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FOR IMMEDIATE RELEASE

JANUARY 25, 1971

OFFICE OF THE WHITE HOUSE PRESS SECRETARY

THE WHITE HOUSE

PRESS CONFERENCE

OF

SENATOR HUGH SCOTT

AND

CONGRESSMAN GERALD R. FORD

THE BRIEFING ROOM

10:20 A.M. EST

MR. ZIEGLER: The meeting this morning, which lasted from 8 o'clock until 10 o'clock, was the first meeting of the Republican Leadership in the 92nd Congress.

As you know, the President held a bipartisan leadership meeting on Saturday. But this was the first Republican Leadership meeting to be held in this session.

Senator Scott and Congressman Ford are here to give you a rundown on that meeting.

Senator Scott.

SENATOR SCOTT: The President this morning, in summarizing the goals, the six important goals in his State of the Union Message, expressed the hope and desire that this Congress would give a hearing and a vote on all of these matters. And the President, the Vice President, Cabinet Officers, and various Republican Members of Congress will, or course, be explaining this program in many places in many parts of the country in speeches during the forthcoming months.

It is important, it seems to me, that all of these goals be supported in a bipartisan sense by the Congress. This is bold and daring and this is a new American revolution in its concept. It has struck a very favorable note in my opinion in the press and I hope that as the program is more fully explained and details developed in numerous meetings to be held here in the White House, for example, that public opinion will rally to this chance for a new order of things in Government.

CONGRESSMAN FORD: I would simply supplement what Senator Scott has said by saying that the President considers the total package of six proposals all equally important. And he believes, and I certainly subscribe and I think there is unanimity among the Leadership, that the Congress this year and next year has a great opportunity for the title of an action Congress, action in welfare, in full employment, budgetary action, in health, in environment, in reorganization, and in revenue-sharing.

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These are basic improvements in the overall picture, both structurally as well as substantively, and the Congress can and I hope will be known as an action Congress in 1971 and 1972. And this is the whole thrust of the proposed visits of the President around the country, the Vice President in various areas of the country, and the efforts that will be made by those of us in the Leadership in selling this program to the American people.

Q Could you tell us any more details about the President's plans to sell this to the people?

CONGRESSMAN FORD: There was no discussion of where he would go or how many visits he would make around the country, but, as you may have noticed in the morning paper here in Washington today, the Vice President in conjunction with one organization of local government is going to make at least four appearances specifically. I think this is an indication of the attitude of the President and the Vice President to sell the program to the American people.

SENATOR SCOTT: And, as you know, there are meetings at 2 o'clock and 4 o'clock today with bipartisan leadership of the House and Senate. There are meetings set regularly now with the Chairmen and ranking members of the Committees. There will be a great deal of elucidation to the people's representatives in the first instance so that the program will be pretty well understood by the time the specific legislation comes up in the near future.

Q What will be the first message and what do you mean the meetings are set regularly? You mean Committee Chairmen are going to meet with the President every week?

SENATOR SCOTT: I don't believe there is a formal arrangement of that kind, but they are beginning with meetings promptly, this very week, as you know.

And the President's message tomorrow will, I believe, be something of a wrap-up of uncompleted legislation -- isn't that Right, Ron? -- from the 91st Congress. This is what I called the "wish list" last time, and I think this time the action list.

Q Then you won't have to resubmit the Welfare Reform?

SENATOR SCOTT: My understanding is that that is pending. It will be H. R. 1, introduced by Representative Byrnes.

CONGRESSMAN FORD: It has been introduced, I understand, by both Chairman Mills and by Representative Byrnes. It was given the designation of H. R. 1. I am told hearings will be held, those that are necessary, in the House Ways and Means Committee at a very early date as soon as the House Committee or Committees are established.

Q Is that tied to the Social Security?

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CONGRESSMAN FORD: I can't tell you off-hand whether the two are included in H. R. 1, but my general impression is that it is put together in that particular bill.

Q Is that good or bad?

CONGRESSMAN FORD: I think it is good.

Q Mr. Ford, there is real skepticism, apparently, among some powerful members of Congress particularly about the revenue-sharing and the Government reorganization proposals of the President. How do you see the outcome?

CONGRESSMAN FORD: I am optimistic about this Congress acting affirmatively on both revenue-sharing and the Governmental reorganization. There is a great ground swell throughout the country with local officials and State officials for action on revenue-sharing. I think this will be effective in getting the Congress not only to hold early hearings but I hope affirmative action.

Of course, the reorganization program will take a little longer, but obviously we cannot go on in the future with a governmental structure that has not necessarily done a good job in the past. And I believe that the proposed reorganization will strike a responsive cord with the American people and this Congress, I think in the final analysis, will act affirmatively.

Q Senator Scott, what do you think are the realistic prospects for those two proposals?

SENATOR SCOTT: I share Jerry's feeling that during the course of this 92nd Congress that action should be had and I think there is a very good chance that it will be had. It is natural at the beginning that there are many points of view heard, as you referred to skepticism. In my opinion, the President is entitled to hearings and the country, the people, are entitled to hearings and are entitled to decisive votes on all of these matters. And I believe it will be the bipartisan position of the Congress to provide that; and if it is provided, there is a strong pulse within the nation for the achievement of these better things.

Q Congressman Ford, the key Committee on revenue-sharing, I assume, is going to be Mr. Mills' Committee, which the ranking Republican is Mr. Byrnes. Both of these men have indicated they are opposed to revenue-sharing. How are you going to get it out of Committee?

CONGRESSMAN FORD: As I understand it, President Nixon is meeting both with Chairman Mills and with Congressman Byrnes this morning to discuss with them the need and some of the details of the program.

I am confident that that Committee, which is a very responsible Committee in the House, will hold hearings on revenue-sharing. And when the case is made before that Committee and with the ground swell of public opinion back of it, I have great optimism that revenue-sharing will come out of the Committee on Ways and Means and will pass the House of Representatives.

Q After this "wish list" message, which is coming down in a day or two, what is the schedule then -- as you referred to it, the action list or whatever you want to call it?

CONGRESSMAN FORD: I believe that the next one is revenue-sharing. The ones that will follow after that, and I can't give you the precise dates, will be health, environment; of course, the budget which is the full employment, non-inflationary budget proposal, will come up on Friday.

So that is five of the six on the basis that Welfare Reform is already before the Congress. So the only one that is not coming immediately, but is coming shortly, is the one on reorganization of the Government.

Q April?

CONGRESSMAN FORD: We hope it will be earlier and the pressure is to get it up earlier, and I trust that it can be before the Congress prior to that time.

Q Congressman Ford, in what form will the bill come out of House Ways and Means Committee on revenue-sharing?

CONGRESSMAN FORD: I think it will come out in the final analysis much like the one that will be submitted. But I think that will be determined on the basis of the presentation by the Administration, the views of the Governors, and the views of the local officials. But the basic thrust of the President's program will be contained in the version that will come before the House.

Q In the list tomorrow, will it be all the bills that were not acted on the last time?

CONGRESSMAN FORD: As I understand it, it will be a good portion or at least the major ones that were not acted affirmatively on by the Congress in the last session.

Q But would it not include revenue-sharing and Welfare Reform?

CONGRESSMAN FORD: No, they will be separated because they are a part of the President's new legislative package for 1971 and 1972.

Q How extensively will the President travel and do you know when he will start?

MR. ZIEGLER: There has been no final determination as to what extent the President will travel. I think the point that the President was making this morning and the point the Leaders are making is that it is important for the Congress, who has to act on this new program, to have complete and full details and that is why the briefings are taking place throughout this week and will continue.

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It is also extremely important that the American people understand the scope of these proposals, and that is why the President will hold, as Congressman Ford referred to, a series of regional briefings in the coming months. We have not determined the dates or where those briefings will be held.

But they will be somewhat similar to the sessions which the President has held from time to time to discuss foreign policy with the various news media executives and personnel in various parts of the country.

As soon as these details are firm, we will give them to you.

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Q When will the Vice President start his meetings with the public on SST?

CONGRESSMAN FORD: I haven't seen any public announcement of that. I did see the announcement in the paper this morning of the regional meetings that are aimed at working with local officials on the revenue-sharing program. But I have not seen the schedule on the SST.

Q What are these meetings throughout the week that you keep referring to?

CONGRESSMAN FORD: There is a meeting this afternoon with the bipartisan leadership on the program ---

Q You mean a Presidential meeting?

CONGRESSMAN FORD: It is with George Shultz and with the others who have specific jurisdiction over the programs that were in the six-package program of the President, starting, I think it is tomorrow or Wednesday. There will be breakfasts with Republican members of the House of Representatives and, as I understand it, there will be other meetings with a bipartisan group, committee chairmen and ranking Republicans over the next week or ten days.

Q Are these with the President or with somebody else?

CONGRESSMAN FORD: Some will be with the President and some will just be with George Shultz and the others who have specific responsibility for the implementation of the program.

Q Will the one this afternoon be with the President?

CONGRESSMAN FORD: The one this afternoon, I believe, is at 2 o'clock with the Senators and at 4 o'clock with the House Leadership.

Q Mr. Ford or Senator Scott, I believe some of the questioning in Congress about revenue sharing is as to whether the other levels of government can really spend the money wisely and also the fact that the Federal Government needs some money.

How do you answer such questions?

SENATOR SCOTT: Everybody needs the money. That is the first answer. The second answer, the Federal Government has the broader tax base, that States and municipalities are right up against situations, up against the wall, in fact, fiscally. And there will be some general revenue sharing and then there will be a series of specific proposals in addition to that and these will be designed to provide a somewhat more equitable distribution of the revenue than the present unequal tax base permits.

CONGRESSMAN FORD: I believe if you look at the budget that will come up on Friday, you will see that under the full employment budget, the Federal Government can sustain the \$5 billion proposed for Fiscal '72 in revenue sharing, and \$10 billion in the broader area of funds for States and local

communities aside from revenue sharing, plus the \$1 billion with some readjustments in categorical grants.

The Federal Government in Fiscal '72 can sustain that financial burden to a better degree than State and local governments in the comparable period of time.

Q If there are no strings attached to this \$5 billion revenue-sharing money the President is recommending, do you think that the States and the counties and the cities can be counted upon as spending it wisely?

CONGRESSMAN FORD: I am absolutely confident that the locally-elected officials or the State-elected officials can use that \$5 billion in a proper assessment of their priorities.

I think their judgment on these matters is infinitely better than some of the decisions that are made by the bureaucracy in Washington.

And, if over a period of time these local officials and State officials don't use that money wisely, the people at those levels will make changes in their various officials.

SENATOR SCOTT: The President made that point very strongly in the State of the Union Message. It is also a Republican promise being kept. It was in the '68 platform and in the modified form with reference to block grants, I believe, in the '64 platform.

Q Is this program of general revenue sharing, this \$5 billion, conceived of as a permanent program or is this a temporary program in this year when we need an expansionary budget?

CONGRESSMAN FORD: In my judgment, from listening to the presentation, it is a permanent program that will grow as our nation grows and as the tax revenues from our progressive income tax makes more money available.

I have forgotten exactly the figure. But by 1980, I think it would grow to approximately \$10 billion a year on the basis of the anticipated Federal revenues and the anticipated share that would be returned to the States and local governments.

Q Mr. Ford, is this about the first time we have had the President and the House leaders going back to the people to present the programs in Congress?

CONGRESSMAN FORD: This may be a new way of doing it, but I think the leadership in the House and the Senate over a period of years have gone out and sought to sell the President's programs.

His approach may be broader and more active, but I think the need is fully justifying the expanded effort.

Q Did he indicate to you that this would be just the press or would it be sort of like town meetings on a regional basis or what?

CONGRESSMAN FORD: We didn't get into that detail.

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Q What time is the President seeing Representative Mills?

CONGRESSMAN FORD: I believe that the President is meeting with Mr. Mills and Mr. Byrnes at the present time.

Q Did the President, Mr. Ford, confirm the budget figure of \$229.2 billion?

CONGRESSMAN FORD: There was no discussion of that figure.

THE PRESS: Thank you.

END (AT 10:37 A.M. EST)

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FEBRUARY 9, 1971

OFFICE OF THE WHITE HOUSE PRESS SECRETARY

THE WHITE HOUSE

PRESS CONFERENCE
OF
SENATOR HUGH SCOTT
AND
CONGRESSMAN GERALD R. FORD

THE BRIEFING ROOM

AT 10:23 A.M. EST

MR. ZIEGLER: The Leadership Meeting this morning lasted from eight o'clock until 10 o'clock.

Senator Scott and Congressman Ford are here to give you a briefing on this. Senator?

SENATOR SCOTT: We had a briefing on Laos and on the forthcoming General Health legislation from Secretary Richardson.

The purpose of the action of the ARVN in Laos is certainly well-known. And the interdiction of the Ho Chi Minh Trail and tributaries to it is proceeding. After all, over the past six years, some 630,000 troops have come down that Trail, 400,000 weapons, other than rifles, and some 400 million rounds of ammunition.

Therefore, the attempt to deter this flow of supplies is extremely important in aid of the Vietnamization program and to protect the continuing withdrawal of American forces.

I would like to note that the criticisms of each of the decisions made by this Administration in regard to Indochina have fallen of their own weight. I think the steam is out of a good deal of that criticism for the simple reason that what the President has said on each occasion he will do has indeed been done and if there is any lack of credibility, it is on the doom-sayers who predicted results contrary to those which have occurred.

CONGRESSMAN FORD: I would simply comment on the health discussion that there was a very free give-and-take between the Secretary of HEW and those who were there.

We made suggestions and some observations which I think will be cranked into the final decision-making.

Secondly, on the briefing related to the incursion into Laos, it was pointed out, and I think it ought to be repeated throughout the country, that the decision relating to Cambodia last year resulted in the cutting of the supply lifeline for the North Vietnamese in the southern part of Vietnam.

And this operation will be the cutting of a lifeline from the north. The operation in Cambodia last year had the effect of a substantial drop in American casualties over the

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last nine months or more.

And the success of this operation will result in, I believe, a reduction in the military capability of the enemy and a reduction in American casualties.

Q Congressman Ford, there is another supply source in North Vietnam. Was there any discussion about going after that?

CONGRESSMAN FORD: There was no discussion of any other military operations other than the ones that are currently in operation.

Q Was there any indication of how long the current operation will continue?

CONGRESSMAN FORD: There was no discussion of any terminal date. We are just in the initial stages of it. I suspect that the length of it will depend upon the kind of resistance that is met as far as the enemy is concerned and the need to mop up, if it is as successful as we hope it will be. But there was no discussion of precise days or weeks.

Q Could you explain the timing of this operation? Why, if this has been going on for so long, did the President decide now to undertake the operation?

CONGRESSMAN FORD: There was no discussion of that.

As I am sure all of you know, this is a very major operation for the South Vietnamese military forces. And I suspect that the timing did relate to the competence of them to undertake such an operation, plus the need and necessity to get it done prior to the end of the dry season and the beginning of the monsoon season.

