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NEWS CONFERENCE

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AT THE WHITE HOUSE

WITH BILL GREENER

AT 11:30 A.M. EDT

JULY 16, 1975

WEDNESDAY

MR. GREENER: To answer the first question that all of you have, Ron is in the Cabinet meeting now and will be down after the Cabinet meeting to give a readout on the meeting and also to answer the myriad of questions that I am sure will be left over from my briefing.

Q What do you expect to be the time of that meeting?

MR. GREENER: Around 12:30.

I am sure that all of you would like to know what definite plans there are for the President's travel, and we have frankly nothing to add to what has been said before.

Q What has been said before?

MR. GREENER: Nothing. (Laughter)

Q Exactly.

MR. GREENER: Absolutely nothing, Sorrell.

Q Has the White House advance group departed yet?

MR. GREENER: No, and if you wait, I will tell you I am sure that some of you have heard or some of you will be hearing, however, that the pre-advance team is leaving this afternoon.

Q Are you trying to postpone the Miki visit?

MR. GREENER: There are no plans at this time to do that.

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Q Where do they go first?

MR. GREENER: Helsinki.

Q That is not quite the question, Bill.

Q Bill, that is a serious question because of the time factor.

Q The question is not whether there are plans to, but is there an effort to?

MR. GREENER: Not to my knowledge. I checked on that, Walt, and not to my knowledge.

Q Where else is the advance team going, apart from Helsinki?

MR. GREENER: I do not have the itinerary.

Q Is it true the President is going to Helsinki because of the advance trip?

MR. GREENER: You can assume that if the final agreements are reached later this week that he will be attending.

Q Can we assume that if the Turks are not satisfied and they don't reach final agreement, he will not go?

MR. GREENER: If they do not reach final agreement and there is no meeting in Helsinki, he will not go.

Q In other words, he is not just going there for the Helsinki of it? (Laughter)

Q Excuse me. Could we finish this?

MR. GREENER: Yes.

Q Could we assume that if he does go to Helsinki, he will visit other countries.

MR. GREENER: There will be other stops. I don't have anything definite on that, and as I have said to everyone, when somebody tells you they don't have anything definite on that, they are telling the absolute truth. We don't have.

Q Who is representing the Press Office on this?

MR. GREENER: Eric Rosenberger and Bob Mead.

Q What time are they leaving?

MR. GREENER: Two o'clock.

That accounts for everything that I have got.

Q What is meant by the term "pre-advance team"? Does that mean there will be another advance team, also?

MR. GREENER: Normally on the past European trips we have had someone -- in fact, on almost all trips we have had some people to go out to make the necessary arrangements, and where there was adequate time, come back and then the advance team goes out maybe a day or so in advance, and that is all there is, Jim.

Q Bill, was there a breakfast meeting this morning with Congressmen on Turkey?

MR. GREENER: No. There will be a breakfast meeting tomorrow morning of about 130 Congressmen on Turkish aid.

Q Bipartisan?

MR. GREENER: I don't know the names.

Q Will Kissinger be there?

MR. GREENER: I don't know. I will have to check.

Q Bipartisan?

MR. GREENER: Yes.

Q What about the oil message now?

MR. GREENER: We anticipate that the phased decontrol legislation or message from the President will go up later today.

Q Did you say that the first stop, if the President goes overseas, will be Helsinki?

MR. GREENER: I did not. I said that is where the pre-advance team was going. Someone asked me where was the pre-advance team going, and I said Helsinki.

Q Where else are they going?

MR. GREENER: I do not know.

Q Will the President sign or veto the extension of the price controls on old oil?

MR. GREENER: At this time, he hopes that they will approve the phased decontrol that he is recommending, and in line with that, then he has said -- as he said in the press conference in Chicago -- that if that were granted, that he would approve the decontrol, the simple extension.

Q Is the reverse true, Bill, that if they don't then he will veto, or aren't you going to be that firm?

MR. GREENER: I am not going to be that firm. He is going to take a look at this when the legislation gets here.

Q Is there any progress on a possible meeting with Mr. Solzhenitsyn?

MR. GREENER: The President's position remains the same as it has been, as he said over the weekend, and that is that he would be pleased to see him and that he would like to work it out on his schedule. There has been no other development.

Q I don't understand protocol here. Are you saying that if Solzhenitsyn wants to see the President, Solzhenitsyn has to invite himself to the White House? Doesn't the responsibility here lie with the White House to invite Solzhenitsyn? I am not trying to badger you, Bill. I am serious. Who invites whom, as a matter of protocol? Can Solzhenitsyn invite himself, or does the White House have to invite him?

MR. GREENER: The meetings are frequently developed in both ways. People are always asking who initiated the meeting -- did he ask for the meeting or did the White House invite him. Obviously, it can be done both ways.

Q What is the thinking here? Is it the thinking of this White House inasmuch as the President said he will be pleased to meet with Solzhenitsyn, that an invitation will be forthcoming?

MR. GREENER: I just don't think I can go beyond what has been said, Walt.

Q Bill, if the White House seriously wishes to meet with Solzhenitsyn, do honor to Solzhenitsyn and so forth, why is it that the Vice President, who was invited to Senator Jackson's meeting yesterday and who was on the Hill at a water meeting, followed or preceded by a Republican policy meeting, why is it that the Vice President didn't go to that reception, if the Ford Administration really means what is being passed out here? Do you know?

MR. GREENER: I suppose my answer to that is that I am Deputy Press Secretary to the President, and I suggest that you address that to Hugh Morrow.

Q To go back to decontrol, are there any plans for a speech or public statement by the President on the subject?

MR. GREENER: Not at this time.

Q Are there any more plans for public discussion of the issues?

MR. GREENER: In what way do you mean by public discussion of the issues? Do you mean further briefings here?

Q Yesterday, Ron suggested his comments to the briefing were tantamount to the public discussion of the issue -- the President's plan decontrol of old oil prices. Do you have anything to add to that?

