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THE WHITE HOUSE
PRESS CONFERENCE
OF
L. WILLIAM SEIDMAN
EXECUTIVE SECRETARY OF THE
ECONOMIC POLICY BOARD
AND
HELMUT SONNENFELDT
COUNSELOR OF THE
DEPARTMENT OF STATE

THE BRIEFING ROOM

5:38 P.M. EST

MR. NESSEN: As we promised, for those of you who are going to Paris and who would like a little more background on the Paris trip -- Henry's speech yesterday is sort of a foundation document for understanding the Paris trip.

The President spent a good deal of his time today, had a long meeting this afternoon, and will have additional meetings tomorrow on the Paris trip.

We have distributed Henry's speech, I believe, this morning.

Now, this afternoon, to answer your questions and give you a little background and guidance on the trip, we have Bill Seidman, who is the head of the President's Economic Policy Board, and from the State Department, Hal Sonnenfeldt.

Let me say this. There may be other subjects about which you would like to ask these gentlemen questions. I think we will just restrict the questions to the subject of the Paris trip.

There is no change in the President's position on New York City. (Laughter)

Q Will there be tomorrow?

MR. NESSEN: There is no change, Fran.

Q Ron, I was a minute late.

MR. NESSEN: It is all on the record, Jim.

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Q For use, when?

MR. NESSEN: Anytime. It is designed to provide background for when you get there or your stories before going, but there is no restriction when you may use it.

MR. SEIDMAN: First, I would like to call your attention, if you haven't received it, to Secretary Kissinger's speech, which I think sets forth the basic thinking in connection with the trip. The industrial democracies of the world, as you know, have all been in a serious recession. They all have problems of inflation and unemployment, and they have a great interdependence.

The President has felt for some time that it is important that the leaders of the industrial democracies have a chance to discuss among themselves these key problems which can affect the economic future of all of the free world and, for that matter, the whole world.

So, they are meeting first to talk about the areas in which they can cooperate in the kinds of basic thrust they want, not only for this year and next, but for the longer range.

They are not looking towards arriving at specific agreements and details, but rather to identify where they want to go and how they collectively can move in that direction.

There will be a number of subjects that are on the agenda, which I think you have. I will run over them in just a minute. But, it will also be a meeting in which subjects will be brought up by the leaders as they feel that they are important to the basic subject of economies, and so there will be undoubtedly some discussions which perhaps are not directly listed on an agenda.

Q We haven't gotten that agenda you are referring to.

MR. SEIDMAN: Okay, it is really in Secretary Kissinger's speech, but let me go through it, if I can.

MR. NESSEN: I think Hal gave the agenda when he was here for the announcements of the trip, but Bill can run over it again.

MR. SEIDMAN: I will run over it.

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The first subject will be the state of the economies of the various countries and economic cooperation, what kinds of activities, what kinds of information and what kinds of programs will help in a strong recovery in all of the countries represented.

That will be the opening subject. Each of the leaders has tentatively taken a subject to sort of open the discussion, and that will be Schmidt's subject, and he will open with that. This is all subject to their decision when they get there.

This is tentative. They may, if they want, change it, but that is the basic approach that they have.

The next subject, and they may change the order of these, but we believe the next subject will be trade, which will be led by Miki of the Japanese delegation. There will be energy, which the President will be the lead-off speaker. There will be East-West trade, which will be led by the Italian representative --

Q You don't remember his name?

MR. SEIDMAN: I have it here, if you want me to get it for you. I will pick it out of here.

It is Moro. It slipped my mind.

Let me get the last one because I left one of them out.

Q Giscard?

MR. SEIDMAN: Giscard, of course, will be talking on monetary policy, and Wilson will be talking on relations with the LDCs -- the less developed countries -- the relationship with the less developed countries.

Those will be the basic subjects they have listed for their agenda.

