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NEWS CONFERENCE

#290

AT THE WHITE HOUSE

WITH BILL GREENER

AT 11:32 A.M. EDT

AUGUST 8, 1975

FRIDAY

MR. GREENER: This morning the President came to both the 7:30 and 8 o'clock staff meetings and thanked those in attendance for their hard work during the first year in office. He said he thought it had been a successful year.

The 7:30 meeting was mostly the Domestic Council, OMB and Congressional Relations. The 8 o'clock meeting is the regular senior staff meeting.

Ron is now with the President on the interview with AP, UPI and Reuters.

There is a summary schedule available on the trip to Arkansas and Vail on Sunday. That will be out shortly. We will have the bible later today when all the details have been worked out.

Those of you who were in Vail at Christmas and are going again should know that your lift pass is still good and, if you take it, it will keep you from having to get your picture taken again.

You already have the President's schedule for today. He will go to HEW to attend the swearing in of Dr. Matthews as Secretary of HEW. At 2 o'clock, Dr. Matthews will attend his first Cabinet meeting. Coverage at the swearing in is open and there will be a picture at the beginning of the Cabinet meeting.

At 3:30, the President will be paid a courtesy call by Senator Cotton of New Hampshire, who is being sworn in today.

Q Bill, he is being sworn in as what?

MR. GREENER: Senator of New Hampshire, interim Senator or whatever the title will be.

Tomorrow the President will meet at 8:15 with the Economic Policy Board. And then at 9:45 he will meet with the National Security Council. At 12:00 he will present the Distinguished Service Medal to the astronauts who participated in the Apollo-Soyuz mission plus the mission director, Dr. Glynn Lunney. They will be here with their families, and the President will have lunch with the astronauts and their wives in the residence.

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Q What time is that NSC meeting, Bill?

MR. GREENER: 9:45.

Tomorrow evening the President and Mrs. Ford will have a private dinner with the Vice President, Mrs. Rockefeller and their five children.

Q What is the occasion?

MR. GREENER: One year in office and a chance to be together.

Q Whose five children?

MR. GREENER: The Rockefellers' five children.

Q Where will the dinner be?

MR. GREENER: In the residence.

Q Any Ford children?

MR. GREENER: Jack may be attending. We don't have the answer on that yet.

Q Is he going to golf in the afternoon?

MR. GREENER: We have nothing on that at this time, Fran.

Q What is the time for the private dinner?

MR. GREENER: I don't have the exact time on that.

Q Why do you call Matthews "Dr. Matthews"?

MR. GREENER: Because he is a Ph.D.

Q There are a lot of Ph.Ds around Government. Shultz was a Ph.D. We never called him "Dr. Shultz".

MR. GREENER: I presume I called him "Dr. Matthews" because he was the President of a State university, and as a Ph.D and an educator, I simply called him "Dr." I am the one that called him "Dr. Matthews". There was not anything official given out.

Q Greenspan is a Ph.D, isn't he?

MR. GREENER: No, he is not.

The President accepted the resignation of William E. Casselman, II, as Associate Counsel to the President. The resignation is effective September 19, 1975. Bill, as you know, served as Counsel to President Ford when he was Vice President and has served as Associate Counsel in the White House Legal Office since August 9.

Q Where is he going?

MR. GREENER: As I understand it, he is going into private practice.

We will have some copies of the exchange of letters later this afternoon.

Q Is he going to be replaced?

MR. GREENER: There is nothing to indicate that, Fran.

I believe that is all the announcements I have.

Q Bill, do you have a breakdown of who is going to pay for the trips next week?

MR. GREENER: No, I do not.

Q Can you get that for us?

MR. GREENER: I will check on it for you.

Q Ron said he was going to get that for us.

MR. GREENER: I will check that.

Q Question?

MR. GREENER: The question was asked will there be some sort of breakdown on who pays for what on the trips over the next two weeks.

You said next week, I assume you meant over the next two weeks. I said I will ask if Larry has anything on it.

Q The question about a successor --

MR. GREENER: We have nothing on a successor at this time.

Q I thought you said we have nothing to indicate that there would be a successor?

