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AT THE WHITE HOUSE

WITH RON NESSEN

AT 11:57 A.M. EDT

JULY 28, 1976

WEDNESDAY

MR. NESSEN: We are happy to have as guests in our briefing today the 1975-1976 White House Fellows. Just by way of background, this is the 11th class of White House Fellows, young men and women who are selected from more than 2,300 applicants.

They began their fellowship here in Washington on September 1, 1975, and they will be winding up their year as Fellows in a little more than a month, at the end of August.

Q Does that mean we are only supposed to ask polite questions today?

MR. NESSEN: No, just be your usual selves.

At 4 o'clock this afternoon, we will distribute a joint statement on the meetings between the President and the Prime Minister of Australia. It will be embargoed for publication or broadcast after 5:00 p.m.

Q Will it be more newsworthy than the thing you put out yesterday?

MR. NESSEN: As you know, the Prime Minister had other talks today with Secretary Kissinger and Secretary Rumsfeld and so forth, so the statement will encompass his entire visit.

Q Did you put out an answer yesterday to the Australian question?

MR. NESSEN: I did. It was posted at 3:00, as promised.

Let me make one addition to the President's schedule for the week. Tomorrow evening, the President will go over to the Mayflower Hotel to speak to the First Annual Banquet of the Republican National Hispanic Assembly. That will be in the Ballroom at the Mayflower.

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This is the first anniversary of the establishment of the Hispanic Assembly, and the purpose of it will be to salute Hispanic-Americans who are executives in the Ford Administration. Altogether, there will be about 700 people attending, representing the various State Republican National Hispanic Assembly organizations from around the country.

The President will leave the White House about ten of nine. There will be a travel pool to go along, and he will speak at about 9:00. Obviously, there is full press coverage of that.

If there is going to be an advance text -- and I am not sure there will be -- we will try and get it out tomorrow afternoon and we will embargo it for just a flat A.M. release, if you would like. This is tomorrow night we are talking about, so we would put it out tomorrow afternoon, if we get it out in time, embargoed for 6:00 p.m. tomorrow night.

As I said, the President will leave the White House about ten minutes of nine, go straight to the hotel, speak, and return to the White House at approximately 9:25 or 9:30, with the travel pool going along.

Q Is it a major speech?

MR. NESSEN: I have not seen the draft of the remarks yet, so I can't characterize it.

Q It is just remarks?

MR. NESSEN: It is about a 10-minute speech.

Q About how many people are being honored?

MR. NESSEN: Do you mean how many Hispanic-Americans are in the Ford Administration? About 60 at top-level positions.

Q Are you through with your announcements?

MR. NESSEN: Yes, I am.

Q I fear -- probably inadvertently -- the question, as the White House relayed it, is not the question I asked. I am sure that was not deliberate, but I fear that gave you a chance to wiggle out and deny something that I was not asking.

MR. NESSEN: Sort of a **strawman** effect.

Q That has never been done before. (Laughter)

I did not say that Fraser had proposed an informal pact between these four nations. I referred to Fraser's proposal, or suggestion, that there be closer cooperation between the United States, Australia, Japan and China in the face of Russian expansionism in Asia and you are talking about some kind of pact which I did not mention at all.

Now, my question, again, is, what is the U.S. policy, not on any pact, but just on his suggestion of closer relations? Secondly, did this suggestion come up in their discussions yesterday?

MR. NESSEN: You will have a joint statement in a couple of hours, Jim, and I think you ought to wait for that and see what the outcome of their meeting was.

Q How about the answer to my first question? What is the U.S. policy on it? That was the original question.

MR. NESSEN: If I understand the genesis of your question, even though it is unstated, there was, I believe, a document that was leaked or somehow became public knowledge, which purported to be a memorandum of a conversation that the Prime Minister had during a visit to the People's Republic.

I think that the Prime Minister, himself, has commented on that document and its authenticity and its interpretation. Since I think the question is based on that document, I think I would rather not take the question from that premise.

