

This Copy For \_\_\_\_\_

NEWS CONFERENCE

#318

---

AT THE WHITE HOUSE

WITH RON NESSEN

AT 11:21 A.M. EDT

SEPTEMBER 9, 1975

TUESDAY

MR. NESSEN: I am sorry I announced the briefing for 11:00 and didn't get here until 11:21.

Dr. Kissinger is having a news conference at noon and we have made arrangements to have it piped in here so you could hear it, if you don't care to go over to the State Department.

At 1:30 Frank Zarb will be here to brief on the veto of the oil decontrol bill.

The reason I was late is that the President was just now going over the proposed message to Congress and also a brief statement that he is going to make at 1:55 in the Oval Office.

Q What time is the briefing, Ron?

MR. NESSEN: 1:30.

Q Is it going to be for sound?

MR. NESSEN: Frank's briefing will be for sound and film, and the President's statement will be for sound and film, so I think the networks will have to somehow get two camera crews here -- one for the Oval Office and one for the briefing room.

Q Is that on the oil veto? I mean, is it on the --

Q Will he veto it right there before our cameras?

MR. NESSEN: No, he will read a relatively short statement, probably no more than two minutes, explaining it.

Q Both events will be run through the House mult?

MR. NESSEN: We will set that up, yes.

MORE

#318

Q But we won't see him veto it?

MR. NESSEN: No.

So what you are going to have is Henry at 12:00, piped up here. At 1:30 Frank will be here for a briefing that will be embargoed until 2:00 or so, or when the President actually makes his statement, and then the President will make a statement in the Oval Office at 1:55, very briefly. All of that is for film and sound and we will get the two pieces of paper and probably a fact sheet also as quick as possible, but the President is still working on it.

Q I don't mean to belabor this but you have an engineering problem if Frank is still briefing through this microphone which is going through the House mult.

MR. NESSEN: No, I can assure you that Frank will stop briefing in time for the President to sign.

Q What is the 2:00 meeting on energy about?

MR. NESSEN: No, it is not an energy meeting. It is the Economic Policy Board.

Q Is he signing the economic --

MR. NESSEN: He will not actually sign the veto message before your very eyes but he will read a statement.

Q Well, when is the full text released?

MR. NESSEN: As soon as he makes his statement, which will be approximately 2:00.

Q When will he sign it then, Ron? When will he actually sign it?

MR. NESSEN: He may actually have signed it by the time he makes the statement. I will get you an exact time on the signing.

Q Ron, can we get these documents or papers or whatever they are in time to transmit with an embargo?

MR. NESSEN: Sorry, I was distracted for a minute, Bill. (Laughter)

Q The question is, when can we get these documents for transmission with an embargo?

MR. NESSEN: As soon as the President finishes working on them, which he is doing this very minute.

Q You estimate a half hour or an hour?

MR. NESSEN: I think it will be closer to an hour than a half hour.

Q Ron, is there going to be a legislative package put out today in connection with the veto?

MR. NESSEN: What do you mean a legislative package?

Q Different steps to ease the impact of decontrol, and so forth.

MR. NESSEN: The President will say in his message this afternoon that if the veto is sustained, which he expects it to be, he will then take steps necessary to assure a smooth transition to no controls. Of course, he is still hoping, as you know, that Congress will have passed the phased decontrol of 39 months, which he wants, and is prepared, of course, to once the veto is sustained to then sign a 45-day extension to give Congress time to pass the phased decontrol.

Q Yesterday in the Benti interview the President responded to dire predictions about a soaring increase in gas prices and said it will only be two or three cents a gallon. Has he had any reaction to the dire predictions of increased unemployment that will result from this in increases in inflation and so on?

MR. NESSEN: I think his statement is going to address this, Walt. The fact of the matter is that in the past couple of years the amount of money spent by the United States for imported oil has gone from \$3 billion a year to \$25 billion a year. It is estimated that that increasing reliance on foreign oil has cost one million American jobs.

This whole argument has gotten turned around a little bit, and the President is going to try to set it straight in his statement this afternoon.

