have Presidential events on it. I don't know whether the trip has any Republican events on it.

Q If not, it will be number 1.

MR. NESSEN: Yes.

Q Ron, you spoke of Presidential duties. Is it construed as a Presidential duty the addressing of a State Legislature as well as businessmen's breakfast? I mean where is that considered a Presidential duty? Could you explain? This is not a rhetorical question, I am just wondering.

MR. NESSEN: I take it as a yes or no question, the answer is yes.

Q How is this considered to be part of the President's official duties to address State Legislatures?

MR. NESSEN: The President believes among his various duties one of his duties is to get out and around the country and hear people's views and complaints and questions, which he has been doing at White House Conferences and so forth.

THE PRESS: Thank you.

END

(AT 12:35 P.M. EDT)