Q I am familiar with what you are talking about as far as the China trip is concerned, but I was under the impression that Fraser has publicly, in Australia, made suggestions -- nothing very firm, nothing in the way of treaty or anything like that -- for greater cooperation between those four nations.

If I am wrong on that, I withdraw the question, but that is my impression. What I would like to know is, what the U.S. response to that is, what the policy is?

MR. NESSEN: I think I would rather not try to deal with a broad, general question like that at this time with a statement coming out this afternoon.

Q Do you know whether this subject was discussed between the President and the Prime Minister?

MR. NESSEN: I don't know whether that has been specifically discussed. Australia's role in the world and in the Pacific and in Asia and the United States' relationship with Australia and with Asia was discussed, but I don't know whether that specific point was discussed.

I would rather doubt it because Fraser has said that that leaked document does not accurately reflect his views on that area.

Q Was the question of Soviet expansion or Soviet policy in Asia discussed?

MR. NESSEN: I am not going to be able to discuss in detail their meetings until the joint statement comes out, Jim. I think the Prime Minister's views on that question are well known because he states them publicly.

Q I am going on now to a related subject of whether or not they discussed Soviet policy or Soviet actions in Asia.

MR. NESSEN: As I say, I am not going to be able to go into detail of the discussions until the joint statement comes out.

Q Often, those joint communiques don't tell us everything they discussed, or sometimes they tell us what they discussed but don't tell us what they said. I am not asking what they said. I am just asking whether that particular item was on the agenda?

MR. NESSEN: I am not going to be able to go into a piecemeal explanation of the talks until the joint statement comes out.

Q Since Secretary Richardson has just described the Reagan selection of Senator Schweiker in terms of what he described as "the cynicism of this deal" -- and that is a quote -- I was wondering, does the President agree with this assessment and does the President feel that Governor Connally's 11th hour endorsement of him will be very widely regarded as devoid of cynicism?

MR. NESSEN: On point number one, I don't feel that the President needs to comment upon or approve or disapprove each and every statement of a member of his Cabinet. We have said that a lot of times before.

On the question of Governor Connally's endorsement yesterday, I think the President, himself, indicated his pleasure at the time of the announcement.

Q To repeat the question you did not answer, does he feel this 11th hour endorsement, which did not come when he really needed Conally in the Texas primary, will be widely regarded as devoid of cynicism?

MR. NESSEN: How it is widely regarded, I think, will probably unfold in the course of the next few days, and I don't know that the President has a position on how, or a prediction, actually -- I think you are asking for a prediction, Les -- and I don't really think the President properly is in the business of predicting what will be -- what was your expression?

Q Widely regarded.

MR. NESSEN: -- widely regarded. I don't think the President is the proper person to predict what the wide regard will be for an activity that Governor Connally announced yesterday.

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Q I think that is a very polite answer. I am sure it is a difficult question, but I just wonder, you know, since one of his Cabinet people accuses Reagan of cynicism, that is why I asked, but thanks.

Q Ron, could you tell us whether the President's list of potential Vice Presidential candidates indeed is extensive and growing? That is a quote from Congressman Rhodes.

MR. NESSEN: It certainly is extensive.

Q Could you tell us about the process, Ron, that he is going through?

MR. NESSEN: The process has begun, as I think the President himself indicated several times over the past couple of days, and the process at this point is to consult with Members of Congress, as he did this morning, and delegates to the convention, as he has done, and really to solicit their views, and that is the point in the process right now, to solicit their views.

Q Do you expect him to make an announcement before the convention?

MR. NESSEN: I just don't have any change to announce today in what the President has said, which is that he will make his recommendation at an appropriate time.

Q Is he going to have an FBI check on all these names and what is the criteria?

MR. NESSEN: It is what the President has said it is on many occasions, Helen.

Q You were going to check on that. How about compatibility, ideologically?

MR. NESSEN: I think the President said the first criteria is a person who is qualified to assume the Presidency should the need arise. That is the first qualification for anyone to be considered.

Q What Members of Congress did he consult with this morning, Ron?