As you can see, it is a broad range of subjects. It will, in that regard, range from some particulars in those areas, but will particularly look at the longer range things in terms of what kinds of monetary policy in the long run will provide the most economic stability and that kind of thing.

We do not expect that there will be any momentous particular decisions reached at the meeting, but we do think -- and the President particularly wants to emphasize -- that this kind of exchange among these leaders can be of vital importance to the economic future of these countries.

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For that reason, he is spending a lot of time and is going to the meeting at this time.

I think rather than me go on, you will find back-up for that in Secretary Kissinger's speech. If you would like to ask some questions, I will take them now.

Q What is the current status of Canadian participation?

MR. SEIDMAN: They will not be participating in any way.

Q Mr. Seidman, you keep emphasizing that the President wanted this meeting, he felt it was vital, so forth, and yet all of the information that has gone before has been to the effect that the President of the United States in general did not want this meeting and that rather Mr. Giscard wanted this meeting particularly and finally got Mr. Schmidt to go along and finally that persuaded the United States.

MR. SEIDMAN: I think the background is that the meeting as originally suggested was apparently to be one simply on monetary policy. It was not our view that a meeting on monetary policy at this level would be an appropriate meeting that could provide the kind of leadership in the basic areas that we were concerned with.

When it became clear that it was going to be an overall view on economic policy, since then, the President has indicated his desire to go and, I might say, contrary to some of the stories, this has been, I believe, the uniform view of the various departments of the Government.

Q You say Canada is not participating unless there is some ruling in the negotiations still?

MR. SEIDMAN: At this point, they are not participating, unless you have heard any further word.

Q We have seen reports of the French attitude. What is the problem, in your words, Mr. Seidman, with regard to Canada?

MR. SEIDMAN: I think the answer is that we could not get the agreement of all the parties for Canada to participate.

Q Did anyone oppose besides France?

MR. SEIDMAN: I don't have the information on that.

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MR. SONNENFELDT: No, I think the French are the only ones that objected to that.

Q When and how was the decision reached to exclude Canada?

MR. SONNENFELDT: The Canadians had not been originally in the group that explored the desirability of the meeting but, as I indicated here when we announced the decision to hold the meeting, we had expressed a desire to have them participate and indeed, at that time, expected them to do so. Others likewise did.

But, from that time onward, it was not possible to obtain a total consensus of all the participants.

Q Yesterday the State Department said strenuous efforts were still being made so the presumption is that the decision was made since yesterday.

MR. SONNENFELDT: I think we are giving you a status report of where it stands today and of this moment, which is Wednesday before the Saturday when this event will occur, that it appears unlikely there will be any change.

Q What is the basis for the French opposition for those of us who haven't been able to --

MR. SONNENFELDT: I don't think we ought to discuss that here. I think the French can speak for themselves on that.

Q Did you get any feeling of concern that this meeting might in some respects develop into a sort of European bloc versus the United States standing on its own?

MR. SEIDMAN: I think they will have a free and open discussion, and where they feel their views need to be reconciled, they will discuss them, but I don't see developing in any of the indications that we have as to the subjects they want to discuss and the types of things they want to present that that is likely to be a result, no.

MR. SONNENFELDT: I might add from the preparatory meetings there was no sign of that. Of course, there are some issues on which the Europeans cannot make decisions without community approval but, since this is not a meeting for reaching that kind of decision, that issue is not going to arise in this formal sense at all.

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Q Giscard is quoted today as saying in an interview that France will no longer advocate a return to fixed exchange rates, favoring now instead a minimum of stability in the monetary system. That sounds pretty close to the U.S. position.

I am wondering now if there is a foundation for agreement there?

MR. SEIDMAN: They have been working very hard to see if an agreement can be reached in that area, and they are still working on it and certainly that statement would sound as though we are getting closer together.

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Q Could you give something about the schedule? Is there something tentatively set like the number of meetings a day and working luncheons and so forth?