The question of jobs, of price increases and so forth is completely backwards, and he is going to make this point strongly this afternoon. The fact is we have had price controls on oil since 1971. In the period since 1971 oil prices have gone up 700 percent. So, when Congress says it is going to hold oil prices down by keeping the controls on for another six months, look at the record of the past four years when there have been controls and the price has gone up 700 percent. That is not a very good record of holding prices down.

MORE

#318

Q Prices on what oil? This is not the imported oil?

MR. NESSEN: The price that we pay for exports has gone up 700 percent.

Q Imports.

MR. NESSEN: Imports, I am sorry. The actual price of fuel has gone up four and one-half to five times while we have had these controls on. Congress wants to keep those controls on to keep the prices down, but what is the record of controls in terms of holding prices down and what about jobs?

One million jobs have disappeared in the United States since we have had the controls on because those jobs are going overseas. The average American family right now spends \$400 a year to buy OPEC oil.

The Congress will tell you that controls are going to hold prices down. Would they be willing to pass a bill requiring every American family to write a check annually for \$400 to the OPEC countries? The debate has been badly out of shape, and the President is going to try to put it back together.

Q So, the White House price controls make prices go up and cause unemployment?

MR. NESSEN: There is no White House line, Bob.

Q What you are telling me is the argument has been turned upside down, is that right?

MR. NESSEN: The facts of the last four years are that price controls lead to increasing dependence on foreign oil, which is the most expensive oil. As we become increasingly dependent on foreign oil at the mercy of the OPEC countries, which can raise the price at will, we pay more and more for oil.

It is the controls and the lack of an energy program which make us more and more dependent on foreign oil, the most expensive oil and the oil over which we have no control on its price.

Q Ron, there is every incentive for oil companies to find new oil, which there are no controls on. How does it help anybody to let the very low price that oil is selling at to go up to the OPEC price? How does that help anybody?

MR. NESSEN: As you know, the phased decontrol plan would have a ceiling of \$11.50, which is actually a \$2 rollback in the price of new oil produced in the United States, and under this 39-month plan, you would actually have a drop in fuel prices for the first year. After that, the prices would go up gradually.

This is an incentive to conserve oil, and it also is an incentive to produce more domestic oil. You have to look at the whole program, which provides for production of alternate sources of oil, the shifting of some industries and so forth from oil to coal or gas.

The whole program will get to where the President's goal is, which is ten years down the line, where we will be totally free of dependence on foreign oil.

Q Ron, can we run back over some of these figures you rattled off rather rapidly to make sure we understand what you are talking about?

MR. NESSEN: All right.

Q The three billion to 25 billion increase -- I assume that is number of barrels of imported oil. Over what period of time?

MR. NESSEN: No, that is a dollar figure, Jim. \$3 billion is what we paid for foreign oil in 1971.

MR. CARLSON: About that. I should check out the exact date.

Q I want to find out if you are talking about the same thing when you say the figure of \$25 billion increase, if that is the same thing as the 700 percent increase from 1971 to 1975?

MR. NESSEN: Yes.

Q 1975 you are talking about?

MR. NESSEN: Yes. Let me say this, Jim.

Q These are all percentage and dollar increases for imported oil?

MR. NESSEN: That is correct.

The President will be using some of these same numbers, and Frank will be here at 1:30 to clear up some of the details of it, but that is the general basis on which the President feels he must veto this simple extension.

Q When you say that the President will offer some administrative measures to smooth the transition, are you referring to the three-point propane and the independents, or is that something else?

MR. NESSEN: No. As the President said, if the veto is sustained and if there is no phased-in decontrol plan, which is really what he would prefer, then he will take the \$2 import fee off on imported oil to soften the economic impact, and there will be some steps which Frank has outlined directly at specific industries.

Q So, he will announce the taking off of the \$2 today?

MR. NESSEN: No, that is not part of the statement, but he is on the record as saying that.

Q Ron, this question may have been asked before I got here a minute ago. Has the President commented on the Shah's statement that the Shah made yesterday predicting that the prices would go up?

MR. NESSEN: I mean, the President is firmly convinced -- and all of his advisers are -- that as long as the OPEC countries and the various foreign producers of oil are convinced that we are going to do nothing to lessen our dependence on their oil, they are going to raise the price at will, as they have over the past four years. There is no incentive not to.

