

President Foresees No Impeachment

WXPost

FEB 26 1974

Optimistic On Nation's Economy

By Hobart Rowen
Washington Post Staff Writer

Lines at gasoline stations "will become shorter in the spring and summer," President Nixon assured the nation last night in a generally optimistic appraisal of the economic outlook for the nation.

He once again reiterated there would be no recession because he had ordered "contingency plans" for increased government spending readied to counter any hardship areas that might develop around the country.

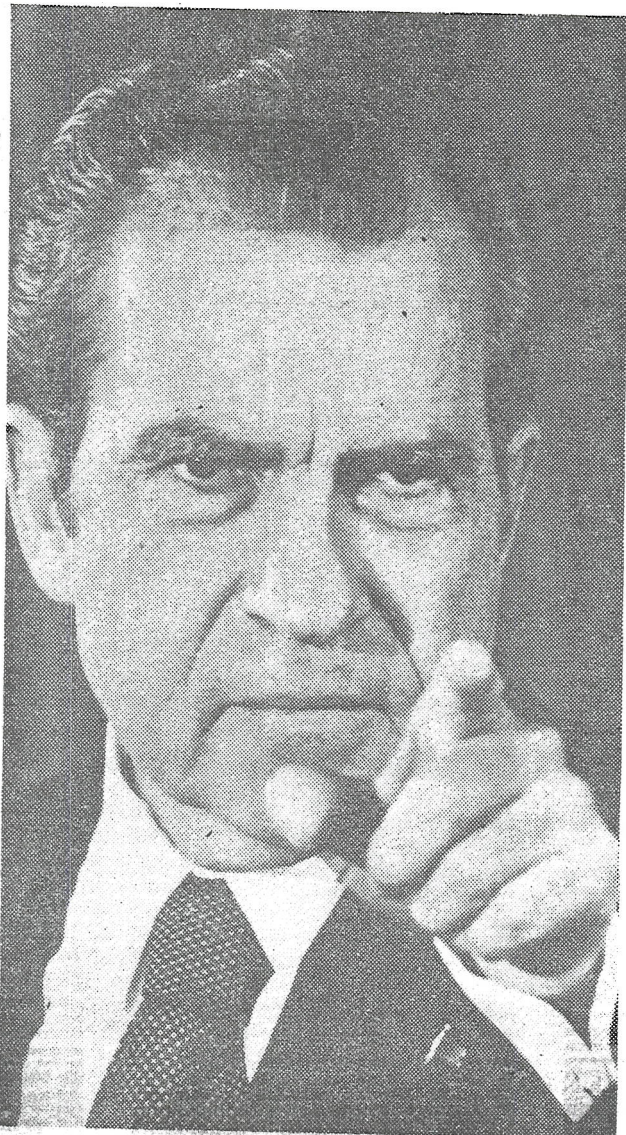
And he said that as a result of the "cooperation of the American people, there is a much better than even chance that there will be no need for gas rationing in the United States."

The President said that "while the [energy] crisis has passed, the problem remains. It is a serious problem, but one that can be dealt with." The President referred particularly to the energy bill now before Congress, which would require a rollback of domestic crude oil prices.

Because this bill would "lead to shortages," then to "more and longer gas lines," and eventually to rationing, President Nixon said he will veto the bill if it reaches his desk in that form.

The remaining problem, the President emphasized, is to increase supplies. He mentioned the deregulation of natural gas prices, and amendment of environmental restrictions that would allow the use of more coal.

The President's antipathy to rationing, which he has stated before, was reiterated in strong terms. A rationing system, he said, would require "17,000 to 20,000 more federal bureaucrats to run the system at a cost of \$1.5 billion a year, and this we should avoid, this we can avoid. And that is why I again urge the Congress to act responsibly on the measures we have presented to the Congress."



By Douglas Chevalier—The Washington Post

Nixon: "I want the presidency to survive."

WXPost

FEB 26 1974

In reference to gasoline lines, the President said that the purpose of the administration is to reduce the lines and the inconvenience to motorists. But as far as the price of gasoline goes, he said, "I would be less than candid if I did not say that the price of gasoline is not going to go down until more supplies of gasoline come into the country, and also until other fuels come onstream which will reduce the pressure, which is

See **ECONOMY, A13, Col. 2**

ECONOMY, From A1

upward in the price of gasoline."

He added, also, that when the embargo by the oil-producing nations is lifted "that will have some effect on the price of gasoline."

The President termed inflation "a very nagging" problem, and tied its solution in part to solving the energy supply question. He pointed out that almost two-thirds of the

price increase of last year was due to energy and fuel shortages, and said that "if we can get at these two problems, I believe we can bring inflation under control as the year goes on. But I would not underestimate the problem."

But the answer to higher prices, he told a reporter, is not through controls "which we have tried and found wanting." The answer to higher prices "is to get up the supplies—that will bring the price down."

He predicted that the supply of food as well as energy would improve during the rest of the year, alleviating the problem of inflation.

Questioned on his State of the Union promise that "there will be no recession in the United States this year," the President said his commitment was based on an active program he had ordered to make sure that a recession won't come about.

He conceded "that we are going through a downturn in the economy—but not a recession." The prospects for the balance of the year he termed "good" because we "are going to be dealing with what was the energy crisis as a problem" and because there are other elements of "great strength" in the economy. In the last half of the year, he said, the economy would be on an "upward curve."

Echoing an earlier promise by Deputy Director of the Office of Management and

Budget Frederic V. Malek, that the administration would "bust the budget" if necessary to avert unemployment, the President said "we will be and should be prepared to deal effectively with any areas of the country through the budget, and we have various contingency plans ready to go."

"We will not stand by and allow this country because of the energy crisis and because some of the problems we have had on the inflation front—to stand by and allow a recession to occur."

Responding to the President's criticism of the energy bill, Sen. Henry M. Jackson (D.Wash.) said last night that if the President vetoes the bill, Congress would override it.

"The President talks about rationing," Jackson said, "but we have something worse. Every day, the lines of cars waiting for gasoline get longer and longer."