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N E W S C O N F E R E N C E

#69

AT THE WHITE HOUSE

WITH RON NESSEN

AT 12:00 NOON EST

NOVEMBER 12, 1974

TUESDAY

MR. NESSEN: I really appreciate your kind and gentle treatment of Jack Hushen yesterday. He did have to go over to G.W. for treatment of multiple lacerations after the briefing, but I think he will be all right now.

Q It was not a transfusion for information was it? (Laughter)

MR. NESSEN: That is really nasty. That is terrible.

No, but he really enjoyed it, and he asked to do it again soon.

Q We think the releases ought to be written in the English language from now on.

MR. NESSEN: You have to talk to the lawyers about that.

Q It is always the top man we try to get. (Laughter)

MR. NESSEN: Try to get?

Q Yes.

MR. NESSEN: In what sense?

We have a lot of news today, folks. You will be tearing out front pages all over America after this briefing. I meant they will be tearing out the American front pages after the briefing.

The President had a breakfast meeting with the House Speaker, Carl Albert, this morning. They had breakfast over in the Residence.

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The meeting lasted about an hour, and this was similar to the meeting he had with Senator Mansfield to discuss priorities for the lame duck session of Congress.

Speaker Albert said that he would make every possible effort to expedite the consideration of the Rockefeller nomination and that he would cooperate on that and on the President's other legislative proposals, which will go up next Monday.

Speaker Albert indicated that he had gotten the feeling that Congress should and would act on this nomination during the lame duck session and would not carry it over for the new Congress.

Q This is the President's report to you, or were you there?

MR. NESSEN: No, I was getting a report from the President on the breakfast.

Q Does he mean the whole Congress, Ron, or is he speaking of the House alone?

MR. NESSEN: Obviously he is the Speaker of the House, so I think he was speaking for the House.

Q Acting favorably or just acting?

MR. NESSEN: I do not know that he was predicting how it would come out. The President believes that it will be favorable.

They also discussed Rockefeller. Among the other legislation they discussed the outlook for in the lame duck session was the mass transit bill and the foreign aid authorization.

The President then came to his office after the breakfast and he held his morning staff meeting with Don Rumsfeld, Secretary Kissinger, Brent Scowcroft, Bob Hartmann, Bill Timmons, Jack Marsh, and myself.

The President also stopped in at a meeting in the Roosevelt Room that Bill Timmons had organized with the legislative liaison officers of the departments and agencies. The purpose of the meeting was to discuss again the lame duck session of Congress and the President urged the departmental and agency legislative officers to help him, pushing through his priority legislation in the lame duck session of Congress.

At 10:30, I guess most of you know, the President had the arrival ceremony for Chancellor Kreisky. That meeting is still going on, and we will have a read-out for you on some details of the meeting when it is concluded.

We had some Austrian journalists with us this morning as guests. I think they may be outside waiting for the departure.

Tonight there is going to be a little more elaborate coverage of the black tie dinner. This is part of Sheila Weidenfeld's new policies. You may cover and do not have to dress formally for the following events:

At 7:05, a press preview of dinner arrangements in the State Dining Room. You will get picked up here at 7:05 and taken over there.

At 7:30 there will be reporters, photographers, and hand-held silent cameras at the South Diplomatic Entrance for the arrival of guests. Again, you will be picked up here in the press room at 7:30 to be taken there.

At 8:00 there will be full coverage of the arrival of Chancellor Kreisky at the North Portico. You will be picked up for that at 7:50 here, and you are probably going to say to me, suppose we are out at the South Portico getting the guests arriving. How will we get taken around to the North Portico? And you will get taken to the North Portico.

At 8:10, the Grand Hall entrance, the President and Mrs. Ford and Chancellor Kreisky with full press coverage.

At 9:20, the toasts are piped into the Family Theater. You will be picked up here in the press room and taken to the Family Theater to hear the toasts.

Those of you who will be covering other events that I am about to tell you about are required to wear black tie.

Pool coverage of the exchange of toasts in the State Dining Room at 9:30. The pool is an NBC minicam, the UPI and AP photos, also U.S. News and World Report photographer, Washington Post photographer, and Washington Star photographer.

The entertainment at 10:00. Full press coverage of the opening number and the closing number, as well as the President's introductory and closing remarks. Black tie required for that.