Q That does not make sense. They want us dependent on them because it means more bucks.

MR. NESSEN: Yes, that is right, and the longer the Congress votes to remain dependent on them, the more they will be confident that we are at their mercy and they can raise the price at will.

You have heard the President say that one of the best ways to discourage a possible price increase this month by the OPEC countries is to get started on a decontrol plan and an overall energy plan to show the foreign producers that we are going to get rid of dependence on them.

Q How is decontrol going to provide more oil?

Q Then they can come right back and say maybe we better raise the prices quick and get them while we can?

MR. NESSEN: If Congress prevails in not wanting to do anything about the energy problem, this \$25 billion in what we are paying overseas and the \$400 that the average American family pays to OPEC every year is going to go up and up and up and that is why the prices are going to go up and up and up under the Congressional plan.

Q Do you have a comparative figure for 1971 on that \$400?

MR. NESSEN: \$50 is what the average American family paid to OPEC.

Q What about the 800 percent increase?

MR. NESSEN: Which one?

Q \$3 billion to \$24 billion?

MR. NESSEN: I have not done the arithmetic on that.

Q What was that \$50 figure?

MR. NESSEN: The \$50 figure is what the average family paid for OPEC oil in 1971.

Q As opposed to \$400?

Q \$400 sounds like an 800 percent increase.

MR. NESSEN: Frank will have to sort the figures out.

Q How much will that 700 percent or 800 percent increase that is attributable to the oil import be?

MR. NESSEN: John, not very much of that, is there?

Frank will be here at 1:30 to sort some of this out.

Q Ron, isn't some of that due to the increased amount of oil being imported, not necessarily to an increase in price?

MR. NESSEN: It is both, Howard, and that is why the President wants this program to start and Congress does not want it to start. Congress is voting consistently to remain dependent on the foreign producers, to become more dependent on the foreign producers, and in effect Congress is voting to constantly raise the prices that Americans pay for fuel.

Q Has the President sat down and talked to Henry Jackson about this? He is the one that has all these bills going, holding all kinds of hearings and says no.

MR. NESSEN: I don't believe the President has talked to Jackson about this in the recent past.

Q Ron, is the President making phone calls on the veto vote? Is he trying to line up votes?

MR. NESSEN: No, he is not.

Q He is not?

MR. NESSEN: No.

Q A similar question, Ron. A few days ago various Senators were saying they had a good chance to override this veto and now they are saying they don't think they are going to be able to, it is going to be sustained.

What has the White House done in those two days to turn the situation around?

MR. NESSEN: I think I really should not speak for the Members, but I have sat in on some of these meetings and it is clear that their constituents told him of them when they were home that -- there was a policy here about two weeks ago, I think a Gallup Poll, indicating that well over 50 percent of the American people favor the decontrol of oil.

I think their constituents, and there have been editorials, have indicated to them that the Americans do want to have an energy program that would make us independent of foreign sources of oil and the ability of foreign countries to set the price of oil.

Q Ron, is the White House lobbying on this?

MR. NESSEN: You know the President has met a fair number of Senators this week, but basically those sessions have been by way of explanation of what the President's program is and what the alternative is, which is for Congress to vote for higher and higher oil prices.

Q Has the President been in contact with Mr. Pottinger, the Assistant Attorney General, in Boston, or is he getting briefed by the Justice Department on this subject?

MR. NESSEN: As I said yesterday, whatever information needs to be relayed to the President from there is being relayed through the counsel's office at the White House.

Let me give you one other thing I have here before we get too far along on the questions.

On Thursday, as you know -- my goodness, I forgot that. I got good news today. Thursday the President is going to be leaving Andrews at about 8:20 in the morning for Dillant-Hopkins Airport at Keene, New Hampshire, getting there at 9:30 a.m.

Q He obviously is not taking Air Force One.

MR. NESSEN: It is not decided yet which airplane he is going to take.

Q 9:30 arrival?

MR. NESSEN: For the President. The press check-in at Andrews is 7:00 a.m., a departure at 7:30 and a 9:00 arrival.

