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

#152

AT THE WHITE HOUSE

WITH RON NESSEN

AT 4:10 P.M. EDT

FEBRUARY 25, 1975

TUESDAY

HOLLYWOOD, FLORIDA

MR. NESSEN: Jack told me on the bus there were some questions and some confusion about the difference between a price floor and a minimum price.

First, I want to say that what we said to the pool on the plane does not represent any change or hardening or stiffening or changing of Administration policy. I call your attention to a paragraph in the President's State of the Union speech in which he said, "To provide the critical stability for our domestic energy production in the face of world price uncertainty, I will request legislation to authorize and require tariffs, import quotas or price floors to protect our energy prices at levels which will achieve energy independence."

That is the basic policy, and when he says to protect our energy prices at levels which will achieve energy independence, a synonym for that is minimum prices. The question is, what is the difference between minimum prices and a floor price.

A floor price is one way of achieving a minimum oil price. Another way, as he mentions, of achieving this would be tariffs. Another would be import quotas.

Where it stands now is precisely where it was when he made the State of the Union speech. He will ask Congress for legislation to set minimum prices on oil, which is what he said.

The mechanism for doing that--which could be a floor price, could be a tariff, could be import quotas--has not been decided upon yet, and I think I do not really need to elaborate.

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Q If it is not new or changed, why was the President so keen on your reiteration of it again?

MR. NESSEN: Because I think there have been some questions raised as to whether he had made this position or not for a minimum price, and he has, and he wanted to reiterate and to call to your attention his State of the Union speech in which he said he had.

Q Why did you keep saying in the pool report that a floor price was not Administration policy, but minimum price was when you just quoted to us from the State of the Union in which he said price floors?

MR. NESSEN: Or tariffs or quotas.

Q But he has gone back to your pool report.

Q But he did not say anything about a minimum price there.

MR. NESSEN: The words "to protect our energy prices at levels which will achieve energy independence" is a synonym for minimum prices. Floor price is one of the mechanisms you could use to accomplish that. Tariffs are another; quotas are another.

Q For those of us who have not had access to what Mr. Simon said, all we have is a brief quote from the AP and pool report. Which was Simon talking about?

MR. NESSEN: I don't have any more than Bill Simon said than you do, Jim.

Q If Simon was talking about the same thing you were talking about, what was the need for you to come back?

MR. NESSEN: I don't know that what I said is directly related to what Simon said. I don't know precisely what he said.

Q Then why did you come back?

MR. NESSEN: The President wanted to reiterate this is his policy.

Q But why at this time?

MR. NESSEN: You have to ask him. Tomorrow you will have a chance.

Q Is he going to announce something new that he wants us to be have in our minds?

MR. NESSEN: In this area?

Q Yes.

MR. NESSEN: No.

Q Do you say your statement is not related to what Simon said. Didn't you? Did you say that?

MR. NESSEN: I told you I don't know what Simon said.

Q You said your remarks on the plane were not made about what Simon said?

MR. NESSEN: Isn't that what I said on the plane?

Q You did not make that statement on the plane.

MR. NESSEN: What I would rather do is stand by the President's reiteration of his policy.

Q We can't tell whether this is important or not unless we know what Simon said and unless we know for a certainty it is or is not related. Can you help us on either of those?

MR. NESSEN: I cannot help you on what Simon says.

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Q We have no way of evaluating the importance of this?

MR. NESSEN: I saw the same piece of wire copy you did, Jim.

Q Were the President's words to make absolutely clear to those inside and outside the Administration what his policy is on a minimum price for domestic oil?

MR. NESSEN: I think I can certainly accept that.

Q That is the purpose for his explanation today, to make it very clear?

MR. NESSEN: Let's leave it at that.

Q Were you changing your remarks to say a floor -- in the pool report -- to say a floor price is not Administration policy, or do you stand by that?

MR. NESSEN: Floor price -- he has not decided on whether to go to the floor price, tariffs or quotas as a method of achieving minimum oil price.

Q Let me switch to a less technical area. There has been some suggestion that this entire White House Conference was set up so the President would have a legitimate excuse to come here and play in this golf tournament. What is your response to that?

MR. NESSEN: It is simply not true.

Q Why?

MR. NESSEN: Why is it not true? It is just not true.

Q What can you cite to support that?

MR. NESSEN: The fact the trip to Miami was scheduled -- I forget what the first day was we started talking around the White House about whether the President was going to go out and urge the public to support his program, and I think I said, "Yes, I would not be surprised if he did that." At this point, which was easily a month ago, perhaps more, maybe six weeks ago, Miami was already on the schedule at that point, for one of these conferences.

Q So, the President had decided to come here for this conference and have this conference long before there was any thought given to playing golf?

MR. NESSEN: I don't know when this specific conference was organized. You will have to talk to Bill Baroody.

Q He said, two weeks ago --

MR. NESSEN: But the idea of coming to this area of the country to support his program --

Q We came to this area in Atlanta a couple of weeks ago.

Q Let him finish.

MR. NESSEN: The idea of coming here was on the schedule tentatively, at least six weeks ago.

Q And that was before the President decided to play in the golf tournament?

MR. NESSEN: Yes, he only decided to play in the golf tournament in the past couple of days.

THE PRESS: Thank you.

END

(AT 4:15 P.M. EDT)