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#44

NEWS CONFERENCE

AT THE WHITE HOUSE

WITH RON NESSEN

AT 12:05 P.M. EDT

OCTOBER 4, 1974

FRIDAY

MR. NESSEN: Yesterday afternoon the President met at length with his Economic Policy Board, and then the President's Labor-Management Committee. He also met with Governor Rockefeller and with Bill Timmons and Don Rumsfeld.

He went to the Residence for dinner for the Congressional retirees. Because of that dinner, he did not go to Bethesda last evening, but he did talk with Mrs. Ford by telephone.

This morning he met with Jack Marsh, Bill Seidman, Don Rumsfeld, Bob Hartmann, Secretary Kissinger, General Scowcroft and myself.

When I was talking with him, he mentioned how pleased he was that the mass transit bill, although we have not seen the final print yet, appears to be directly in line with the guidelines that the President conveyed to the mayors the other day and to Senator Williams in the phone call I mentioned yesterday.

I told you that in that phone call he had expressed his support for a six-year, \$11 billion comprehensive mass transit bill, and the bill they passed is in line with his guidelines.

There has been no chance to review the conference report completely yet and he is really basing his reaction on oral reports. It is very close to the guidelines of what he wanted and if this holds true after the bill is thoroughly examined, the President said this morning that he would strongly support the bill and he would be very happy to sign it into law.

The House-Senate Conference yesterday removed the Eagleton amendment from the continuing resolution legislation. The President is pleased that Congress is giving further consideration to its action on the continuing resolution legislation.

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That legislation is still under consideration by the Senate and House, and I don't think it would be appropriate to go much further until they have completed action and the final bill is here to be considered.

I am able to announce today that the President has requested that he give his economic proposals to a Joint Session of Congress at 4:00 p.m. next Tuesday. The Congress has agreed.

The President met for over an hour and a half this morning with the Republican leaders. I attended, and I can tell you some things about the meeting. The President told the leaders that the program he is going to give them next Tuesday is a good one, and he believes that they can support it.

Q Did he go into any more detail?

MR. NESSEN: I am just about to give it to you, if I can leaf through my notes.

He went over with the Republican leaders this morning some of the alternatives. Obviously, this is a meeting at which no decisions were made. The President pointed out that he had seen several stories in the newspaper indicating that his economic planning was in chaos. He said that it is not in chaos. He said we do have some hard decisions to make but hard decisions do not equal chaos.

Q Is that a direct quote, Ron?

MR. NESSEN: I am paraphrasing all of this, Peter.

Such reports, though, as he has seen, are indicative of the hard choices that we and the American people have to make as we "bite the bullet" on curbing inflation.

He told the leaders that his program would involve --

Q Did he say "bite the bullet", do you recall?

MR. NESSEN: That is a quote.

He said that his program will require strong public participation. He told the leaders that the items that he is going through now, the alternatives that he is choosing from, were generated by the preliminary summits and the final summit meeting.

Mr. Simon also spoke to the meeting and he told the leaders that what is going on now and what has gone on since the beginning of the preliminary summit meetings is the most comprehensive study of alternatives -- alternatives involving the economy, obviously -- ever undertaken by an American Government.

Q Is that a quote, Ron?

MR. NESSEN: That is pretty close to a direct quote, Phil.

The program in its most general terms will --

Q Are you now still quoting Simon or is this just you speaking?

MR. NESSEN: I am still paraphrasing Simon.

The program will, in its broadest terms, require and encourage Americans to save more, reduce waste, and produce more. The overall goal, as Bill Simon described it, was full employment with price stability.

That is about as full a report as I can give you on that.

Q Will you take questions on it now, Ron?

MR. NESSEN: Well, I believe there are probably going to be a lot of questions on the economy, and perhaps the best way to do it would be to go through the rest of my announcements and then we will get into that, if that is all right.

Q I have a question about yesterday.

MR. NESSEN: Sure.

Q I noticed the leadership automobiles parked out here again yesterday afternoon, and I have reason to believe that at least two of them were back in the White House. Could you tell me whether they saw the President?

MR. NESSEN: Who is it that we are talking about?

Q We are talking about Senator Scott and Congressman Rhodes, the same cast of characters that were here in the morning.

MR. NESSEN: I will check it for you.

Q Mr. Brock's office said that he was back there, too.

MR. NESSEN: I will check that for you.

The President will hold two more meetings this afternoon with the Economic Policy Board. One began just as I was coming down here--that is the one at noon -- and I have John Carlson on my staff in there to keep us posted on how the preparations for the speech are coming.

Q Both with the Economic Policy Board, not one, and one on economic policy and labor management?

MR. NESSEN: No, both with the Economic Policy Board. The other will be at 3:30.

Q Does John sit in on that?

MR. NESSEN: John Carlson?

Q Yes.

MR. NESSEN: Either I do or he does. He is sitting in there because I am here, although it might be better the other way. (Laughter)

We will try to get you a photo of the 3:30 meeting.

This afternoon at 5:00 there will be a diplomatic credential ceremony involving the Ambassadors of Indonesia, Niger, Greece, Belgium, the Netherlands and Laos. You may be somewhat surprised that a new format has been worked out for the exchange of documents which will take place in the Oval Office. Some of you may recall the old system, and it has been changed in order that the President will have a chance for a brief private meeting with each of the new Ambassadors to the United States.

It is somewhat complicated, involving arriving at the diplomatic entrance, coming up the colonnade, up through the Cabinet Room, and into the Oval Office.

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Because of this, the coverage is going to be somewhat limited to a writing pool, which we have posted already, and a photo pool, which we will post.

The President was, when I came out here, still meeting with the Prime Minister of Australia, Gough Whitlam. The meeting with Whitlam lasted from 11:17 until 12:03. The Prime Minister is making an unofficial visit to Washington, having attended the current session of the U.N. General Assembly earlier this week.

This was the first meeting the President has had with Prime Minister Whitlam. It also was an opportunity for an exchange of views on global and regional problems of concern to the United States and Australia. They are, as you know, partners in the ANZUS Alliance.

Prime Minister Whitlam did meet with Secretary Kissinger immediately before he met with the President, and we will have a read-out for you on the meeting.

Tomorrow evening the President will be the host at a reception for the Washington Diplomatic Corps, and I think rather than going through it at this time, a release is being put out by the East Wing and they will be handling the arrangements, so you can check with them.

Q Is that open to coverage?

MR. NESSEN: Why don't you check with what the East side puts out, Fran.

I don't have tomorrow's schedule yet, but we will try to post it this afternoon.

The President has accepted with regret the resignation of William Whitehead as member and Chairman of the Renegotiation Board, effective December 31 of this year. Mr. Whitehead has been a member of the Renegotiation Board since June 20, 1969, and has been chairman since July 27, 1973. We don't have a successor to announce today.

I have no further announcements.

Q Ron, what does the President feel that he can reveal to the Judiciary Committee next Thursday that he has not already told the people through the press conference and his speech?

MR. NESSEN: The resolutions to which he is responding have a list of matters about which the subcommittee is interested, and his purpose for going up there is to respond to their questions and points of information.

Q Ron, would it be fair to conclude from what you told us about the economic meeting that the President plans to propose something of an austerity program next Tuesday?

MR. NESSEN: Let me describe it rather than using your word, Peter. It is obvious, I think, as I said yesterday, that there will be measures to conserve fuel. I don't know if you consider that austerity.

Q I do.

MR. NESSEN: There will be measures which will call for sacrifices from the American people. He intends to, as much as possible, have these sacrifices evenly distributed, and he has emphasized again and again in the meetings that I have attended that the only way his program is going to work is to have a broad and dedicated public participation in the measures he proposes.

Q Ron, would you please comment today on the prospect for gas rationing inasmuch as Mr. Laird is now talking in those terms that standby authority be requested? What is the President's view on gas rationing? Would you discourage us from speculating that standby authority would be requested?

MR. NESSEN: I asked the President, and his answer is that he has been and remains opposed to gasoline rationing.

Q Ron, is he openminded about gas rationing still as he was about fuel tax?

MR. NESSEN: His answer, and I think it is pretty clear, is that he has been and remains opposed to gasoline rationing.

Q Can you give us some examples of the sacrifices he is going to call on the American people to assume?

MR. NESSEN: I really believe that it is so close to the speech that I would like at this point to stay away from specifics, with one exception.

Q What is the exception?

MR. NESSEN: The proposals will contain no request for an increase in the gasoline excise tax.

Q Ron, these sacrifices that the President is going to call on the American people to make, are any of them going to be proposed as mandatory sacrifices; that is, sacrifices required and mandated by legislation or Executive Order, or are they all going to be voluntary sacrifices? Will there be any mandatory features proposed in the program?

MR. NESSEN: Yes.

Q Does that mean new taxes?

MR. NESSEN: I will not go into specifics.

Q The previous question was mandatory something or other.

MR. NESSEN: The question was will some proposals be mandatory, and I said yes.

Q Did you say that there will be some new tax features that you are not going to --

MR. NESSEN: I said I am not going to be specific one way or the other, Phil. The only thing I want to talk about specifically is that there will be no increase in the excise tax requested. I am not going to deny or confirm any of the other stories floating around.

Q Ron, if you eliminate rationing and you eliminate gasoline tax increase, the only other proposals that I have heard for significantly reducing energy dependence on abroad is a quota system. Does the President plan to impose a quota system on foreign oil?

MR. NESSEN: I am not going to talk about specifics.

Q Ron, to clarify that, did you rule out gasoline rationing?

MR. NESSEN: I said the President has been and remains opposed to gasoline rationing.

Q Ron, he has broken this up into segments, the Economic Policy Board, this week. Has he broken up his preparation of the speech on Tuesday into segments as well; that is, has he settled now in his own mind what he will ask in the area of taxes?

MR. NESSEN: All the choices that have been made are still tentative. The proposals are not locked up yet.

Q Ron, when you quoted Mr. Simon as saying the program will require and encourage Americans to save more -- save what specifically? Save energy or save money, such as through tax incentives on savings accounts or save what, specifically? What is he referring to?

MR. NESSEN: Well, those two specifics that you have mentioned -- certainly save energy I would say is one of the items requested of the American people.

Q Will there be recommendations for mandatory consultation?

Q Could I get the other half to the answer that he was giving?

MR. NESSEN: The other half involves the saving of money?

Q Yes.

MR. NESSEN: There will be proposals to help alleviate problems with credit and interest rates. I am not going any further, though.

Q Will there be recommendations for mandatory conservation of fuel?

MR. NESSEN: I am not going into specifics.

Q Ron, can I ask with the President's attitude on gasoline rationing and gasoline excise taxes for the period between now and November and then after the November election, is it possible that his attitude will change or is this a commitment for the emergency period that we are now entering that goes beyond the election?

MR. NESSEN: Well, I didn't specifically ask him whether there was a time limit to his opposition. The idea I got, and he was very firm about it, as a matter of fact, and indicated that it would be all right if I indicated to you his firmness, he is firmly opposed to gasoline rationing.

Q The whole principal is not just a question of time?

Q Ron, can I get at it this way?

MR. NESSEN: I doubt it, but you can try.

Q What he will propose next week, will that be his most comprehensive program or is that a series of more or less emergency steps that will be supplemented by a comprehensive program, let's say, in the State of the Union?

MR. NESSEN: This is the comprehensive program, which is not to say that by the time the State of the Union comes around there may not be some other proposals he wants to make. I can assure you this will be a comprehensive program.

Q Will action be requested on these before the end of the year?

MR. NESSEN: I think I said before that there will be some guidelines given as to what he believes is essential to be passed before the end of the year.

Q Ron, how much of this program requires Congressional action, and how much can the President put into effect himself?

MR. NESSEN: I cannot give you a percentage, but I said there will be both proposals falling into both categories, those that the Executive Branch can do itself and those which will require legislation, but I could not at this point give you a breakdown. Partly the proposals are not locked up as I said.

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Q Ron, the unemployment is up now to 5.8, the highest in two and a half years. Is there anything in his speech that goes directly to that problem, and has he got a reaction this morning from that figure?

MR. NESSEN: Well, the reaction would be that it is a big jump, but it is in line with the expectations made earlier in the year.

I do want to point out to you when you ask what is going to be done about it that something has already been done about it in that the President announced in September at the labor conference on inflation, one of the preliminary summit meetings, that he had instructed the Labor Department to accelerate the obligation of available money for the Comprehensive Employment Training Act and he announced that the Labor Secretary would immediately dispense \$65 million, other money available by the end of the month of September.

The Labor Secretary was to make available another \$350 million under the Comprehensive Employment Training Act and the President pointed out in that September 11 message that those figures add up to \$415 million. They will finance some 85,000 public sector jobs in State and local governments.

There is also \$550 million obligated for public service employment in June and another \$50 million from the Comprehensive Employment Training Act. Currently available resources will provide 170,000 public service jobs this winter.

In addition, \$1.3 billion will be available to State and local governments for manpower programs.

Q When will that be available? Is it now or is there a release date on it?

MR. NESSEN: I will have to check that for you.

Q Ron, that is all money, though, that is out of existing legislation?

MR. NESSEN: Just a moment. I am moving right along here.

Now the President told the labor conference that the Administration would develop contingency plans against the possibility that unemployment might go higher, and if the unemployment statistics continue to demonstrate a need, the Administration will be ready to present such plans to Congress and to work with Labor to assure a mutually satisfactory course of action on public service employment.

Q Ron, we are back to the original question: Is there anything in his package --

MR. NESSEN: Bob, I told you we are not going to talk about specifics in the package.

Q May I try to clarify something that has got me a little confused and other questions, I think, have indicated the confusion?

You said in response to a question that there would be some mandatory features in the President's program, but at other points you said that the President has already ruled out an increase in the gasoline excise tax and is opposed and remains opposed to gasoline rationing.

I am left with the confusion as to what the mandatory features possibly could be and particularly are you saying that despite those two statements on gas taxes and rationing that there will be some mandatory features in the fuel conservation part of this program, or can we look for the mandatory features in other areas of the economy?

MR. NESSEN: I just think, Jim, that we have to stay away from the specifics of the bill right now. There will be mandatory features in it and I think I just have to stop there.

Q It is a crucial question, however, as to whether there is to be a mandatory aspect to the fuel conservation.

MR. NESSEN: I think we have to wait until he delivers the speech at four o'clock on Tuesday and says what he offers.

Q Ron, did the President get any expressions of concern at that meeting you attended this morning from Republicans about the possibility of tax increases of any kind prior to the election?

MR. NESSEN: Well, the format of the meeting was that Bill Simon and Roy Ash outlined some of the alternatives that the President is considering and some are quite complex, and there are quite a lot of them, so in that format it was largely devoted to preventing the alternatives.

Q Ron, did the Members of Congress at any point say, "No, that one is not going to work," or "That is not going to apply," in these alternatives?

MR. NESSEN: There was some discussion, and actually the way the President wanted the meeting to be run was that there was some expression by the Members of Congress as to what they expected the response of the American people to be.

Q Some of that negative at all?

MR. NESSEN: I think you probably ought to talk to them for their own remarks and own feelings.

Phil?

Q Ron, is the President going to meet with any Democratic Members of Congress before presenting this program or is this going to have a Republican imprimatur on it?

MR. NESSEN: A general answer to you -- and I think this will be reflected in the speech next week -- is the President's feeling that fighting inflation and saving energy is not a partisan issue. Specifically, I don't know what his schedule of preparation for the speech is, other than what I have told you, devoting a large part of this week and this weekend getting ready for it.

If he does meet with the Democratic leaders, I obviously will tell you about it. I don't know of any plans right now, which is not to say he is not going to do it.

Q Ron, a clarification on this public employment. Is 170,000 the total of jobs available as of the time the President announced to the labor leaders that he was ordering acceleration of the labor organizations?

MR. NESSEN: Well, it is the total number of jobs available from certain specified programs, which I listed. In addition to those covered by Federal programs, there is \$1.3 billion that the State and local governments can use; that is, in addition to the 175,000 jobs. The State and local governments have \$1.3 billion to use for their own public employment programs, manpower programs.

Q That is the total, Ron, \$1.3 billion?

MR. NESSEN: That is in addition to all the other figures I gave you, which are Federal programs. This is money available to the States and local governments.

Tom?

Q Ron, if fighting inflation and conserving energy are not partisan issues, as you say the President feels, why is it that he is only conferring with Republicans on these problems?

MR. NESSEN: I don't think he has finished his process yet, Tom. As I told Phil, I don't know exactly what his ideas are in the next few days to make his ideas known, but I certainly would not rule out talking to Democratic leaders.

Q Would it not be a good idea to get that clarified?

MR. NESSEN: I can get it clarified for you, and I would like not to go with the misimpression.

Q Who met with him -- Scott, Rhodes, who else?

MR. NESSEN: The participants were Scott, Griffin, Bennett, Tower and Brock from the Senate and from the House Arends, Anderson, Jack Edwards and Dave Martin.

Q Where was Rhodes?

MR. NESSEN: Mr. Rhodes was not here. Somebody mentioned that he was somewhere, and I forgot what they said. Everybody has to be somewhere, I guess. As I told you, Ash was there and Simon and a number of other economic advisers.

Q Ron, in your discussions with the President, is it your impression that the President feels that this \$9,000 a day to support Mr. Nixon as well as the employment of people like Mr. Clawson is not an object of great concern to the people he has asked to economize?

MR. NESSEN: Well, I was not able to get you a direct answer, Les, to your question of yesterday and of today, but I have an answer that maybe fits. (Laughter) It is from Ephesians: "Let all bitterness and wrath and anger and clamor and slander be put away from you with all malice and be kind to one another, tenderhearted, forgiving one another as God and Christ forgave you."

Q Ephesians what?

MR. NESSEN: 4:31 and 4:32.

Q Ron, is that the President's view?

MR. NESSEN: That is my answer.

Q Ron, if there will be proposals to alleviate problems with credit and interest rates and there will be no gas rationing and there will be no increase in the --

MR. NESSEN: Will you read me what you think I said about credit and interest rates?

Q Will be proposals to help alleviate problems with credit and the interest rates.

MR. NESSEN: That is all right.

Q There will be no gas rationing, there will be no increase in the gasoline excise tax and there will be help for public employment. What kind of bullet can the public --

MR. NESSEN: Where are you getting the help for public employment from?

Q You have been talking about public employment.

MR. NESSEN: I certainly would not leap to that conclusion.

Q You mean that there will be no new money?

MR. NESSEN: I am not confirming or denying any specific proposals now, and other than what I have given you, I urge you not to draw any conclusions on any specific programs you find around being mentioned in the newspapers.

I think partly part of the impression that has been conveyed of chaos in the economic planning of the Administration has come from newspaper stories based on leaks from various officials.

I think it is fair to say that some of the officials who are doing the leaking do not have the entire picture that the President has, and I would suggest that for complete answers to what he plans to do that you get it from the White House.

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Q Well, that is what I was attempting to do.

The question is, with all those other things, what kind of a bullet, aside from a tax increase, can the public be asked to bite?

MR. NESSEN: We are going to wait until next Tuesday and find out.

Bob.

Q Ron, you mentioned before on the unemployment that there were some contingency plans ordered made available. What figure on unemployment would they start the contingency plans in action?

MR. NESSEN: Well, that has not been decided yet. As I told you before, if the unemployment continues to go up, the Administration is ready to consider that but at the moment they have not set a figure.

Q Ron, in last Sunday's Post there were 198 columns of "Help Wanted" ads in the private sector. That is 22 newspaper pages. Has the Administration considered looking into the possibility of filling some of those jobs before putting out Federal money to create public service jobs?

MR. NESSEN: Well, on the general subject of economic help, which goes to unemployment and to the stock market for that matter, the President is concerned about unemployment, the falling stock market, and all the other economic indicators that you know about, and he feels that if Congress implements the program he is sending next week, and if the American public does the things that he will be asking them to do, the economy will become healthier, the stock market will recover, and the unemployment rates will go down.

Q That is just the point. There are all these jobs available now in the private sector and you say he is going to put out a billion dollars.

MR. NESSEN: Well, I don't know that the President can take people by the hand and lead them into the employment office. That seems to me to be something that people can do on their own.

Q Ron, as he gets closer to his speech and has an idea what is going to be in his program now, does the time frame remain a year and a half to three years? Is there any hope that inflation might be won in a shorter period of time?

MR. NESSEN: Well, there is certainly hope that -- realistically this problem took a long time to get started and it is going to take a long time to curb, and I would think that that is a generally-accepted time frame.

Q Ron, Immigration Service says that they estimate there are at least one million jobs, but others in the employment offices of that agency say that there are from one to three million jobs now being filled in this country by illegal aliens, and they are still coming in and the Immigration Service says it has no money from the Federal Government to be enforcing the border laws about illegal aliens coming in.

Has the Administration thought anything, as recommended by some Congressmen, that before they create more public service jobs, that they send the illegal aliens home?

MR. NESSEN: Well, I have read the stories in the paper and that is about the extent of my knowledge, but I will check it for you and I will get information for you on that subject.

Q I think the President knows this from Attorney General Saxbe.

MR. NESSEN: I will find out what is being done about it.

Q Ron, is the President's economic package now substantially whole, I mean, without more major decisions to be made?

MR. NESSEN: No. There are two meetings this afternoon and there are other meetings scheduled. There have been some tentative choices made on the areas that have been covered, but there are other areas to be covered and tentative choices to be made in those areas, and then there needs to be further review of the tentative choices.

I think I mentioned yesterday he has requested additional material on some of these choices so that he can make a final decision.

Q You told us yesterday what the subjects were of the meetings of the Economic Policy Board. What are the ones coming today?

MR. NESSEN: Unfortunately I am not there and I have John Carlson in there. I will get you a report on what the general subjects were.

Q Ron, you say the President's goal is full employment and economic stability. Does that mean zero unemployment and zero rate of inflation? What does that mean?

MR. NESSEN: In the unemployment area there is no precise figure that I can give you but there is a feeling that there are always going to be some people unemployed for a variety of reasons. They may be between jobs or they may be not really terribly interested in working. It is not possible to get unemployment down to zero.

Q Really, what I am asking, will he define goals in precise terms?

MR. NESSEN: I don't believe that he will be giving you a figure to aim for.

Q Ron, the fact that there is no figure, does this mean that the Administration is backing away from the 4 percent unemployment rate which has generally been considered the goal?

MR. NESSEN: No, not backing away at all

Q Well, I was going to ask you that question with a refinement that has taken place in recent months. For a long time economists in and out of Government have defined full employment as essentially 4 percent. In recent months there has been a tendency on the part of private economists, and I believe some Government economists, to revise that figure upward to 5 percent.

Does the Administration at the present time subscribe to 5 percent as the full employment figure?

MR. NESSEN: I have not heard any specific discussion of the figure, but I have not heard anything that leads me to believe of any backing away from the goals stated previously.

Q Four percent?

MR. NESSEN: I have not heard any talk that that has changed.

Fran.

Q Ron, has the President sent a letter to the daughter of Mr. Holt who was being fired from the GSA job?

Q Yes, please, Ron.

MR. NESSEN: The Mr. Holt who was fired from his GSA job.

We do expect that an answer will be sent in the very near future, if I am not mistaken. The problem has been somewhat alleviated for Mr. Holt. I don't have the exact information but the fact of the matter is that Victoria Holt has written a letter to him concerning the firing of her father and an answer is expected in the very near future, but I believe that Mr. Holt's problem is somewhat alleviated.

Q Ron, is the White House still shooting for a \$300 billion budget or is it possible that the President might try to go even lower than this amount?

MR. NESSEN: I think his phrase was \$300 or below.

Q Much below? I mean as a possible sacrifice?

MR. NESSEN: I think I will stick to \$300 or below.

Q Have the decisions been made on whether to cut the budget?

MR. NESSEN: We are not going to talk about any specifics until the speech is given.

Someone asked earlier about consulting with Democrats on the economic speech. The fact of the matter is, as I should have known, he does consult all the time with Congressional leaders on many subjects, including the economy. And last Saturday I don't think Speaker Albert or Hubert Humphrey or some other Democrats at the summit meeting that he sat at and presided at, left any doubt about where they stood. The summit meeting itself was a Democratic idea.

THE PRESS: Thank you, Mr. Secretary.

END (AT 12:45 P.M. EDT)