I might make one observation that I don't think is generally known. I am told that approximately 30 Members of the House and the Senate, including all of the leadership, were briefed prior to the operation, its beginning. So there was consultation and there was a briefing for those that do have certain specific responsibilities in the Congress.

SENATOR SCOTT: There were more than two dozen Members of Congress who were briefed and consulted prior to the operation.

The purpose of the operation, to repeat, is to aid in the continuing Vietnamization program and to protect withdrawal of American forces. And I might suggest that if you will go back in your records, you will find that the President in the period between 1965 and 1967, frequently pointed out to a previous Administration the importance of cleaning out sanctuaries and supply depots.

Q Senator, when you say the beginning of the operation, do you mean the beginning of the airlift and the imposition of the blackout or are you speaking of the actual crossing of the border?

SENATOR SCOTT: They are all related. As you know, the news embargo was at the request of General Abrams for the protection of our forces. The military operation, of course, began in, I should say a technical sense, at the crossing of the border on Route 9.

Q When were the Congressmen briefed?

SENATOR SCOTT: They were briefed prior to the military operation, prior to the crossing of the border.

Q What date were they briefed?

SENATOR SCOTT: There are different dates. I heard Gerry say that he was briefed at one time on a Thursday. I had some earlier information and I was finally briefed on Sunday. But it was at varying times for different Senators and Congressmen.

Q Was the opinion of the lawmakers sought or was it a typical Johnson briefing where they were told?

SENATOR SCOTT: You don't get typical Johnson -- you don't get that kind anymore. (Laughter.) I would say that when a military operation is in progress you don't ask Senators how to conduct the battle of Vicksburg. But you do tell them what is going on and you do respond to their questions or their concerns or their problems.

Q So nothing catastrophic has been suggested, really?

SENATOR SCOTT: It hasn't happened. And I assume that if something of a catastrophic nature had been suggested, that might have affected the outcome. But I see no evidence that that occurred.

Q Were there any Congressmen who suggested it might not be a good operation to undertake?

SENATOR SCOTT: That I am not in a position to say since they were in individual briefings. I will point out to you that Senator Church said on Sunday that the Cooper-Church inhibitions were being observed and pointed to the line that barred the forward movement of U. S. personnel.

Q You point out, Senator Scott, that in an earlier period Mr. Nixon had advocated the cleaning out of sanctuaries in Indocina. Did the impetus for this operation in Laos come from Washington or did it come from Saigon?

SENATOR SCOTT: That I am not in a position to say. You had better ask that of someone else.

Q Was there any indication of when the health message will go to the Hill, Congressman Ford?

CONGRESSMAN FORD: There was no specific date indicated. I would say generally sometime prior to the first of March. But nothing any more firm than that.

Q Were Senators Fulbright and Mansfield consulted?

SENATOR SCOTT: They were both, and Senators Cooper, Church and Aiken, Senator Smith and a number of others, including the Democratic side.

CONGRESSMAN FORD: I understand that the Speaker was also briefed as well as other Members in the leadership on the House side.

Q Congressman Ford, why were not the Members of the House and Senate briefed before the logistical part of the operation started?

CONGRESSMAN FORD: I think you had to bear in mind the major part of the operation, the part that was most serious. The part that was most serious was the one involving the crossing of the border. And at the time of the logistic buildup, I am not positive personally that there was a firm decision as to exactly the date and the precise movements.

But as far as I was concerned, I was briefed on a Thursday because I was going to be out of town on Friday and Saturday. And I had so informed the White House and it was decided to give me that briefing at that time because of that problem.

Q I don't mean to pursue this unnecessarily. But I believe Senator Scott mentioned something about credibility and apparently most of the criticism that arose during that six-day period was because no one knew exactly what was going on, at least, the leadership here in Washington.

What is your response to that, Senator?

SENATOR SCOTT: I don't think that that goes to the issue of credibility. A buildup of logistics and supplies is not a matter which is essential for the Congress to know until some action is about to be taken that affects our disposition of forces, for example.

The news embargo is not all that unusual. There was an 18-day news embargo at the time of the A Shau Valley enterprise. I personally am in favor of news embargoes that protect lives. And I can realize the necessity for the people of this country being informed as soon as they can be.

I think the right to know is a little different from the right to jeopardize.

Q Senator Scott, you indicate the lack of public outcry, including public and on the Hill. Was that a determining factor for the President to go in?

SENATOR SCOTT: I don't think so. I think the lack of public outcry followed the entry into Laos of ARVN forces. The lack of public outcry, I think, comes from an increasing confidence in the President's undertakings. When he says something is going to happen, it does. And the critics are finding out that he is keeping his promises. And I think that explains the lack of public outcry, plus, of course, the reforms of the draft.

Q Senator, there are two moves on the Hill right now, one to reopen Senate Foreign Relations Committee hearings on Laos, public hearings; and two, move toward some resolution which would prohibit the use of any more appropriations in Indochina except to get us out of the war.

What is the Administration's position on both of those moves?

SENATOR SCOTT: Would you repeat the first part?

Q To open up Senate Foreign Relations Committee hearings on Laos.

SENATOR SCOTT: The decision of whether or not Cabinet officers are to testify is, of course, for the President and the Cabinet officers, as far as open sessions are concerned. Secretary Rogers is testifying this morning currently before Foreign Relations. The second part was?

Q On the proposal to restrict the use of funds to anything but to get out of Indochina.

SENATOR SCOTT: I think that would transfer the executive function to the Congress. I personally question very seriously whether it would be constitutional for the Congress to control the Commander in Chief's position of forces for the defense and security of the United States.

But aside from that, I think it would be the height of folly to use the power of the purse to endanger the removal of troops from a foreign enterprise.

CONGRESSMAN FORD: If I might add to that, I don't think this suggestion is anything new. In effect, that is what some people were trying to do in 1970 and they were conspicuously unsuccessful in the House of Representatives last year and I think they will be just as unsuccessful in 1971.

Most Members of the House realize that they are not capable of making military decisions and the suggestion --

SENATOR SCOTT: And some Senators.

CONGRESSMAN FORD: -- and the amendment or the action that you have mentioned would in effect be substituting political decisions for a military decision. The House of Representatives knows that the President has kept his word about withdrawing troops.

The Members of the House or majority recognize that the operation in Cambodia was successful and certain beneficial results have taken place.

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And I am confident that they will find the same in this particular case. It will be successful. It will insure that we will be able to make or at least open the door to additional withdrawals beyond the 284,000 that are scheduled to be there on May 1 of 1971.

Q Hasn't the President also said he wouldn't widen the war and isn't putting South Vietnamese on three fronts widening the war?

CONGRESSMAN FORD: I don't think so at all. The action that is being taken by the South Vietnamese forces into Laos is to protect the U.S. forces and the South Vietnamese forces. It is a legitimate extension for the protection of the some 335,000 U.S. military personnel still there and half a million or more South Vietnamese forces that are protecting their country.

This is a legitimate military operation as a defense move, not as an offensive action.

SENATOR SCOTT: The North Vietnamese have been on three fronts all along, except for too long two of the three fronts have been privileged.

Q What did you say about further withdrawals?

CONGRESSMAN FORD: I said yesterday, and I said here today, that the success of the operation will certainly open the door to the distinct possibility of an extension of withdrawals beyond the figure of May 1 of 284,000. But there is no commitment at all.

It is simply an operation that in my personal opinion will definitely give the President more options than he would have had otherwise.

Q Was your personal opinion reenforced in there today?

CONGRESSMAN FORD: My personal opinion was reenforced by what was said in my briefing last Thursday and what I heard this morning. I am definitely encouraged.

Q Has anyone in the Administration said that if the thing is a success that they might be able to better the number of troops they are planning to have out by mid-May?

CONGRESSMAN FORD: No. My own impression is what I have indicated. But I have gotten no specific views from the Administration, as such.

Q In the last two or three days, a group of students met at the University of Michigan, a meeting I am sure you are aware of, to discuss plans for large anti-war demonstrations here in Washington in May.

Do you believe that there is still enough steam left in the anti-war movement to mount large demonstrations here in Washington?

CONGRESSMAN FORD: I am not certain that we can look forward to college campuses being entirely peaceful

this spring. But I didn't see much publicity coming out of that meeting in Detroit or at the University of Michigan. I don't think they are the ones that are going to be able to generate the kind of student activity that took place during the Cambodian incursion.

Furthermore, as we progress in the withdrawal of forces and as casualties go down and as the success of this particular military operation is proven, I think most students will realize that we are on the right track and they don't have to meet and protest as they did a year ago.

Q Can we move to health for a minute? Did you get the impression at all that the decisions are made on the Administration's health package?

CONGRESSMAN FORD: No. I thought I made that quite clear, that there was some give and take between the Congressional people there and the Secretary of HEW. It was to a substantial degree a consulting session where he indicated some basic concepts and asked for our observations and comment.

Q What is the problem?

CONGRESSMAN FORD: I think it is better if we wait until the final solution rather than to talk about alternatives at this point.

Q Did the President say this morning anything about his plans to take his program to the country?

CONGRESSMAN FORD: The President did say quite specifically that he was going to really reenforce the efforts that have been made already for revenue-sharing, et cetera, and the other five points in the State of the Union Message.

As I understand it, he is having now a series of breakfasts for the Democrats in the Congress to make sure that they understand that this is a substantive action rather than any political move.

And I might say that the revenue-sharing bill is going to be introduced in the House and I guess in the Senate today. And we have, I think, an excellent number of individuals who are going to co-sponsor it.

In the House, it is 135 at this point.

SENATOR SCOTT: It is 37 in the Senate; some from each Body.

Q What do you mean by "reenforce" this action?

CONGRESSMAN FORD: By the series of meetings with Democrats, and there are other efforts that are going to be made by those of us in the leadership throughout the country.

And I think you are going to get some bipartisan support from the bill.

Q What are the efforts?

CONGRESSMAN FORD: The Vice President held a meeting in Indianapolis, as I understand, over the last weekend where lots of local officials were present. Every speech that I think a Republican is going to be giving in the next few months will include an affirmative sales job for revenue sharing and the other programs.

This is going to be a very substantial effort on the part of the President and others.

Q Did you discuss the Mayors testimony yesterday on the Hill on revenue sharing and particularly their resentment on the pollution timetable?

SENATOR SCOTT: It was not brought up in this meeting today at all.

Q Senator Scott, I would like to ask you about Laos again.

Any military planner that is worth his salt considers what his option will be in event things take a turn for the worse.

At this morning's meeting was the President asked about, or did he comment, on what he can do if the South Vietnamese get licked in Laos?

SENATOR SCOTT: It was indicated that General Abrams knows what he is doing. It was not indicated as to what alternatives exist. I have no doubt that a good general always knows what he should do under situations favorable or adverse. But we did not anticipate defeat.

And it is not, I believe, the custom of the Administration to anticipate defeat.

THE PRESS: Thank you.

END (AT 10:45 A.M. EST)

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AND
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THE BRIEFING ROOM

AT 10:23 A.M. EST

MR. ZIEGLER: The Leadership met for a little over two hours this morning with the President.

Senator Scott and Congressman Ford are here to give you a report on the meeting. We will begin this morning with Senator Scott.

Senator.

SENATOR SCOTT: The Secretary of Transportation spoke on the SST and then the President spoke for at least 15 minutes with great emphasis and great determination, an expression of his strong belief in the necessity for proceeding with this important and dramatic breakthrough. He feels that this country must not evidence that it has lost the feel for greatness, its willingness to proceed with innovation, its willingness to maintain one of its great industries and mentioned that we had at times lost ground with some other industries, as in electronics, that we should not do this with the aircraft industry, that he had utter confidence that with the strict limitation of this program to two prototypes only with the reduction in the decibal figure to an amount lower than those exhibited by current planes in many instances from 116 to 108, that the need for the program, he felt, was evident, that the ecological aspects were taken care of by the assurances contained in the research program.

Secretary Connally spoke on it and said that in his view it would be unbelievable for the country to refuse to go ahead with a program which so strongly affects our balance of payments, that at times when we have our fiscal problems to pass up what would ultimately amount to \$22 billion in balance of payment figures, he thought, would be, as I said, quite unthinkable.

CONGRESSMAN FORD: The other matter that was discussed was a presentation by Governor Connally as a member of the Ash Council and as Secretary of the Treasury urging the Members of the House and the Senate to look with favor on the restructuring of the government that will be submitted in a Message to the Congress with bills the latter part of this week.

The Governor, from his experience both in the Executive Branch of the government, as Secretary of the Navy and as Governor and as now Secretary of the Treasury, spoke very forcefully on the basis that he felt the American people, as well as himself, thought government was ineffective and inefficient, and that we were going to provide the kind of services to the American people that they deserve for the investment they make through their taxes.

MORE

We had to have the restructuring from 11 to 7 Cabinet offices.

It is a reorganization that is very fundamental, that will be on a functional basis, and when the Congress has an opportunity to look at it, it is hoped that we will bite the bullet, so to speak, and change these 11 Departments or Cabinet offices to 8, the four that we have and the four that will be left after we go from 7 to 4, so the people can get a better return on their investment, better service in a more functional way.

Q What are the chances for the SST? What is the outlook now?

SENATOR SCOTT: I could tell you better, Helen, tomorrow right after four o'clock.

Q Tell us today. (Laughter).

SENATOR SCOTT: We are doing everything that is humanly possible to persuade our colleagues of the viability of the program, and point out that the environmental studies are still going on, that the President has given assurance that there will be no development beyond the prototype unless we are satisfied as to the environmental effects of the plane.

We think that has moved certain Senators. The vote will be close and we are doing our best to assure that we have enough. I can't tell you precisely, because there are several uncommitted Senators.

But we believe they are open to persuasion and we are doing just that.

Q Senator, are you getting a great deal of help from some of the labor unions in order to put this over?

SENATOR SCOTT: I know what you know on that, that the AFL-CIO is strongly committed to the program. There are some 53,000 jobs involved.

I think to vote against the program, unless you have good reason, and some people feel they do, I don't agree, but to vote against the program is also going to put a number of people out of work and possibly more later.

This has a wave effect on the aerospace industry, and those people who grieved so much about unemployment might consider what they are doing to it.

Q Senator, we were told here last week that alternate means of financing the prototypes would be examined if the Congress failed to act properly. Was there any discussion of that today?

MR. ZIEGLER: Just so we put the question in perspective, in the statement from the White House last week, in response to questions on what you raise, Gene, I indicated that I assumed that if it did not pass the Senate there would be suggestions made to us. I did not say that we were examining, nor that we were considering examining.

So, I would preface that question with that statement.

Q I am sorry. You didn't say last week, Ron, that if the Congress failed to approve the SST prototypes that alternate means of financing it would ---

MR. ZIEGLER: No, sir, because the point I was making at that time was the fact of the matter is that our hope rests with the Senate of the United States.

Q I know where your hope rests.