MR. GREENER: Nothing beyond the fact that if there is a desire for additional briefings from Frank or from Eric Zausner, or somebody, we would be glad to have one. We may plan one on our own, if that is what you mean.

Q Is there any reaction to Carl Albert's statement that if the President does veto an extension of the decontrol wrath of the Nation will follow?

MR. GREENER: None, except that we still hope that they will accept the legislation that he is proposing.

Q You will send out more to Congress this afternoon than you handed out to us the other day -- will there be an additional statement from the President or an additional explanation?

MR. GREENER: I don't know, Carroll. I will have to check.

Q When will it be, about?

MR. GREENER: I would think late this afternoon, five o'clock or so.

Q I am not sure I understand the position on the threat to veto the extension. The Congress is talking about an extension I think until next March. I may be wrong. John Rhodes said on the Hill the President would not veto a short extension of the authority to decontrol.

MR. GREENER: Then I believe he also made an additional statement to that, Tom, where he said that what he was talking about was on the assumption that the President's phased decontrol would accept it.

Q The only assumption that is accepted, would the President then in turn accept an extension until next March of controls?

MR. GREENER: He has said he would accept a simple extension.

Q Does that mean until next March?

MR. GREENER: I don't know.

Q The one that Congress is talking about enacting?

MR. GREENER: John may have it.

MR. CARLSON: The bill, which expires August 31, gives the President the authority to control and the authority to decontrol. If there is no bill, he cannot control. There has to be an extension if they approve his decontrol plan.

MR. GREENER: The question that Tom has, though, is on the date.

MR. CARLSON: Of course he would accept an extension.

MR. GREENER: To March?

MR. CARLSON: We would like it longer.

Q Do you mean he is going to sign the simple extension?

MR. CARLSON: If they approve his phased decontrol plan, which we will send up this afternoon.

Q Only if?

MR. CARLSON: No.

MR. GREENER: The answer to the other part of that is if they do not approve his phased decontrol plan, he will have to consider the bill when it comes down.

Q Can we assume that he would disapprove a bill that would strip him of the power to decontrol? I believe one of the bills in committee, maybe the Dingell bill --

MR. GREENER: I don't think you can assume any more than what I have said, that he would look at that legislation when it came down.

MR. CARLSON: There are several bills pending before the Congress right now. One bill would strip him of the authority to decontrol; one would roll back prices; one would take his time interval to disapprove the plan from five days to 15. I think it is safe to assume that he would veto that bill. There are others, though, pending that -- like Bill said -- we will have to look at very closely when it comes down.

Q Bill, is it correct to say that next Tuesday would be the deadline if this goes up today? They must have this approved or disapproved by Tuesday?

MR. GREENER: Five legislative days.

Q Does the clock start tomorrow if it goes that late this afternoon?

MR. GREENER: We will check on that.

Bob, you had a question, or did we answer it?

Q I think you answered it.

MR. GREENER: It is anticipated that Secretary Kissinger will be at the breakfast meeting.

Q The President meets with the Vice President this afternoon, and before I come to my question, may I assume that you don't know what they are going to talk about?

MR. GREENER: It is the regular weekly meeting.

Q Fine. What did they talk about last week?

MR. GREENER: Ron will have it for you at 12:30 on that particular question.

Q Now that a Citizens for Reagan committee has been formed with the agreement, with the assent of former Governor Reagan, do you regard Mr. Reagan as a rival of President Ford for the Republican nomination?

MR. GREENER: I think the President answered that on the South Lawn, and let me just repeat that. You know at that time he stated that his philosophy in politics has always been to run his own campaign, to run on his own record, and to do his best to convince first the delegates and then the voters that they should vote for him.

The President has never based his campaign plans on what someone else might or might not do.

Q That does not answer Ted's question.

MR. GREENER: Yes, it does.

Q No. The question was a rather simple yes or no. Do you consider Reagan a rival? The President's response was to an entirely different question, was it not, somewhat hypothetical.

MR. GREENER: Has Mr. Reagan announced that he is a candidate?

Q No, he has not.

MR. GREENER: Then I have no way of answering your question.

Q Now, he qualifies as a candidate, or will very shortly.

Q See, Bill, you have a specific question there and you are using the President's answer to another question to answer a second question. I was just wondering.

MR. GREENER: Let's start again with your question. I was not trying to duck it.

Q Now that a Citizens for Reagan committee has been formed, with Governor Reagan's approval --

MR. GREENER: I didn't say I would not answer it. I said I wasn't trying to yet.

Q Now that this committee has been formed with Reagan's approval, does the President regard Governor Reagan as a rival for the Republican nomination?

MR. GREENER: I would rather put it in a positive sense, and that is that the President anticipates receiving the nomination to be the Republican candidate for President and win the election. (Laughter)

Q Bill, that suggests that you are treating the former Governor as a leper. (Laughter)

MR. GREENER: That is your interpretation. That is not mine.

Q Bill, do you have anything on that construction situs this morning?

MR. GREENER: The only thing I have on the meeting is that he is meeting with Congressmen on the situation and that Dunlop has testified, as you know, both in the Congress and in the Senate on the Administration's position on it.

You, above everybody else, know that it is a very complicated labor law situation, which I am not an expert on, but will be glad to go get it. But, I really suggest that you call Dick Lukstat and get his answer on it.

Q But the President has not made decisions?

MR. GREENER: Nothing beyond what the Secretary has already testified on.

Q Bill, could I go back to a previous question? We asked you a question yesterday about whether you might get us an estimate on how much the President's trip last weekend cost.

MR. GREENER: The answer to that is that at this point we don't have an estimate on it, and second of all, I would like to point out that the travel funds for the President and the staff are appropriated by Congress and reported on and that he will stay within those over the period and that, as you know, they are working on a formula which we hope to have shortly submitted to the Federal Elections Commission on how it will be subdivided into the various three pots of those that he does as head of the party, those that he would do as a candidate himself, and those that he travels as the President himself, and that when that formula has been worked out and sent to the Federal Election Commission that I believe we promise that we will have a briefing on it and explain it thoroughly.