Have we announced the entertainment yet?

Q It is on the board.

MR. NESSEN: It is Vikki Carr.

At 12:30 today, the President will meet with Mrs. Shirley Temple Black prior to her departure to take up her post as Ambassador to Ghana.

At 12:45 the President will meet with Ambassador David K. E. Bruce, who will be going to Brussels this month to succeed Don Rumsfeld as the United States permanent representative to the North Atlantic Council.

At 4:00 the President will meet with Vice President-Designate Nelson Rockefeller to discuss his nomination and what can be done to expedite his nomination.

This evening, as we have said, the State Dinner in honor of Chancellor Kreisky. Any specific questions about your coverage will be -- the coordinators for this are Bill Roberts and Sheila Weidenfeld, so get together with them if you have any questions.

Tomorrow morning at 7:30 the President will have a breakfast meeting with Senator Scott.

Q For the same reasons he has been seeing the others?

MR. NESSEN: Essentially the same reasons, and I saw something about Senator Scott commenting on the economy and the state of the economy, and I think they will probably discuss that as well as the legislative program.

At 5:00 tomorrow, the President will meet with the Coastal State Governors, as we announced yesterday.

On Thursday, I think you already have the times for the trips to Las Vegas and Phoenix. There is an extra stop in Phoenix at Luke Air Force Base to participate in a ceremony marking the receipt by the Tactical Air Command of the first F-15 fighter plane.

The President will arrive at Luke Air Force Base at 12:40 local time. They are on Mountain Standard time. The F-15 will then land after him, and the pilot will transfer the appropriate forms to the President, who will then give them to the senior Air Force officer on the scene.

The President will probably have brief remarks there and depart Luke Air Force Base at about 1:10 by car for the Camelback Inn, where he will spend the rest of the afternoon preparing for his appearance at the Sigma Delta Chi meeting that evening.

I think we have discussed already the format for that Q and A before the Sigma Delta Chi. There will be alternating questions. Sigma Delta Chi I think we will let go first and have the first question and then a White House correspondent and so forth back and forth probably for 30 or 35 minutes.

The President will have a little opening statement to make before the Q and A starts.

In order to try to keep some orderliness in what could be complicated with the alternating questions, would you sign up on a sheet that we are going to post on the bulletin board, if you are interested in asking a question tomorrow. Then we will work in as many questions as we can, and we will give you a little slip showing you where you come in the questioning.

Q How will you select the order, Ron?

MR. NESSEN: We have not quite decided yet. We might put them in a hat and draw them out. If there are not too many, we just put everybody down. I guess it is tradition to have the wire services go first. We will probably do that.

We don't have any more details on the Far East trip. The advance team is back, and I am going to meet with them at 1:30 to find out what the problems are, and we are discussing with the countries involved what any problems there may be, and we hope to have more for you later in the week.

Q Do you have any idea of what the Vladivostok situation in the overall is going to be? Are we going to be severely limited? I mean, the wire services have to have some people there.

MR. NESSEN: Helen, I cannot ever remember a trip when the wire services didn't have anybody there. But to answer your question, there may be a space problem in terms of accommodations in Vladivostok, according to the Russians. I have not had time to sit down with the advance people. I am going to do that at 1:30 today and find out specifically what the limitations are that they think are necessary.

As I understand it, just from a very brief conversation, there is a limitation on the places for people to sleep, basically.

Q Well, we won't sleep.

MR. NESSEN: Okay.

Q That is not our problem.

MR. NESSEN: Let me jot down those who do not want to sleep, who only want to sit up all night.

Seriously, Helen, I think all of you have been through foreign trips before, and you know that the White House always does its utmost to avoid any limitations on the press, and we intend to do that this time as we have always.

I am still not clear on how much of a problem it is, but you and others have talked to me over the past week and we are fully aware of your feelings. I hope you are fully aware of our feelings, which are that we will make the maximum effort to get everybody there.

Q You have not heard anything that would limit the maximum effort to get everyone there so far?

MR. NESSEN: I say we are going to make the maximum effort to get everybody there.

Q Ron, in view of the time factor, would it be possible for you to meet with us later this afternoon?

MR. NESSEN: I know there is some interest in this because you are all very interested in the subject, and after my meeting at 1:30, if we have anything specific, I could relay it to you later in the afternoon.