MR. ZIEGLER: It is our objective to have the Senate of the United States restore the funds for the SST. We have not considered, except in a way to determine that most alternatives that could be put forth would not be viable alternatives to the Senate action. But we do not have under active consideration any other step than to work as hard as we can through the Senate leadership and within the Senate to assure passage of the SST.

Q Senator, I assumed that your answer would be that this wasn't discussed this morning.

SENATOR SCOTT: It was not discussed this morning.

Q Ron, has the White House sent letters to key bankers in the country to see if they would be interested in financing the SST program privately if it doesn't pass the Senate?

MR. ZIEGLER: No, I am not aware of any such letters.

CONGRESSMAN FORD: There were no letters to my knowledge, but there were letters, I believe, to Bill Magruder, to the effect that this was a good investment and there were letters from Gene Black and one of his associates, and a letter from one of the Vice Presidents of one of the large New York banks, addressed to him that when the two prototypes were built and had proven their air worthiness, et cetera, that it was a good investment for the private sector for the production models up to 500.

And it was a good investment for the airlines.

MORE

SENATOR SCOTT: And there has been government support for every new major development in aircraft construction in this country. And the competition is with government-supported, government-constructed, government-subsidized airlines in other countries. But in this country, some \$400 million from private and industry is also involved in SST development.

Q Senator Scott, earlier the Administration position appeared to be just for the prototype development program.

Has the position shifted now to the production of the SST?

SENATOR SCOTT: No.

Q Because you are tying in balance of payments. That, of course, is an ultimate situation.

SENATOR SCOTT: No, of course, it hasn't shifted. And nothing that I have said would indicate that it has shifted. We are sticking to the two prototypes. If they work, you have an ongoing prospect in industry which would involve a \$22 billion balance of payments situation.

But we are not saying that it will be done. We are saying we are trying to find out whether it is feasible to do it and whether you have a clean plane when you have done it.

Q Senator Scott, initially, it was my understanding at least, that the government felt that the payments for the prototypes would eventually be shouldered by private industry, if the plane proved feasible.

Has that plan been dropped or am I wrong?

SENATOR SCOTT: No, you are right on that, that over a period of time the money would come back to the government through private industry. But the government is making the initial outlay, as it has done in other instances, in support of other scientific progressions over the years, and as other governments are consistently doing in their attempt to undercut and ultimately to destroy the U.S. aircraft industry, if they could.

That is the essence of competition here.

CONGRESSMAN FORD: It is my understanding that if the prototypes are built, and if the decision thereafter is made to proceed with the production, that the United States Government, because of its investment in the two prototypes, will begin to get a royalty on the production and delivery of every aircraft to the airlines throughout the United States.

And at the point of 300 aircraft, if the decision is made to proceed, the Federal Government's investment will be returned with interest and if the decision is made to go on to a production of 500, the United States Government will get back on this royalty basis \$1 billion in benefits.

Q Congressman, wouldn't the record on the C5A and the TFX lead one to doubt whether that will actually come about?

CONGRESSMAN FORD: Not at all, because as Secretary Volpe said this morning, in the last three years, the production cost figures on this aircraft have remained relatively stable. That was not true in the case of the C5A. It was not true in the case of the F-111, but in the SST; because of good management, they have been able to keep the cost estimates for the last three years relatively stable.

So the figures that I mentioned about the return on the investment on the part of the Federal Government will come into being if we build 300. Or if we build 500 the Federal Government will make \$1 billion.

Q Mr. Ford, last week you predicted the House was going to pass this and obviously, you were wrong on that. But how do you think the House would feel about the idea of underwriting private investment, if this fails in the Senate?

CONGRESSMAN FORD: I would hope, and I have hoped for some time, that when we get to the production that we can find a means of private financing for the production through a COMSAT type of financial arrangement, with the Federal Government perhaps guaranteeing the securities that are used to finance the production.

I believe it is feasible. I would hope that would be the way in which we would move into production; to relieve the Federal Government of any further investment.

I think we can do it and I hope we will.

Q Sir, I mean if the plan does not go through the Senate tomorrow, then you have to move to some other alternative. I am asking you what about the underwriting of private investment for the prototype.

CONGRESSMAN FORD: If you want to get my analysis of what happens if the Senate turns down the SST tomorrow, I think within a relatively short period of time you will have layoff slips for 13,000 employees who are now working at the various plants in the production of the two prototypes. There will be at least 13,000 layoff slips going out. And in the second tier of sub-contractors, I think the estimate is another 10,000 or 15,000.

That will be the immediate action. Some 20,000 or more layoff slips in a very short period of time.

MORE

They cannot proceed, if the appropriations aren't made available. Whether there is a possibility that some other force would come in or not, I just don't see how it could be done in a timely fashion. I think the program would undoubtedly collapse.

And the jobs would be gone and the leadership of the United States in this very important field would be lost permanently.

SENATOR SCOTT: The Russian supersonic plane will be on exhibition at the Paris Air Show this autumn. They are ready to sell planes. They are negotiating with Japan and India right now.

I find it very hard to visualize the decision where the United States will be willing to sacrifice its most successful industry, perhaps, an industry which builds 85 percent of all the commercial jets in the world, to Russia and to Britain and France because of the refusal and the timidity of the American Congress under pressure in refusing to go ahead with the development of just two prototypes of this plane to be tested out on some remote airfield.

Q Do you mean that the House would have any hesitancy about accepting those funds? They turned them down by a pretty good margin, even if the Senate approves them tomorrow.

CONGRESSMAN FORD: I don't think we should speculate at this point what the House might do. I disagree with your analysis that there was an overwhelming defeat.

Q It was 15 or 20 votes.

CONGRESSMAN FORD: No. It was 214 to 203.

Q 217 to 204.

CONGRESSMAN FORD: Let's talk about the role call vote. You are talking about the teller vote with the clerks. On the final vote, it was 215 to 204, on the role call vote.

If there had been 5 more votes on our side to make it 209, and if there had been 5 less votes on the other side, the Speaker could have voted either to make a tie or break a tie and the amendment would not have prevailed.

So there are 5 votes out of 435. There were 219 members present. That means that because of 2 absentees, or 2 seats not filled because of deaths, you have 433.

So you have 14 people who are absent. I think the absentees could very easily make the difference.

Q Senator Scott, the British and French aircraft industries are old hands at building aircraft and both have been very successful in constructing aircraft in World War I. As a matter of fact, the British aircraft industry, as you know, put out the first successful jet transport. They

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have gotten together in recent years and they have built the Concorde. The Concorde has cost far more than they ever thought it would in the beginning.

And its per mile return now, it is figured, cannot be successful, unless this aircraft is flown on each flight crammed to the gills with people, which is an unreasonable prediction.

Yet, you two gentlemen seem to have a boundless faith that this aircraft we are talking about isn't going to cost any more than is being predicted at this time.

Doesn't the experience of the Concorde give you some pause as to how much this American SST might well cost?

SENATOR SCOTT: I think your question involves a considerable amount of editorializing. (Laughter) I don't accept a lot of the premises. But that would mean going back and taking each sentence apart.

I would summarize it by saying that you have already concluded that the British can't fly it. There were a lot of people who said that about the Wright Brothers, too.

I recall that when Isabella asked ---

Q Do you recall?

SENATOR SCOTT: Yes, I recall. (Laughter) I do. I have been around a long time.

I recall that when Isabella asked whether it would be possible to make this voyage of discovery, the six wisest men of the court all advised her that this couldn't happen.

Yes, it costs money for research. Yes, it may cost more. But it is certainly more important to preserve an industry and to find out with two prototypes whether or not this is workable.

Perhaps the British-French were not as good as managers as they might have been. Perhaps a joint partnership of this kind between two nations is not the most economical way to develop a plane.

But the Concorde, in my opinion, is going to fly. It is going to compete and it is going to compete with government subsidies.

We had better try to find a way where we can compete in this country with that British-French plane. That is my view.

Q The Santa Maria sank. (Laughter)

SENATOR SCOTT: The Santa Maria sank, but that was a 66.7 percent successful operation.

Q Was there any discussion of Laos or troop withdrawals?

CONGRESSMAN FORD: The President, I think, pretty adequately covered the situation last night in his interview.

The objectives of the operation are being accomplished. They were to disrupt the flow of supplies and manpower down the trails.

The withdrawal is according to schedule. I think the President's statement on television last night pretty well summarized the objectives and the results.

Q Senator, on the SST, you have made sort of a clear-cut case why the SST, the fact that it is only two prototypes, no problem with sound, no problem with ecology, the threat of unemployment, the prestige of American aviation, the threat and the importance on the economy.

Why the hard-core opposition?

SENATOR SCOTT: The hard-core opposition, I think, arises in part from the fact that so many Members of Congress who were candidates in the last campaign were led into giving some indication of their future voting intentions, perhaps without full awareness of all of the arguments that I have made so well and so skillfully here. (Laughter)

When you are appearing before a bunch of voters, or constituents, you often make statements that you live to regret, as no one knows better than I do.

I have run into a number of people who have said, "I wish I hadn't moved so fast here, because the ecologists made it appear that this was a violently dirty operation all the way through, as if we were going to build the planes, fly them and so besot the atmosphere that you couldn't breathe."

You only have to recall some of the cartoons to get that picture.

Then it was told to the candidates that it was economically not feasible, they had the priorities in the wrong order and they hung themselves on every cliché in the book. Now it is a little hard to go through the process of extraction.

It is very difficult for a man who has hung himself on the coat hook in the back to disengage himself.

Q Senator Scott, one Pennsylvania Congressman told me that his mail was running 100 to 1 against SST. How has your mail been running and do you have any feel for Senatorial mail in general on this?

SENATOR SCOTT: I don't speak for the others. My mail is surely running against it. I am not sure I can give you any percentage.. But it is several times to one against the SST. This is normal.

It also would run against a number of other things, which are needed. Mail generally reflects who is the most active in the pressure groups, and I take it that the AFL-CIO activity may equalize that to some Senators.

I have learned not to just weigh my mail in attempting to weigh my judgments. Also, I have found that people who are against something of this type are also against a dozen other things.

And there is an ancient maxim: People can be against you thirteen times. They can only vote against you once.

I suggest that to my colleagues.

Q Mr. Congressman, you said that the withdrawal is according to schedule. Was it always the plan that on March 22, March 21, we would pull out of Laos?

CONGRESSMAN FORD: I don't think there was ever a precise date that was picked or selected. But when the basic objectives have been accomplished, then the mission is in the process of being terminated.

When you look at the payoff, when you see the whole truth, which is the substantial disruption of the supply lines, the very, very heavy casualties on the part of the enemy, when you see that this operation is going to accelerate our troop withdrawal, when you see that the threat to the American forces has been diminished and when you see the increased capability of the South Vietnamese, I think we can say that a great deal has been accomplished for the good of the United States.

Q Would not have been accomplished had the South Vietnamese remained in Laos until the end of the dry season?

CONGRESSMAN FORD: I think this is a decision that is made by General Abrams and his counterparts in the South Vietnamese forces.

I wouldn't want to pass judgment from Washington on that.

Q You think the decision was based on the fact that they had completed their objectives?

CONGRESSMAN FORD: I have to believe that to be the basis for the decision.

THE PRESS: Thank you, gentlemen.

END

(AT 10:48 A.M. EST)

OFFICE OF THE WHITE HOUSE PRESS SECRETARY

THE WHITE HOUSE

PRESS CONFERENCE
OF
SENATOR HUGH SCOTT
AND
CONGRESSMAN GERALD R. FORD

THE BRIEFING ROOM

AT 10:00 A.M.

MR. ZIEGLER: The Leadership Meeting this morning lasted two hours. Senator Scott and Congressman Ford are here to discuss it with you.

We will begin this morning with Senator Scott.

Senator.

SENATOR SCOTT: There was much discussion of the economy. The President and Mr. Shultz both expressed a great deal of pleasure as to how it is going. The GNP quarterly increase to \$28.5 billion is an encouraging sign in spite of the earlier pessimistic predictions of some of about \$22 billion. We expect a continued downward movement in unemployment.

There are very sharp decreases in the interest rates that have occurred -- the prime rate from 8-1/4 to 5-1/4 percent. The Department of Commerce is revising its estimate of total construction for the next fiscal year upward to \$109 billion, an increase of 10 percent over the \$90 billion this year, and it includes increases in all major sectors, housing, commercial, industrial and highways, for example, and personal income is up from \$801 billion in 1970 to a seasonally adjusted total so far indicated of \$829 billion.

The cost of money is going down. Inflation has slowed and, as the President himself pointed out, the question for economists now is not over whether the economy is improving, but how much.

CONGRESSMAN FORD: I might just supplement what Senator Scott has said. He has given you the statistics that certainly should greatly encourage all Americans that the transition from a war-time economy to a peace-time economy has been moving ahead very, very successfully.

The statistics show that we are on an upswing and we have accomplished this without the problem of inflation getting worse, but inflation getting under control.

The last two months show that inflation, if you analyze it, is at an average rate of about 2.4 percent compared with 6.2 percent, I think, in 1969.

MORE

I am sure that these figures and this new optimism won't encourage our Democratic friends.

I would simply say to them that they have a vested interest in the President's economic policies failing. And we, as Republicans, believe those policies will be successful. And all of the new evidence certainly indicates that is the case.

The second subject which was discussed was the Foreign Aid Message which is coming up to the Hill tomorrow. It closely follows the recommendations of the Peterson Commission. We hope to have prompt hearings in the House and in the Senate. It is a revision that makes the Foreign Aid Program more workable and more effective.

And we hope that the dollar amounts which are approximately what the Congress authorized and appropriated for the current fiscal year will be substantially supported.

Q What is the figure on that?

CONGRESSMAN FORD: The figures are, in the case of international security assistance, which includes the military assistance, supporting assistance, \$1.993 billion; the international development assistance, \$1.245 billion.

These are figures that are within the ball park of the present fiscal year appropriations.

SENATOR SCOTT: One of these bills is for a one-year extension. That is the military. The other is a three-year extension.

One other comment on the economy: That is that Mr. Shultz points out that long-term interest rates represent, in the judgment of the financial community, the long-term inflation situation. Therefore, as these rates drop sharply, it can be interpreted as the investment community's judgment that inflation is clearly coming under control.

There was also discussion of the draft presented by Mr. Flanigan. It was pointed out that the incentives to volunteer for the armed forces have not yet been adequately evaluated and next year a sharp fall of 100,000 men is expected so that we can't take a chance of solving those problems in one year.

Many on the Hill, including myself, have long favored ultimately an all volunteer force. The President himself undoubtedly would like to see us get to the point of an all volunteer force. But meanwhile, we have to proceed with the facts as they exist. We have to have an army. And the military pay increases in the House, taken with the recent pay increases, would mean 100 percent total increase, which is hardly supportable and would mean severe cuts in other vital areas in the Defense Department.

It is hoped that the Senate will consider a bonus on first enlistments, particularly where combat duty is involved, and reprogramming of some funds for proficiency pay will be included.

The Administration rather likes the House action on student deferment changes and random selection draft procedures.