MR. NESSEN: Senator Scott and Congressman Rhodes.

Q Were there some others earlier this morning?

MR. NESSEN: There were some other Members in earlier this morning.

Q Are they also delegates?

MR. NESSEN: I think they are also delegates. I don't know what their status is.

Q Did he ask them about the Vice Presidency, what their advice was?

MR. NESSEN: I think they also probably offered their advice on this question.

Q Who were they?

MR. NESSEN: They are Congressman Treen and Congressman Armstrong.

Q Armstrong of Colorado?

MR. NESSEN: Yes, and Treen of Louisiana.

Q Ron, Treen and Armstrong are both uncommitted delegates in the convention. Did they tell the President they would support him now?

MR. NESSEN: I don't know. They were private meetings, and I did not attend.

Q Did they ask about any projects in their States?

MR. NESSEN: As I said, Jim, they were private meetings and I did not attend.

Q Ron, you say the President has been asking delegates for their views. Are you telling us that is one of the purposes for him inviting delegations to the White House?

MR. NESSEN: I don't know that I would say it is one of the purposes. It is what happened at some of these meetings.

Q Were you saying that Treen and Armstrong brought up the potential Vice Presidents?

MR. NESSEN: Again, I did not attend the meetings and they were private, so I don't know all that was discussed. But, I believe they also offered some ideas as part of this consulting process that is going on.

Q Did the President ask Congressman Treen and Congressman Armstrong to come in or did they ask for the appointment, Ron?

MR. NESSEN: I don't know what the genesis of that appointment was, Dick.

Q The Scott and the Rhodes appointment -- when did they ask to come in?

MR. NESSEN: The primary purpose of that was Senator Scott asked for an opportunity, as I said yesterday, I think at the briefing -- I think I did -- I said that Scott had asked for an opportunity to come in and report on his recent trip to China, which was the main purpose of the meeting, and to talk about other matters.

Q The matters which they were discussing outside were --

MR. NESSEN: Didn't you ask about his China trip?

Q Somebody else did.

Q When did Senator Scott request the appointment?

MR. NESSEN: I don't know.

Q Back to Helen's question on the criteria. You started to answer and you said the first is that he be qualified to assume the Presidency. Left unanswered is the question from the other day about whether or not ideological compatibility is one of the criteria and, if so, how high?

MR. NESSEN: I don't have an answer for that today, Ted. I will attempt to get one.

Q Do you have any other criteria.

MR. NESSEN: Some of the things the President has listed before. None of this is very new. He has talked about the process before. He has talked about who would be coming in to make suggestions and to discuss it, so none of this is very new, nor is the list of criteria, which I will look up for you.

Q Ron, one, will there be an FBI check and, two, is he going to meet with the potential Vice Presidential candidates here?

MR. NESSEN: At this point I can't give you an answer to either number one or number two.

Q Will you let us know when it does again and when he begins to screen these people?

MR. NESSEN: Yes.



Q How does he know who can be a President?  
On what will he base that?

MR. NESSEN: Again, Helen, all these questions have been answered by the President, it seems to me. Every one of these has. He was asked the other day, "Are you going to meet with all these people," and he said, "I know so many of these people from being in Washington for 25 years."

Q You don't know a lot about people, even though you know them.

MR. NESSEN: That is a little thought for the day. (Laughter)

Q Ron, can you give us a rundown of or details of the conversation with Governor Connally?

MR. NESSEN: I think all of you pretty much have recreated that meeting. You know that request came up on Monday evening to Dick Cheney from Connally folks for an opportunity to meet with the President. The meeting was scheduled. It was a private meeting. They were there together, alone, for somewhere between 30 and 45 minutes, and then asked Dick Cheney and I to come in, and we did, and they said, "We have some news to announce," and we talked about where all the reporters were located at that moment, and that is all I know about the meeting since it was a private meeting other than the questions they answered outside about the meeting.

Q Were you so anxious about what he was going to say that you didn't want to put it on the public schedule?