As for the last trip, let me just say it won't come as any shock -- and this is just between us --

Q What do you mean by that, Bill? Just between us? Do you mean off the record?

MR. GREENER: No, excuse me. I meant it is something that both of us can understand, and that is that all of the vouchers are not in. There are many things that are still to be accounted for and will be over a period of time.

Q You are not saying that you will give us that figure when it is available?

MR. GREENER: I am not.

Q Does that mean, Bill, you may charge off some of this trip last weekend to the Republican National Committee?

MR. GREENER: No, that was two separate answers, Bob.

Q Bill, by saying Congress appropriated it, you are not trying to infer that Congress is giving blanket approval to trips that may have a different cast to it in the eyes of some?

MR. GREENER: I am not saying that.

Q But you said Congress appropriated it.

MR. GREENER: I said Congress appropriates each year a certain amount of travel funds for the President and the staff and that we will stay within that and that all the travel will be audited and approved strictly within the law.

Q But you don't expect that we will get a figure?

MR. GREENER: I don't have any figure now.

Q Bill, does the problem arise, if the President makes a speech, makes a trip in his role as party leader, that is appearing before a Republican fund raising dinner --

MR. GREENER: Such as he did in Cleveland.

Q -- when he has a declared Republican opponent -- in other words, he is out there campaigning in front of a Republican audience -- can he, if he has a Republican opponent for the Presidential nomination, charge the RNC for any travel?

MR. GREENER: Frankly, let me just go back to this one point, and that is until that formula is clearly worked out and sent to the Federal Elections Commission and blessed by them, then I am getting into a very complicated procedure of deciding for the Federal Elections Commission which is allowed and which is not allowed,

but up to this time the basic thing that we have followed is that if he is doing something in which the funds that are being raised are clearly for the party as a whole and not for the President Ford Committee, then the Republican National Committee has picked up the tab for the entire trip, as they did for the Cincinnati-Cleveland trip.

Q Bill, I would like to go back to a question that was asked two or three weeks ago, and that is -- and I think Ron said that they would research it -- to your knowledge, has any Republican or Democratic convention ever defied a President and nominated a Vice President not of his choice?

MR. GREENER: I don't know what research, but I will answer from my personal knowledge that I know of no such thing.

Q What would the President do? Do you have any idea? Has the President ever thought or talked about what would happen if the Republican convention just simply rebelled and nominated somebody like Reagan as Vice President?

MR. GREENER: No.

Q Bill, the Governor of New Jersey has asked the President to declare New Jersey a disaster area. Do you have any response to that?

MR. GREENER: Let me check on it.

MR. CARLSON: The President has received the disaster request from the Governor of New Jersey. The Federal disaster assistance teams are out in the area now assessing the damage, and no decisions have yet been made.

MR. GREENER: Let me just answer one question that was hanging. Congress has five legislative days in which to disapprove the President's decontrol plan. If the plan goes up late this afternoon, the first date for consideration would be tomorrow, the last day would be Wednesday July 23.

Q On that same subject, as long as John is here, can either you or he clarify Carroll's question? What is actually going up this afternoon? Just legislation, or further messages from the President or what?

MR. CARLSON: I would expect it to be the decontrol plan, with a cover letter of transmittal.

Q Exactly as outlined Monday?

MR. GREENER: Yes.

Q No changes in the plan at all?

MR. CARLSON: No.

Q Why didn't he send it up Monday when he thought he would?

MR. CARLSON: I think that has been covered in the last two days of briefings.

Q But it has not been answered, though.

Q What is on for the rest of the week? Are there any highlights, any big speeches, any new conferences or anything?

MR. GREENER: None that I know of.

Q Where will he be on the weekend?

MR. GREENER: He expects to be in Washington over the weekend.

Q Not Camp David?

MR. GREENER: There are no plans at this time to go to Camp David.

Q In view of the President's expressed concern for speed and movement on settlement of the Middle East, what is his feeling about the lack of any reply from Jerusalem on the latest Middle East proposals, and from Cairo on Prime Minister Fahmy's statement that Egypt will not agree to the renewal of the U.N. police mandate in Sinai?

MR. GREENER: As to the second part of your question, Dick, we are aware of it and it is under study -- the Egyptian statement -- and we will be discussing this with the other interested parties.

As for the first part, I have no answer for you, but I will be glad to check.

Q Are we still reassessing the American position in regard to Syria, Saudi Arabia and Jordan.

MR. GREENER: We are still reassessing the entire Middle East situation.

Q All of the countries?

MR. GREENER: It is not completed as yet.

Q When is that study going to be completed, Bill?

MR. GREENER: I don't have a date for you.

Q Do you know why the additional delay? I think a look at the transcript would indicate that some general timeframes were given and they were moved back at least once, perhaps more than once.

MR. GREENER: Delay on the final reassessment?

Q Yes, and the delay in the White House being able to say the reassessment is now completed. I am not talking about whether it would be announced, the details of it or anything, just each time we ask it is not complete.

MR. GREENER: The initial delay, as you know, was primarily as a result of the opportunity to meet with Sadat and Rabin, and needed to hold that until that was complete. Following that, there have been other developments and until that is assessed, it is all part of the reassessment.

Q What are the other developments?

MR. GREENER: The other developments are the meetings that the Secretary of State has just recently had with Rabin.

Q Bill, can I ask about tomorrow morning's meeting?

MR. GREENER: Yes.

Q Presumably, these are the same Congressmen that were here last week when the President announced what he called a compromise proposal. My question is, what has happened in the meantime that necessitates their coming down again?

MR. GREENER: I think it is merely an update on the situation to see how things are going both here and in Congress.

Q Are these the same people -- I am sorry, I was under the impression from what you said originally that perhaps he was courting some new votes as opposed to the votes --

MR. GREENER: I said I did not have the list of people yet.