Do you want me to run through the cities where this motorcade is going to pass.

Q Yes.

MR. NESSEN: I thought you would.

Obviously Keene, Marlborough, Dublin, Petersborough, Milford, Amherst, Nashua, Hudson, Salem -- is that where they burn the witches?

Q No, Massachusetts.

Q They may have burned one or two up there.

Q They burn the speeches.

MR. NESSEN: Hampstead, Kingston, Exeter, Portsmouth, and he will be taking off from Pease Air Force Base --

Q Is that the last stop?

MR. NESSEN: -- which is at Portsmouth.

Q Are we going to have any chance to file on all this, or are we just going to be riding along? Will he stop long enough for us to file?

MR. NESSEN: I am sure he will stop and make speeches at some of these places. We are still putting together the schedule and it is not very definite yet.

Q What time is he leaving?

MR. NESSEN: He is scheduled to get back here at 10:00 p.m., so if you back-time that it is like a one hour and 10-minute flight, so that would be 8:50.

Q Leave Portsmouth about 9:00?

MR. NESSEN: Yes.

MR. HUSHEN: We will have end-of-the-day filing at Portsmouth.

Q How many miles is that, do you know?

MR. NESSEN: I don't have that at the moment.

Q Arrive at Pease?

MR. NESSEN: Pease Air Force Base is at Portsmouth.

I think I forgot to tell you this. The President today is announcing his intention to nominate Thomas S. Kleppe of Bismarck, North Dakota, to be the Secretary of Interior, succeeding Stanley K. Hathaway who resigned. Mr. Hathaway's resignation is effective upon the qualification of Mr. Kleppe, which means upon his confirmation.

Q Did you folks investigate Kleppe's record at SBA?

MR. NESSEN: Mr. Kleppe's record was looked into and the President feels he had a good record at the SBA.

Q What became of your advisory, I believe, on an attribution basis for reporters not to go very hard on the appointment of Kleppe as Secretary of the Interior a couple days ago?

MR. NESSEN: I said be cautious. You should always be cautious.

Q Are you really going to sustain that position? I am asking a serious question here. You steered us in a different direction.

MR. NESSEN: I didn't steer you in a different direction, Jim.

Q You always steer us in a different direction on these things. You went into a series of them.

MR. NESSEN: No, I don't, Bob. I wanted to be sure that the nomination was firm and final before --

Q Well, without going into the question of interpretation, do you really believe that this kind of advisory by you is helpful to your credibility, that it will maintain your credibility?

MR. NESSEN: At the time I told you that, it was the proper advice to give.

Q Was he in trouble at that time, Ron?

MR. NESSEN: No, but it was simply not a final nomination, finally decided upon.

Q Well, you know when you say something like that, don't go hard on it and so forth --

MR. NESSEN: I said be cautious.

Q I thought you advised against speculation that he would be nominated.

MR. NESSEN: I remember exactly what I said and that was to be cautious and that I did not expect an announcement within the next few days.

Q Were you misinformed, Ron?

MR. NESSEN: Jim, come on. When I told you that it was precisely the correct thing to say.

Q In what sense? How was it correct?

MR. NESSEN: At that point the nomination or appointment was not final.

Q Several Members of the Senate had at that point been advised that Kleppe would be the nominee. Was there some reason to think that that advice would be withdrawn?

MR. NESSEN: I simply wanted to make sure that the nomination was final before -- and it wasn't at that time and that is why I said be cautious.

Q Ron, on what grounds did you advise caution on this?

MR. NESSEN: I think I would rather not go into the details of that, but it was the proper advice to give at the time.

Q Ron, when is the President going to have another press conference?

MR. NESSEN: I don't have a date to give you on that.

Q Ron, can you give us what date Hathaway resigned?

Q How come he was not on ABC yesterday?

MR. NESSEN: One thing at a time, now.

Let me give you one more announcement.

I don't have the date.

Can we check the date when Stan Hathaway turned in his resignation?

MR. SMITH: July 25.

MR. NESSEN: We announced some time ago, in fact in February, that the President of Colombia, Alfonso Lopez Michelsen, had accepted an invitation from the President to make a State visit to the United States. That visit we are now announcing today will take place later this month. President Lopez will arrive in Washington on the 25th of September.

