

FEBRUARY 25, 1975

AIR FORCE ONE POOL REPORT
ENROUTE FORT LAUDERDALE, FLORIDA

Nessen back shortly after takeoff. Said Mrs. Ford is aboard. Said she might attend reception Wednesday night. Otherwise, no activities for her planned.

He also told us that Lucy Nugent, daughter of LBJ, called at White House late this morning with 5-year-old daughter, Nicole, who was born shortly after LBJ left office. Mrs. Ford took them through. The little girl had never seen White House.

President carried Nicole from White House to helicopter, and got a goodbye kiss from the little girl, Nessen said.

Before leaving, Ford met from 11:00 to Noon with Zarb, Rumsfeld, Cheney, Marsh, Friedersdorf, Hartmann, and Nessen. Called it "sort of an assessment" of the energy program and tax cut. No decisions made, he said. Just a review of "where we stand."

Marsh and Friedersdorf told Ford they are convinced there are enough votes in the Senate to sustain his upcoming veto. Gaining in the House, and now counting 125 to 130 votes there, they told Ford.

"That's good news," Ford said, according to Nessen.

Still no word on when veto will come. Insisted that timing of veto had nothing to do with return of touring Congressmen in Viet Nam. Won't come at least until Ford returns from Florida, Nessen said.

He was interrupted by phone call from Larry Speakes calling from White House. Nessen said the call concerned a BBC interview with Elliot Richardson. Picked up by Chicago Sun-Times, Nessen said. President wanted to see the transcript, Nessen said. There were some indications that Richardson said in the interview that he had some indication that he might become Secretary of State. Nessen was asked if he knew of any such thing, and said, "Not that I know of."

Nessen pleaded, however, not to react until there is firm word on what Richardson did say.

After phone call, went back to describing White House meeting, explaining that participants "just swapped bits of information."

Then Nessen shifted gears.

"The President wanted me to try to clear up one more time the situation regarding a minimum price for oil," he said.

"He has indeed made this decision," Nessen said, that there would be a minimum price set for oil so that domestic producers won't find that the Arabs come along and "whack" the price down to the point where domestic producers are undercut.

"He wants to tell you very strongly" that he has made such a decision," Nessen said.

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Nessen was reacting to an AP dispatch he had in hand which quoted Secretary of the Treasury Simon as saying Monday night that "the price floor is not American policy . . . We are still having discussions on the best policy."

The dispatch also noted the disagreement between Kissinger and Simon over the question of price floors for oil.

Nessen said that Ford had not talked to Simon about this, but had met this morning with Kissinger. Asked if he discussed it with Kissinger, Nessen said, "I would not discourage that speculation."

Nessen said that "a minimum price for crude oil in the United States is administration policy but that a floor price is not administration policy."

Speaking of what Ford had instructed him to say, Nessen said "It's not directly addressed to the Arab producers. It is more to the domestic producers. It's in order to keep the price of oil in the United States at a level where domestic producers would not be driven out of business."

He repeated that Ford is committed to a minimum price in the United States, and said that such a policy was expounded in Ford's State of the Union.

Then Nessen was questioned about whether Ford was disturbed by Simon's remarks.

"I don't want to be in a position of saying that Simon is out of line," Nessen said. "But he (Ford) is saying that a price floor is not American policy, but a minimum price is American policy"

He was pressed to explain the difference between a minimum price and a floor price. "If the Arabs begin shipping in oil at \$3, we could slap a \$4 tariff on to bring it up to \$7." But he never did explain the difference between a price floor and a minimum price.

Simon is not in on the Florida meeting, but Nessen insisted that his absence should not be related to this.

Asked if Ford had sent him back. Nessen said, "He didn't tell me how to do this, but he said he wanted it to be made very clear."

Osborne, Ward. Beckman