Q Then we don't really know it is the same folks?

MR. GREENER: We don't.

Q We don't have an idea of who the White House has invited to breakfast?

MR. GREENER: We can check for you right now, Bob, and find out.

Q I want to pursue this one step further. Does the White House have any reaction to the vote of the Foreign Ministers of the Muslim countries to expel Israel from the United Nations, including the vote of the Turkish Foreign Minister?

MR. GREENER: Let me just quote one thing from Kissinger yesterday on that, and then I will give you what else I have on it.

He said that "we have not said exactly what we will do if the" -- I am quoting Secretary Kissinger -- charter of the United Nations is violated, in our view. We believe that the expulsion of member States by the General Assembly, which is a responsibility under the charter of the Security Council, would be an act which would affect the American participation in the activities of that body. To what degree and in what manner remains to be determined, but we believe that the charter should be strictly observed and should not be used for punitive purposes that are incompatible with it."

That really is about all. I have nothing to add.

Q Bill, I believe that the Turkish Foreign Minister's vote and the other Muslim countries votes were given after Mr. Kissinger made that statement. What I am wondering is, is the attitude of Turkey in this situation going to reflect on the desire of the United States to resume military aid to Turkey?

MR. GREENER: The President's position on the military aid to Turkey remains the same, Bob.

Q Do you have anything to say about the report that the industrial production rose for the first time since last September? This report came out yesterday afternoon.

MR. GREENER: I don't know. I will find out. I am sure we have something.

Q Could I ask something on a separate subject?

MR. GREENER: Yes.

Q Could you confirm that if the President does go to Helsinki, he will hold a head-to-head summit meeting with Secretary Brezhnev, and can you tell us with whom else the President might hold head-to-head meetings?

MR. GREENER: I cannot confirm anything that will happen at Helsinki until we have more on the trip.

Q Bill, in connection with the space experiments or the space tests now going on with the United States and the Soviet Union, or in any other connection, has there been any exchange of messages from Chairman Brezhnev to the President this week.

MR. GREENER: Not to my knowledge -- but I will follow up for you, Dick -- other than yesterday between he and Dobrynin.

Q Bill, isn't tomorrow the deadline set by the Turks for -- on the question of renegotiating the bases -- isn't July 17 the deadline?

MR. GREENER: Yes. It is the start of renegotiation.

Q So, is the breakfast session tomorrow in the form of a last minute appeal by the President? Is that the idea?

MR. GREENER: In answering Bob's question earlier --

Q I heard what you said to him.

MR. GREENER: I said I think I will answer it right now for both of you. It is 135 that will be attending. There are different Members of the House than those who attended before. It is a bipartisan group.

Q Are there some different or all different?

MR. GREENER: These are different Members.

Q All brand new?

MR. GREENER: All brand new.

Q It does not include, for instance, the International Affairs Committee of the House?

MR. GREENER: No.

MR. HUSHEN: This is just a quick check, and we were just told that these are different than the other group.

Q All different?

MR. GREENER: Do you want to check and make sure none of the other groups are coming? Can you get to them?

MR. HUSHEN: They are in the Cabinet meeting.

MR. GREENER: We will give you the list and we will double check it before Ron gets here. It is a bipartisan group. It is a result that the President wants to see as many Members as he can. Some of those that are here tomorrow or that will be here tomorrow voted for aid cut off before, and some opposed it.

Q Bill, the 1976 Republican convention, in which city would the President like that convention to take place?

MR. GREENER: He has not made any preference?

Q He has no preference?

MR. GREENER: He has not stated any preference.

Q Bill, my question was, though, is this thing in the form of a last minute appeal where he is going to urge the House to do something maybe tomorrow to have these guys go back and say this is the deadline, will you please go back and get something done quickly?

MR. GREENER: I have not said that. I am sure he would urge them to act quickly, which he has already.

Q Are negotiations going to start tomorrow with the American officials and Turkish officials?

MR. GREENER: Not to my knowledge. I will check.

THE PRESS: Thank you very much.

END (AT 12 NOON EDT)

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AT THE WHITE HOUSE

WITH RON NESSEN

AT 12:30 P.M. EDT

JULY 16, 1975

WEDNESDAY

MR. NESSEN: Well, the main business of the Cabinet meeting was energy, so let me run through the rest of the stuff and save the energy part for last.

The President began the meeting by introducing Pat Moynihan, who was attending his first Cabinet meeting as a UN Ambassador and member of the Cabinet.

The President quickly ran through a brief report on the Vietnamese refugee program and recalled to the Cabinet members that the supervision of the program, the interagency task force, has been shifted from State to HEW. The reason for that is obviously that the refugees are all now in the United States and they don't have any foreign policy aspects any more.

The President said he is getting a weekly report on the status of the refugee situation. That is between 650 and 750 refugees a day who are moving out of the camps into the society.

He said there are about 70,000 refugees left now in the camps which means that roughly half have been relocated in their permanent ---

Q How many?

Q 7,000 or 70,000?

MR. NESSEN: 70,000 are left, which means half have been now moved into the society.

He said that the hope is to phase out all the camps except Chaffee, because it has the best climate for the winter months, and he said the program is being expedited as fast as possible.

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Q They are expecting them to be there through the winter?

MR. NESSEN: Well, at this rate I think some would be left by the wintertime.

Q What about on Guam, Ron? Have all been moved from Guam?

MR. NESSEN: Guam is closed.

Then the President said he wanted to give a little report on his meeting with the regulatory agencies. He called the meeting beneficial. He asked Jim Cannon to give a report, and Jim said that the reform is moving ahead.

He called the meeting a milestone, said it shows that the President means business about regulatory reform. He said that the White House is now preparing the next step in regulatory reform, which is the regulations within the departments and agencies as opposed to the independent regulatory agencies.