Q Ron, are you also asking the Russians to allow the American correspondents who are stationed in Moscow covering Brezhnev, to be allowed to go from there to wherever you specify?

MR. NESSEN: Is that a problem? I have not even heard of that one yet.

Q Yes, it is a very bad problem.

MR. NESSEN: Will that come up at our 1:30 meeting?

Well, it will if I bring it up.

Q At some point, Ron, we have to deploy our people.

MR. NESSEN: I understand, Helen.

Q They are getting very antsy.

MR. NESSEN: Today we will hopefully get some answers.

We are going to hand out here an exchange of letters between the President and Andrew E. Gibson in which the President agrees to Mr. Gibson's request to have his name withdrawn from consideration for the position of Administrator of the Federal Energy Administration.

We also will be passing out to you an exchange of letters between the President and Mrs. Barbara Watson in which the President expresses his deep gratitude for her invaluable contributions upon her resignation as Administrator of the Bureau of Security and Consular Affairs, effective December 31.

Q Ron, I know this is an old question and I am conscious of this, and I ask it, and that is, did Andrew Gibson talk before his hiring, before he took the position -- did he talk to any White House staff member about the details of his termination contract? I ask that because you said he had not. Maybe I had it wrong.

MR. NESSEN: No, I think I once and for all have the correct version of what happened because I spent considerable time this morning trying to clear up the loose ends.

As I understand it, Mr. Gibson verbally made the personnel office at the White House aware that he had a severance agreement with his last employer and there were no amounts mentioned.

Q No amounts mentioned?

MR. NESSEN: Not in that initial verbal statement.

Q Do you know when that was, Ron?

MR. NESSEN: I really don't know when it was, but it was before the nomination, to be frank with you.

Q Do you know the gentleman he was working with?

MR. NESSEN: I do.

Q Was his name Mr. Walker?

MR. NESSEN: I don't think we really ought to get into specific staff people who work on specific projects.

Q It is kind of important to this whole thing in terms of the assessment of what happened.

MR. NESSEN: Well, let me say in terms of what happened, Don Rumsfeld asked me to tell you that -- he is all dressed up in sack cloth and ashes today.

Seriously, Don asked me to say that personnel is within his jurisdiction and he is in overall charge of it. Don wants you to know that he has volunteered to take the blame.

Q You mean for not communicating the severance contract information to the President?

Q Ron, did the President become aware of this possible conflict of interest, and if so, under what conditions?

MR. NESSEN: I missed the first part, Bob.

Q I asked when and how the President became aware of this possible conflict of interest.

MR. NESSEN: I think, as we explained early on in this, the President became aware through news accounts.

Q Will he be eligible for another Government job, as has been reported, at some future point?

MR. NESSEN: Helen, I think what we have to say is that the FBI checks and the other checks on Mr. Gibson are continuing and obviously we would have to wait to see how they come out before there can be any discussion of another job.

Q The President mentioned this in his letter.

MR. NESSEN: That is right, but I am saying as for discussion of a specific job, we would have to wait and see how the FBI checks came out.

Q An appointed job or one that would require confirmation?

MR. NESSEN: What paragraph is that in?

Q It is the last paragraph.

MR. NESSEN: Yes, "...when appropriate, to appoint you to another responsible position in the Government." He points out that this will be after the checks are made.

Q Ron, did Gibson tell the personnel office about this separation agreement in the context of his consideration for the FEA job, or in the context of consideration for some other job?

MR. NESSEN: I don't know the answer to that, Mort.

Q Was the problem that the personnel office, focusing on it for one job, forgot about it when he came up for the next job, or what was the problem? Why didn't they connect this information with the fact that he was going to get an energy job?

MR. NESSEN: I am not sure that it makes any difference. Everybody who gets any job in this Administration has to fill in certain forms and provide certain information, and it does not really matter what specific job you are under consideration for. You have to go through that.

Q Was it not the same time, though, Ron? Isn't that important? I mean, the consideration for the other job, together with this, was it not almost precisely on the same day?

MR. NESSEN: I don't know that.

Q You don't know that?

MR. NESSEN: No.

Q Ron, is the President upset over this, and has he ordered new procedures, new guidelines for all future nominations?

MR. NESSEN: No, there has been no new guidelines ordered, Phil. There are guidelines, and the guidelines will be followed in the future.

