

POOL REPORT AF#1 2/10/75

Nessen came back shortly after takeoff. Said to expect text change ~~x~~ in energy conference speech. On page three in third to last paragraph beginning "I am told..." Nessen said minor change of wording to break up a complicated sentence but not a substantive change.

Before leaving the white house the President was present for swearing in of James Lynn as director of OMB at 8:45. There were several meetings with individual staff members and then a short economic meeting which Nessen described as a continuation of the one last Friday where possible emergency measures were discussed in case the economy gets "worse than expected." Asked if there are executive actions that can be taken without congressional approval Nessen replied, "yes." But he refused to give examples or even discuss the range of options. Nessen said: "you'll find out soon enough. ~~if the economy gets worse~~ If the economy gets worse he'll do them and if not he won't." Nessen refused to "pin a number" on what is meant by the economy getting worse than expected.

At this point Alan Greenspan came back and was asked whether the economy would be worse than expected, and emergency actions taken, if unemployment goes above the "about 8.5" he has predicted. Greenspan ~~refused to~~ ~~comment~~ said it is extremely complex and you don't look at any single number, you look at the "whole plethora of statistics that is measuring as a whole." When asked if he would discourage us from assuming unemployment higher than 8.5 would trigger new actions, Nessen ~~xxx~~ cut in and said emphatically, "I would. ~~...~~ I would discourage you from drawing that kind of conclusion." Nessen again refused to amplify ~~except~~ to say there are four or five possibilities.

Nessen said there would be some 600 people present at the energy meeting including oil and gas producers, other business men, representatives of labor and utilities, state legislators, academic types and mayors. The conference is sponsored by the Houston chamber of commerce. After Ford talks there will be comments from Secretary Morton, Greenspan, Paul O'Neill of OMB and Frank Zarb who is joining the party by commercial flight.

Governors at the dinner tonite will be: ~~xxx~~ <sup>DOU</sup> dolph briscoe, d, tex; raul castro, d, ariz.; jerry apo~~aca~~, d, new mex; david boren, d, okla and david pryor, d, ark. Others attending will include Morton, hartman, greenspan, zarb, nessen, o'Neill and james falk of the domestic council.

There will be similar trips in the future, nessen said, but none expected ~~to~~ before the week of february 20-23.

Nessen confirmed that former president nixon telephoned president ford last saturday morning at 11 o'clock, washington time. nessen said he gathered it was essentially "small talk and nothing of substance." Nessen said it was "his understanding" that the recent colson comments "didn't come up." Nessen would not talk about what was said, but he said the conversation did not include the subjects of nixon returning to politics, the cutoff of federal funds for nixon or foreign affairs.

On the question of the oil tariff cutback bill, Nessen said the president is still hopeful and plans to talk to some senators when he returns to washington.

Steve Bell ABC