MR. GREENER: We have nothing on a successor is the correct answer, Dick.

Q On personnel matters, I believe you said you would get some information on the firing of Mrs. Ruwe.

MR. GREENER: On the resignation of Mrs. Ruwe?

Q Was she fired or not?

MR. GREENER: The answer is, first of all, that decisions on personnel matters in the East Wing are handled in the East Wing and Sheila has answered questions on it already and is available to answer additional questions on it. And in particular, I checked with her and they have received a letter of resignation from Mrs. Ruwe.

Before you ask the next question, I will answer the question of, did Dick Cheney talk to Mrs. Ruwe, and the answer is yes. As you know, on an administrative level, once the decision is made, personnel would come under the West Wing, and he did talk to her.

Q After she tendered her letter or before?

MR. GREENER: The letter was tendered yesterday, and I presume they had discussed this -- she and Mrs. Ford -- prior to that. Those are the details you need to get from Sheila, Fran.

Q The question is, did Dick Cheney talk to her before she sent in her letter of resignation?

MR. GREENER: I don't know the exact timing on that, but I will check.

Q Then is the UPI report correct that he told her her services would no longer be needed?

MR. GREENER: I have nothing other than the fact he discussed it on an administrative level. Those are the questions I say Sheila is prepared to answer.

Q When was the last time the President talked to Bo Callaway, and what did the President tell him?

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

Do you want to see if they have anything on at least when? I am sure we won't get an answer on exactly what they talked about until I check. I would be glad to tell you if I knew.

Q Is the Arkansas trip a political trip, Bill?

MR. GREENER: No, it is not.

Q Has there been any changes in the schedule for the next week or two?

MR. GREENER: None beyond what we have given you. We will have as much of the bible this afternoon as possible, Howard.

Q You haven't given us any real changes yet.

MR. GREENER: I say, there are no changes beyond the drafts or the outline schedule Ron went over with you.

Q Are there going to be any advance texts for Arkansas?

MR. GREENER: No.

Q Bill, can you give us any details on the meeting the President had with Zarb yesterday to discuss ways to cushion the economic impact of decontrol?

MR. GREENER: I can give you a little read-out on the EPB meeting, is that what you mean?

Q Yes.

MR. GREENER: The President met yesterday for slightly over two hours, from 2:15 to 4:25 P.M., with the economic and energy advisers. The purpose of the meeting, as you know, was to discuss the energy situation and the decontrol of old oil. In addition, there was a discussion on the natural gas shortage facing the country this winter.

On the subject of decontrol, the President reviewed the various options presented to him. There were no final decisions made.

Q Any preliminary decisions?

MR. GREENER: No.

The bill extending present price controls six months will probably arrive at the White House around August the 27th. There was also a discussion of windfall profits and the Senate Finance proposal along with a discussion on energy tax rebates.

The President was presented with a summary of a report being prepared by an interagency task force headed by FEA on the natural gas shortage. In the summary, the ten States that will be most heavily impacted because of the natural gas shortage were outlined to the President.

Q Does that mean most heavily hurt?

MR. GREENER: Yes.

I said impacted, but you can use your own word.

Q I didn't know what that meant.

MR. GREENER: Hit.

Those ten States are Iowa, Maryland, Missouri, New Jersey, New York, North Carolina, Ohio, Pennsylvania, South Carolina and Virginia.

The President reviewed the various administrative actions he could take to help minimize the natural gas shortage in these States and the various legislative steps that he may wish to propose to Congress. The options were presented to the President and again, no final decisions were made at that meeting.

Q Do you expect he will make any decisions before leaving town for Vail?

MR. GREENER: I wouldn't try to guess when the decisions would be made.

Q Can you give us any idea on what administrative steps he can take in this area?

MR. GREENER: I would rather not. I think those are the options he is facing, and I don't think I would -- I think you know them.

Q Bill, how serious a shortage is this going to be?

MR. GREENER: John, didn't we have some figures on the seriousness of the shortage?

MR. CARLSON: We have been using about 22 trillion cubic feet a year, and last year's shortages were around two trillion cubic feet. There was around a 10-percent shortage last year. And this year they expect the shortage to be around 15 percent or three trillion cubic feet.