MR. NESSEN: It was not arranged until long after the --

Q Monday night.

MR. NESSEN: No, it was not arranged Monday night. It was arranged yesterday after the schedule had come out.

Q You post things all the time.

Q Why didn't you put an announcement on the wires when the meeting started? After all, it was an important meeting. Why did you not put a note on the wires that Governor Connally was meeting with the President. Most of us would have been here. Few of us, as a result, were because we didn't know the meeting was happening.

MR. NESSEN: Nobody knew what the subject of the meeting was or whether it would have any outcome or not.

Q It was Connally. You know you can't --

MR. NESSEN: I think, Aldo, each time Governor Connally has come in and I have been asked about the meeting I have indicated to you that he and the President are old friends and he really has more or less of an open invitation and he does drop in almost every time he is in Washington.

Q Did the meeting go on for a while after you and Cheney were called in? I am not trying to say you are concealing anything. I am just wondering if there might not have been time for you to get some word out on the city wires so people could have gotten over here. There is usually a certain amount of hand shaking and milling around and so forth during which time people who might have wanted to cover a major news story at the White House could have gotten over.

MR. NESSEN: It was long after the lunch lid was over and I believe Governor Connally had some other appointments or else had an airplane to catch, one or the other, and did see some reporters out here in the driveway, so it was decided since there seemed to be a good number of reporters there that they would go out and do that. There did not seem to be time to make a call-out.

Q You made sure the three nets were there, I bet. If one of the nets hadn't been there, might there have been a call-out?

MR. NESSEN: I think the three networks cover the White House up to the lunch break and then take the lunch break and then come back and cover the rest of the day, which was the case.

Q Ron, Senator Scott said Connally definitely was on the President's list of possible running mates, as we all would expect. Is the President at all fearful that Mr. Connally's involvement in Watergate might hurt the President himself in November?

MR. NESSEN: I don't know what involvement it is you are talking about, but I am not going to speculate on any particular names or people at this stage of the process.

Q Ron, you said the Connally folks called here Monday night.

MR. NESSEN: Mrs. Connally called.

Q Is that not unusual for Mrs. Connally to call?

MR. NESSEN: The Governor called and was not able to get the call through because Dick Cheney could not take the call at that time. He apparently was on an airplane and asked his wife to call back after Dick was free to take the call.

Q And she talked to Cheney? She did not talk to anyone else?

MR. NESSEN: That is correct.

Q Ron, the Washington Post quoted Mr. Reed from the Mississippi delegation today as saying the President gave Reed assurances that he would "choose someone who is compatible personally and philosophically with him." Do you feel that that is an indication he would choose somebody that is close?

MR. NESSEN: That is a question that was raised yesterday, and I promised I would look into it, and I will.

Q Is Reed accurate? Is that correct? Did the President give that assurance?

MR. NESSEN: I would have no way of knowing what transpired in a private conversation between Clark Reed and the President.

Q Can we get something more definitive on how the President is going to screen possible candidates? We have something very ephemeral here. The opposition did give some sort of clues as to what was asked of potential Vice Presidential running mates, and so forth.

MR. NESSEN: I don't know what you mean by --

Q This is very nebulous.

MR. NESSEN: I don't know what you mean by "nebulous". The President, as I said, has been asked probably 50 questions about this, including all the questions asked here today, so I am not breaking any new ground here today. The process is as he has described it certainly over the past week to ten days, which is step number one -- which is underway now -- consult with Members of Congress, leaders of the Republican Party and delegates to the Convention, and that is where it stands.

Q Is the President still considering, or is he considering possibly announcing a running mate prior to the Convention?

MR. NESSEN: As I said the 14 other times the question was asked, the President says he will recommend his selection to the Convention at an appropriate time.

Q He has not ruled out, though, prior to the Convention?

MR. NESSEN: He will make it known at the appropriate time.

Q Ron, Mr. Rhodes, out here, said there are about a dozen names on the President's Vice Presidential list. As far as you know, is that a reasonable ballpark number?