But we in the Senate will seek to obtain a return to the Administration pay increase recommendations. I would expect that the Senate Armed Services Committee will probably not go along with a one-year, but rather a two-year draft extension.

I would hope that the pay scale recommended by the Administration would prevail in the Senate.

Q Did you discuss China or Vietnam, sir?

SENATOR SCOTT: Not at any great length. The President made it clear that he feels that he is on the right course in Vietnam. China was only discussed in a very limited way. The President indicated these are certain small steps that are being taken.

Q In discussing China, Senator, was there any explanation of why the Vice President feels one way and the President feels another way?

SENATOR SCOTT: I think Mr. Ford was there. He can comment on that.

CONGRESSMAN FORD: I was at the luncheon yesterday where the Vice President spoke to the Governors and those of us who were the guests of the Governors.

I listened to the speech very carefully. It was an outstanding dissertation on the situation. The Vice President indicated his strong support for the initiatives of the President in trade, in cultural exchanges. There was not one iota, no comment whatsoever by the Vice President at that luncheon that indicated his non-support for the President's initiatives in our relationships with China.

Q Congressman, I understand the Vice President voiced his objections not at the luncheon, but at a private session. Were you at that session also?

CONGRESSMAN FORD: I was not at the private meeting. As I read in the paper this morning, he met for some time with some reporters at Williamsburg. But I can say categorically and with emphasis that at the luncheon the Vice President indicated his affirmative support for the President's new initiatives and our relationships with China, and, in fact, pointed out some things that would be highly beneficial in possibly the expansion of our relationships with China.

Q Like what?

CONGRESSMAN FORD: This was a speech given in executive session. I would prefer that the Vice President speak on that.

Q Was the Vice President at the meeting this morning?

CONGRESSMAN FORD: The Vice President was at the meeting this morning.

Q Did he talk about the reports of his off the record comments?

CONGRESSMAN FORD: There was no comment by the Vice President in that regard.

Q Do you think he was misquoted?

CONGRESSMAN FORD: I wouldn't know. I can only say affirmatively that I was at the luncheon and the Vice President spoke up as I indicated categorically in favor of the new initiatives taken by the Administration in reference to our policy in China.

Q Was it a private session with all the Governors?

CONGRESSMAN FORD: It was a luncheon given by the Governors and he was the only person that spoke. And it was an excellent presentation that very greatly impressed me.

Q Did he discuss the ping pong team visit?

CONGRESSMAN FORD: He didn't get into that aspect of it.

Q Sir, I would like to ask Mr. Ziegler, if I may.

SENATOR SCOTT: Let me comment on the ping pong. It was completely an above-the-board relationship with China. (Laughter).

Q If I could interject one question. Do you have any comment on the reports of the private briefing between the Vice President and nine or eight reporters?

MR. ZIEGLER: No, I have no comment on the report of the private session that the Vice President had in Williamsburg with the reporters. I did talk to the Vice President this morning before the Leadership meeting. Also, having sat in most of the NSC meetings in which the subject of China has been discussed, I can say, first of all on my own, that there has never been any indication that the Vice President does not support the initiatives that the President has taken most recently and also the initiatives that he has taken toward the People's Republic of China in the earlier days and months of the Administration.

MORE

The Vice President authorized me to say on his behalf this morning, anticipating your question, that there is absolutely no disagreement between the Vice President and the President's decision regarding the initiatives taken in relation to the People's Republic of China.

The Vice President, as in the case in most Councils in which he sits, often raises questions which merit discussion and this happened in this particular case regarding our discussions of further initiatives regarding Mainland China.

But I will just conclude by saying that there is no difference between the Vice President and the President's policy regarding the People's Republic of China.

MORE

Q May I ask you one more question? Faced with reports in several papers this morning of what the Vice President allegedly told a group of reporters--I understand the formula through which you arrive at decisions, the dichotomy involving policy -- how do you explain these reports from reporters, experienced reporters, who say they have heard the Vice President say what he is reported to have said?

MR. ZIEGLER: I haven't seen a report from those who attended an off-the-record session with the Vice President. I saw a report written by reporters who apparently had discussions with someone who attended the off-the-record session with the Vice President. However, I have not, as long as I have been in this job, attempted to be able to fully explain how impressions are created and how things from time to time are, in all good spirit and good intention, reported in the press.

All I can do is tell you at this time, quite directly, that you should not pursue the story that there is a difference of opinion within the Administration, particularly a difference of opinion between the Vice President and the President regarding the recent initiatives that the United States Government took toward the People's Republic of China. There is no difference of opinion.

I will simply stand on that statement and not attempt to get into an analysis or an assessment of how stories unfold or develop, particularly when apparently this one has developed from an off-the-record session that the Vice President had with certain members of the press.

I would finally conclude by saying that I think Congressman Ford was quite clear on his remarks where he reported on the Vice President's remarks at the executive session that the Congressman attended.

Q Ron, based on your conversation with the Vice President this morning, then the Administration's position is that that story is absolutely false?

MR. ZIEGLER: The Administration's position, as I think I stated it, is that there is no difference of opinion between the Vice President and the President regarding recent initiatives that the United States Government has taken toward the People's Republic of China.

Q But you did indicate that the Vice President had raised some questions in the NSC meetings. Is that what you said?

MR. ZIEGLER: Let me just say that the Vice President, the Secretary of State, the Secretary of Defense, when you are involved in a session talking about major policy -- the President probes their minds to find out what their views are, what thinking they have on a given subject. This is the way the President proceeds in a meeting.

So that took place in these particular deliberations, also. But I said my assessment, having sat in most of those meetings, was that there was -- even going through that process -- no great difference of opinion between the Vice President and

the President.

So as I suggested, I would not pursue that story any further.

Q May I ask Senator Scott a question? Sir, you are a lifelong student of China and considered an expert. How do you evaluate the apparent thaw? Are you genuinely encouraged?

SENATOR SCOTT: I believe that where you have a nation with a population approaching a billion people that it is necessary to know and to recognize that they exist. We were dealing with them in Warsaw. It would be good to have the Warsaw conferences resumed, which were cancelled at the time of Cambodia.

I think it is desirable to take such small and modest, and on the whole, amiable steps as would encourage the people of Mainland China to understand that the people of the United States have nothing but friendly feelings toward them as a people.

And they are an insular and isolated society at the present time, and that is never good for world comfort.

I have talked to the President in the past and he has said that the time will come when Mainland China will open up entirely to visitors. And I have suggested that if he ever plans to go there after his eight years in office, I would like to accompany him.

Q Sir, do you think that China now and the People's Republic is more or less xenophobic than it was at the time of the Boxer Uprising?

SENATOR SCOTT: I think certainly less xenophobic because then the entire focus was against the so-called "foreign devils" in the international settlements which have been held by colonialist methods.

The Red Guard Uprising was xenophobic, surely, in its aspects recently -- a few years ago. But there are signs that the all-out revolutionary Maoism is being tempered to at least some degree by the influence of such as Chou En-Lai. I think I am one of the few people who have ever seen Chou En-Lai close up. I had that opportunity once.

It is likely that he is more world-minded than the Chairman of the Party.

Q Senator, another question: Did the President say anything about unfreezing that \$12 billion, or whatever it is, of money?

SENATOR SCOTT: No, it was a warm meeting. We weren't discussing freezing or unfreezing or anything else. It didn't come up.

Q Senator, did you discuss the charges by some Members of Congress that they are under surveillance by the FBI?

SENATOR SCOTT: It wasn't discussed, because it didn't happen, in my opinion.

Q Did the President give any kind of a date, speaking of dates, on when China would open up?

SENATOR SCOTT: No, I am not getting into dates. Ron and I have an agreement on that. (Laughter)

Q Senator, do you envision a visit to Red China while the President is in office?

SENATOR SCOTT: By him or me?

Q By him or you.

SENATOR SCOTT: I don't have any knowledge of any such thing being under consideration at all by either of us at this time. But if a bunch of Congressmen start over there, they had better make room for me on the plane.

Q I would like to ask Mr. Ziegler a question. Ron, was it ascertained that Vice President Agnew actually had a private session with a few reporters in Williamsburg yesterday?

MR. ZIEGLER: I have given my comments. You will have to pursue that with the Vice President's staff.

Q I think it is essential that we know whether this even occurred. You talked about third-hand reports and so forth. I simply want to know if, in your conversations with him or somebody's conversation, he was asked if he did indeed have this session.

MR. ZIEGLER: As I said, you will have to pursue that with the Vice President's staff. I think it is known that there was a session in Williamsburg with members of the press. I think I referred to that earlier, Jim.

Q Would you like to speculate as to why the Vice President would have an off-the-record session with a few reporters to discuss China?

MR. ZIEGLER: You will have to pursue that with his staff, Jim.

SENATOR SCOTT: I think it is just because he likes newspaper people. (Laughter)

Q Did the name J. Edgar Hoover come up this morning?

CONGRESSMAN FORD: The whole issue, including J. Edgar Hoover, was never discussed at the meeting this morning.

Q Has Congressman Boggs given you any indication of what he is going to say on Thursday in terms of wiretapping?

CONGRESSMAN FORD: I haven't seen the text of his comments, I know he has a special order on Thursday for one hour. I personally believe that whatever evidence he has, if he has any, ought to be submitted to an appropriate committee of the House or the Senate and put out for the benefit of the Congress as a whole and for the American people.

I think this is a serious charge. Evidence is the best way to determine the facts, if there is evidence. Then, of course, the Department of Justice and the FBI would have the opportunity to put its case likewise before an appropriate committee.

THE PRESS: Thank you.

END

(AT 10:21 A.M. EST)

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THE WHITE HOUSE

PRESS CONFERENCE
OF
SENATOR HUGH SCOTT
AND
CONGRESSMAN GERALD F. FORD

THE BRIEFING ROOM

AT 10:15 A.M. EDT

MR. ZIEGLER: The Leadership Meeting this morning lasted for two hours. Senator Scott and Congressman Ford are here to give you a report on that meeting.

Senator Scott.

SENATOR SCOTT: There was discussion of the forthcoming vote tomorrow before five o'clock on the McGovern-Hatfield Amendment. I reported to the President that the vote this year will be very close to the same vote last year when the amendment lost 39 to 55. There are about six doubtful and the vote will be in the same neighborhood, give or take one or two votes.

I also brought up at another part in the discussion the old question of the inadvisability of fixing a deadline for the withdrawal of troops. I am convinced that fixing a deadline could not be helpful and would, indeed, be harmful to the continuing negotiations.

Congressman Ford can speak on it, but I gather that the fate of the Nedzi-Whalen Amendment is about the same in the House of Representatives. I will turn over the discussion to Representative Ford now on the question of drug addition, which consumed at least an hour, didn't, Jerry?

CONGRESSMAN FORD: Thank you very much, Hugh.

The first hour of the Leadership Meeting this morning was in reference to the President's expanded program against the problem of drugs in the United States.

The President is sending a Message to the Congress on Thursday, which will call for the establishment of a White House office to coordinate the expanded program. It will have four main points, first of which is to expand our efforts to get at the source of supply in those countries where heroin, hard drugs, are grown.

The President had a meeting with Ambassadors from these countries earlier this week.

MORE

Secondly, there will be an expanded effort by the law enforcement agencies against the pushers, the professional people who make these drugs available to the people who are in the process of becoming addicts.

Thirdly, there will be a greatly expanded program for the veterans who are all over the world, who have become addicted to the drug problem.

It will be a detoxification program, a readjustment program, so that when they get back to society, they will not have the problems that they acquired at the time they were in the service.

Fourthly, there will be a program greatly expanded as well of education to convince younger people primarily that the drug culture atmosphere is not in their best interests or in the best interests of the country.

This Message will come up on Thursday. It will include legislation to expand in the areas I have indicated and will include a request for additional funding.

Q How much?

CONGRESSMAN FORD: That particular dollar amount was not discussed in detail. It will be included in the Message, but the indication was it would be fairly substantial.

MORE

Q Senator, has the publication by the New York Times of these documents on Vietnam affected the Senate attitude on the MaGovern-Hatfield Amendment?

SENATOR SCOTT: I very much doubt it. The sentiment on MaGovern-Hatfield is substantially as before, but the improvement in the withdrawal situation in Vietnam is marked. There have been something over 200,000 armed forces withdrawn from Vietnam since the MaGovern-Hatfield Amendment was first discussed about two years ago.

And I do not think that there has been any impact on this vote at all.

CONGRESSMAN FORD: If I might supplement that, because the question could be, "Would the document release have an impact on the Nedzi-Whalen Amendment?"

I don't think it will for this reason: When President Nixon came into office, he asked for a total reassessment of the situation in Vietnam and on the basis of that reassessment, the policy of withdrawal was implemented.

So this Administration is not predicating its actions on any of those documents that have been revealed. This Administration is acting on the basis of a new reassessment that was made at the outset of the Administration.

SENATOR SCOTT: The President's first action when he became President was to call for this full and complete reassessment of foreign policy and on that basis he evolved his own new foreign policy.

Q Could I ask you gentlemen if you support the move of the Administration to impose an injunction on the New York Times not to continue publishing this?

SENATOR SCOTT: I understand that the Justice Department will take such action as it deems in the interest of national security. You have seen the papers. There has been the necessary preliminary demand for the return of the documents.

I take it that that is the first step on which an injunction would be based. But you would have to ask the Justice Department how they would proceed step by step.

Q Senator, I think maybe you ducked my question. I asked you if you supported an injunction against the New York Times.

SENATOR SCOTT: On the question of classification of documents, the declassification can only be made by the Executive Department. And a release of classified information, if it violates the law, would require action by the Justice Department. If they so conclude, then I would feel that they were acting in accordance with their own sworn duty.

Q Mr. Ford?

CONGRESSMAN FORD: This is classified information. There is a law that says the release of such information is

in violation of the statute.

This matter undoubtedly, if the New York Times continues, will go to the courts. The final decision will rest with the courts as to whether or not there has been a violation of the law. That is where the decision will be made. It won't be made in the Congress and it won't be made in the Executive Branch of the Government.

SENATOR SCOTT: The courts would have to determine the question of the damage to the integrity of government and to the trust of other governments in dealing with us incidental to the whole question of who has the right to classify and declassify documents.

THE PRESS: Thank you, gentlemen.

END

(AT 10:25 A.M. EDT)

OFFICE OF THE WHITE HOUSE PRESS SECRETARY

THE WHITE HOUSE
PRESS CONFERENCE
OF
SENATOR HUGH SCOTT
AND
CONGRESSMAN GERALD R. FORD

THE BRIEFING ROOM

10:20 A.M. EDT

MR. WARREN: The President met with the Republican Leadership this morning for two hours, basically to discuss the new economic policies. Senator Scott will report to you on that meeting.

SENATOR SCOTT: The President called on Mr. Shultz and Mr. Weber and Secretary Walker to discuss the impact of the new economic policy.

Mr. Weber made the point that the new agency has answered some 750,000 questions. They have had only 8,661 written complaints received, which is an infinitesimal number considering the possibilities. There have been 1,439 requests for exemptions received, and thus far no exemptions have been granted. They are following a rule of stringency on this.