Q How much is consumption up from last year?

MR. CARLSON: Not that much, because of the economic slowdown.

Q Is D.C. included as well as Virginia and Maryland?

MR. GREENER: Yes, it is the entire area.

Q Do you know what the various options are? Can we talk about those at all?

MR. GREENER: No, not at this point.

Q Will this shortage affect heating of homes?

MR. CARLSON: Industrial users will be hit first, and then residential areas could be hit.

Q It could be serious enough to hit residential areas?

MR. CARLSON: It could be in certain spots, geographical areas.

Q Is there expression on what it will do to unemployment in that area?

MR. CARLSON: If certain industries have to shut down, it could have an economic impact. It could have an unemployment impact.

Q Do you have any figure, any projection on the possibility?

MR. CARLSON: There was some discussion. It is pretty difficult to determine which industries will be hit first and how many people would be affected, but it could have an economic impact.

MR. GREENER: FEA will be putting out some additional information on this in the next few weeks.

Q I have another question. The President tells us that deregulation of natural gas basically will help this situation. Am I right so far?

MR. CARLSON: That is right.

Q Are there any other options? We have heard of deregulation a number of times. What else is he considering?

MR. CARLSON: Various options were presented to the President yesterday. I think the President would like to have a chance to review these before we start talking about them. FEA will have a whole briefing on this, and I think material will be available in the next couple of weeks.

Q What else is the President considering? I am not interested in what the FEA said. What else is he considering?

MR. CARLSON: He is considering the options given him yesterday by the FEA.

Q Bill, have you got a jobs figure on this yet?

MR. GREENER: No, we don't.

Q Why are these States being hit? I mean, there are a number of these, obviously, along the Middle Atlantic Sea Coast. Is there a distribution pattern? Why are these States being hit, like Virginia, Maryland, North Carolina?

MR. GREENER: Distribution and pipeline.

MR. CARLSON: Heavy industrial usage along the Middle Atlantic.

Q Bill, was one of the options given the President that of talking to the natural gas companies?

MR. GREENER: I just don't plan to go into all the options given to him. I am sure each of you can figure out the various ones. If I start saying this one was and that one wasn't, then we will get into me having to get the whole option paper out here.

Q Bill, a lot of people believe the gas companies are purposely withholding production in the hope of driving the cost of natural gas up and to further their cause of getting natural gas decontrolled. It seems to me the President's advisers would have to tell him he would have to talk to them at some point.

MR. GREENER: As I said, I am sure you could list the options and, if it is as well known as what you just stated, I am sure that would be one of the things given.

Q Has there been any conscious administrative investigation of this charge, which is hardly new, and has been around for some time and is certainly going to be picked up as we get into this --

MR. GREENER: I think the FEA has looked into this and can answer it more appropriately than I can, Steve.

Q Was the Federal Power Commission represented at that meeting? After all, they do regulate that industry.

MR. GREENER: Those who attended were Frank Zarb, Secretary Morton, Jim Lynn, Bill Seidman, Alan Greenspan, Phil Buchen, Secretary Dunlop, Jim Connor, Bob Hartmann, Jack Marsh, Don Rumsfeld, Steve Gardner, Dick Dunham, Paul O'Neill and the Vice President.

Q Who is Dick Dunham?

MR. GREENER: He is the Deputy Director of the Domestic Council.

Q Is there any particular reason why the Federal Power Commission was not represented in the discussion of natural gas problems?

MR. GREENER: Well, this was, as you know, a regular meeting of the EPB and they are not a member of the EPA.

Q EPB stands for Economic Policy Board?

MR. GREENER: Right.

Q Can we get some more details on the question of possible residential impact? We have been told in the past that residences would not be cut off because they are the highest priority recipients of natural gas under Federal Power Commission rules.

Could we have some more details on where residences might have their natural gas shut off?

MR. GREENER: You can, but I am not even accepting that they would have to have it shut off.

Q That was the statement --

MR. GREENER: I will try to get some more details from FEA. I don't have it here now.

Q Is President Ford convinced he is moving fast enough against any kinds of shortages this winter? Is he confident whatever groundwork they are doing now will have some effect by at least protecting residential people this winter?