MR. NESSEN: I think I won't speculate on numbers or names for awhile.

Q Ron, Senator Scott, of Virginia, has called on his fellow Reagan supporters to support Reagan and dump Schweiker and I am wondering if the President is aware of this rather unusual proposal and what is his reaction to such proposal as it might electrify the process of choosing a Vice Presidential candidate -- even one after his own nomination -- if the conservatives get together and bring about the victory of someone who is much more conservative than Mr. Ford is looking for. I was wondering, is the President aware of this and what is his reaction?

MR. NESSEN: I guess, if it was in the newspapers, he is aware of it because he reads the papers a lot, but I don't have any reaction for you.

Q He did not say anything?

MR. NESSEN: Not in my hearing, he did not.

Q President Ford told us last night he called Clarke Reed yesterday. Is that correct, or did Clarke Reed call him and do you know whether they talked this morning?

MR. NESSEN: They talked on the phone yesterday. I don't know who called whom.

Q Do you know what the content of that was?

MR. NESSEN: If I did, I wouldn't tell you.

Q Why not?

MR. NESSEN: Because it was a private phone conversation, you know.

Q Is all this whole political process private?

MR. NESSEN: A good deal of the meetings the President has and phone calls he has are private.

Q Ron, on this question or discussion about a list of 12 -- or how many ever -- names, is there in fact a list of names being kept by someone and do other people in the White House have access to it or are we talking about something that only exists in the President's head?

MR. NESSEN: That is correct.

Q The latter?

MR. NESSEN: The latter, yes.

Q Do you know if there are women included on that list or Blacks?

MR. NESSEN: I am just not going to speculate on the names, numbers, sex or race of the potential candidates.

Q But to clarify it, Ron, it is only in the President's head, that is all. It is only in the President's head, in answer to Bob's question?

MR. NESSEN: I thought I said yes to Bob's question.

Q Ron, you gave us step number one of the Presidential selection process. What is step number two?

MR. NESSEN: When we get there, I will tell you that we started step number two and I will spell it out to you.

Q Is step number two a state secret? What are talking about here? Why can't you tell us?

MR. NESSEN: We will get there. I will tell you about it.

Q What degree of coyness do you intend to reach before you give up this game? Why can't you tell us what the next stage in the selection process is?

MR. NESSEN: Jim, when we get there, we will certainly tell you about it.

Q What did the President think was the political impact of Reagan's announcement of Schweiker?

MR. NESSEN: Did you miss yesterday's briefing, John? If you did, you know that --

Q You didn't tell us at yesterday's briefing.

Q We didn't know perfect attendance was required.

MR. NESSEN: It is not required. I just thought I would save some time if John had been here yesterday. Rog Morton had a news conference at which he discussed the matter. Other than that, we don't really have anything to say.

Q But there have been some developments within the last 24 hours. We have new ClarkeReed quotes, for example. I wondered if the President did not discuss it this morning.

MR. NESSEN: No, I just don't have anything new to report, John.

Q Did the President see Rogers Morton this morning?

MR. NESSEN: Rog was here. I am sure he saw him.

Q How about Jim Baker?

MR. NESSEN: Jim Baker I did not see here this morning.

Q Ron, did the President tell the members of the Maryland delegation that he would veto a commuter tax bill?

MR. NESSEN: I think what he indicated was that if any such bill ever got to his desk, he would not look upon it with very much favor, but I don't think he flatly said he would veto it because I think he would want to see in what form the legislation came to him. It is not a concept that he is very much in favor of.

Q Ron, is Mr. Tucker correct, then, in saying he is confident the President will give it full consideration?

MR. NESSEN: I don't know what there is to consider at the moment, since there is no legislation here, but obviously, every bill that comes here from Congress is reviewed by the President before he determines whether to sign it or not. Since there is no bill here, I can only talk about the concept. I can't talk about a bill. He is not very much in favor of the concept reflected by what is called a commuter tax.

Q Ron, can you give us the agenda on the Economic Policy Board meeting this morning and also, do you have John Carlson or somebody in there?