As to benefits to consumers, the excise tax repeal will pass on about \$2 billion to consumers. The proposed tax reductions to individuals will amount to \$4.9 billion, so that is nearly \$7 billion in reductions to individuals, not counting other reductions individuals have received by prior actions of the Administration.

The benefit to corporations is estimated at approximately \$1 billion. Therefore, there is little substance to the argument that the President's proposals have benefited business, rather than the consumers, and, of course, some 2-1/2 million individuals in small business will benefit from the tax reform.

On one other matter, before Gerry picks up at this point, the President has already told you, I believe, that he talked to Governor Rockefeller regarding the problem at Attica, and he told the Governor that he felt there was no other recourse available to him, under the circumstances in view of the possible danger of greater loss of life, and so far as any comments made in the meeting, everyone there was agreed that in this very difficult situation, Governor Rockefeller had taken the only course available to him.

CONGRESSMAN FORD: The President also asked for a report on the resolution which will be considered in the House next week that would seek to override the President's deferral of the pay increase for Federal employees. The President took the action because it was the only way that he could call upon the Federal employees to meet the same challenge that he has asked of those employees, those wage earners, in the private sector, and it was also pointed out that Federal

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employees, since 1969, have had a 21 percent increase in their pay, and that in order to equalize the sacrifice of the private sector and the employees in the Federal Government, the President felt that this action was necessary.

Again bearing in mind the overwhelming public support that is coming in every day for the overall wage-price freeze and the economic package, it is my belief, and I think it is shared by others, that the House will support the President when this matter comes before the House next week.

Q What about the Senate, Senator Scott?

SENATOR SCOTT: I doubt if it ever reaches the Senate. If it does, I would think the chances of supporting the President are somewhat better than the other result. Certainly the President could not view with anything but a great deal of concern the passage of the Waldie resolution. We will oppose it strenuously if it comes to the Senate, but I doubt that it will.

Q What was said about Phase 2 of the President's economic program this morning?

SENATOR SCOTT: Well, a great deal of discussion generally, but mostly that the President would later have some decisions to announce regarding ongoing plans. At the end of the 90 days, everything does not stop. There will be further statements made and possible recommendations made for legislative action, if needed.

Phase 2 was not discussed in detail, but only the fact that Phase 1 seems to be operating quite well, and that the Administration has been able to deal with 4,500 present Government employees, what it took OPA some 40,000 people to do, because the difference here is that it is a freeze, rather than a broad attempt to control the economy on a permanent basis.

Q Do you anticipate that Phase 2 will require more than 4,500 people to operate?

SENATOR SCOTT: Nothing was said about that, except that the intention of the Government is to operate the economic plan with personnel available in various agencies. County agricultural agents, for example, are being used, and the intent is not to increase the employment rolls if at all possible.

Q Was there any discussion of the nature of a Wage-Price Stabilization Board, particularly how much control the Government would have over it?

SENATOR SCOTT: It was not so discussed, no.

Q Was there any discussion of the international aspects of the new economic policies?

SENATOR SCOTT: Some, yes. There was some general discussion. Mr. Springer made a report on his recent visits with Mr. Sato, and Senator Javits on reports with Western European leaders.

I spoke on behalf of Mr. Allott and myself on a meeting I had recently in Bonn with Chancellor Brandt, who said, in effect, he thoroughly understood what we were doing, and he could live with it, and had he been President Nixon, he probably would have done the same sort of thing.

We met with the opposition, former Chancellor Erhard, who said his only criticism would be it would have been better to do it even earlier.

CONGRESSMAN FORD: I think it could also be said that the President reaffirmed what he said before the Joint Session of the Congress last week; that our position internationally will be one of not only being concerned about foreign affairs, but also deeply concerned about the domestic problems at home, and that we were not going to sacrifice our position at home in order to placate countries or areas abroad.

SENATOR SCOTT: The President further made the point several times that the package is an integral one, and while some might wish to remove one part of it or another, the success of this new economic policy is a situation where the whole depends on the adherence of all of the parts of the program.

Q What is the outlook in Congress for the whole package, not only for the new legislation requested, but for keeping tax relief to the level the President advocated, and also keeping Congressional expenditures down?

CONGRESSMAN FORD: Congressman Byrnes, our ranking member on the Committee on Ways and Means, gave a report, and he indicated that the package recommended by the President, the tax package, would be the basic vehicle, with some perhaps minor modifications.

He felt that the legislation would be on the Floor the last week in October, and felt that the package would get through the House, just with some minor modifications, like the President recommended. The hold-down on expenditures is primarily, at this point, action that can be taken by the Executive in the freezing of funds already appropriated.

We have, I believe, 10 out of the 14 appropriations bills already approved and as a matter of law. The ones that are left are, of course, Defense, but that will probably be reasonably what the President recommended. The others are relatively minor in dollar amount. I think the Congress -- or I should say, more specifically, the House -- will probably be more economy minded because of the President's action, and because of the public support for a position that the Federal Government ought to tighten its belt if they are asking the American people to do the same as far as their expenditures and their opportunities are concerned.

Senator Scott points out that in a poll that was taken just recently, the public support for the overall program, the wage-price freeze, is in the magnitude of about 77 percent. That is overwhelming support, and that will have an impact, unquestionably, on the action of the Congress on appropriations, as well as on the tax package.

Q Who brought up the Attica Prison situation?

SENATOR SCOTT: The President brought it up himself, at the end of the session and he also brought it up in conversation with me later, that he had talked to Governor Rockefeller and he himself had lived through many hard decisions, that he had sympathy for the Governor's courage in meeting this as he did. He said he felt greater loss of life would have occurred had the decision not been made. He called the Governor and told him he agreed with him.

On another matter, the President, as you know, is having a bipartisan Congressional meeting next Friday afternoon. I don't have the hour. He is meeting with Senator Mansfield and myself at 3:30 this afternoon.

CONGRESSMAN FORD: On the Attica matter, Congressman Barber Conable of New York, who lives within three miles of the prison, is going up there today because of the tragedy. He indicated his full support of the action taken by the Governor. Attica is in his District. He actually pointed out that some of the prisoners, guards, the hostages, were actually neighbors of his family in that area. He is leaving shortly to go up to attend some of the funerals.

SENATOR SCOTT: Senator Javits also indicated his approval of the Governor's action.

Q Did they also agree that the Governor should not have gone to Attica himself?

SENATOR SCOTT: No statement was made on that. That was a decision for the Governor to make. It was pointed out that 28 out of 30 demands had been agreed to and the other two he felt he could not agree to.

Q What is the outlook for the new economic proposals in the Senate, Senator Scott?

SENATOR SCOTT: I think it looks pretty good for favorable action, with such modifications which the Committee, in its wisdom, might make, which are not considered to be major. I suspect the Senate will go along. We will take longer and make more noise, but in the end we will go along.

Q Was the military aid, the draft bill discussed?

CONGRESSMAN FORD: Senator Scott gave a report on the status in the Senate. The House Members urged that action be taken to support the Conference Report because of problems that might arise if the Conference report were defeated in the Senate?

Q What is the status in the Senate?

SENATOR SCOTT: The status is that because of the discussions over the military pay raise various tabling motions are being considered. One could be offered at any time, either by Senator Mansfield, for example, or by several others, some of whom are on the Appropriations or Armed Services Committees. The outcome of a tabling motion is in my judgment doubtful. I had thought yesterday that such a motion would lose. Now there is evidence that it is closer than that. However, the House has discharged their duty, so it would be a real "schmazle" if we sent it back, under the circumstances. They would have to make a new decision.

Q Did the President ask Senator Allott to withdraw his efforts to restore the cut in the pay raise?

SENATOR SCOTT: The President did not say anything to Senator Allott at the time. Senator Allott indicated that some Senator might make a motion to table. He did not indicate that he would be the one, although he did make some such statement on the Floor yesterday. The President did not, at this meeting, ask Senator Allott to withdraw it.

Q Senator, what is the nature of the meeting today with the President?

SENATOR SCOTT: Well, I have not been advised. I believe it is partly to get a report from Senator Mansfield and myself on our activity with the Interparliamentary Union. We did use the bus, by the way, part of the time, for the benefit of Newsweek. (Laughter)

We did have an interesting meeting with a great many people, including the Russian leaders, the Bulgarians, the Romanians and all. I have a lot to report to him on my two hour and 40 minute session with President Ceausecu of Romania and the meeting I had for 45 minute meeting with Suslov, the number three man in Russia, the head of the Foreign Affairs Section, who has hitherto never met with an American, so that was an interesting session.

Q Senator Scott, when you were there, did you hear anything concerning reported troop maneuvers into Bulgaria in which airborne Russian units might have participated?

SENATOR SCOTT: No. I was in Bulgaria and I could see for myself there were not Soviet forces during the tail end of the maneuvers. A country which normally has virtually no traffic had heavy truck traffic, consisting entirely, to the best of my observation, as a former intelligence officer, consisting entirely of Bulgarian forces. Certainly if there were any Russians there they were in Bulgarian uniforms, and I doubt that.

Q What did Suslov tell you?

SENATOR SCOTT: That has to be pretty much off the record. He is generally regarded as the number one ideologue and dialectician. He didn't get into any of that sort of thing. He is said to be aloof and an iceberg. He is not. He is a very affable fellow who reminds me of a sort of sardonic New Englander, a big 200 pound New Englander, who has strong opinions and does not approve of our foreign policies in some particulars, but who was affable, surprisingly friendly and witty. I enjoyed the conversation very much and at the end I reminded him that I had often proposed that the astronauts and the cosmonauts make a joint venture into space. His comment was, at the close of the interview, that "I think we have got troubles enough on earth."

Q Did you discuss the trip to Red China with him, Senator?

SENATOR SCOTT: No, that was a misunderstanding. He did not mention the journey to Peking. He mentioned China only very peripherally. He did talk about the Viet Cong and on that I cannot talk.

But he talked at some length on his opinions on our actions in Southeast Asia, some references to Japan, and only a passing reference to the Peoples Republic of China, and needless to say, he does not agree with our policies in Southeast Asia.

Q Did you discuss with the President this morning the movements on the Hill to repeal the accelerated depreciation allowances?

SENATOR SCOTT: Yes. Congress Ford can discuss that.

CONGRESSMAN FORD: Congressman Byrnes indicated that there undoubtedly would be a fight in the Committee to negate the Executive action in approving ADR. He felt those moves could be defeated.

On the other hand, there is a possibility that there might be some action that would, in effect, approve the action taken by the White House or the Secretary of the Treasury so that some of the legal problems that have arisen because of law suits filed might be eliminated. In other words, there would be an approval of the action, giving it Congressional approval, even though there might be some minor change in one way or another as to what was done specifically.

THE PRESS: Thank you, gentlemen.

END

(AT 10:42 A.M. EDT)

Mr. Ford

WILLIAM E. TIMMONS

ASSISTANT TO THE PRESIDENT OF THE UNITED STATES

THE WHITE HOUSE

OFFICE OF THE WHITE HOUSE PRESS SECRETARY

THE WHITE HOUSE

PRESS CONFERENCE
OF

SENATOR HUGH SCOTT

SENATOR MIKE MANSFIELD

SPEAKER OF THE HOUSE CARL ALBERT

CONGRESSMAN GERALD R. FORD

CONGRESSMAN HALE BOGGS

CLARK MacGREGOR, COUNSEL TO THE PRESIDENT FOR CONGRESSIONAL RELATIONS

AT 1:37 P.M. EST

MR. WARREN: Ladies and gentlemen, the bipartisan leadership meeting with the President just ended, and I will turn this over to Clark MacGregor, who can introduce you to the leaders who are here.

MR. MacGREGOR: The President was most pleased with the response, on short notice, of Speaker Albert and the Majority and Minority Leaders of the House and Senate, and the committee chairmen and ranking Republicans of the Senate Finance and House Ways and Means Committees and of the Banking and Currency Committees of the House and Senate who were in town and were able to come and meet with the President.

The meeting lasted about an hour and 15 minutes. The sole topic of discussion and consultation was the monetary and financial aspects of the President's meeting with President Pompidou of France.

I would like to introduce to you -- and that seems an odd word -- the Speaker of the House of Representatives, Speaker Carl Albert, to talk as he may choose about the meeting, and, of course, we are delighted that Senator Mansfield, Senator Scott, Congressman Boggs and Congressman Ford are also here. Mr. Speaker?

THE SPEAKER: Thank you, Clark.

I think I can summarize that the President and the Secretary of the Treasury gave us a very informative and in-depth briefing on the Presidential talks with President Pompidou on the trade and monetary features, as Clark MacGregor said, of the Pompidou meeting.

I think our reaction, at least on the House side, was that we are hopeful that the negotiations this weekend will proceed fruitfully. We are optimistic that while we are adopting, in a sense, a wait and see attitude, it is our view and belief that the Congress will support the recommendations of the President when and if they are sent to the Congress.

SENATOR MANSFIELD: There isn't much I can add to what The Speaker has already said. The agreement at the Azores with President Pompidou was an encouraging first step. We are looking forward with interest to the meeting of the 10 this weekend in Washington.

MORE

While some questions were raised and some answers will be forthcoming, we think that it is a step in the right direction; that it will be beneficial to the American economy, and we await with interest further details coming out of the meeting this next weekend, and other meetings very likely to be held, as well.

SENATOR SCOTT: I can only report that our report to the President indicated that on Capitol Hill the reaction has been favorable and we have heard no voice of dissent regarding the hopeful conclusion of these discussions, particularly the one just had with the French President.

CONGRESSMAN BOGGS: I should like to concur with what the Speaker and the Majority and Minority Leaders in the Senate have said. I think when the President sends up his recommendations for legislation, that we have every reason to believe that those recommendations will receive bipartisan support.

CONGRESSMAN FORD: Let me add my voice to those that have been given already. If the negotiations materialize the way we hope they will, it would be my reaction that the House and the Senate would respond accordingly. We certainly hope those negotiations proceed as they appear to be. They are important, and the Congress will respond based on those negotiations.

Q Could anyone say, did Secretary Connally or the President say how much devaluation he anticipates?

SENATOR MANSFIELD: No.

Q Did he give any numbers?

SENATOR MANSFIELD: No, they are working on that particular facet at the present time. No agreement has been reached. Numbers have been rooted around, but they are still to be decided.

Q Are you expecting this to be wrapped up this weekend at the Group of 10 meeting? Did the President and Secretary Connally give you any indication?

SENATOR MANSFIELD: We hope it would be, but we don't know. I imagine the negotiations may be difficult this time, as they have been in the past. But I think the air is a little more clear and the possibilities a little better.

Q Senator Mansfield, do you expect Congress will act when you return from recess?

SENATOR MANSFIELD: Yes. Any recommendations sent up by the President will be given the most expeditious consideration.

Q Can you tell us what this means to the American citizen, Senator Mansfield?