MR. GREENER: He is convinced he is moving as rapidly as he can within the Administration.

Q Has there been any jawboning of the natural gas producers?

MR. GREENER: Not that I know of, Steve.

Q Any anticipated?

MR. GREENER: There has been some discussion of probably talking to the various producers, but how that will be done has not yet been decided.

Q Has the President, to your knowledge, specifically indicated any special interest in whether or not natural gas producers are conspiring on their own prices?

MR. GREENER: I am sure he would like to make sure that that --

Q You said the FEA has looked into it. Have they looked into it because the President has a particular concern that anybody has expressed or heard about in this area?

MR. GREENER: The President has expressed his concern that there be a minimum effect on the American public with all of these actions, and I am sure he has asked them to give him the reports on it, and that was the purpose of yesterday's report, Steve.

Q It has always been in the context, as I have understood it, it has always been in the context of simply getting the price freed, not in the context of -- given the fact the price isn't freed -- are the producers doing something that could conspire in creating prices or not?

MR. GREENER: On the specific item of whether he has directed anything on it or not, I will have to check, Steve.

Q You said we could probably list the options, why won't you list them?

MR. GREENER: Because I would rather not list the President's options until he has gone over them.

Q He was presented with a series of them, wasn't he?

MR. GREENER: He certainly was.

Q Without committing him to a particular course of action, why can't you tell us some of the possible steps presented to him?

MR. GREENER: Dick, as I said, until he has reviewed them and made his decisions, I think it is inappropriate for me to discuss the options presented to him.

Q Bill, the natural gas shortage was 10 percent last winter and you are expecting a doubling of that to 20 percent this winter?

MR. GREENER: He didn't say that. He said 15 percent.

Q Bill, don't you think the American public should know what options the President considers on something as vital as this?

MR. GREENER: I think, as I said, everyone who is following this and writing it from the point of view of informing the American public on it could fairly well list almost every option that I would go over for you.

Q Take Steve's question, has the President ever expressed a feeling on jawboning the natural gas producers?

MR. GREENER: I answered Steve on that. I would have to get that specific answer for him. I know he has expressed an interest, but whether or not he has given any direction to Frank or others to do something, I will have to check.

Q I didn't ask that. I asked simply whether he had considered that option, that is all I asked.

MR. GREENER: Whether he had considered --

Q Jawboning.

MR. GREENER: My answer to Steve's question was there has been discussion within the Administration of meeting with various producers. As to exactly how that will be carried out, that has not been decided.

Q I wonder if John has an answer to this. He says that our use is 22 trillion cubic feet, and there was a 10-percent shortage last year. Are you basing this 15-percent shortage on the same 22 trillion cubic feet?

MR. CARLSON: Yes. Let me make one point, there are price controls on natural gas which goes across a State line. I think most people recognize that. It is roughly 52 cents per thousand cubic feet. Once it goes across a State line, there are price controls. If it stays within a State, there are no price controls.

In California, you have roughly a price of \$1.50. So in certain States that produce natural gas, you have abundant supplies -- Oklahoma, Texas, Louisiana and so forth. There is no incentive for them to ship it elsewhere because it is controlled. This is why we have asked for some deregulation.

Q Does the President intend to meet with Congressional leaders to impress on them the seriousness of the situation and to try to get Congress to act?

MR. GREENER: At what point, Andy?

Q In the near future.

MR. GREENER: Congress is in recess.

Q I understand that, but prior to making any decisions, will there be conversations with Congressional leaders?

MR. GREENER: I am sure the President will continue to discuss with Congress -- it has been his way since he has come into office -- on every matter.

Q Was there any discussion of how the President will deal with the inflationary impact of decontrol of oil?

MR. GREENER: Yes, there was.

Q Yes?

MR. GREENER: The question asked was, was there any discussion of how the President plans to deal with the inflationary impact of the decontrol of oil. I answered, yes, there was. And the answer was, there are various numbers of administrative and legislative actions that could be taken, and the President has not made any final decision on those at this time. Those were the options that everybody has been asking me to list that I am not going to list.