I think those are all the announcements.

Q Has the President met with the Treasury Secretary today to discuss New York City's financial condition, or to report on it?

MR. NESSEN: One of the subjects which will come up at this Economic Policy Board meeting at 2:00, the President will be given a report at that time on the status of New York City's financial difficulties.

Q Are you inching toward some kind of Federal assistance or guarantee, or any kind of Federal role or involvement in New York City's financial problems?

MR. NESSEN: No.

Q Are you telling us, and laying your credibility on the line, that there is no --

MR. NESSEN: What credibility?

Q -- that there is not any change from the position you reported to us before; that there is no involvement, there will be no Federal involvement in New York City's problems; is that right? Is that what you are saying?

MR. NESSEN: Well, to elaborate on what I had said before and to first of all say that the situation has not changed from what I said before, and I told you what the President feels is the proper Federal role in State and city financial matters, but also I added at that time that while the White House has no authority over the Federal Reserve Board at all, I think you have all heard Dr. Burns say publicly that he would certainly make sure that whatever happens in New York City does not affect banks around the country. Now I don't know whether you consider that Federal involvement or intervention or whatever, but that has been said before and has not changed.

As far as Executive Branch involvement, there is basically nothing the Executive Branch can do; it requires legislation.

Q What is prompting the President's new look here?

MR. NESSEN: Oh, Helen, you know, as we have said before, the President has been kept periodically informed on the status of New York's financial affairs and this is merely the latest in a series of updating reports.

Q Will Simon be there today?

MR. NESSEN: Let's make sure he is not testifying somewhere.

Q Mr. Simon has been given a plan, he has been handed a plan for various Federal guarantees and so forth.

MR. NESSEN: Simon will be there and will do the review of the current status of New York's financial difficulties.

Q Will Rockefeller be there?

MR. NESSEN: Probably. He attends these meetings.

Q Ron, could I finish my question?

MR. NESSEN: Yes.

Q Secretary Simon has been given a plan by the New York people. He has been handed a plan for various Federal guarantees and Federal involvement of one sort or another. Is he bringing this plan over to this meeting to outline it to the President?

MR. NESSEN: Are you talking about the plan that is being submitted to the State legislature?

Q No. Somebody from New York, and I am sorry I cannot remember the name, whether it was State or city, met with Simon and made various proposals to him about Federal guarantees, and so forth. Who was that?

Q Anderson.

Q Now these were specific proposals, as I understand it, and I am merely asking whether Secretary Simon is bringing those over to this meeting today to outline to the President, here is what we have been asked to do and so forth?

MR. NESSEN: Well, I don't know what Bill Simon is going to outline. My understanding is he is going to outline the current status but since the meeting has not taken place yet I don't know what precisely.

Q Can you find out for us whether he brought those proposals with him and reviewed them for the President?

MR. NESSEN: I am going to the meeting and I will let you know after the meeting.

Q What qualifies Kleppe to be Secretary of Interior? Do you know what his record is on conservation and so forth?

MR. NESSEN: Well, as I understand it, during his years in Congress he has recorded votes on various issues and that might be some indication of his record, and the President, of course, is aware of it. The committee which will consider his confirmation I am sure will get into his record.

Q But when you said he had a good record, I don't know what you are referring to.

Q Ron, based on that most any Congressman could be a candidate for the Secretary of Interior -- when he was in Congress he voted on certain matters.

MR. NESSEN: The President believes that he is the best man for this job and that is why he nominated him.

Q Not only the President but Rumsfeld and Martin. He served in Congress under all three of them for four years.

Q Ron, you reported the other day that the President has endorsed the House Republican policy statement on the legislative program; is that correct?

MR. NESSEN: This is the one that John Rhodes came out with.

My understanding is that the President has no argument with the items listed as goals of the House Republicans.

Q One of those goals was for catastrophic health insurance. Where does that leave the Administration's comprehensive health insurance plan which is a much broader plan?

MR. NESSEN: I will need to look into that.

Q You cannot endorse catastrophic and comprehensive at the same time.

MR. NESSEN: Why not?