MR. SONNENFELDT: I don't think we are in a position to be very specific on this. It will begin on Saturday evening and there will be a meal. I am not sure that there will be a breakfast that they will have together but, in any case, normal days have three meals so I would judge there will be a lunch and then there will be a dinner on Sunday. (Laughter)

I think on Monday there will be a breakfast, and a lunch --

Q Are all the meetings at meal time? (Laughter)

MR. SONNENFELDT: -- at the end of which the meeting will break up and in between the meals there will be meetings. (Laughter)

There is a salon manger at Rambouillet Chateau, which I believe will be the location where meals will be served for the heads of State and the Ministers.

There is some thought that the heads of State might eat alone on one occasion at meal time. (Laughter)

Anyway, it is an informal setting, a flexible setting, and I would say there would be one, two, three, four, five, six meals interspersed with meetings.

Q Will there be speeches at the opening dinner?

MR. SONNENFELDT: I think each of these gentlemen has remarks that he will expect to make. My guess is that it will get less formal as the talks proceed, but I would think that each one of them has some opening remarks but I wouldn't call them -- at least in our case it is not intended that they be set speeches; they are prepared remarks. Each head will be undoubtedly well briefed and our President, as Mr. Seidman indicates, has been going through the briefing materials and has been holding these discussions and he will be prepared to intervene with remarks at various times but I don't think it is anticipated there will be set speeches that will be officially issued and released, however else they might find their way into the press.

Q Do you plan daily and then a final briefing?

MR. SONNENFELDT: I can't tell you that at this moment.

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Q Is it correct, Hal, only the President will stay at the Chateau, and Kissinger and Simon will go back and forth from --

MR. SONNENFELDT: I believe the arrangements are that heads of Government, heads of State will stay at Rambouillet. There are additional quarters but not thought to be suitable for Ministers. (Laughter) Consequently, the Ministers will be staying in Paris and will be transported back and forth.

Q Mr. Sonnenfeldt, is there any worry about the safety of the leaders of this many countries staying together in one chateau? (Laughter)

Q Does it have a moat?

MR. SONNENFELDT: I am not aware of any concern.

Q Mr. Seidman, the European press has been filled with concern about New York and its problems. What will the President be able to say to the Europeans about this issue and could you, as we get in this back door, could you tell us a little more about what happened yesterday?

MR. SEIDMAN: The President will be prepared to discuss that subject.

The question was there will be a number of foreign leaders who will be perhaps interested in discussing New York. The question was asked, what would be the response? The President will be prepared to discuss that subject with the leaders if they so desire.

Q What will he tell them?

MR. SONNENFELDT: May I make an extension of my remarks since one of my colleagues seems to feel I indicated this conference is going to be one mostly surrounding food -- (Laughter)

Q Don't take away our lead now.

MR. SONNENFELDT: If there was any implication at all to what I said, it was this will be a flexible and informal get-together. We have every reason to expect that it will be a very intensive series of exchanges extending through normal meal times. This is really the whole purpose of it. Therefore, there shouldn't be any inference drawn from what I said about the number of meals.

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Q Mr. Seidman, will the President have encouraging news about New York?

MR. SEIDMAN: I think the President will discuss New York when he gets there based on the status of New York at that time.

Q Has there been a change?

MR. HUSHEN: Keep the briefing on the economic summit.

Q By heeding Mr. Hushen's injunction there you are leaving it open that possibly there has been a change?

MR. SEIDMAN: There has been no change in the President's policy. Mr. Nessen announced that at the beginning of the meeting.

Q How can we interpret your smile? (Laughter)

MR. SEIDMAN: Keep smiling, that is what we say.

Q In talking about the status of New York at that time, you seem to imply you expect the status to change by then. Do you expect a default by then?

MR. SEIDMAN: I have no idea in that regard. As you know, we are monitoring it day-by-day.

Q Mr. Seidman, you seem to be leaving open the possibility there will be a change in the status.