Q Ron, did Rumsfeld know about this severance agreement when he passed Gibson's name on to the President?

MR. NESSEN: My understanding is that he did not.

Q Why is he volunteering to take the blame?

MR. NESSEN: Because he is in overall charge of personnel matters.

Q But in fact, you are saying he really had nothing to do with it?

MR. NESSEN: I am saying that the matter was handled imperfectly in the White House.

Q But not by Rumsfeld, right?

MR. NESSEN: Well, Don says that he is volunteering to accept the responsibility because it is his overall responsibility to be in charge of personnel.

Q Ron, isn't the President's overall responsibility to be in charge of everything that happens in here? So by that same analogy --

MR. NESSEN: Don also said that --

Q Isn't the President in charge of everything that happens here?

MR. NESSEN: I think what we ought to do, Norm, is to agree that the matter was handled imperfectly, and it does seem to me that the matter is now resolved. Mr. Gibson did not get this job. The nomination was not sent to the Senate, and I don't know what the purpose it serves -- Don said that even though he was accepting the responsibility for it, that he was not volunteering to be publicly flogged.

Q Ron, in the last paragraph, the President said to Mr. Gibson, "It would be unfair for you to leave unanswered charges made against you."

Does the President believe that Mr. Gibson was treated unfairly by the news media?

MR. NESSEN: The answer is no.

Q The second question is, was the President concerned about the appearance of conflict of interest in Mr. Gibson's nomination?

MR. NESSEN: Would you say that again, Walt?

Q Was the President concerned about the appearance of a potential conflict of interest with the Gibson nomination?

MR. NESSEN: Well, that is an awfully iffy question. This man is being examined right now, as the President says, by the FBI, and I think in all fairness to him, we ought to wait and see what they come up with, and not decide here whether he is guilty or not guilty of an appearance --

Q No, I said appearance.

MR. NESSEN: I am not going to answer that kind of question, Walt.

Q Ron, when did the amount of money that was involved come to the attention of the White House?

MR. NESSEN: I am not sure of the precise date, but after this initial verbal mention that he had a severance agreement with his former employer, he then sent in the written forms that are required and it was at that point that the full details became available to the White House. And my understanding is that that was after the President had indicated his intention to nominate Mr. Gibson.

Q Ron, do you know who recommended Mr. Gibson in the first place?

MR. NESSEN: I don't, Peter. I do think that sometimes things get hardened into fact by their repetition, and in order that that does not happen, I would like to say that I have seen and heard stories saying that the President and Mr. Gibson were intimate personal friends, and I think somebody said they were on a Jerry-and-Andy basis. The fact is that the President, when he was Minority Leader of the House, worked with Mr. Gibson in 1970 when Gibson was the head of the Maritime Commission on a piece of maritime legislation.

They have a personal relationship. I asked the President about this one day and he has not seen Mr. Gibson in person since the period of time when they worked together on legislation in 1970. So I think it would be incorrect to describe them as "close personal friends".

Q But the reason I asked my question, Ron, is that there has been a report that Mr. Rumsfeld initiated Mr. Gibson's nomination.

MR. NESSEN: I don't know that, Peter. I don't know that.

Q Ron, it sounds like the President has a replacement; it sounds like he has already picked him. Is there a man or woman being considered and undergoing checks now?

MR. NESSEN: Well, we are diligently looking for a new Administrator, but cautiously.

Q Can we assume he won't have any ties with the oil industry?

MR. NESSEN: Well, you can assume that the new name will not be announced either until all the checks are done or else it is possible that we might announce that someone is under consideration, and then not actually nominate them until all the checks are done.

Q Ron, can I ask you a question about those checks?

MR. NESSEN: Yes.

Q The President says in his last paragraph, "I therefore intend to have the FBI investigation which was routinely begun on the date that you were announced."

MR. NESSEN: Yes.

Q I thought you said the checks were, because of urgency, waived in Mr. Gibson's case.

MR. NESSEN: No. That got sort of misunderstood too. I went back and read the transcripts. I think it is probably my fault. I used the word "waive" when that really was not the proper word. What I meant to say was that the usual procedure of waiting until the checks are done before announcing was waived. In other words, the checks were started and are now going forward, and the normal procedure would have been to wait until they are completed before announcing the man.