Q I was asking about options on natural gas.

Q I am more interested in natural gas than I am in decontrol.

MR. GREENER: My response is the same to both.

Q Is it okay if we list our own options?

MR. GREENER: I would think you could.

Q Would one of those options include signing the legislation to extend controls?

MR. GREENER: The President has stated, as you know, when he was on the airplane, that he is ninety-nine and nine-tenths sure he will veto that.

Q What is the chance in percent of an option that he will sign that legislation? (Laughter)

MR. GREENER: One one-hundredth to be exact. I do not intend to expand on the President's words. Those were his exact words and I think his position is the same.

Q When will the President come to a decision? Can you give us an idea?

MR. GREENER: We expect the bill down around August 27 so I would assume the decision will come after that.

Q Bill, the concern that the President expresses -- picking up where John has told us several times about deregulation, which would minimize or diminish the problem of the producers -- we know of their problem, we know about intra-state and interstate -- but has the President expressed any thought about the economic problem that would result from deregulation, the fact that prices would go up?

MR. GREENER: The President is obviously concerned about the economic problems involved. That is the reason for the meeting yesterday.

Q What has he said about the other part? We know about his concern for the producers, what has he said about the other side?

MR. GREENER: I don't follow you, what has he said about it?

Q Exactly, the consumer.

MR. GREENER: He has said he hopes he can do everything possible to ease the inflationary impact on the consumers.

Q But the prices are going up, we know that. You know that, John tells us, we all know the prices are going up on natural gas.

MR. GREENER: That is true. We have to look at it, as he has said already, from the long term solution of this problem for the Nation and that is what he has done.

Q A couple of days ago Mr. Nessen said he expected the bill up around the 25th, you just said the 27th. How long could they hold it? Could they keep it a couple of days after they come back from their recess?

MR. CARLSON: The controls expire August 31.

Q That doesn't have anything to do with when they send the legislation up.

MR. CARLSON: If the controls expire, they have nothing to extend.

Q That doesn't matter, does it, John? He has ten days from the time he gets it to veto it. That will cover that expiration period?

Q Do the controls expire if the extension bill is in the White House and not vetoed?

MR. CARLSON: I am quite certain they are going to extend the legislation prior to the expiration date of the Act. They are right now planning to return at Noon on September 3rd and will take up the veto override on the 4th.

Q You make the veto a certainty then?

MR. CARLSON: Well, ninety-nine and forty-four one-hundredths.

Q You have been referring to this one bill regularly. Would it be safe to say at this point the White House sees absolutely no chance that the Administration would come up with some kind of compromise solution with Congress which would at least delay the total lifting of controls?

MR. GREENER: I think the President and the Administration have proposed an original proposal, a compromise proposal, a compromise on the compromise proposal, and inasmuch as Congress is now in recess, I don't know who he would compromise with.

Q Was there any mention of Mr. Zarb continuing discussion with those Congressmen with whom he had been dealing with prior to the recess? He had been in almost daily contact with John Dingell and others, is he still doing any negotiating with them?

MR. GREENER: Not to my knowledge, I would have to double check that with Frank.

Q What is the possibility of an override on the six-month extension?

MR. GREENER: Whenever the President vetoes the bill he would hope the Congress would sustain that veto.

Q You have congressional liaison people who give you advice on what the numbers are. Can you share that information with us? What your best estimates are and the possibility of keeping that veto sustained? What are the congressional read-outs, as you put it?

MR. GREENER: I have no late figures on it and I don't believe anyone does.

Q It has been expressed earlier that he would be able to get this veto sustained of any extension, has that changed at all?

MR. GREENER: No.

Q Bill, in view of the fact that the President's policy on energy is really based on discouraging consumption of scarce fuels by letting prices increase, why does he want to minimize the inflationary impact?

MR. GREENER: He would like to minimize inflationary impact simply because of the fact that people could not stand losses of jobs or increased cost.

Q You mean they could not tolerate his policies?
(Laughter)

MR. GREENER: I would simply say that is your characterization of it, John, not mine.

THE PRESS: Thank you, Mr. Greener.

END (AT 12:00 P.M. EDT)

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