MR. NESSEN: John is in there. There are two items primarily on the agenda. One was simply a current review of the economic situation, where the economy stands, a review of that, and secondly, a review and discussion of various tax proposals that are being considered by Congress, or not being considered by Congress.

Q Ron, are there any plans for any of the President's economic advisers to go to the Convention either early or during the opening week to work with delegates on communicating the President's position on the economy? This was done by Herb Stein and others at the CEA in the last Republican Convention.

MR. NESSEN: I am not aware of any plans. I know the Democratic Platform Committee talked about inviting Administration officials as witnesses at their hearings. I guess the Republican Platform Committee is, too, but I don't know what the decision is.

Q I am not talking about witnesses at hearings. I am talking about working delegate groups.

MR. NESSEN: I see. I don't know what the plans are for that.

Q Ron, while the President is dealing with and bargaining with and discussing with various delegates and political figures the nomination process, why can't he do that in the open?

MR. NESSEN: I think he is doing it quite a bit in the open. We talk about it here for an hour a day.

Q He has those in private, though, with all due respect, and they are closed to the press. He has a political figure like John Connally in and it is closed to the press and to his own aides. He talks with Clarke Reed, who is a major power in Mississippi, on the telephone, and you say you would not tell us if you knew what was included in that conversation.

MR. NESSEN: Would Ronald Reagan or Jimmy Carter or Richard Schweiker?

Q I am asking about Gerald Ford and your policy as far as an open Administration is concerned. I would like to know why he can't conduct his political business in the open?

MR. NESSEN: Tom, you know as well as I do that the President has meetings and phone calls and letters and telegrams and so forth, on a wide range of issues that are private, just as things in your life are private.

Certainly, other candidates for the Presidency don't put their phone calls on a loudspeaker, that I know of. I don't know of any place where you go and you get a transcript or listen in on Jimmy Carter's phone calls or Ronald Reagan's phone calls.

Q Are you saying you would like to emulate their handling of -- (Laughter)

Q We don't know why it has to be a secret when Congressmen are coming in to discuss -- we are not talking about the specifics or details.

MR. NESSEN: I thought there was an interview with Senator Scott on the sidewalk.

Q There was because we happened to find out he was here. We did not know about the other two this morning. You have kept it secret, and if you are deliberately not trying to find out anything so you won't have to stand up here and tell us nothing every day, that is what is happening. There is no reason why we should not know what the process is now of how a Vice President is going to be selected.

MR. NESSEN: I told you that the process is now in step one.

Q What is step two, three, four?



MR. NESSEN: As the Wall Street Journal said only the other day -- it is interesting what they do have to say about the process of talking to delegates and how that is a very fine example of the fact that this is our system of talking to delegates, in person and on the phone, and it demonstrates that we don't have any kind of imperial style government, but rather, one that requires the President to sit down and talk to people from Pennsylvania or the Virgin Islands or New Jersey or New York and so forth, and convince them that he is the best person for the job and that his record deserves re-nomination and re-election.

Q How much time is he spending on this lobbying?

MR. NESSEN: I think the process is a great process. It is our system of government.

Q Nobody is disputing the process. We just want to know what it is.

MR. NESSEN: And we talk about it for an hour --

Q In all respect, can we ask when people are brought in to meet with the President, people like the leaders of Congress and Members of Congress and the former Secretary of the Treasury, that we be advised of it? It seems to me the President, his time in this process is important and we have every right to know who he is meeting with and when he is meeting with them.

MR. NESSEN: I think most of that is announced either ahead of time or after the meetings, Bob.

Q We don't mean after the meetings. We would like to know about it beforehand.

MR. NESSEN: We often do.

Q There is one stage of the process which I would like you to take a specific question on; that is, the matter of whether he is going to use the FBI to screen the ethical conduct during the business involvements of potential Vice Presidential candidates and if he is not, what process of screening he is going to use?