SENATOR MANSFIELD: Well, I can attempt to. It will mean that the economy will remain just about as is; that there may be more jobs for people based on exports.

It will mean that as far as the value of the dollar is concerned here at home, it will be just as good then as it is now, and I think it is quite solid, despite all the reports to the contrary.

Q Could someone please tell us basically what will have to be done when Congress comes back and the President requests authorization on gold?

CONGRESSMAN BOGGS: Basically, the respective committees have to consider the recommendations. In both cases, in the House Banking and Currency Committee, and the Senate as well.

Q Basically, how long would that be?

CONGRESSMAN BOGGS: I wouldn't think it would take long.

Q Are you talking about days or weeks?

CONGRESSMAN BOGGS: I am talking about, I would think, a week or 10 days.

SENATOR SCOTT: I will say this, because I have been told earlier by Mr. Petersen, and with authority, to point out that every percentage increase in this revaluation settlement is estimated to mean a difference of about \$700 million to \$800 million toward our favorable balance of payments.

THE PRESS: Thank you.

END

(AT 1:45 P.M. EST)

Ford - Scott Press Conference

FOR IMMEDIATE RELEASE

JANUARY 26, 1972

OFFICE OF THE WHITE HOUSE PRESS SECRETARY

THE WHITE HOUSE

PRESS CONFERENCE

OF

SENATOR HUGH SCOTT

AND

CONGRESSMAN GERALD R. FORD

THE BRIEFING ROOM

AT 10:15 A.M. EST

MR. ZIEGLER: As Jerry Warren I think already mentioned to you, Dr. Kissinger will have a briefing in the East Room at about 11:00. One of the reasons for the change in time was the fact that the Leadership Meeting lasted for two hours this morning. Because we do have some time, we will proceed with the regular Leadership briefing.

Senator Scott and Congressman Ford are here to discuss that with you this morning.

Senator Scott.

SENATOR SCOTT: There was general agreement that last night's speech is an answer to reasonable people with reasonable doubts; of course, it would never be an answer to those who would demand total surrender. But serving the cause or peace is uniting the people behind a reasonable peace proposal.

The reaction to the speech has been excellent and withdrawal of prisoners of war could begin even prior to a cease-fire if the other side would accept the President's plan, the six months proposal.

Also, the military solutions are separable from the political solutions if they want that. I am personally very proud and very pleased that the President's revelations are more than an answer to all of those people who felt that we had not been meeting with Hanoi on the seven points and the revelation that there was another 9-point discussion is also interesting, but ever since the 31st of last May, we have been more than ready to do more than most critics have advocated.

CONGRESSMAN FORD: Let me just supplement quickly what Senator Scott has said. The public reaction, as well as the political reaction, is very, very good. I think it proves the point that the President and the Administration for the past 30 months have been making a vigorous and constructive effort to negotiate in a fair way and that as a consequence, most Americans have apparently united behind the President's effort to end the war in Vietnam by the process of negotiation.

MORE

The words of the President were carefully, carefully drafted and the word "overthrow" was very specifically used, because that is what, in the negotiation, the North Vietnamese have been using in the context of a political settlement.

I think the Congress will respond affirmatively to the President's proposals and the President's record last night.

Q Senator Scott, could you identify or do you know any of those people who advocate surrender in Vietnam?

SENATOR SCOTT: I think they will rather quickly identify themselves. You will find that those who say that we ought to get out unconditionally, immediately, unilaterally, without any conditions and without the preservation of our prisoners of war situation and without the preservation of our commitments, those people are advocating total surrender and to identify them will become quite clear and I will be glad to help do it.

Q You would not include the prisoners of war families in that category because they are advocating a fixed date of withdrawal in exchange only for prisoners of war.

SENATOR SCOTT: I did not imply that the advocacy was evil. I said that those who would have a total withdrawal without conditions are advocating total surrender. A great majority of the families of the prisoners of war have indicated their support of the President's conduct of the war. A small group, very loud and very vocal has been brought together to create the impression otherwise.

CONGRESSMAN FORD: I noticed last night in watching several of the networks where several of the wives and mothers of prisoners of war were interrogated, almost without exception, they supported the President's efforts and they were pleased with what the President has done and intends to do.

Q Are you saying, Senator, that people who advocate total withdrawal conditioned only on release of the prisoners are advocating surrender?

SENATOR SCOTT: I did not say that, but the question of reality arises right there. It is entirely obvious now that Hanoi has several times flatly refused to agree to the release of the prisoners of war in exchange for total withdrawal of American forces alone. Therefore, that is unrealistic.

Q Where we read the President's speech that proposal has never been made in the language that you use. I would like to ask this question.

SENATOR SCOTT: I don't agree with you, but go ahead.

Q You supported the Mansfield resolution which calls for total withdrawal conditioned to the one point of release of the prisoners. Are you disappointed that the President never made that proposal to Hanoi?

SENATOR SCOTT: First of all, I did not support the Mansfield resolution, unless my memory has failed me on that. I recall leading the opposition to the Mansfield resolution.

Q Well, some Republicans supported the Mansfield resolution.

SENATOR SCOTT: Some Republicans, yes.

Q Could you answer the specific question: Did the President propose to Hanoi a total withdrawal of American forces from Vietnam solely in exchange for release of American prisoners of war?

SENATOR SCOTT: Hanoi precluded that question because Hanoi said they would not negotiate on that subject. They were felt out on that. I cannot say the exact words, but Hanoi's reaction and answer was that they would not consider that or any other military solution unless it were linked with the political solution.

So, Hanoi precluded any further on-going discussion of that point. Dr. Kissinger will cover that, I am sure.

Q Senator, are any of the Democratic Presidential candidates among those whom you say advocate what amounts to surrender?

SENATOR SCOTT: Well, I don't want to prejudge their reaction, now that they have been proved wrong. We will have to see whether they will persist in error or not. If they do, we will point it out. We will give them a chance for confession of error.

Q Would you say up to this point what they advocated amounted to surrender?

SENATOR SCOTT: I would say the advocacy of one or two of them came rather close to an abject surrender, yes.

Q Which ones?

SENATOR SCOTT: I will not name them, but I will say that men like Senators Humphrey and Kennedy have been most honorable and careful in the advocacy of their views.

Q Setting aside Hanoi's attitude for the moment, do you know whether the Administration privately or secretly has ever proposed a straight swap of total withdrawal of American forces for American prisoners?

SENATOR SCOTT: I think you will get that answer from Dr. Kissinger.

Q Do you know the answer?

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SENATOR SCOTT: I have a pretty good idea of it, but I would rather you go right to the horse's mouth. I think you will get it from Dr. Kissinger and I would rather you do. I am satisfied that Hanoi precluded further pursuit of that question.

Q Was there any political reason why the President suddenly decided after 30 months of secrecy, decided to open the book, the Presidential elections, for example?

SENATOR SCOTT: No, I don't think so. I think the President decided to open the book because Hanoi was denying in public many of the elements of negotiation which had occurred in private. We had made a number of proposals. We had met their nine points, not by agreements, but by willingness to discuss them.

We had opened up a number of times the prisoners of war issue. We had opened up the total withdrawal issue. Dr. Kissinger was there 13 times and they were saying, for example, to American visitors in this form of double talk, that maybe something could be done, but in private talks with our representatives, they were not saying the same thing. When one of the negotiators was asked why that is, he said, "Well, we Vietnamese are very courteous people."

Q Senator, is there any chance now for resumption of these private talks or is it your impression that that track has now run its course?

CONGRESSMAN FORD: I don't believe that the statement by the President last night precludes either private or public negotiation.

SENATOR SCOTT: And it is our desire to proceed with both, but it became necessary to show the true facts at this time in order to counter the fact that American people were beginning to believe what was not true.

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Q Senator, what did you discuss in the meeting with the President this morning?

SENATOR SCOTT: All of these subjects; the speech, principally. There was a brief discussion of the Economic Report.

Q Did you discuss the budget deficit?

SENATOR SCOTT: It was discussed briefly.

Q Has the American position always been that we would withdraw subsequent to a settlement?

SENATOR SCOTT: I believe so, Since President Nixon has been President we have always been willing to withdraw from Vietnam, and as soon as possible, under circumstances which would permit us to withdraw.

Q Then what is so different about what was made public last night?

SENATOR SCOTT: Because Hanoi has consistently denied a number of the overt suggestions of the American negotiators and emissaries.

Q What impact do you believe this proposal will have on the President's trip to Peking?

SENATOR SCOTT: I would suppose that Peking's intelligence service is as good as Mainland China's intelligence service was when I was working that area; that is, they know everything already. I don't think there would be much impact, if any.

Q In your discussions this morning, did you talk about the election proposal and what the North Vietnamese or Viet Cong attitude is on that?

SENATOR SCOTT: Well, we simply discussed the willingness of President Thieu and Vice President Huong to resign and to put the electoral machinery entirely under an independent commission. It will not be under the caretaker government.

We felt this goes a long way to meet Hanoi's constant contention that it will not deal with the present government. So, we are willing for them to take their chances in a supervised election and deal with whatever government comes out of it.

Q Has the President advised on how this independent commission would be arranged? Would it be United Nations, international control commission, or what?

SENATOR SCOTT: I think Dr. Kissinger will enlarge on that somewhat for you, but it was not discussed in detail in our meeting.

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CONGRESSMAN FORD: It was pointed out, I might add, that in the original organization, the National Liberation Front would have a part in establishing the rules and the ground work for the election.

Q Under this new election arrangement, President Thieu would still be a candidate to succeed himself, would he not?

CONGRESSMAN FORD: It is perfectly possible, but he has agreed, as the President said last night, and he reiterated this morning, to resign at least 30 days, along with his Vice President, before the election. This is a personal view, but I don't think you should preclude him from being a candidate again in any election. But it would be a supervised election with him and possibly many, many others seeking the Presidency.

SENATOR SCOTT: That international supervision would go into effect the day the agreement is signed and the resignation occurs.

Q Who would run the police force, army and international apparatus, the caretaker commission?

CONGRESSMAN FORD: The caretaker government. The man who would assume the reins of government would be the President of their Senate and he would have sole control and jurisdiction over such matters as the police force, et cetera.

Q Does that maintain the political power though in President Thieu?

CONGRESSMAN FORD: Not necessarily. They are members of the legislative body, not the executive branch. They are certainly the only ones that could assume that and still have a caretaker government. They were elected by their constituents.

THE PRESS: Thank you.

END

(AT 10:29 A.M. EST)

OFFICE OF THE WHITE HOUSE PRESS SECRETARY

THE WHITE HOUSE

PRESS CONFERENCE
OF
SENATOR HUGH SCOTT
AND
CONGRESSMAN GERALD R. FORD

THE BRIEFING ROOM

10:25 A.M. EST

MR. ZIEGLER: The Leadership meeting this morning lasted over two hours. The meeting was devoted to an assessment of the legislation now before the Congress, a review of the status of the legislation, and also a discussion of the economy and the President's economic program.

Senator Scott and Congressman Ford will give you a report. Senator Scott.

SENATOR SCOTT: There was considerable discussion this morning on the status of legislation in the Congress, and while some legislation has come down, such as the tax reform and Selective Service legislation, most of the major requests of the President have been deferred by the congressional Majority, which has been spinning its wheels and busily conducting a number of footless and quasi-irrelevant investigations for the purpose of concealing their real inactivity on the matters which affect the people of this country.

The need is for the revenue sharing programs, for welfare reforms. If some of you have seen one of the news magazines, you will notice about one-fourth of the people on welfare are either receiving money they are not entitled to or not receiving as much as they are entitled to, and we need this welfare reform. We need revenue sharing. We need Government reorganization. We need higher education legislation.

We need all of these things which are being inappropriately delayed by a politically minded Congress. After all, this is 1972. Both parties, of course, are subject to the charge of being terribly politically involved. It is a bad time to get good legislation. There is only about three months before the Democrats meet in apologia at Miami Beach to explain, in the vicinity of Ringling Brothers, Barnum & Bailey, their reasons for offering rival attractions.

CONGRESSMAN FORD: That is a very hard act to follow, Hugh. (Laughter)

Let me just supplement a comment or two by Senator Scott on the legislative program.

In January of 1971, the President asked the Congress to act on welfare reform, revenue sharing, Government reorganization, and shortly thereafter he urged the Congress to act

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on crippling strike legislation in the transportation field, and nothing has happened in any one of these areas.

This is almost a year and a half after the President's recommendations. We are getting down to the wire on how much longer time the Congress has to do something in these areas. Now, for the benefit of the country, I think we need action in each of these areas.

If the Congress, after this two-year span following the President's recommendations, doesn't act, for, I think, various and sundry reasons, including politics, each of these issues will be potentially a political issue in the campaign of 1972. We would rather have the legislation, but I think if we don't get it out of a Democratic Congress, they are legitimate areas of politics.

Now, one other comment: We spent a considerable amount of time on the status of the busing problem. We would hope that out of the conference on the higher education bill and the emergency school aid bill, there could be some action to have a moratorium in the various courts that are now in the process of acting. But it is more important to get out of the Committee on the Judiciary in the House, and I guess in the Senate, and the Education and Labor Committee in the House, affirmative action on the President's total package so that busing can be stopped now, both by the moratorium as well as the substantive legislation, with additional money going into those disadvantaged areas where we have to provide quality education.

One other comment: Dr. Stein did give us a review of the economic situation. As you know, the President indicated we would have a \$100 billion increase in GNP, and unemployment toward the end of the year would be down to 5 percent or less, and that we would have the cost of living down between 2 and 3 percent. Well, the reports are all good. Housing starts are up. Interest rates for the conventional mortgages are declining. Plant expenditures are up 10-1/2 percent since August. Retail sales are up. The consumer confidence index is very encouraging.

If you look at unemployment from August of 1971 to the last report, we have gone from 6 percent to 5.7 percent, and in the area of inflation, despite the purely political charge of Senator Humphrey on Sunday, where he said the cost of living had gone up 5 percent, that is not accurate. The cost of living since the imposition of the wage-price freeze has gone up 1.4 percent, which, as I understand it, is a 1.7 percent increase.

The program is working, and the results, I think, will be increasingly evident in the months ahead.

SENATOR SCOTT: Mr. Stein has commented, you know, in regard to the releases coming from the Democratic National Committee, that what seems to be operating down there is O'Brien's Law, namely, that no good news is possible.

Q Senator, does the President agree with you that the ITT hearings are irrelevant and that votes should be taken on the Kleindienst nomination?

SENATOR SCOTT: This was not brought up this morning, but I would think that most logical men and women would agree that this has been a frantic exercise in continuing irrelevancy, non-germaneness and hearsay evidence pursued to the fourth degree.

Q You referred to irrelevant investigations in the plural. What else is going on that is irrelevant in Congress?

SENATOR SCOTT: I think we are going to investigate Chile next. There are investigations by Mr. Proxmire which occur at the rate of about three a day, as near as I can count. While the Senator is waiting for his hair to grow back in, he is keeping himself busy being warmed by the television spotlights. (Laughter)

Q Mr. Ford, can I ask you about this optimistic report on the economy? First of all, I am a little confused by what the "consumer confidence index" is.

