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NEWS CONFERENCE

#138

AT THE HYATT REGENCY HOTEL
ATLANTA, GEORGIA

WITH RON NESSEN

AT 9:25 A.M. EST

FEBRUARY 4, 1975

TUESDAY

MR. NESSEN: Actually, the format was the President came in and went around and introduced himself. There were about seven around the table, at which the editors and publishers and broadcast executives had breakfast. The White House people were spread out around the table.

The menu was juice, eggs, fruit, fresh fruit, and croissants and coffee.

The President really went into the details of his economic and energy programs, and I think most of you have heard those before.

Then after he had spoken for 15 or 20 minutes, he invited the editors and publishers and broadcast executives to ask him some questions. I think to just get to the heart of the matter, what you really want to hear is his reaction to the Ways and Means Committee tax bill.

I think that is probably the only new thing there, and it is as follows: The President said, "As far as we have been able to determine the details, the Ways and Means Committee tax package is not too far from what we proposed, but I certainly want to read the fine print.

"I hope they do something about the investment tax credit. It would be a shot in the arm for employment. I understand the Ways and Means Committee is considering a 10 percent permanent level on the investment tax credit. That would be a major step in the right direction."

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As I say, I think you know the rest. He went through the budget figures. He said, "Those are not happy facts, but I believe I proposed the right medicine for the ailments we have." He talked about inflation -- we cannot forget about inflation.

He said, "If we are not careful by holding down government spending we might have a recovery of six, nine or twelve months, but then we will be right back in inflation of major proportions."

He talked about the 5 percent increase in Social Security benefits, and so forth.

Q Are you saying, Ron, that the President will accept whatever the Ways and Means Committee did?

MR. NESSEN: No, I am just saying the words that I said, Helen.

Q Who told the President about the House Ways and Means Committee action?

MR. NESSEN: Someone told me about it when we got here last night. We still do not know precisely how the bill reads, and I do not think the bill is finished yet, as a matter of fact.

Then he talked about the oil program and how we must make ourselves invulnerable to foreign oil. He said that after considering a stack of data about that high that he decided that the pricing mechanism was the best way to conserve oil and stimulate domestic production.

He did take a look at rationing and rejected it for the reasons you know.

He also looked at import controls, but rejected that because the economists told him it would have a most severe effect on the economy. He said on energy "We have a comprehensive plan sent up there in one bill. Congress has three choices to take action on my plan, or to continue, as they are finding fault with a small piece here or there or to come up with their own total plan."

Then, he talked about how he would return the \$30 billion to the economy in considerable detail, and then, he said the reaction in the industrialized countries has been very positive. Then, the questions dealt with wage and price controls, which he rejected again. He said he was asked whether he made any headway with the Governors last night. He said, "They were very understanding, and I thought we did make some headway."

He was asked again about budget deficits and, especially, about the Defense Department budget, and he said that a great deal of the Defense Department budget, almost \$7 billion of it, is retirement pay and that 52 percent of it is salaries, so the increase in defense spending -- not all of it goes for modernizing the armed forces.

Then, after the formal Q and A was over, everyone got up from the table and he stood and talked individually to a number of the editors and publishers, and that was about it.

Q How long did it last?

MR. NESSEN: It was just over now. I came right here.

Q It started when?

MR. NESSEN: Shortly after 8:00, so I would say, an hour and one-half for the entire breakfast, a little talk, Q and A and standing around and talking.

Q What is he doing now?

MR. NESSEN: He is going to go up upstairs, or has gone upstairs and will do some work in his suite and then will leave for the other hotel at 11:45 a.m. He has got a fair amount of business to do.

Q Ron, the "Bible" shows exactly 30 minutes for the news conference, are you going to stick to that schedule?

MR. NESSEN: I am going to talk to him when he gets back from the OIC.

Q Does that mean you might expand it?

MR. NESSEN: Yes, it does.

Q Ron, can you be any more specific about his saying that reaction in industrialized countries has been very positive? He did not get reports from Europe and allies, from the Japanese?

MR. NESSEN: I think he has had some specific reaction from Schmidt and, I think, some indirect action from Giscard, and he had some direct action from Wilson this week.

Q On the whole package?

MR. NESSEN: On the energy part of the package. Those are the ones I knew about, specifically. I do not know any others.

Q Positive reaction, I assume?

MR. NESSEN: Yes.

Q Who was present --

MR. NESSEN: Nobody from the outside other than staff members.

Q Can you give us any out-of-Washington travel for next week?

MR. NESSEN: No.

Q Does the President have any schedule in Washington, when he returns this evening?

MR. NESSEN: He is having one of these dinners with the Congressmen tonight.

Q Republicans?

MR. NESSEN: I don't know. I will check.

THE PRESS: Thank you.

END

(AT 9:45 A.M. EST)