He said the purpose of this whole plan of the President's is, one, to promote competition; two, to let the Antitrust Division of the Justice Department handle many of these areas now handled by the regulatory agencies; and to have the regulatory agencies, as well as the Executive Branch departments and agencies, rethink their role to make sure they are really doing what they are supposed to do, which is to serve the public interest.

He said that there has been a large degree of cooperation within the regulatory agencies with the White House.

The President closed that portion of the meeting by saying that the atmosphere he has found surrounding this issue is constructive to getting something done, and that the Domestic Council will be continuing to pursue this.

Finally, there was the discussion of the energy program and the President said that he would send up his phased reasonable compromise decontrol program late this afternoon, to the Congress.

Q He calls it that -- a phased reasonable compromise?

MR. NESSEN: He does. He believes that is an accurate description of the program and he uses it when he speaks of it.

Q I mean, that is the official title of it -- phased reasonable?

MR. NESSEN: Compromise decontrol program.

It will be as outlined in the fact sheet the other day; that is, a phase-out over a 30-month period for old oil, with a \$13.50 ceiling price for all domestic oil under control.

One of the reasons for it, of course, is to increase production; the other is to get away from a system of two or three different prices for different kinds of oil.

Then he pointed out that Congress has five days to act. He said that Congress will have to fish or cut bait because the current authority to have any controls on oil expires August 31, and he pointed out that Congress was going off on another month's vacation on August 1 so they would have to fish or cut bait before they go.

Frank Zarb said that he had been up there testifying for the last five business days, which is part of this public discussion that we talked about the other day. Frank pointed out that the House has passed the Elk Hills production bill, and the Senate has passed the bill to set up an emergency storage program, and they were both in the form precisely as proposed by the President. Frank said this indicated that a piece at a time, of the President's program, is being enacted by Congress.

Frank then presented some charts. Some of them were the same or updated versions of charts that have been used here before.

The first one--I think you have a copy of it-- shows the decline of domestic oil production over the years. Frank said that the trend of declining domestic production will continue unless the President's program is enacted.

In addition, there is a complicating factor in that Canada is reducing its oil shipments to the United States, as you probably know. And because of both the declining domestic production and the reduced Canadian shipments, he said the United States will have to run fast just to keep up.

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He said -- this is Frank Zarb speaking -- with the President's decontrol program we will get an extra 1-1/2 million barrels of oil a day, by 1985, out of old oil fields.

Q How is this going to happen, Ron? Did they just find an old dry well that has already got a hole and just dig down deeper?

MR. NESSEN: No. I think those of you who keep up with this know that under the legal definition in the legislation of old oil it is not only oil in wells that have already been dug, but it is new wells dug in already-established fields, fields that were started before 1973. Those fields have some holes in them already, but if you go into that same field and try to dig a new hole, that is considered old oil.

In addition, by allowing the price to rise, you make it economic for the oil companies to use secondary and tertiary recovery methods to pump out oil that would just be left alone, because they cannot afford to use the more expensive methods when they can only sell the oil for \$5.25 a barrel.

Frank said that as the economy recovers, we are going to need more oil imports, and then he showed a chart indicating that an increasing portion of oil imports -- now 65 percent of oil imports -- come from OPEC countries.

By the end of this year, by the end of 1975, we will be importing more oil than ever before in our history.

Then he showed a chart which the President said that he had never seen before, but found very interesting. It compared how imports will decrease until 1985 with the President's program, how they will increase without the President's program, and how a growing portion of the imports will come from the Arab countries without the President's program.

Q Ron, are these the charts that Zarb has been showing on the Hill?

MR. NESSEN: Some are and some are new ones.

The same chart showed that by 1985, without the President's program, 12 million to 13 million barrels a day would need to be imported. I think it is about six or seven now. It would be 12 million or 13 million barrels a day by 1985 without the President's program, imported oil, and he said a good part of it will come from the Arab countries.

There was a rising orange bar for each year and the orange bar represented the imported oil from the Arab countries.

Q What would the total consumption per day be -- 12 million to 13 million out of what?

MR. NESSEN: Then you add to that domestic production, which is going down. He did not give a total consumption figure.

Q Did he say Arab countries or OPEC countries?

MR. NESSEN: Various charts showed various things, but this chart was used to show the proportion from Arab countries.

Q Ron, won't the North Slope oil increase domestic production when it comes into the pipeline?

MR. NESSEN: That was taken into consideration and there was a brief discussion of the progress being made on the pipeline.

Q But you said domestic oil will continue to go down.

MR. NESSEN: And you are saying would it increase with the Alaska North Slope oil?

Q Yes. Would that curve not change?

MR. NESSEN: I will have to check that, Bob. It did not come up today.

Q Ron, when you are talking about Arab countries, you are talking about the Persian Gulf, including Iran, aren't you? You are not just talking about Arab countries?

MR. NESSEN: It was just referred to as Arab countries and was not broken down by whether Iran was in there or not.

Then Frank showed the natural gas chart, which has been shown before, and said that the shortage of natural gas for this coming winter will be in its magnitude, comparable to the effects suffered because of the oil embargo in 1973.

He said that the results would be somewhat different this time because you can shift some industries which run on natural gas to other fuels but in its overall magnitude it would be comparable to the effects of the oil embargo. He said there would be considerable dislocation.

Q Ron, there are a half-million jobs supposedly lost because of the Arab oil embargo.

MR. NESSEN: I am coming to that. He said there would be considerable dislocation. He said we will have to work hard to protect jobs. Then he said in the winter after this coming one we are going to suffer an even more serious problem. Then he said if we don't get deregulation, we are going to suffer the consequences in a very serious way.

Q Does he say anything about the foul-up of natural gas in Algeria?

MR. NESSEN: No, Algeria did not come up.

Some of the Cabinet members raised a question that some of you have raised about isn't there a lot of natural gas around that is being held within a State because the prices are higher with intrastate sales of gas rather than interstate sales.