After Jimmy Carter was through choosing his Vice Presidential candidate, there was a rather complete run-down, complete with a questionnaire, that Charles Kirbo was distributing around among those candidates and what he was doing became known while he was doing it. I wish you would take that question and see if --

MR. NESSEN: I think that was part one of Helen's question. I said at that time I didn't know the answer to it but that I would endeavor to find out.

Q Speaking of process, what time is get-away time for Mississippi on Friday?

MR. NESSEN: I don't have yet a time of when we will be leaving.

Q Do you know, morning or afternoon?

MR. NESSEN: Morning, but not too early.

Q Returning?

MR. NESSEN: Mid-evening, roughly.

Q Secretary of State Kissinger was in here this morning about the same time that Hugh Scott was in here. Was he attending this thing on China?

MR. NESSEN: We will find out.

Q Did Richardson attend?

MR. NESSEN: Secretary Richardson is attending the Economic Policy Board meeting.

Q The point is, did Senator Scott talk to Chinese leaders and did he bring any word of this to the President and the Secretary?

MR. NESSEN: I will find out how much detail we can give on his trip.

Q Any message from the Chinese?

MR. NESSEN: You had him right out there on the sidewalk. You could have asked him all these questions. I will check, Dick, to find out how much detail we can give out on his report on China.

Q Ron, has the White House been visited, or have you or anyone in your office, been contacted in any way by Jody Powell?

MR. NESSEN: Not to my knowledge, no.

Q Ron, the National Urban League is an organization that seldom, if ever, addresses foreign policy concerns. I would like to know why, then, was that group's national convention chosen for the Secretary of State to make a major foreign policy statement on Africa?

MR. NESSEN: I suggest you ask the Secretary. He accepted the invitation and whether he chose the speech topic himself or they requested it, I don't know. I assume that some of the members of that organization have an interest in Africa and American policy toward Africa. I would think that, but that is just a guess. You would have to ask the Secretary.

Q Ron, does the President know what step two of the selection process is going to be or is he just making this up as he goes along?

MR. NESSEN: No, he is not. He knows what step two is.

The Secretary and General Scowcroft did sit in and listen to Senator Scott's report to the President on his trip to China.

Q Ron, does the President have any meetings scheduled this afternoon?

MR. NESSEN: Do you mean with outside people?

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Q Well, yes, drop by. I don't mean like Dick Cheney.

MR. NESSEN: As far as I know, other than possibly seeing the staff on some matters, I don't know of any outsiders who are coming in.

Q Ron, did you get any kind of forewarning of what Reed is saying today in Mississippi?

MR. NESSEN: I don't know what Reed is saying in Mississippi.

Q I don't, either, but was he called and informed beforehand?

MR. NESSEN: Not to my knowledge.

Q Ron, is that the limit of what you can tell us about what Hugh Scott reported on China?

MR. NESSEN: No, but we will check and see if there are any other details that we should put out. Probably Hugh Scott might be the good one to ask.

Q Ron, does the President plan to call in any possible running mates, as did Carter?

MR. NESSEN: As I told Helen when she asked that, I don't know the answer to that question. If it is any different from the answer the President gave last week when he was asked the question, and he said --

Q I didn't hear.

MR. NESSEN: I can get you the transcript, but basically it was he knows many of the people who would be logical for consideration because he has been in Washington for a while and has worked with them in whatever branch of the Government they have served.

Q In other words, he does not feel it would be necessary --

Q Is that adequate?

MR. NESSEN: At the moment that is the position and that is what the President said last week when he was asked that.

Q But interpreting what the President said -- I am trying to understand a little better -- in other words he does not feel it is necessary to call in those people and discuss it with them?

MR. NESSEN: I think he is talking about those people who he has known over the years in Washington.

Q Such as Mr. Connally and people like that?

MR. NESSEN: I said I was not going to speculate on any names.

Q Ron, there is a story in the New York Times this morning by Phil Shabecoff which deals with some complaints by White House aides that certain favorable economic news is being announced by officials associated with this Administration who deal with economic news, certain foreign policy initiatives are being announced by Dr. Kissinger, and in fact the President is suffering politically because he is not pictured as being in the center of his own Administration.