MR. SEIDMAN: I am not leaving open any possibilities. The question was, would the President discuss it? The answer was, if they so wish, he will be willing to discuss it.

Q On the dry subject of exchange rates, if I may --

MR. HUSHEN: This briefing is on the economic summit. I think he has given you the answer as far as New York is concerned.

Q That is a big topic as far as the Europeans--

MR. HUSHEN: You got the answer he is going to give.

Q Well, thank you then.

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Q On the dry subject of exchange rates, if I may, they are moving closer together. Are there still differences, and can they be resolved at this meeting? Why not if they are so close together?

MR. SEIDMAN: The discussions are still going on, and whether or not they will be resolved, of course, will come from discussions of the people involved. Whether or not they will be resolved depends on what comes out of the meeting. So, at this point there is still apparent differences and viewpoints.

Q Mr. Seidman and Mr. Sonnenfeldt, this meeting is going to be far more than economic, as the subjects dictate. I wonder if you could tell us something about the implications of these nations meeting -- it is rather unique -- and planning future meetings in this general field, which disregard the Market as an entity at the meeting and so on?

They are not really representing the Market. They are representing individual nations. This is also a political meeting, as well as economic.

MR. SONNENFELDT: I think it is what the Secretary of State indicated yesterday and Mr. Seidman has indicated here just now. It is a meeting of the political leaders of these industrial, democratic countries who are getting together to discuss problems that are economic in the first instance but have profound implications for the well-being across the board of their nations, and indeed of the world economy at large.

So, in that sense, this is a political meeting, a meeting at the political level.

Now, what follows from this is going to be open for discussion there. It doesn't disregard the market. Obviously, the countries from the Common Market that participate there speak against the background that their countries are part of the European community.

But, it is not the sort of meeting that requires the collective decision or action of the European community because it is not expected to make those kinds of technical decisions.

It is distinctly expected that attitudes will result from this and that a broader understanding of each other's problems will result from this, seriously, and that a motivation and an impulse to move ahead on ongoing negotiations in the trade area will result from this and that the process of economic recovery, which we are already experiencing in this country, will also be given an impulse from all of this.

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Those are the kinds of results that it is hoped to obtain as a result of these kinds of discussions.

Q Is this seen, though, as a one-time thing or will there be a series of economic ministerial-level meetings?

MR. SONNENFELDT: As it has been suggested, as the Secretary of State indicated yesterday, in some areas at least some arrangements be made for follow-through or follow-up, and we have suggested, if that meets general approval, in our case the Secretary of the Treasury would be the individual who would do that. But, that is a matter that remains to be discussed there.

Q Is there any germ or thought, or any planning, on this thing from the American standpoint that the treaty with Rome and everything aside, that this will allow a greater family of Western nations to act in concert economically rather than just the Market? There was a period of isolation the Market was going through for a time. Is this a long run thing?

MR. SONNENFELDT: I think it would be our hope and expectation in these major areas that will be discussed, the countries involved and others will act with as much compatibility and as cooperatively as is feasible and possible.

I don't want to characterize either the community's policies or our policies as isolationist. It is certainly a hope and expectation, and the reason for going to this meeting is to achieve the best degree of cooperation and mutual reinforcement that is obtainable over the forthcoming period.

Q Do you expect the heads of Government will agree in addition to the meeting of economic ministers to having a second summit of this kind or a series of summits?

MR. SONNENFELDT: I don't want to really speculate on this. I certainly think that isn't excluded, but I think it will really depend entirely on them, and I wouldn't want to pre-empt that kind of decision.

Q Will this summit help the re-election efforts of Mr. Schmidt and Mr. Giscard d'Estaing?

MR. SONNENFELDT: I think you will have to ask them that or reach your own conclusions.

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Q What about New York City? (Laughter)

THE PRESS: Thank you.

END (AT 6:02 P.M. EST)