Rog Morton said that he had heard of a case recently where the town of Midland, Texas, had enticed a very large industry to move there and the move was based pretty much, or largely, on a guarantee that the industry was given a five-year supply of natural gas, and he said there is going to be more and more of that.

Now I think you know the basis of that; that gas which is produced and sold within the same State sells for about \$2 a thousand cubic feet whereas gas that is transported across State lines is regulated and held down to 52 cents.

The natural gas producers obviously have no incentive to ship gas out of the State. As Rog pointed out, the incentive is for the industries to move to places like Texas and so forth which would have an effect on jobs.

Q Is there any way that the President could get a Texas gas producer on restraint of trade on something like that? I mean, does he have to have decontrol? Does he have no other choice? Can he just jawbone these people and say, "Look, you are wrecking the economy in New Jersey. Why don't you do something?"

MR. NESSEN: Walt, I think you put your finger on the real core of this problem, and that is that you cannot force people to sell their product for 52 cents when they can sell it for \$2.

I think you know the President's philosophy and I don't need to talk to you about it, but really the American system runs on the profit motive.

You work for AP Radio because they pay you the going rate, but you would not want the President to sit down and say, "Walt, why don't you go to work for this guy over here, for \$50 a week?" You get what you can and that is the way natural gas producers are.

Q These are apples and oranges.

MR. NESSEN: It is not. It is the way the American economic system works.

Q But that has always been and it is now in terms of regulation, in many cases -- the utilities, primarily, the telephone company, profit and margins -- not that we are talking about Government regulation, but the incentive is there within a reasonable profit margin as occasionally determined by jawboning or regulation. The whole energy thing is the extent of the profit and has been for a number of years.

MR. NESSEN: Well, clearly 52 cents a thousand cubic feet is not and has not been enough money to persuade natural gas producers, first of all, to drill for new wells, because that production is really falling down, and secondly, to sell their product at a quarter of what they can get within the State where it is produced.

Q Ron, does the President no longer view natural gas as a natural resource that belongs to all of the people?

MR. NESSEN: I have not heard him say that, Phil. I don't know what would raise the question.

Q Ron, the question gets back to whether there is no other alternative, really, to complete the decontrol or some in-between situation.

MR. NESSEN: Well, you know, you have your State utility commissions, and so forth, which do protect the interest of the consumer and do watch out for profit margins, and so forth, but a system where you can sell your product for four times more if you keep it within the State is obviously disrupting the American economy, and as we point out over here it is going to have an effect on jobs in the coming winters unless there is incentive to ---

Q It does not disrupt the economy when they get four times the price that they are getting now, and that is factored in on inflation.

MR. NESSEN: Well, the President's program is deregulation of the interstate price of natural gas so that States like New Jersey and Ohio and Michigan and Pennsylvania and others will not have to have their factories closed and lose jobs.

Q Ron, Frank was supposed to present some recommendations to the President today -- I believe you told us that a week or a week and a half ago -- on specifically the natural gas thing; at least that was my understanding.

MR. NESSEN: Did I say that? I don't recall saying that.

Q A week or two ago we talked about natural gas quite a bit, and you said July 15 Frank was going to be coming back and giving the President's view.

MR. NESSEN: That is yesterday. All right.

He did not give any specific recommendations other than the President's basic program, which is decontrol or deregulation.

Q One other question. Did the matter of whether the President would veto a simple extension of controls authority come up at all today in the meeting? John Rhodes yesterday made some comments on the Hill.

MR. NESSEN: I am told he later said it a different way, I think.

Q After he was notified by the White House that he should not say that.

MR. NESSEN: Ann?

Q In all you have told us, these are figures and things that we have heard before, and arguments in favor of the President's program. What does the President get out of this kind of exchange with Zarb and Morton and the rest of them today? Is he learning anything that he didn't know before?

MR. NESSEN: Well, he learned, for instance, from Rog, that factories were moving to Texas and taking jobs to Texas.

Q That was not my question.

MR. NESSEN: A factor. Rog said there is going to be more and more of that.

Q But from the President's point of view, much of what you have told us comes as no surprise because we have heard it all before; we have heard Frank Zarb say these things.

Is there anything new produced out of a Cabinet meeting like this, or is it just a pep rally to reconfirm everybody is still playing the same line to get an energy package through on Capitol Hill?

MR. NESSEN: It is not actually a pep rally at all, Ann. The President has restored the Cabinet meetings to working sessions, and holds them regularly. Other people did pop up with other ideas, which I will go on with in a moment.

The repetition or continual exploration or discussion of an idea, you know, is not unuseful, it seems to me.

Q Ron, did you finish?

MR. NESSEN: No, I didn't.

Q Why don't you finish.

MR. NESSEN: Frank showed a chart on electric power and said that some of the electric power -- a chart on electric power use -- which showed an increase in use, and said some of us are worried about a coming shortage of electric power down around 1980.

Then he showed a second related chart which showed delays in the planned completion of nuclear electric power plants. The President said that argues for the Labor-Management Committee proposals, which you recall from a few weeks ago, of aiding the electric utilities in a way that would enable them to restore some of the cancellation and stretch-out they have done on their nuclear power plants.

The final chart dealt with coal production. It showed basically that coal production is not increasing greatly and that while prices did go up in the pre-strike period they are now back down again.

Frank concluded by saying, as we increase our imports -- this is back to the subject of oil -- the consumers will pay the bill. If we don't take a tough stance now -- that is, a tough stance in pushing the President's entire program on energy -- the consumers will pay more and more as we approach the end of the century.

Then, picking up on that point, Rog Morton said that he feels that Congress has forgotten one important part of the President's program, which was to give a refund--or he referred to it as a reimbursement-- to consumers to make up for their higher energy costs. He said it must be driven home to the consumers; that the President wants to give them a refund -- or a reimbursement, as he referred to it -- for higher energy costs, and that Congress is blocking the way.

There was some discussion of that. Greenspan said that Congress seems to be trying to make believe that that is not one of the President's proposals, because there has been no action or attention paid to it on the Hill, and Frank discussed that a little further.

There was a further discussion of the President's proposal to refund, through permanent tax cuts, the higher cost of energy, and a feeling that Congress ought to be reminded and that the public ought to be reminded that the President had proposed that but that Congress had not taken it up at all.

That was the end of the meeting.

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Q Ron, could I ask a question on the refund aspect?

MR. NESSEN: Yes.

Q At the special briefing after Monday at the FEA, Eric Zausner said that the original refund and windfall profits proposals of the President's were now dated because of subsequent events, including the change in the depletion rules.

Has the White House come up with any new proposal for windfall profits and refunds since the old ones are no longer usable?

MR. NESSEN: No. Here is what Eric meant by that. The original proposal, which was to give back \$30 billion, this was proposed, as you know, as part of the President's original program. It was \$30 billion, and it was going to be divided up to consumers, people who had to pay more for gasoline or home heating oil or natural gas for their homes, some of this to factories and so forth, which had to pay higher costs for their fuel and to the State and local Governments and to the Federal Government, and the whole pie was \$30 billion.

The revenue for that \$30 billion was going to come from the tariff on imports, the excise tax on domestic oil, and the windfall profits tax that the oil companies would be socked with to take away any windfalls from deregulation.

The whole pie amounted to \$30 billion -- \$30 billion of extra revenue to the Government and \$30 billion to be given back.

Since then, the windfall profits tax proposal has been modified somewhat to have a plowback provision in it. This would change your total pie to give back, and for that reason, the refund will have to be modified.

The basic proposal remains the same, and that is to give each element of the society which pays higher costs those higher costs back. Now, what the specific numbers are has not been redrafted yet.

Q The basic pie, have you got a figure on that?

MR. NESSEN: No, but I am told they are running it through the FEA computers.

Q It won't be anywhere near \$30 billion?

MR. NESSEN: Really, the only element that is going to change would be the amount you get from windfall profits because you would have to subtract from that whatever was --

Q But that would be a substantial part of the pie.

MR. NESSEN: I don't have any idea what the figure is.

Q Will the President come through with a specific new proposal with the figures, or does he want Congress to do it?

MR. NESSEN: I will need to check on that. You know, it is normal not to send tax legislation in written form to Congress. I suspect that if Congress ever gets around to remembering that the President wants to give this money back to people and begins to deal with the legislation that in testimony Frank and Bill Simon and so forth would spell it out because that is the normal way of dealing with tax legislation.

The Congress seems to have forgotten about that proposal for some reason, forgotten that the President recommended it and has not done anything about it.

Q Ron, has a formula for the plowback been spelled out yet? There is some discussion on the Hill that a 100 percent plowback would simply be legitimizing the windfall profit and is, in effect, a rip-off for the oil companies in favor of the oil companies. Are you aware of the plowback, specifically?

MR. NESSEN: I am not aware of it because one other factor that has changed, incidentally, Phil, is that when the original plan was drafted, it was assumed that the oil companies would have their depletion allowance to help them pay for new drilling and now that that is being phased out, there might have to be some jiggering in the other parts of the program.

The idea is not to take everything away from the oil companies that gives them money to drill new wells with or at the same time not to leave them with everything, so that element has changed the depreciation of that.

Q But you don't have a firm formula?

MR. NESSEN: I don't.

Q Ron, I was wondering, did Secretary Schlesinger bring up the General's recommendations of the screening of Jewish servicemen?

MR. NESSEN: That wasn't on the agenda today.

Q I was just wondering. The ADL, the Anti-Defamation League, has asked that it be implemented. Will it be implemented or not?

MR. NESSEN: I think you have to check the Pentagon on that, Les.

Q Ron, what time will you give us the documents that are going to the Hill with the covering letter?

MR. NESSEN: I don't know that there are going to be any more documents unless you want a copy of the legislation. There may be a covering letter from the President.

Q What time do you expect it will go?

MR. NESSEN: Five o'clock was the time the President told the Cabinet. I will check, or you should check here late afternoon.

Q Will you take questions on other subjects?

MR. NESSEN: Are we finished with the Cabinet meeting?

Dick?

Q Was there any discussion of foreign affairs in the Cabinet meeting -- the Middle East, the Egyptian decision not to renew the mandate of the U.N.?

MR. NESSEN: No. Henry was still out of town, so there was no discussion of the Middle East.

Q What about Turkish aid?

MR. NESSEN: No discussion of Turkish aid.

Q Wheat?

MR. NESSEN: No discussion of wheat.

Q Railroads?

MR. NESSEN: No discussion of railroads.

Q Can you add anything to that today?

Q Could I pursue my question? Just a point of curiosity. Who is advancing the idea that the weather in Fort Chaffee, Arkansas, in the winter is good? (Laughter) I am serious.

MR. NESSEN: That does not sound right to me either, Tom. It seems to me that California or Florida would have better weather.

Let me check that and make sure that that is the right camp.

Q If your figures are right, they would all be out in three months.

MR. NESSEN: 750 a day would get them out in three months. I guess maybe it is October they are concerned about. How is the weather in Arkansas in October? I will check that. That is a good question.

Q Ron, did Helsinki come up today?

MR. NESSEN: It did not, no.

Q Ron, what really has changed between Monday and today that made the President decide to send this up today? Has there really been any change?

MR. NESSEN: The original reason advanced for delaying it a day or so was to give it a little more chance for public understanding. Of course, the President expressed hope in his statement that there would not be a hasty decision made, that it would get the consideration justified by its importance. I think there has been a public discussion.

Q You say hasty. It has to be five days, Ron. What does he mean by hasty?

MR. NESSEN: There was some talk of ten minutes, frankly.

Q Is it any less complicated?

MR. NESSEN: No, but there has been a chance to explain it a bit. As I say, Frank has been up there testifying and I have talked a little here about it, and others have, FEA had a news conference and so forth. It has been written about.

Q Any plans for the President to make a speech on television or anything?

MR. NESSEN: No.

Q Ron, the original thing was not so much public understanding, if I remember correctly, as public discussion. Most of the discussion has come out of these briefings; that is, your briefing. Zarb testified on the Hill once.

MR. NESSEN: He has been up there five times in five days.

Q Five times in five days?

MR. NESSEN: That is what he said.

Q There has been no real appeal to the American people to understand the question as was indicated?

MR. NESSEN: I think there has. You have all been writing about it.

Q The President has not been speaking directly to them. Does this public discussion, does this appeal for public understanding simply boil down to a threat of a veto?

MR. NESSEN: You mean a threat of a veto on the extension?

Q As the President suggested in his statement here in the press room on Monday.

MR. NESSEN: I mean, he made that statement on Monday, so it would not affect the timing of sending it up there.

Q Ron, the rail strike deadline, I think, is Monday. Is he going to allow a nationwide rail strike or will he ask Congress --

MR. NESSEN: I think it is still in the collective bargaining process, Walt, and we just won't say anything until we see how it goes.

Q Would you say he did or did not talk about Turkish aid?

MR. NESSEN: That did not come up today.

Q Are there any plans to replace Arthur Sampson at GSA?

MR. NESSEN: If there is anything to announce on personnel changes, we will announce them.

Q Take a question on natural gas. Is that to say that there is something?

MR. NESSEN: That is to say what I said.

Fran?

Q What are the weekend plans for the President?

MR. NESSEN: There are no plans to go out of town or to have any big events on Saturday or Sunday.

Q Or any at Camp David or anything like that?

MR. NESSEN: No.

Q Stay in the White House?

MR. NESSEN: As far as I know.

Cliff?

Q I would like to ask you two questions, one pursuing what Ann said that the meetings on energy seem to sort of being one-dimensional. I wonder if you could find out for us -- there was a time when we were told that there could be a shortage of natural gas and so American countries entered into agreements with Algeria, and seven super, supertankers were built.

We never hear about the foreign sources for natural gas.

MR. NESSEN: I checked that after we talked here the last time, and I think John told me it was 4 percent or 7 percent. Natural gas.

MR. CARLSON: We use about 22 trillion cubic feet a year, and we import about two trillion cubic feet.

MR. NESSEN: That is about 10 percent.

Q I was asking about the two trillion cubic feet.

MR. NESSEN: What about it?

Q What about it?

MR. NESSEN: It is there. It was gaseous.

Q Let's be serious about it. Are foreign sources delivering natural gas? If they are, is it having any impact on the deregulation programs? Is it having any impact on shortages?

MR. NESSEN: As John said, 22 trillion cubic feet a year is total consumption, and of that two--

MR. CARLSON: 1 to 2.

MR. NESSEN: I remember 4 to 7 percent as being the figure so it does not have a major impact on meeting the shortage.

Q An unrelated question. I came to the briefing late. Did you give us a report, as you said you would, on discussions between the President and the Vice President, topics that they discussed?

MR. NESSEN: Yes. Somebody asked me that a while back, and I guess I didn't have a chance to relay the answer.

The fact is, as you know, the Vice President has a number of duties in the Administration, and also he has the duty of presiding over the Senate. He did have the special duty of heading up the Rockefeller Commission, and he has a special involvement in the Domestic Council and so forth.

The subject of their discussions has been basically the Vice President reporting on and discussing with the President things that come up in the course of carrying out these various duties.

For instance, he might discuss legislation in his role as presiding officer of the Senate. He might have discussed from time to time the workings of the Rockefeller Commission or the Domestic Council. He served on the Murphy Commission. That is what they talk about.

Q Ron, the natural gas thing again is as bad as predicted this winter. Is the figure half a million men laid off? Losing their jobs?

MR. NESSEN: John, have we got a figure?

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Q Do you have any statistics on companies that are moving because of natural gas?

MR. NESSEN: I think the FEA or Interior could probably give you that.

Q I would like to ask you about wheat. Is the President being kept informed about --

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Q Ron, do you have anything on the Continental Oil Company?

MR. NESSEN: John, what is the figure for jobs lost this coming winter through a natural gas shortage?

MR. CARLSON: I will check it. I think that is tough. We are talking about a 10 percent shortage, 9.7 percent shortage of natural gas last year, and 15 percent shortage this year.

Q Fifty?

MR. CARLSON: Fifteen.

MR. NESSEN: Zarb pointed out that in some of these cases the shortage of natural gas can be made up by conversion to other fuels, but that is not the case with every factory.

Incidentally, it was also pointed out at the meeting, by Rog Morton, that the deregulation of natural gas will have an effect not only of encouraging natural gas producers to drill for more natural gas, but it will have the effect of encouraging utilities -- which sometimes pay as little as seven, eight or nine cents a thousand cubic feet under very old contracts -- to switch over to other fuels which will then increase the supply of natural gas for other users.

Q Isn't that shortage, though, by your own explanation of it, a contrived shortage?

MR. NESSEN: Walt, I think I would have to go back to what I said to you before, that there is no way that anybody can make you go to work for a newspaper at \$50 a week. Does that mean that there is a contrived shortage of reporters willing to work for \$50 a week?

Q If we are going to pursue this line, then you have to say that the President is willing to let half a million men lose their jobs.

MR. NESSEN: The President is out there beating the bushes for all he is worth, trying to turn this shortage around and get more natural gas produced.

Q Well, why can't he do something besides just ---

MR. NESSEN: Because we live in a democracy and not a dictatorship.

Q But you know, a President has infinite power. I mean, you are talking about ---

MR. NESSEN: Walt, you can't order people to sell something when it is unprofitable for them to drill for ---

Q That is overly-simplistic right there. We had allocation plans ---

MR. NESSEN: Who said that?

Q Ron, you can order them.

THE PRESS: Thank you, Ron.

END (AT 1:05 P.M. EDT)