CONGRESSMAN FORD: Two services, one the Sindlinger Service, which is a private professional poll-taking organization, and the University of Michigan group that has been doing the same over the last 10 years or more, according to the latest surveys made by both, the consumer confidence index has been going up very encouragingly. This, of course, has been one of the problems in the early days of the President's new economic policy.

But the latest surveys are very, very encouraging. If this continues, and I think it will -- I think all of the forecasts, the \$100 billion GNP, the 5 percent or less unemployment, 2 or 3 percent increase in the cost of living, will all come to fruition or will be in the making by the time of the election in 1972 -- it certainly will have a beneficial impact on the results in November.

Q Can I ask you another question in that general area? How do you and Senator Scott feel about the rise in meat prices? Are you as happy about that as Secretary of Agriculture Butz is?

CONGRESSMAN FORD: I went to the supermarket Saturday and it was a little discouraging. But I think, according to the latest figures, there is a stabilization of meat prices and the forecasts are that they will tend to fall off.

The truth is, and I think Secretary Connally is getting to the root of the problem tomorrow -- he is having some of the food retailers in for a meeting and he is going to point out, and I think effectively, that their margins have been going up. That contributes as much, if not more, than any increases to the farmer. The farmer only gets about one-third, as I understand the figures, in the meat area, out of the total amount paid by the consumer. The profit margin and the mark-ups between the farmer and the consumer, that has been more of a problem than the increase to the farmer himself.

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SENATOR SCOTT: The farmer's income has not been going up as fast as the city dweller, and contributing to these costs, which everybody deplores, have been the increased labor costs for transportation and processing. There have been the mark-ups of innumerable middlemen, and as a result, eggs, if you add a little bread and coffee to them at the Pierre, are about \$30 a dozen. The farmer gets about 30 cents a dozen for the same eggs, so I don't think the farmer should bear the brunt.

Q Is Connally going to tell the retailers that there will be new controls or the Government is prepared to take some action?

SENATOR SCOTT: Secretary Connally is going to say that the Administration will be closely watching this whole price situation with an eye to determining whether it calls for any action along that line. He will go into more detail on that tomorrow.

But the actual cost of living and the inflation index are both slowing down. The rise in food prices is believed to be a largely seasonal thing. It is certainly unfortunate, and I do not blame people who go to the supermarket. Gerry and I both do some of our own shopping and we have seen it for ourselves.

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Q Senator Scott, if the inflation index is going down, how do you explain the largest increase in six months in the seasonally adjusted Cost of Living Index?

SENATOR SCOTT: The GNP price deflator shows that inflation is going down.

Q I asked about the Consumer Price Index.

SENATOR SCOTT: I am probably not the one to answer these economic questions because I can't balance my own check-book. But the Consumer Price Index rose at a seasonally adjusted 1.7 percent annual rate during the August to November freeze. It followed a 5.9 percent rise in 1970 and declined 4.3 percent for all of 1971. For the three months since October, the CPI has risen at a 3.3 percent annual rate. For all the commodities except food the prices have risen at a 2.1 percent annual rate from October to January and food is not controlled.

Q Senator, are you satisfied that the ITT investigation has reached its conclusions and that whatever was the purpose of the inquiry is over? Is that your point?

SENATOR SCOTT: The ITT has long since climbed past its perihelion. Actually, they have completely lost sight of Mr. Kleindienst. Whole days go by when his name doesn't even get mentioned. There is no evidence whatever to indicate that Mr. Kleindienst is other than qualified. There has never been any evidence from any witness that he had any connection with the contributions of ITT to the City of San Diego. There will be a movement, as soon as the Committee meets in Executive Session, to terminate these hearings and go on with the proceedings already on the calendar for the confirmation of Mr. Kleindienst.

If the Committee wishes to go into other matters later, they will have to compete on stage with the Foreign Relations Committee which is slaving to get into the act and drooling at all corners of its collective mouth, and they want front and center stage. I think Judiciary owes them that opportunity to perform.

Q Then you don't think that there is any legitimacy in the American people finding out actually what happened in connection with the charges against ITT?

SENATOR SCOTT: There is plenty of legitimacy in the American people finding out whatever happens with conglomerates and with the contributions of Jake the Factor relating to two leading Democratic candidates, with the activities of Bobby Baker in relation to ITT, with the settlement, mysteriously, of the Anheuser-Busch case in a previous Administration, following which, six days later, the Democratic National Committee received \$10,000 by no coincidence.

It is helpful to know whether Senator Muskie intends to return the money he received from Mr. Rohatyn, I believe it was, an ITT contributor and a member of his campaign committee.

Yes, if you want all these things, give the public the facts on all sides of it, for heaven's sake, but why hold up Mr. Kleindienst as hostage to the political prejudices of Larry O'Brien's four horsemen.

Q Do you know when you and Senator Mansfield will go to China?

SENATOR SCOTT: I don't know yet. We are working on dates. Maybe late in April; something like that.

Q You predicted that the President's GNP, unemployment and inflation forecast would all come to fruition by the '72 election. Is this Dr. Stein's forecast also?

CONGRESSMAN FORD: He did not talk about it in those terms, but he did indicate that all of the prophets of doom and gloom who had some reservations about the Administration's forecasts in these three areas were now changing their tune and agreeing with the Administration that these objectives probably would be accomplished in 1972.

Q Is the election the goal?

CONGRESSMAN FORD: No. The President's forecasts in his economic message were at the end of calendar year 1972.

Dr. Stein talked about those objectives in relationship to the end of '72. I interjected the November date and I think history tells us that if all of those objectives are being achieved by the end of 1972, they will have an impact on the November election. I think all of the indicators are moving in that direction and they definitely will be favorable from the point of view of the Administration politically.

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SENATOR SCOTT: I think the American people are entitled to know something else, too: that is, whether or not the Senate and the Judiciary Committee can be held captive by the political activities and aspirations of four Senators for an indefinite period, one of whom suggested going on for at least six months, on television last night; whether or not the American people are not entitled to know whether a Cabinet officer nominated by the President is entitled to have his nomination debated on the Floor of the Senate, or whether it is to be indefinitely filibustered and stalled.

The American people are entitled to know whether or not the Senate Judiciary Committee is being used for political purposes or whether this is a genuine investigation.

The American people are entitled to know that 32 percent of the testimony has been made necessary by a single Senator. The American people are entitled to know whether Mrs. Beard, for example, is to be further harassed or whether or not the rest of her testimony can be obtained by interrogatories, and that aspect of the investigation which has no relevance to Mr. Kleindienst can also be concluded.

Q Senator Scott, if Richard Kleindienst did go before the Senate and his confirmation would be considered, do you think he would be confirmed now?

SENATOR SCOTT: Yes, I think he would be confirmed. I think various Presidential candidates have lost their nerve under the usual question and answer period, and one by one, each of them are abdicating themselves and abdicating their responsibility. I have forgotten which one, there are so many, but one of them indicated he didn't know what the facts were, but he didn't think he would vote for him.

I remember who he was now. The one who can't make up his mind.

Q Why don't you name him?

SENATOR SCOTT: Muskie. He said maybe he would change his mind when he got back to the Senate. There is a good deal of that going on. They are simply trying to give the popular answer to the kind of questioners that they have to submit to. This whole business of running for political office is a little degrading anyway, because all of us at times do some indulging in a similar form of jackassery.

Q Are you up this time?

SENATOR SCOTT: I am not up this time. That is why I can probably be so candid about it. But jackassery it is, and I so designate it.

THE PRESS: Thank you.

END (AT 10:45 A.M. EST)

JUNE 13, 1972

OFFICE OF THE WHITE HOUSE PRESS SECRETARY

THE WHITE HOUSE

PRESS CONFERENCE
OF
SENATOR HUGH SCOTT
AND
CONGRESSMAN GERALD R. FORD

THE BRIEFING ROOM

10:00 A.M. EDT

MR. ZIEGLER: The Leadership meeting this morning started promptly at 8:00 o'clock and lasted until 9:45.

Senator Scott and Congressman Ford are here to give you a report on the meeting. Senator Scott.

SENATOR SCOTT: The President indicated that he is sending up the treaties and the Executive Agreement resulting from the Moscow conference. We have been able to assure him, which was evident after the meeting down here recently, that there is strong bipartisan support of what the President has accomplished.

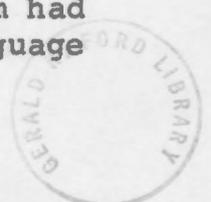
Time is of the essence in order to get on with SALT II and limitation of armaments generally. It is my understanding that the chairman of the Foreign Relations Committee, Senator Fulbright, is prepared to move expeditiously on the treaty and is ready to go on with hearings. We had a meeting of the committee where this was discussed.

I would like to mention, too, that I believe that any attempt to cut defense appropriations along the lines some are suggesting would be a very grave error. For example, if you cut back the Sixth Fleet, you would seriously upset the balance in the Middle East. You would destroy hopes for any future arms limitation agreements; unilateral disarmers and neo-isolationists would leave no hope that the Soviets would negotiate further. And on the so-called Mansfield Amendment, this is one of the most unfortunate and, I believe, ill-grounded proposals that we have had on any of these military programs for several reasons.

In the first place, just at the moment when it is becoming clear, even to the most skeptical, that the South Vietnamese are hacking it over there -- and in any other war I imagine the lifting of the seige of An Loc would be tremendous news, for example -- that at a time like this, one of the most critical times in this whole period of our involvement, to seek to remove all ground forces by August would do irreparable damage to any hopes of negotiation whatsoever, would blow the Paris peace talks out of the water, in my opinion, should this become law.

Moreover, the resolution is drawn in a rather startling fashion. It undertakes to have us negotiate not with North Vietnam, but with the Viet Cong, as if North Vietnam had no connection with this war. The language is clearly language

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which Hanoi could welcome because of its restriction to the Viet Cong. It does not provide for an internationally supervised cease-fire; it simply says "verified cease-fire" as to Vietnam, and does not say how it shall be verified.

It would leave the whole question of prisoners of war very fuzzy. Most people have forgotten that following the French withdrawal, that Ho Chi Minh undertook to return the prisoners of war and the missing in action. There were over 30,000 of them. Only about 10,800 were returned. Two-thirds of them were never returned or accounted for.

On a cease-fire, it ought to be remembered that in Korea there was no substantial return of prisoners until after there had been an effective cease-fire. Unless you have an end-the-killing agreement here, you are not going to get those prisoners of war back. Any argument to the contrary simply will not hold water.

CONGRESSMAN FORD: We also discussed the situation as far as revenue sharing is concerned. Of course, the Democratic Leadership surprised everybody by pulling the revenue sharing bill from consideration on the Floor today and tomorrow. I was extremely disappointed in the timidity of the Democratic Leadership in not going ahead with the revenue sharing proposal.

The Republican head count shows we have approximately 105 firm Republican commitments for a closed rule, which is a high percentage out of our 178. If the Democrats had 105 out of 255, there would be no doubt that we could get a closed rule and revenue sharing would be approved by the House of Representatives this week.

There is a meeting called by the Speaker this afternoon where apparently he is going to try and firm up the Democratic commitments. We are going to the meeting, and we are going to report to him that our batting average in this regard is good and we hope that this meeting will produce the necessary votes on the Democratic side, because this legislation is the keystone of the President's efforts to do something about the problem of ever-increasing local taxes, particularly local real estate taxes.

If the Congress doesn't act on this legislation, and local taxes, particularly real estate taxes, continue to go up, I think there will be some political repercussions. So we hope to get the legislation through the House. It has now been scheduled for next Wednesday and next Thursday. It could have been through this week if the Democratic Leadership had been able to produce the necessary votes on the rule as well as on the bill.

This morning the House Committee on Foreign Affairs is meeting on the so-called "End The War" Amendment. We strongly oppose what has been drafted by the Democratic majority members, I gather primarily Congressman Rosenthal. The Rosenthal Amendment, or the Democratic proposal, is the wrong amendment at the wrong time. If approved, it will seriously undercut the President's efforts to end the war in Vietnam either by military efforts or through negotiation.

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The Rosenthal Amendment is not the answer to getting the prisoners of war back. The Democratic resolution, as it was proposed in the committee, is not the way to end the killing, and it is not the way to protect the lives of some 60,000 Americans still in Vietnam. The committee proposal as it is being considered this morning appeals only -- and I say with emphasis "only" -- to the unilateral disarmers, and also has a great appeal to the so-called "new isolationists." We hope to either change it or beat it, or delay it, because we think the President's approach is infinitely better.

SENATOR SCOTT: On the Mansfield Amendment, the same thing could be said. It is the wrong amendment at the wrong time.

The Senate Finance Committee, I believe, reports H.R. 1 out to the Floor today. I hope that the Senate will act responsibly on H.R. 1, because if they do not, and then the Democrats meet in convention and attempt to adopt some sort of a platform plank on welfare reform without ever acting when they have the chance to act responsibly, that would be the height of hypocrisy, and they will be held accountable for it.

Q Senator Mansfield -- (Laughter)

I am sorry. Senator Scott.

SENATOR SCOTT: He is my friend.

Q On your opening statement, you said the President was sending up treaties today. I was under the impression that there was only a treaty, and this is a little confusing.

SENATOR SCOTT: We are referring to the treaty on the defensive arms and the Executive Agreement on offensive arms. I don't believe he is sending up the health treaty, is he?

MR. ZIEGLER: The treaty that is going up today is the treaty relating to the defensive systems; and also included in the material going up today will be information relating to the Executive Agreement which the President will ask the Congress to give their support to through the passing of a resolution.

Q That is what I really was concerned about. That is not, strictly speaking, a treaty, is it?

MR. ZIEGLER: That is not a treaty; it is an Executive Agreement entered into by the Executive. As the President said, he will seek the approval of the Congress in the form of the passage of a resolution.

Q And that applies only to offensive weapons, and he doesn't have to do it?

MR. ZIEGLER: That applies to only the offensive weapon agreement, and it is not required by law. It is simply the intent of the President to have this agreement supported by the Congress and discussed thoroughly by the Congress.

Q Without belaboring it, I thought there was part of the Act that created the Disarmament Agency that did require agreements to be approved by Congress.

MR. ZIEGLER: That is not the case.

CONGRESSMAN FORD: I think it can be argued, but I think the President felt that he wanted to maximize Congressional consideration and Congressional approval, so the agreement is going up and it will be most likely referred in the House to the House Committee on Foreign Affairs, because of the tieback to the disarmament legislation. It will go the Committee on Foreign Affairs, and from all I can find out, it looks like it will get rapid, thorough and favorable consideration, and I think that will happen in the House as well.

Q Senator Scott, is there enough opposition to the ABM treaty and the interim agreement to delay seriously the ratification of the treaty?

SENATOR SCOTT: No. I think the treaty will be treated separately, and hearings are likely to be expeditious and I would expect prompt Senate action. The Executive Agreement will take longer, and I do not know which House will act first on that. The Senators generally talk longer, and you would expect they might lag behind the House a little bit.