How deep, how extensive is that feeling in here, and what is the process that you, in your capacity as information coordinator for the White House, are undergoing to alter the public perception of the President in those respects?

MR. NESSEN: I think your first question is, is that kind of criticism reported by Phil widespread. To my knowledge it is not. Secondly, do I intend in any way to try to reverse that reported method of announcing information.

I think you know from the very beginning -- and to the frustration of some of you here -- the President has indicated that unlike some of his predecessors he wants his Cabinet members and other officials of his Administration to assume a large share of the responsibility in their areas. That means not only a responsibility of making some of the decisions but the responsibility for making the announcements.

You have asked me so many times here about a program or a policy or a decision that relates to some other department and agency, and I have suggested you call the Press Secretary for that agency or department and you have gotten quite angry because it has not been done that way in previous Administrations always, but that was a policy that the President determined early on in his Administration, to increase the responsibility of his Cabinet members and other officials of his Administration and flowing from that basic policy decision has been the press policy that goes with it, which is that agencies and departments ought to take more responsibility on themselves.

But, the fact of the matter is -- just to tie it up -- it is his Administration. These people all work for him. Most were chosen by him or else he chose to keep those who were already in their positions and so another thing that has happened at these briefings has been you have said, "Does he agree with this Cabinet member or that Cabinet member," and I have always said, "Look, they are his Cabinet members, his Agriculture Secretary, his Defense Secretary. They are acting in his behalf, so all the events that happen in the Administration and so forth and the good results and the bad results -- whether they are announced out of here or not -- are the Administration's policy and record."

Q Notwithstanding what you just said, Ron, does the President have a reaction today to the Federal Power Commission's decision yesterday to basically triple the ceiling price on new natural gas? It seems like he would have some reaction to that.

MR. NESSEN: I don't think it is proper to have a reaction on the Federal Power Commission's decision because it is an independent agency, but you know his position on Congress' failure to take action that would increase the supply of natural gas.

I think your description of the results of the action are really not quite accurate because even though the cost of natural gas to the average home owner will go up something like \$1.40 a month in the short-term, this will not have as much effect as what the President wants; which is for Congress to take action that would remove all the regulations on the interstate price of gas and thereby enormously increase the supply of natural gas, which in the long run will bring the price down.

What is going to happen now is that producers are not going to want to produce at the artificially low interstate price. Consequently, homeowners and factory owners and others who use fuel will have to turn to other fuels which are more expensive and are mostly imported. Right now, natural gas is being imported at a very high price, way over the regulated interstate price of gas.

So, I think the President's position on deregulating natural gas in order to increase the supply and bring the price down is pretty clear.

Q Ron, did the President make any inquiries into the status of the Americans in China in view of the earthquake, and are we offering help to the People's Republic?

MR. NESSEN: The Liaison Office in Peking reported this morning that all the Americans in Peking and a couple, I believe, who happened to be in Tientsin at the time are all reported to be safe. I understand that Ambassador Gates has offered in principal to supply any assistance that might be wanted.

Q Ron, to clarify something, I think you just said the President's efforts in natural gas is to increase supply. Then you said "and to bring the price down."

MR. NESSEN: That is correct.

Q Am I in error? It is my recollection that in a specific question about the President's efforts to bring the price down, that that was never included. You say it is.

MR. NESSEN: If you make it worthwhile to produce natural gas in the United States in abundance, it is going to bring the price down.

Q The President has articulated that, Ron, is what I am asking.

MR. NESSEN: If you artificially limit the price of natural gas produced in the United States and sold in interstate commerce, it is not going to control the demand for fuel. What it is going to do is, it is going to force people who use fuel to buy expensive imported liquified natural gas or to turn to other expensive fuels.

So, in the long run, an abundant supply of domestically produced natural gas will bring people's fuel costs down.

THE PRESS: Thank you, Ron.

END (AT 12:40 P.M. EDT)