The checks went forward, but he was announced before they were completed. That is the element that was waived, and it is my fault for not being clearer on that.

Q Ron, why was there such a rush?

MR. NESSEN: Well, I think we said it the other day, that this is an important office. It is an important issue. The President and Secretary Morton wanted somebody in there running that important agency and there was felt to be a need to do it quickly.

Q It was not because the President wanted to announce his new energy team with considerable fanfare out here in the briefing room before the election, was it?

MR. NESSEN: Not that I know of, Jim.

This poor little lady here can't get a word in edgewise.

Q Thanks, Ron.

When Mr. Gibson could not take over at FEA until he was confirmed by the Senate, and the Senate was not going to be back until next Monday, as it was, so why --

MR. NESSEN: But it would have been up there and ready to go, the President thought, quickly when the Congress did come back, and also Mr. Gibson could have been getting his sort of familiarization with how the agency worked, and so forth.

Q Ron, if the President had known about the severance agreement, would he have nominated or not nominated Mr. Gibson?

MR. NESSEN: Well, what is the point of taking on an iffy question like that when you have in front of you the letters in which Mr. Gibson asked that his nomination be withdrawn? I don't know the answer to the question.

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Q You are saying it was an imperfect staff system. If it had been perfect and he received the word of it, would he not have gone ahead with the nomination?

MR. NESSEN: I don't know the answer to that.

Q What does the President say to the charge by Senator Byrd that he has not learned the lessons of Watergate?

MR. NESSEN: I would not have any comment on that.

Q Ron, would you clear up two questions on the resignation or the exchange of letters with Barbara Watson?

MR. NESSEN: I will try.

Q Is there any significance to the difference in the dates, the August 9 date on the letter of resignation and the November 6 date on the severance and also is the Nixon nominee for that office going to be renominated, the man from Buffalo by the name of Walentynowicz, or something like that?

MR. NESSEN: To answer your question, I think the President indicated that he would review this particular case which he has indeed done, and the time elapsing to do the review accounts for the difference in dates.

Q Let's finish up that, please, on the nomination. His name, I have forgotten it, too.

MR. NESSEN: It is Leonard Walentynowicz. Wally to his friends.

Q Is he still the choice of the Ford Administration?

MR. NESSEN: You know, this was one of the package of nominations that was brought back from the Hill during the recess period, and as far as I know--at this moment I don't know anything at this moment which would lead me to believe that he would not go back.

Q Ron, we were told by your predecessor --

MR. NESSEN: Which one?

Q The one in the Ford Administration, the immediate past predecessor. -- that President Ford did not ask any employees for pro forma resignations when he came in. In fact, he specifically told them he didn't want them. Why was Barbara Watson required to submit such a resignation when other members of the Administration were not?

MR. NESSEN: I don't know that she was required to submit her resignation.

Q The letter says that, Ron.

MR. NESSEN: She says, ".....in keeping with the established custom." Maybe she volunteered.

Q The date is August 9, which is the day the change took place, and the established custom is for appointees to submit pro forma resignations.

MR. NESSEN: I have no indication that she was forced to send this letter in.

Q Well, to follow that up, are there other pro forma resignations the President intends to accept?

MR. NESSEN: I don't know of any, Gaylord.

Q Did he in fact request or has he received other pro forma resignations?

MR. NESSEN: I don't know of any.

Q Ron, on another subject, is the President not prepared to concede that the national economy is in recession?

MR. NESSEN: I think as of September, which was probably the last time we talked seriously about this, the economic evidence indicated that we were not in a recession at that time. I do think that the economic statistics have shown an erosion of the situation since then, and I think when the statistics come in from November and are analyzed, it will probably appear that this month we are moving into a recession.

I think the latest official figures, which were October, indicate that we are not now in a recession, but the new figures will probably indicate that we are moving into a recession.

Q And will it be so called?

MR. NESSEN: There again, Helen, we are back to the question of the -- what do you call the outfit that does that thing?

Q The Bureau of Economic Research.

MR. NESSEN: As some of you have pointed out to me so often, they get around to it about six months from now, and I would think that about whenever they get around to it, they will say that beginning about now we did move into a recession.

Q Ron, to follow up, in view of the erosion that you mentioned and the fact that the White House and the President now view the economy as now moving into a recession, are the President and his economic advisers taking any steps to reflect this change of condition?