Q Do you have a target date for the treaty?

SENATOR SCOTT: We have no target date except "expeditious action," because as soon as it is acted upon, the sooner our representatives can get on with other and equally desirable agreements.

Q Both of you mentioned those who advocate unilateral disarmament. Did you have anybody particularly in mind?

CONGRESSMAN FORD: I don't have anybody particularly in mind, but there are some who have offered amendments and have voted consistently to slash the defense budget. If you look at the facts and figures, in effect it means over the next five years our defense posture will be seriously jeopardized.

There is a hard core in the House, somewhere between 30 and 50, who are on this binge. I think it would be tragic if the House and Congress went along with it, but I do not think they will.

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Q Senator Scott, I was thinking you might be thinking of one of your colleagues in the Senate who is also a candidate for the Democratic nomination.

SENATOR SCOTT: I don't know. Hanoi indicates now and then that some Senators are "more flexible" than others in their attitudes toward the problems of the Vietnamese War. I would say that whatever Senators have identified themselves as so highly flexible, that perhaps they are the ones I meant. The truth is that nothing succeeds like success. The President's program in Vietnam is succeeding and I have said this many times.

The Senate is frantic in its effort to try to convince the American people that they are the ones who can settle the war,, in spite of all the evidence to the contrary. Only the President can end this war. So, they are devising every sort of gimmick they can think of to say to the American people, "If you only left it to us we would get you out sooner." It is equivalent to Senator McGovern's rather fatuous statement that if you simply pulled all American forces out, he knows that the prisoners of war will be released. It is too bad that it is too late to ask Premier Mendes France that because Mendes France probably told the French people that he knew he would get the prisoners of war, too, and he got one-third of them because he trusted the Ho Chi Minh government.

Q Senator, what evidence do you have on the other side of this that continuing with the President's program will get the prisoners back?

SENATOR SCOTT: We know it is the only way by which you will get the prisoners back. Prisoners have normally been returned following a cease-fire. They have not necessarily waited for a peace agreement. The difficulty here is the unwillingness of some Members of Congress to include an internationally supervised cease-fire. That is the only way we got the prisoners back in Korea, when we had a cease-fire and proved it was effective. The provision merely for a so-called "verified cease-fire", leaving it up to Hanoi's word as to what verifies the cease-fire, and to restrict the cease-fire only to the United States and the Viet Cong, is a highly unrealistic approach.

Q Your reading of history rather intrigues me. What happened to the two-thirds of the French prisoners? Are you maintaining that they are still in Vietnam?

SENATOR SCOTT: We ~~don't~~ know what happened to them. The Hanoi Ho Chi Minh government never accounted for them. They were never returned. It is strange credibility to believe that two-thirds of the prisoners of war left consisted entirely of missing-in-action, and otherwise unaccounted for. Hanoi never gave an accounting and of the 30,000 some 10,800, as I recall the figure, were returned. Nothing was ever heard of the others.

Q You said the President's program is working and you said that the South Vietnamese are hacking it. I think Congressman Ford said that we were going to win, either militarily or by a negotiated peace. Could the South Vietnamese hack it, so-called, without our massive naval and air armadas going in there and actually, does the President see an end to this war before the election?

SENATOR SCOTT: I can't speak for the President on that, obviously. Whether the war ends before the election depends on whether Hanoi is willing to negotiate a peace or whether it concludes that it cannot win one on the battlefield or both.

The success of the Vietnamese is, of course, in part due to the support given by American forces in the air and on the sea. At some point it is the expectation that that kind of aid will no longer be necessary to enable them to hold on to their own country. But for the present it is essential that that aid be given because Hanoi has involved all of its divisions in an all-out attempt to conquer, by invasion, the South Vietnamese. The South Vietnamese are not only holding, but they are gaining ground and they are lifting sieges at An Loc and Kontum and all of the pessimistic prognostications of two or three months ago are being proven wrong as of now.

CONGRESSMAN FORD: I would like to make a correction. I did not use the words "winning the war" or "would win the war" or "military victory." I repeat that I said the President's program would either lead to success in negotiations or success militarily.

Q What does that mean?

CONGRESSMAN FORD: It means that the North Vietnamese are not able to achieve what they set out to do, to make a smashing military accomplishment in South Vietnam. Obviously, they have not. Their capability is degenerating very seriously and the South Vietnamese are doing infinitely better. When you have this set of circumstances, it helps to generate the kind of atmosphere that, in my judgment -- and I say "my judgment" -- would lead to progress at the negotiating table.

Q How far away, then, sir, do you see us from a military victory?

CONGRESSMAN FORD: I have never said that the United States was aiming at a military victory. We are aiming at the kind of military success that would lead to an effective negotiated settlement.

Q You are saying, Congressman, that you would expect serious negotiations to begin fairly soon, then?

CONGRESSMAN FORD: It seems to me that that is the best and quickest road to success. I was delighted to see that Ambassador Porter is willing to go back and meet with the North Vietnamese negotiators. The President made a very generous offer. It is an offer that I think they ought to accept.

Q Do you see any indication that Porter's return to Paris and his more conciliatory attitude was influenced by anything from Hanoi recently?

CONGRESSMAN FORD: I have no way of knowing that. I would hope that the North Vietnamese, bearing in mind the military problems they are having, would now realize that the best way to end this conflict is to negotiate.

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Q Both of you gentlemen talked a bit about what you called "unilateral disarmers" and "neo-isolationists." Do you expect these terms to recur during the campaign this Fall? Do you think this will be an issue?

SENATOR SCOTT: I would expect the terminology to recur. I think the isolationist of the left is fully as blind as the ancient isolationist of the right in previous times. I think that as long as some contend that you can trust the enemy and as long as some say we should simply withdraw without any effort to protect the position that we undertook to protect, that it would be just to refer to them as "neo-isolationists" and "unilateral disarmers." Anyone who proposes to withdraw unilaterally is withdrawing arms and he is doing it unilaterally and therefore he is a unilateral disarmer. I think it follows. They will have to live with these terms if they seek to impose these harsh terms on the United States by statute.

CONGRESSMAN FORD: If I might add, I think a great deal depends on how successful the Democratic efforts are to get the President's military program, the need for the Trident or ULMS submarine program, the President's request for the necessary funding for the two ABM sites, and the President's program for the B-1 bomber. And in addition, if there are some who try to tear apart and destroy the President's military assistance program, because if we end up with no capability, the United States is stripped of any opportunity or capability of helping allies, then the United States, in effect, is withdrawing and becoming isolationist.

So we have to maintain our own military strength and help those other nations who are willing to stand up. So it depends, really, on what the Congress does in this session. If the people who want to gut both programs are successful, I think you will find some strong statements, and properly so, against those who want to be the 1970 isolationists and the 1970 "Fortress America" people.

Q I wonder if you have a name for a General who takes the country's laws into his own hands and bombs the North without orders?

CONGRESSMAN FORD: I think : handled that matter under the proper circumstances.

Q Secretary Laird said the other day that he would not support the arms limitation agreements unless the Congress passed the legislation supporting the bombers and submarine construction program. Is that the view of the Leadership?

SENATOR SCOTT: I think that is somewhat taken out of context. I think the Secretary of Defense was making the point that these are complimentary programs, and that one without the other doesn't make a great deal of sense. The defense of the United States depends on those matters where we have agreed with Russia, for example, to make certain mutual commitments, and that the mutuality of those commitments and the strength of the United States under the arms program are interdependent.

Q You are saying you would not support the treaties without the complimentary program?

SENATOR SCOTT: I am saying what I said, and no more.

Q But I am asking a new question.

SENATOR SCOTT: The new question doesn't throw any light on the old question. I am afraid I cannot answer beyond that.

CONGRESSMAN FORD: I think what we have to do, if I might supplement Hugh's comment, I think we have to work to the maximum to see to it that the treaty and agreement are approved and also seek to get the necessary funding for all of the programs, and it is difficult to determine at this stage which will come first.

Our objective is the accomplishment of both, the adequate funding of both the foreign aid military legislation and appropriations as well as the approval of the treaty and Executive Agreement.

Q On another subject, I am wondering if either of you gentlemen would care to defend the President's failure to hold a formal press conference in more than a year?

SENATOR SCOTT: That is hardly our function. Mr. Ziegler is here to answer those questions. The President has been before the people of the United States in many different ways. I would suggest that you take that up with Mr. Ziegler.

Q We have. (Laughter)

SENATOR SCOTT: He is just across the hall. We will bring him over.

MR. ZIEGLER: I didn't know UPI had television. Don, your reference to a formal press conference is referring to television; right? As you know, the President has had several press conferences in his office in the past year.

Q I would be willing to submit questions in writing at this point.

MR. ZIEGLER: We will have the material we referred to in 15 minutes.

Q What will that be?

MR. ZIEGLER: We will have a full package that I will explain. It is quite extensive.

SENATOR SCOTT: I want to thank you for not asking me any questions on Senator McGovern's position. If you will just defer that for a few weeks, he will change his position and we can answer it then.

END

(AT 10:30 A.M. EDT)

OFFICE OF THE WHITE HOUSE PRESS SECRETARY

THE WHITE HOUSE
PRESS CONFERENCE
OF
SENATOR HUGH SCOTT
AND
CONGRESSMAN GERALD F. FORD

THE BRIEFING ROOM

AT 10:30 A.M. EDT

MR. WARREN: The Leadership Meeting this morning began at 8:00 and lasted for approximately two hours and 20 minutes. It was a good extensive meeting and I will let Senator Scott and Congressman Ford describe it to you.

Senator.

SENATOR SCOTT: Ladies and gentlemen, Jerry and I had asked for a report on the economy and so we heard from Herb Stein and Cap Weinberger on that, and a number of points were made, particularly on all of the recent good news in the economy.

There has been a 4-1/2 million increase in peacetime jobs and a 2-1/2 million decrease in wartime jobs in this Administration. Some of our questioning brought out the fact that the McGovern budget, as reflected in the Democratic platform and as moderated to that extent, would still mean an increase in budget costs of \$144 billion. If you leave in the \$1,000 program for everybody, for which Senator McGovern at one time was for a thousand percent, that would be another \$189 billion or a total of \$333 billion.

The total \$333 billion would mean 50 percent or a tax of about half the income for most families in America. They would be making more for the government than for themselves and the \$1,000 would add 80 million people to the welfare roles, but if you confine yourself simply to the platform figures and the more moderate sum of \$144 billion, it will mean an increase in taxes, in inflation and in unemployment. And the achievements of this Administration would be erased because of the irresponsibility of such a radical budget.

CONGRESSMAN FORD: After hearing the report on the situation as far as the McGovern budget is concerned, and even the Democratic platform budget, the President reiterated his strong support for a \$250 billion spending limitation. The \$250 billion spending limitation was submitted to the Congress about a week ago. This is the best insurance against a tax increase.

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(OVER)

Now, if you take the Democratic platform budget figures, as Hugh has pointed out, it would add about \$144 billion over the \$250 billion and if you take the McGovern budget, as he proposed it during his campaign to get the nomination, it would add up to a total of about \$330 billion over the \$250 billion.

Now the President's \$250 billion spending limitation is the best insurance against the tax increase and, of course, this Administration is against any tax increase.

In the House of Representatives, we are getting growing support for this spending limitation. There are Democrats in the House of Representatives who are concerned about the excessive spending proposed in their own platform and they are deeply concerned about the added spending, and, of course, the necessities for a tax increase if the McGovern economic policies are proposed and approved and if the McGovern budget is a reality.

So, sometime within the next week or so, and if not, after the Republican Convention, in the House of Representatives we are going to make a substantial effort to impose a \$250 billion spending ceiling which will preclude the need and necessity for a tax increase.

If we are unsuccessful, and if the McGovern budget and the Democratic platform budget is approved and in effect by this Congress, the prospects for a tax increase are obvious and, of course, the American people are opposed to them.

Let me just reiterate to some extent some of the figures that Hugh used. If you have the McGovern budget, the average working family's tax increase at the federal level will be approximately \$2,500. That is an increase over what he is paying today under this Administration.

If you use the Democratic platform budget, the average working family of four will have a tax increase of approximately \$1,000. But if we impose the \$250 billion spending limitation, which President Nixon recommended, it obviates the need and necessity for a tax increase.

SENATOR SCOTT: I would like to add, too, that under the Nixon Administration fiscal policies, the savings in personal income tax which taxpayers didn't have to pay, have taken 9-1/2 million families off the tax roles.

Q Senator, as a practical matter, do you think that McGovern, even if he were elected President, would be able to put this kind of budget proposal into effect?

SENATOR SCOTT: Of course, it is a heck of a way to run a campaign to say, "I propose to spend many billions of dollars, but don't believe me, because the Congress won't let me have it." That is the height of irresponsibility, but I think that is what Senator McGovern was doing when he tried to cut \$4 billion in the budget.

That was a little sample swatch off the whole cloth from which he hoped to show that when he couldn't even carry his own party and lost 59 to 33 on the \$4 billion, it is like his letter to the Wall Street Journal: "Don't pay attention to what I am going to say, I am going to promise everybody everything, but Congress will be responsible if I am not and they will see that you don't get it." That is a pretty odd way to run a campaign. But I think that is why he proposed that cut.

Q Are you ruling out a tax increase for next year, also? I mean if they hit this so-called ceiling?

SENATOR SCOTT: The two gentlemen we talked to this morning did not think a tax increase would be necessary in the period you mentioned, because they expect to hold the budget down and it will be necessary possibly for the President to veto some measures if the Congress does not act responsibly. So they do not expect tax increases, but under McGovern, they are a certainty.

Q Senator, my recollection of the Democratic platform is that it did not provide precise budget figures. I was wondering, one, who calculated the "Democratic platform budget figures," and two, if you could break down the increase in spending that adds up to \$144 billion.

SENATOR SCOTT: We will have a full breakdown sent up to us. First, it was calculated by Dr. Weinberger of the Office of Management and Budget, and by Herb Stein and it is a real problem to try to break down the platform, because it is calculated to make people think they are getting more in promises than they will get in performance, but some of the items would add, with the government as an employer of first resort, \$12 billion in cost. To insure the guaranteed income policy, \$25 billion. Educational increases under intrastate equalization, \$9.2 billion. Lowering the retirement eligibility, \$5 billion. Nursing homes, \$3 billion. The McGovern health program, \$60 billion plus.

The full funding of all programs, \$26 billion, and I will have a memo in the next 48 hours on the remaining items in the \$144 billion.

Q Is it the role of the Budget Director to make a campaign attack?

SENATOR SCOTT: Budget Directors are like weather forecasters, they report the good weather and in the present Administration they have to report when the storms and the Hurricane Agnes type of thing will happen. McGovern is equated with Hurricane Agnes as a national disaster, in my opinion. They have to do this if we ask them and Jerry and I asked them to project the horrors which could be anticipated under this threatened blight on the economy.

Q Well, