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NEWS CONFERENCE

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AT THE WHITE HOUSE

WITH RON NESSEN

AT 12:17 P.M. EST

DECEMBER 6, 1974

FRIDAY

MR. NESSEN: I am sorry to keep you waiting. We have a lot of stuff today, and I wanted to nail down a few facts before I came out here.

Today, the President continued his round of meetings with Chancellor Schmidt. The President began his meeting at 11 o'clock. It lasted about an hour.

Our plan is that Arthur Hartman, the Assistant Secretary of State for European Affairs, who attended the meetings, will give you a briefing at approximately 3:30 in this room. The reason for the slight delay is that we expect some kind of statement by the two leaders in written form.

Q At that time?

MR. NESSEN: Hopefully before 3:30 so you would have a chance to read it and prepare your questions. That accounts for the delay. That is about 3:30 here in this room.

Yesterday afternoon, at 6:15, the President met with Chancellor Schmidt and American and German officials at the Blair House to discuss the international economic situation and the energy crisis. It was one hour and ten minutes for today's meeting.

At yesterday's meeting in the evening, they reviewed present conditions on the economy and energy and policies designed to alleviate those two problem areas. Additionally, they discussed possible areas of cooperation in 1975 between the United States and the Federal Republic of Germany in the areas of monetary issues and combatting inflation.

They also talked about cooperation next year between the United States and the European community in the areas of trading and agriculture. Their discussion on energy policy included recycling of funds and conservation measures.

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I would think that rather than asking questions of me -- for which I have few, if any answers -- you would be able to get very detailed information from Arthur Hartman.

Q Why did the President go to Blair House.

MR. NESSEN: There was an economic meeting, not including the President, which lasted from 4:15 to 7:00, and the President decided to attend the portion from 6:15 to 6:45.

Q A logistical matter. On the statement that you said would probably be coming before the Hartman briefing, will that be embargoed in any way?

MR. NESSEN: I don't think we have it along that far to know what the embargo, if any, will be.

At 12:45, the President will meet ten members of the Harlem Globetrotters team. This is the first time they have met a President, even though over the years they have represented the United States around the world as ambassadors of good will, and he will give a group citation to the team.

This will be available for filming and still pictures, and I think a press pool will go in. That may occur during this briefing, but we can get everyone who wants to go at the side door.

This afternoon at 1:30 the President will meet with Governor Christopher Bond of Missouri, the new Chairman of the Republican Governors Association. Governor Bond, as you may know, was the host for the Republican Governors Association meeting, which ended on Wednesday in St. Louis. He requested the meeting and is expected to discuss with the President the various resolutions which were adopted at the meeting.

Again, there will be an opportunity to take pictures at the beginning of the meeting, and I would think Governor Bond would be available, if you wanted to talk to him, outside here after the meeting.

Q You don't want to make the briefing room available for that, Ron?

MR. NESSEN: I am not sure how long it will last, and I don't want it to run into the Arthur Hartman thing.

Q At 3:30? Two hours?

MR. NESSEN: I don't know how long he will spend with the President, Fran.

Also, on the posted schedule for today, there was a meeting listed for this afternoon at which the President was going to continue making his decisions on the 1976 fiscal budget. That meeting has been rescheduled for a later time.

This evening from 6:15 to 6:45 the President will be the host at a private reception at the Residence for a group of friends from Michigan. This reciprocates to some extent for a reception given in his honor when he was Vice President-designate a year ago.

We don't have a full guest list yet, but I do know among others there will be Senator Griffin and Congressmen Brown and Broomfield of Michigan.

Later this evening the President and Mrs. Ford will leave the White House at about 8 o'clock by motorcade to go to the Shoreham West apartments, where they will attend the National Symphony Ball. The President and Mrs. Ford will be patrons for the ball, and the ball is one of the principal fund-raising activities for the National Symphony.

After attending a private reception, they will, at 9 o'clock, attend the dinner and ball, which is open to press coverage. The travel pool to go along with the President will leave the South Grounds at 8 o'clock.

Q Is that black tie?

MR. NESSEN: I assume it is, but not for the press.

At 3:45 yesterday afternoon, the President decided to drop in at the EOB in Room 450, where there was a conference going on by a group called the Lilly Endowment Continuing Conference for the Liberal Arts. This is a group of educators from a group of small liberal arts colleges that meets regularly to discuss the future of those small schools and also just general topics involved in the liberal arts.

The President did speak briefly over there, and we have a transcript that you can look at.

Q Did you just learn about that this morning?

MR. NESSEN: No, we didn't.

Q Why couldn't you have told us yesterday?

MR. NESSEN: I don't know why we didn't tell you yesterday, as a matter of fact.

Q Was Mount Vernon College represented there?

MR. NESSEN: I don't have the list, but we can get it for you.

Q Ron, just on that point, when he does things like that, can we expect in the future we will hear about it in a little less than 21 hours?

MR. NESSEN: I think you should. I am not entirely clear why we didn't announce it yesterday.

The cut-off date for signing up for the Martinique trip is 5 o'clock Monday.

We have passed out to you an exchange of letters between the President and Len Garment, in which Mr. Garment submits his resignation as Assistant to the President, effective December 31, and the President's "Dear Len" letter in return.

Q Does this say where Garment is going, to which law firm?

MR. NESSEN: The letters don't say. My understanding is that he is going to return to New York and practice law.

Q I thought it was Washington.

MR. NESSEN: I am told that the law firm with which he is going to be associated has an office in Washington, but he will be in New York.

Q Do you know why he just bought a house, Ron? Isn't this a rather sudden departure or didn't he know he was going to leave for a while?

MR. NESSEN: I just simply don't know. Len is easy enough to get in touch with, and you could contact him. I don't have that information.

Q Do you know the name of the law firm?

MR. NESSEN: I don't. We can get it, if you want it.

Q Before you get on to another subject, can I ask, do you know how many people were at this conference that the President spoke to yesterday?

MR. NESSEN: Two hundred and seventy-five students.

Q I thought you said they were a group of educators.

MR. NESSEN: While we get that, let me tell you now about something tomorrow.

Fran asked yesterday about Camp David, and there won't be any Camp David this weekend.

The President will meet tomorrow morning at 10:30 with Secretary Morton and Frank Zarb. The purpose of the meeting will be to outline to the President the current energy problems facing the country, some broad strategies for responding to those problems, and a review of the types of decisions the President will be faced with on energy between now and the end of the year.

It is not expected that any decisions will be made at tomorrow's meeting.

Q Could we meet with them afterwards?

MR. NESSEN: The plan would be to have photos and film taken when the meeting begins and to have a briefing here in the briefing room at the conclusion of the meeting.

Just to elaborate a bit on preparations for the announcement of major energy decisions, there has been a meeting at the White House on December 4, in which energy experts from the OMB and approximately 15 other Government departments and agencies met.

At that meeting, assignments were given to prepare staff papers on various energy issues and also on policy options which had been identified by the Energy Resources Council's Executive Director, who is Frank Zarb, and his staff.

These agencies are supposed to complete these papers by next Friday, a week from today, and these papers will provide the basis for a meeting which will be held at Camp David on December 14 and 15.

Q Excuse me, the President won't be at that conference, right?

MR. NESSEN: No. This will be a two-day working meeting at Camp David to go through these issue papers and to evaluate the options the staff people have come up with and to develop a tentative set of recommendations. The leader of the meeting will be Frank Zarb.

The next step will be on Monday, December 16, when the work of that Camp David meeting will be presented to the Energy Resources Council. The Energy Resources Council will evaluate the various recommendations and alternatives and develop a final package of options on energy to be submitted to the President.

The President will get into the act between December 17 and 28, when the President and his staff will review the recommendations. On the decisions the President makes on the national energy policy, at this time my feeling is that they will probably be announced in the State of the Union message.

Q Will these recommendations be announced prior to that, not what he has finally come up with, but what recommendations?

MR. NESSEN: I don't believe so.

Q Ron, in outlining all of these discussions about options to be arrived at, you seem to be taking it for granted that the voluntary program of cutting back on energy use is not going to be adequate. Is that a fair interpretation?

MR. NESSEN: It may be just a little premature, Bob, but as I said the other day, although the figures are not very satisfactory in the form that they have been coming in in terms of oil imports and a new method of reporting imports we will announce here in just a couple of days, based on the admittedly incomplete and not entirely reliable figures, it does appear that the President's hopes for reducing oil imports are not being realized to the extent he hoped.

Q Where does that lead us specifically after that particular statement? Are you indicating mandatory controls are almost a certainty?

MR. NESSEN: No, Ralph. Here you have an extremely complicated system for developing an energy policy, and I think at this stage -- what has happened so far is that the staff people are now preparing papers on the problems and papers suggesting solutions, and those papers are not due in yet until a week from today. I think it is much too soon to say.

Q But you just made a specific statement about the President's disappointment.

MR. NESSEN: I didn't say disappointment, I said based on figures we do have it doesn't look as if his hopes for reducing oil imports by voluntary methods -- again based on figures we have now -- are measuring up to his hopes.

Q Let's go from there and say what kind of decision, what kind of likely decision does the country face in view of the dashing of the President's hopes.

MR. NESSEN: Ralph, why do you say dashing of the President's hopes?

Q Well, is he pleased it is not working out like he thought it would?

MR. NESSEN: It is not working out as well as he thought it would on the figures we have now and before the new reporting system is put in.

Q Ron, in the President's interview in Newsweek Magazine, he said the fallback position in the event that voluntary controls didn't work was mandatory embargos on fuel imports, petroleum imports.

Is that still the case, and does this mean then that if your later figures confirm what you have now that we can expect there would be a mandatory reduction on imports?

MR. NESSEN: I would think that would be one of the options he will weigh when he sits down to make these decisions.

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Q He seemed to be saying in the interview with Newsweek it was the only option he was considering; is that true?

MR. NESSEN: We don't know yet because these people have not come back with their recommendations.

Q Secretary Morton seemed to be giving a rather optimistic view the other day about how fuel consumption had been cut by 3 percent et cetera. He was rather encouraged by this. Does the President share this feeling?

MR. NESSEN: I didn't see Secretary Morton's remarks. Is he talking about oil imports?

Q Gasoline consumption.

MR. NESSEN: John tells me that Secretary Morton's remarks had to do with 1974 gasoline consumption as opposed to 1973 gasoline consumption, and one of the reasons, I think, Ralph, you should not talk in terms of the President's hopes being dashed is that what we are looking at now are indications of what 1975 imports and consumption will be like.

Let me clear up one thing, if I may, for Dick Lerner. Len Garment is going to go with a law firm, and I will spell these names for you. It is Trubin, Sillcocks, Edelman and Knapp, in New York.

Q Ron, before we get off the energy thing, Mr. Morton and others seem to still feel an increased gasoline tax is going to be one of the options presented to the President. The President said about a month ago there would not be an increased gasoline tax as long as he was in the White House. At his press conference the other day, he seemed to soften that; he said, "I am not yet persuaded that a 20 cent tax is necessary." Can we safely infer that his opposition is softening somewhat now?

MR. NESSEN: I can see we are going to go through this everyday between now and the State of the Union speech. I would just really prefer to let the President speak for himself, which he did only three or four days ago. He is not persuaded of a need for an increase in the gas tax.

Q Ron, could he be persuaded perhaps?

MR. NESSEN: Why are you not content to take what the President says, which is that he is not at this moment persuaded of the need for a gas tax, and let him get all these option papers in and so forth and make his recommendations.

I can see where we are going to have a fruitless exercise for a couple of weeks, if we do this everyday.

Q Ron, when will the State of the Union Message be delivered?



MR. NESSEN: Sometime after Congress comes back, which I think -- that has been delayed until after the 14th, so, obviously, it will be sometime after the middle of January.

Q Are the oil figures the President is seeing going to in anyway discourage his travel plans in the next month or so in any way?

MR. NESSEN: He doesn't have all that many travel plans, Tom.

Q The Vail trip is still on?

MR. NESSEN: It hasn't been announced.

Q Mrs. Ford just announced it a few moments ago on the other side.

MR. NESSEN: What did she say?

Q When asked where they were going to spend Christmas, she said we hope to spend it in Vail skiing; we always do. She said, "It is our present plan."

MR. NESSEN: I wouldn't contradict the First Lady.

Q Ron, is there any serious question about that?

MR. NESSEN: The President certainly wouldn't go to Vail until Congress adjourned this session.

Q Is it fair to conclude from the fact that this whole policy process is being regenerated in terms of energy, that the President doesn't feel there is a sufficient national energy policy?

MR. NESSEN: I wouldn't say the policy is being regenerated. As you know, this enormous amount of material that came out a couple of weeks ago, I guess, has taken considerable time to get together, and it didn't make much sense to make major decisions on a national energy policy before you had that enormous amount of background material. But, the President has said all along he was going to have a national energy policy, and this was the process of putting it together.

Q Are we committed, Ron, to the million barrels-a-day reduction, or is that something that might be revised in the options, considering the amount of storage that is now on hand?

MR. NESSEN: You mean about not reducing or reducing it more?

Q Is he firm on the million barrels-a-day figure, which he has set as a national goal for reduction of imports?

MR. NESSEN: So far as I know.

You know, the longer goal is to reduce it quite a lot farther down the road, but the million barrels was a goal for the end of 1975.

Q Could I follow up --

MR. NESSEN: Here is a lady who never gets a chance, and I love to hear her accent anyhow.

Q A week ago, the President said, in an interview, that if unemployment reached 6.5, he would consider it a serious deterioration, that he had asked for papers offering him alternatives. That figure has now come true -- yesterday. What is he going to do about it?

MR. NESSEN: The November increase in the unemployment is a source of great concern. The situation is being reviewed, and as we decide to take new steps, they will be announced.

I might elaborate a bit on reaction to the unemployment if anybody cares to hear it. The increase in unemployment has been expected during this recessionary cycle, but the increase during the past three months has accelerated at a greater pace than anticipated.

When the President's economic program was announced on October 8 -- just parenthetically, by that, I mean there was anticipation that at some point unemployment was likely to hit 6.5 during this particular recession, but it has come somewhat earlier than anticipated.

To expand just a little bit, the President feels that Congress is making progress on his National Employment Assistance Act, which was proposed on October 8. It has cleared the House Education and Labor Committee, and the President feels that Congress can approve this by the time it adjourns and feels very, very strongly that it should approve it as fast as possible.

I think the figures released today make it all the more important that Congress enact that proposal, essentially, the public service jobs' proposal, as well as improvements in the unemployment compensation system, which the President recommended. Today's figures make it all the more important that Congress do that and do that promptly.

As some of you probably remember from that October 8 Presidential statement, when unemployment reached an average of 6 percent for three months -- which it has done today -- \$500 million, a half-billion dollars, would become available to provide 83,000 public service jobs.

In other words, if Congress had acted more promptly and approved the bill before today, today's unemployment figure would have triggered jobs for 83,000 of the people who are out of work.

On the unemployment compensation, if Congress had acted before today, unemployment insurance benefits would have been extended for an additional 13 weeks for those who have exhausted their unemployment benefits. In other words, people who are out of work, having gone through their unemployment benefits, would have begun getting an extra 13 weeks of unemployment insurance triggered by today's figures if Congress had passed the bill before today.

In addition, people who are not covered by unemployment insurance would have begun getting 26 weeks of unemployment insurance triggered by today's figures if Congress had approved the bill before today.

Those of you who follow this, President Ford, back in September, directed the Labor Department to accelerate the obligation of funds under the Comprehensive Employment and Training Act, so that this past summer 85,000 jobs were provided under that Act, and after the President's instructions, an additional 85,000 jobs -- these are jobs in the public sector working for State and local governments -- were provided. So that is a total of 170,000 public service jobs, and that is the limit of that program. There are no more jobs available.

As far as we can determine from a fairly exhaustive check this morning, until Congress acts on the public jobs' program and on the unemployment compensation extension and until the President has had a chance to review the situation, there is nothing further legislatively which can be done right now.

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Q Administratively?

MR. NESSEN: Or administratively.

Q Ron, does the President want Congress to approve these two bills you spoke of this morning, even though it has not gotten nearly as far along the line as providing the tax bill to pay for them?

MR. NESSEN: The President wants these bills to be approved before Congress adjourns. Obviously, he hopes Congress will act responsibly and take up the other part of his proposal to pay for it.

Q Do you mean literally 170,000 jobs have been created or that that is the total that will be achieved when this money has gone out and the States and localities make use of it? Do they exist now or are they coming?

MR. NESSEN: No, that money has been released. I am told that some of the States and local governments are going a little slowly in filling the slots, but they have the authority to do it, the money has been released.

Q In view of the fact that unemployment went up more rapidly than what the President expected, how does that stand in terms of projections for the first quarter of next year? Have they revised projections?

MR. NESSEN: I think basically Greenspan and Simon have said over the past couple of days that the anticipated peak would be somewhere over 7 percent, with a peak coming sometime in the first half of 1975.

Dick?

Q Two questions. Maybe I am missing the point, but on both energy and unemployment I have gotten the clear impression that the President will be making decisions and will be taking new steps. I am not sure that you exactly said that. Maybe that is just the impression I have.

When you commented on unemployment, you said the situation is being reviewed and as we decide to take new steps, they will be announced. Should that "as" be interpreted to mean you will be taking new steps or if we decide to take new steps?

MR. NESSEN: I think I will leave it with those words, Dick.

Q Excuse me. You said there is no further administrative action that can be taken.

MR. NESSEN: That is what I am told today.

Q So what steps can you take?

MR. NESSEN: If after this review, if a decision is made to take additional steps, obviously it would involve legislation.

Q So, in short, does that mean that you are not taking any steps for the time being?

MR. NESSEN: The situation is being reviewed, Dick.

Q Well, it does seem to me that there is a contradiction here.

MR. NESSEN: I don't have any steps to announce today. Let me put it that way.

Q I can appreciate that, but what about in the coming weeks?

MR. NESSEN: As we decide to take any steps, they will be announced.

Q I am sorry, I don't mean to belabor this point, but are you saying in fact there are no new steps that can be taken for the time being, but that you will be taking some new steps?

MR. NESSEN: I am saying the situation is being reviewed and as decisions are made to take any new steps, they will be announced.

Q What you are saying is that your hands are tied for now because there is no other action you can take?

MR. NESSEN: No other administrative action can be taken.

Q So, any new steps would involve proposing new legislation?

MR. NESSEN: Any new steps would involve new legislation.

Q Does that mean you are considering new legislation then?

MR. NESSEN: Dick, we can talk all day, but I am going to stick with what I have said, that as decisions are made to take any new steps they will be announced.

Q You did say to me it would involve new legislation.

MR. NESSEN: Since there is no other administrative machinery, we have been able to find as of this morning.

Q May I clarify on the energy situation? I think you said that between the periods of the 17th and the 28th of this month the President and his staff would be reviewing his recommendations and that the decisions he makes probably would be announced in the State of the Union message.

MR. NESSEN: Correct.

Q Doesn't that mean that he will be announcing a new program apart from the voluntary controls?

MR. NESSEN: He will be announcing certainly a new energy program. Whether it involves more than voluntary steps, you will have to wait and see because the decisions have not been made.

Q The other night on the same subject of energy I asked the President at his news conference a rather straightforward question -- can Americans expect long lines at gas stations this winter as opposed to last winter?

As you indicated, the President is disappointed that the voluntary restraints haven't worked and you seem to suggest that gas rationing in the form of mandatory import controls certainly would be considered.

Would that not again create long gas lines of sorts or at least a shortage of gasoline, and might not Americans be confronted with long gas lines this winter?

MR. NESSEN: I guess in the Newsweek interview and other times he has talked about the mandatory limitation on imports, if that is indeed the decision he makes, would be coupled with an allocation system to make sure that the available fuel is distributed equitably.

I just don't think at this point you can predict whether there are going to be long gas lines. I do think, as I started to mention the other day, this subject really has two parts to it. One is the distribution system, which is what we are talking about. The other part of it is the supply side.

The fact of the matter is there are about a dozen energy bills also pending in Congress, some of which are designed to deal with the increasing supplies and some of them pending up there for as long as two years or more.

Some progress is being made on some of them, but some of them don't seem to be getting anywhere at all. Of course, increased domestic supplies would help take care of some of the problem we are talking about if you decided to restrict imports.

Q Ron, why is the President going to wait so long from his decision-making period ending around December 28 to do this in the State of the Union message?

MR. NESSEN: I don't know that the decision-making process is going to be completed on the 28th of December, Fran. We said he will use that period from the 17th to the 28th to review the recommendations and then he would have until the time of the State of the Union to make the decisions and to draft whatever legislation might be needed and so forth. I wouldn't assume that he is going to make them long before the 28th and sit on them three weeks or so.

Q Do you have a date for the State of the Union message?

MR. NESSEN: No, we don't. It has to be after the 14th of January.

Q It could be late January? I was wondering which part of January it is likely to be?

MR. NESSEN: It can't be before the 14th because there will be no Congress here to hear it.

Q Ron, a point of clarification on the National Employment Assistance Act. Would that face a Presidential veto if Congress does not also approve the 5 percent income tax surcharge or some other means to pay for the additional unemployment insurance benefits?

MR. NESSEN: Specifically, I don't think that decision has been made yet, but I would not look for a veto of that bill.

Q Does the President have any out-of-town appearances planned for next week in addition to Martinique?

MR. NESSEN: Let's do this for GUIDANCE for your own planning. There is a possibility he is going to go to New York on Tuesday in the evening and back.

Q To do what, Ron? A speech?

MR. NESSEN: This is for GUIDANCE, so you can plan your week. He is hoping to go up there to sit down with a group of people from the Commission on Critical Choices and meet with them and have a general discussion of some of the long-range and big issues facing the country in the future.

While he is up there, it is possible he will drop in at some kind of football foundation.

Q Is Senator Marlow Cook under consideration for a Cabinet post?

MR. NESSEN: If everybody under consideration for a Cabinet post got the job, we would have a 94 member Cabinet, Don Rumsfeld holding four of the jobs himself. We will just announce Cabinet things as they come up.

Q May I ask a question on timing? Under the President's consideration of possible further economic measures, would you rule out any likelihood that that reconsideration would result in new recommendations before this session of Congress adjourns?

MR. NESSEN: I think I will just stick with the language that it is being reviewed and, as any new decisions are made, we will announce them.

Q Ron, on this Camp David energy summit, why is Mr. Zarb presiding rather than Secretary Morton?

MR. NESSEN: Zarb is the Executive Director of the Energy Resources Council.

Q But isn't Secretary Morton in overall charge of the energy program? What will be his function at that meeting?



MR. NESSEN: Partly because I think he is going to be out of town and, secondly, this Camp David meeting is a working level sort of staff group hashing through the idea, the problems and the options, and solving them.

THE PRESS: Thank you, Ron.

END (AT 1:00 P.M. EST)