Q Question?

MR. NESSEN: The question was, is the President taking any steps to reflect what now appears to be a period when we are moving into a recession.

It seemed to me the President took this into account when he sent his economic message to Congress. He could see at that point that elements in the economy appeared to be softening, and, as you know, he has often said that the economic message was balanced between the needs to fight inflation, which is still with us, and which is the ultimate cause of recession on the one hand, and on the other hand the needs to take care of the people and industries which will suffer from the recession.

There is the public works, public service jobs program; there is the increase in unemployment benefits; there is the tax reduction for lower income families; and there is the investment credit tax. The message is balanced between dealing with both problems.

Q Did you say inflation is the ultimate cause of the recession?

MR. NESSEN: Right. I mean, interest rates are so high that people can't afford to build or buy houses and prices are high and people can't afford to buy what they want, so the demand falls off and so forth.

Q Have you seen a preview of the statistics? On what do you base your statement?

MR. NESSEN: I frankly have not seen a preview of the statistics, but I have talked to Bill Simon and Al Greenspan and Bill Seidman about it, but some of the things are already becoming apparent.

While the figures are not out yet, there is some advance indication that industrial production apparently has been slipping. There is an evidence of unemployment continuing to increase.

Q Over 6 percent?

MR. NESSEN: I don't know what the new figures will be. I think you are all aware of layoffs in the automobile and other industries, and also the deterioration of auto sales and auto production. There are also some more subtle indications. For instance, the lead time on trying to get deliveries of raw material, for instance. When these lead times are long, indicating large demand, then the economy is sort of humming along, but when those lead times are shorter and you can get material almost immediately, then you know that demand is falling off as the orders slacken.

The 6 percent unemployment we already know about, and also the decline in the Gross National Product we know about. Those are the ones that led up to this feeling that we are moving into a recession.

Q Ron, is the President having second thoughts about the portions of his economic program which are essentially aimed at excess demand, which the economic statistics apparently indicate does not exist?

MR. NESSEN: What portions would that be?

Q A 5 percent tax surcharge is the most obvious one; budget cutting is the second most important one. Budget cutting, and another one is aimed at excess demand.

MR. NESSEN: Well, I don't accept your premise that that is the reason for those proposals. The reason for the 5 percent surtax as has been stated clearly, is to raise the necessary revenue to pay for other portions of this package dealing with unemployment and public works.

I think the President has said himself that if there is a better formula for raising this money to offset the extra money that will go to fight recession, he would be happy to look at a better formula. He is not wedded to 5 percent, but he is wedded to the principle that there must be a surtax or some method to raise the money to offset the extra money that will be spent to fight inflation.

The second element you thought to suppress demand was budget reductions. I think you have to keep in mind that inflation is by no means behind us. It is still a serious problem, and almost every economist and other representative at these summit meetings indicated that large Government spending was a main cause of inflation.

It is not just the economists who feel that way. There is a Harris survey out the other day saying that 76 percent of the people believe that Federal spending is a major cause of inflation, and there is also a Roper survey out that nearly two-thirds of the public are behind the President's efforts to cut Federal spending.

So, those elements of the package are not there to suppress demand, but rather on the one hand to fight inflation and on the other hand to raise money to fight recessionary elements.

Q If I could follow up on your poll figures, isn't that more of an indication that politicians have been saying that Government spending is the cause of inflation rather than any sort of inherent economic knowledge?

MR. NESSEN: Gee, I would have no way of knowing that, Norm.

Q Ron, is it simply coincidence that the White House is declaring a recession one week after the election of 1974?

MR. NESSEN: I was wondering why it took so long for someone to ask that question.

The answer is that these figures are just beginning to come in and they are not even final yet. We don't have the November figures, obviously.

Q Ron, does this mean he is not going to be able to balance his budget obviously if revenues are decreased because of diminished economic activities?

MR. NESSEN: In which year are we talking about?

Q We are talking about 1976.

MR. NESSEN: We have already said that even though he is going to propose reductions that would bring the 1975 budget down to \$300 billion, that that would not balance the budget.

As for 1976, the President has said many times that the goal is to present a balanced budget for 1976.

Balancing the budget is not entirely something the President can do by himself. It requires Congressional action, too. I don't know if you were here for Roy Ash's briefing the other day, but he sort of sketched in the large questions that will be involved in trying to balance the budget.