Q Because one is much more limited.

MR. NESSEN: But it does not exclude a broader program. I think the President has said that next year he will be outlining his views on that and a lot of other social programs.

Q The question is, is he backing away from the comprehensive health insurance program?

MR. NESSEN: He is not backing away from what he said before, which is that he is going to review it and will probably announce his ideas in the State of the Union speech.

Q Ron, do you have a mail count on the Middle East?

MR. NESSEN: Yes.

Q Can you give us some details on the President of Colombia's visit that you mentioned this morning?

MR. NESSEN: Let me give the mail count first on the Middle East volunteer force.

The telegrams in favor, 23; against, 68; and various comments, 12.

The mail count, 54 in favor; 68 against; and 12 of various comments. That is as of this morning.

Q So your three to one on telegrams suddenly turns around and becomes almost even on letters; is that right?

Q Ron, is 68 and 12 correct in both instances?

MR. NESSEN: 68 against in both instances. On telegrams, 23 in favor; mail 54 in favor; and 12 under both comment categories.

On the visit by the Colombian --

Q Ron, a question.

MR. NESSEN: I had a query here about the details of the President's visit.

Q There is a credibility question over here.

MR. HUSHEN: Yesterday we said there were 511 in opposition.

MR. NESSEN: Who put this list together?

Q Maybe just for one day.

MR. HUSHEN: I don't know. Hold that until we check it.

MR. NESSEN: While we are checking that, somebody asked about the Colombian visit. There will be a meeting with the President. I expect that there will be a State Dinner and I also expect that President Lopez will meet with other American officials.

What have you done to me, Larry? What have they done? Sent some of the letters back?

MR. SPEAKES: They don't have postage on them.  
(Laughter)

Q It does not take any postage to carry it from the EOB.

MR. NESSEN: I also understand President Lopez will travel to New York after he visits Washington and also he will be spending the night of the 24th, which is the night before he arrives here, in Williamsburg, Virginia.

Q Ron, will the Social Secretary be announced before then?

MR. NESSEN: I don't know anything about that Social Secretary job. I haven't heard anything about it.

Q It is from here, from the President's office.

MR. NESSEN: Yes, but I have not heard anything about a new Social Secretary.

Q Ron, you have not told us yet why he cancelled ABC.

MR. NESSEN: Really two reasons. One, his schedule got tremendously jammed up yesterday afternoon. His schedule was already crowded. The plan was for him to leave a meeting long enough to go and do that interview and then go back into the meeting, and the schedule got backed up quite a lot.

The other reason was really my own feeling that it could possibly contribute to further tensions in the Boston school situation for him to comment on national television about that situation. That was my judgment, and those are the two reasons.

Q Ron, do you think if he pleaded for peaceful conduct that could exacerbate the tension up there?

MR. NESSEN: He is already clearly on the record a number of times doing that, Bill.

Q Ron, last week at the International Monetary Fund and World Bank meeting some of the American bankers who were here in informal discussions with friends and reporters and I heard several of them predicting that within the next six to nine months there would be some form of wage and price controls and possibly some form of gasoline rationing. Are there any plans?

MR. NESSEN: No.

Q Are you ready to announce that yet, Ron?

MR. NESSEN: I don't know how this happened.

Is this the actual thing? Is this the real thing now?

MR. HUSHEN: At this moment.

MR. NESSEN: How did we get those other numbers?

MR. HUSHEN: I don't know.

MR. NESSEN: Here are the real numbers. Ignore what I said before.

Here comes something even later.

Q Another letter.

MR. NESSEN: What time is that?

MR. ROBERTS: 12 o'clock.

MR. NESSEN: The President is meeting, as you know, with the Commission on Olympic Sports at noon, and if anybody wants to take a picture of that, they can go with Bill Roberts right here and do that.

This is the real mail and telegram count. Since there does not seem much use to make a distinction between letters and telegrams, we will lump them together.

In favor of the American civilian volunteers, 54, and against the civilian volunteers, 558.

Q That was close.

MR. NESSEN: Now you know how Alabama felt last night.

Various comments, 26.

THE PRESS: Thank you, Ron.

END (AT 11:55 A.M. EDT)