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NEWS CONFERENCE

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AT THE WHITE HOUSE

WITH RON NESSEN

AT 12:02 P.M. EST

NOVEMBER 5, 1976

FRIDAY

MR. NESSEN: You heard the beginning of the Cabinet meeting. After the pool left, there was a continuation of the meeting, and it had mostly to do with the President indicating to the Cabinet what he expected of them between now and January 20. He indicated that he plans to submit a budget for the fiscal year beginning next year, and also the economic report and a State of the Union Message.

He said, "I expect us to carry on until January 20 with the same philosophy, the same programs, and the same policies. The country cannot afford for us to stand still."

Then the President announced that he had appointed Jack Marsh, his Counsellor, to be his chief representative in dealing with the transition and that Jack would be assisted by Jim Connor, the staff secretary, and Mike Duval, a Special Counsel to the President. The President also suggested that as time goes by, it will probably be necessary for each department to appoint its own transition officer to deal with the counterparts in the Carter group, and he mentioned, for instance, that Kissinger had already -- you are not taping the briefing, are you?

Q I am sorry. I didn't know it was against the rules.

MR. NESSEN: I think we better stick to the regular briefing rules for a while.

The President pointed out that Dr. Kissinger, for instance, had already named Larry Eagleburger as the transition officer at the State Department. Then, the President said, "We will make it as smooth and helpful as possible," referring to the transition. But, the President did point out that he and his Administration have total responsibility for running the Government, making the decisions, until noon of January 20.

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After that, there was pretty much an informal give-and-take between the Cabinet members, talking a bit about what transpired in the past two years, and some of the things that some of the Cabinet members thought would be coming along in the next period of time. Then the President went around the table, shook hands with each Cabinet member and exchanged a few private words with them and then left the room.

Q How long did it last?

MR. NESSEN: It was a relatively short meeting and was over at 25 minutes after 11:00.

Q It started at 11:00 and went to 25 after?

MR. NESSEN: Right.

Q Were there any absentees?

MR. NESSEN: I am told Frank Zarb and Russell Train were the only two absentees, and both of them are out of town. I didn't see Elliot there. I know the Under Secretary of Commerce attended, and I don't know why, but we can check on that.

Q This is not his last Cabinet meeting, is it?

MR. NESSEN: No, it is not.

Q He will be holding others?

MR. NESSEN: Yes, he will.

Q It was not a farewell to the Cabinet?

MR. NESSEN: No, it was not a farewell to the Cabinet members. There are plans to hold other Cabinet meetings.

Added to the schedule today at 2:30 is a meeting with the Vice President. As you know, they have a regular weekly meeting, and this is a regular weekly meeting. I don't have the agenda for you, but normally they talk about some of the various projects and groups the Vice President is involved in.

On the Palm Springs trip, we will pass out a summary schedule showing press check-in on Sunday. Running through briefly, the President plans to leave Andrews about 1:00 p.m. on Sunday. Mrs. Ford and Susan will fly out with the President. The arrival of Air Force One at the Palm Springs Municipal Airport is 3:00 Pacific Time.

The press plane will depart Andrews at 12:15 and you should check in for the press plane at 11:30 on Sunday.

While he is in Palm Springs, the President will stay at the residence of Leonard Firestone. You probably know Mr. Firestone is the American Ambassador to Belgium. The home is located on the 13th fairway of the Thunderbird Golf Course.

The President will pay for the house, as he has during all past vacations. I don't have the exact amount because it has not been determined yet. Ambassador Firestone is not in Palm Springs, and he and his family, I understand, are still in Brussels.

As for the return, the President will be coming back to Washington on Monday, November 15, leaving Palm Springs early on Monday morning Palm Springs time and getting back here toward the evening at Andrews. The exact times have not been put together yet.

The press will be staying, as they did last year, at the International Hotel. The press filing center briefing room will be in the Convention Room of the International Hotel. I don't anticipate very much business out there. The President really is going primarily for a rest. I am sure he will be playing a good deal of golf. I don't plan to brief every day. Obviously, we will have whatever announcements as to the President's schedule and Government business will certainly be made every day.

I would think the President would spend up to several hours on Presidential business each day, including transition plans. I think he does plan to spend some of the time out there thinking about his own personal future plans. There will be some work on the budget and on the State of the Union Message and, as I said, golf.

The two other Ford children, Steve and Jack, will be coming along to Palm Springs sometime during the week, but I cannot give you right now their exact arrival time.

Q Who from the staff will be going along?

MR. NESSEN: Myself and Dick Cheney, Major Barrett, Terry O'Donnell, Red Cavaney and Dr. Lukash.

Q The transition team will stay here?

MR. NESSEN: Yes.

The transition meeting, which you probably have heard about elsewhere, between Jack Marsh, Dick Cheney and Mr. Watson of the Carter staff, at the request of Governor Carter, is scheduled for 2:00 p.m. today in Dick Cheney's office. This will be the first sort of formal and direct contact on the transition between Carter's transition person and the White House. What the agenda is for that, how long it will last, what they will discuss, we just don't have any idea right now.

Q Will we see them afterwards?

MR. NESSEN: It was not planned to, no.

Q Maybe you could ask them.

MR. NESSEN: I certainly will.

Q Who will be in charge of the transition for the National Security Council?

MR. NESSEN: I don't know who has been put in charge of that but I will check -- if anybody.

Q Did the President tell the Cabinet members to appoint these people, or did he say it may be necessary? Did he suggest that they designate one in the event they are needed?

MR. NESSEN: Each department should name a transition officer.

Q What was the President's reaction to the unemployment figure increase?

MR. NESSEN: The pause seems to be lasting longer than we had anticipated. Other parts of it-- I mean, if you look into the details of the figures, there are some good signs there. The payroll employment continues to go higher if you adjust it for strike activity and the total man hours continues to increase. We also expect home building and capital goods orders to accelerate the recovery during 1977.

Q Ron, what was the President's reaction to Governor Carter's press conference last night?

MR. NESSEN: I didn't hear him have any, Les.

Q He didn't watch it?

MR. NESSEN: I don't know whether he watched it or not, but he didn't have any reaction to it if he did.

Q Was there any discussion at the Cabinet meeting about the unemployment figures?

MR. NESSEN: No, there was not.

Q Will there be any rethinking of policy because of this continuing pause?

MR. NESSEN: I just can't give you an answer to that today. I don't have any answer.

Q Ron, have you heard anyone discuss the possibility of the President's economic advisers and Carter's, some representatives of the President-elect, getting together to somehow do something on the economic front to make certain that perhaps confidence is not lost?

MR. NESSEN: I have not heard that discussed, Aldo. I do know that the President feels, and others here, that this Administration, this President, has the total responsibility for running the country until noon on January 20, and if I understood Governor Carter correctly at his news conference, he shares that belief.

Q Mr. Seidman told us here the other day that he would seek to bring in some of Governor Carter's budgetary people to work with this Administration on the budget.

MR. NESSEN: Well, I have not heard of any working together on the budget. Certainly, each department and agency is going to, as the President said, be helpful in helping the new people learn how that agency functions and, presumably, that includes helping the Carter people to learn how a budget is put together. But I have not heard any talk about the Carter people participating in the budget-making process.

Q This will be Gerald Ford's budget?

MR. NESSEN: Yes, as is traditional, Saul.

Q That is legal, of course, but there will be no input from the Carter people or, for example, cutting the defense budget?

MR. NESSEN: Certainly I have not heard that discussed. This is a traditional Ford budget.

Q Do you think he will send Kissinger on a mission to Geneva or to the Middle East before the end of the year?

MR. NESSEN: Not that I know of.

Q Last night Governor Carter said a tax cut early in the year is a very strong possibility if the economy doesn't perk up. I am wondering, in view of what Mr. Ford was saying during the campaign about asking Congress again for his \$10 billion tax cut that he sought this past year, will the President give full support to that notion or not?

MR. NESSEN: Well, the President said during the campaign that when Congress returned it would have on its desk a \$10 billion tax cut proposal, and he certainly intends to go through with that commitment. He will send a proposal to Congress to cut taxes an additional \$10 billion.

Now the motivation behind that proposal is, again, as he spelled out during the campaign, two things: One, to ease the burden, what he believes to be the excessive burden of taxes on the middle income group; and, secondly, to give business incentives to expand their plants and build new plants in ways that create jobs.

So, those are the two purposes of the proposed tax cut, and he will indeed go ahead and keep his promise to propose an additional \$10 billion tax cut.

Q To follow that up, Carter stressed last night if he went along with the idea it would be to stimulate purchasing power by consumers. Are there really any differences between Mr. Ford and Mr. Carter?

MR. NESSEN: I am giving you the rationale that the President feels justified in asking for the tax cut and that is what he said for months, which is, to ease the burden on the middle income taxpayer and give business incentives for new jobs.

Q Part of that tax cut proposal is the increase in the personal exemption, is it not?

MR. NESSEN: From \$750 to \$1,000 is the method he proposed.

Q How much of the \$10 billion would result from that one device?

MR. NESSEN: I don't have that for you today.

Q Isn't this tied to a \$10 billion cut in spending?

MR. NESSEN: The President intends, as he said himself this morning, right up until noon of January 20, to continue to pursue his own policies and philosophy and programs, and one of those is to cut the growth of Government spending so the budget he sends up will reflect that. It will further restrain the growth of Government spending.

I can't give you the figure right now, but he intends to do that.

Q Ron, after noon on January 20, after that time, will you be working for the President or will you be working somewhere else?

MR. NESSEN: I don't know. I think I have 65 weeks of unemployment insurance coming. (Laughter)

Q Have you had any other job offers?

MR. NESSEN: Nobody has called, Les. I have been sitting by the phone ever since, and I haven't had a single nibble. (Laughter)

THE PRESS: Thank you.

END (AT 12:17 P.M. EST)