Obviously one of the factors in trying to balance the budget is to present a balanced budget. It also depends on Congress going along with that kind of budget. It involves cutting outlays and it also depends, as you quite rightly raised, the question of revenues. Revenues are something that the Federal Government does not entirely have control over because it does depend on the state of the economy.

His goal remains a balanced budget.

Q You gave three alternatives, Ron. One was a balanced budget; one was to cut services; and one was to raise taxes.

Is the President leaning more towards one of those alternatives?

MR. NESSEN: He has not even gotten into making that fundamental decision, Tom, much less the specific programs that would add up to the total figure.

Phil.

Q Has the President given this preview and his new assessment to Senator Mansfield and Speaker Albert in his discussions?

MR. NESSEN: The which new assessment?

Q That we are now approaching the recession.

MR. NESSEN: I have been reading over some things that both Al Greenspan and Bill Simon have been saying in public over the past day or so. I don't know specifically whether he talked to Mansfield about that.

Q Ron, on the FEA, do you think the President will name someone who is under investigation before he leaves for Japan?

MR. NESSEN: I just don't have any way of knowing that.

Q Ron, is Rockefeller coming out here after he sees the President?

MR. NESSEN: There has not been any plan to.

Q Ron, has the President replied to the telegram from Butz on the amount of food aid to be provided to the needy nations of the world?

MR. NESSEN: Was there a telegram?

Q Yes.

MR. NESSEN: I thought that was sort of a public statement.

Q No, the delegation induced Butz to send a telegram to the White House asking for authorization to make a commitment.

MR. NESSEN: I will have to check up on that. I don't know that.

THE PRESS: Thank you.

END

(12:44 P.M. EST)

#69

AT THE WHITE HOUSE

WITH JACK HUSHEN

AT 2:45 P.M. EST

NOVEMBER 12, 1974

TUESDAY

MR. HUSHEN: Following this morning's arrival ceremony, the President and Austrian Chancellor Kreisky met in the Oval Office for about an hour, beginning at 11:15 a.m.

This morning's meeting provided the two leaders with the opportunity to review a number of international issues of current interest to both countries.

At the outset of their meeting, it was noted that relations between Austria and the United States are excellent and that there were no difficult bilateral issues requiring resolution.

This morning's meeting included a discussion of East-West relations and the European Security Conference, where both the United States and Austria are participating.

The President also expressed his appreciation to the Chancellor for Austria's generosity in serving as host for the force reduction talks presently underway in Vienna. For your information, Austria is not a participant.

In this general category of detente, I believe the President also briefly discussed the prospects for his forthcoming meeting with General Secretary Brezhnev in Vladivostok later this month.

The meeting was broad ranging. The President and the Chancellor discussed the situation in the Middle East and they spent some time reviewing international economic and energy issues. All in all, it was a very positive and cordial meeting.

As you know, the President will give a dinner for the Chancellor at the White House this evening.

I might be able to answer a couple questions if you have any.

Q Give us the prospects for the detente. What did he have to say about it? Were the prospects good?

Q The prospects for the Brezhnev meeting?

Q For detente?

MR. HUSHEN: I cannot go into that. (Laughter)

If you would like to know whether or not the Chancellor extended an invitation to the President to visit Austria, he did, and it was accepted in principle. He said he hoped that he could visit Austria.

Q In the ski season?

MR. HUSHEN: The question of Soviet Jews transiting Austria came up, and the President said he values the role that Austria is playing in this regard.

Also, as you may know, this is the first meeting between the President and Mr. Kreisky.

Q Will there be a meeting tomorrow?

MR. HUSHEN: No.

Q Do you have any more on that?

MR. HUSHEN: As far as I know, the answer is no. I will have to check.

Q Do you have any more on the Soviet Jews coming through Austria?

MR. HUSHEN: No, nothing more that I can give you on that.

Q Will there be a communique?

MR. HUSHEN: I will have to check on that.

Q Did the President have any reactions to the concept of energy policy that the Chancellor presented which he outlined in his speech at the United Nations?

MR. HUSHEN: There was no detailed conversation of whatever steps might be taken regarding energy matters, although, as I said, it was discussed in the broad range of the items on the agenda.

THE PRESS: Thank you.

END (AT 2:55 P.M. EST)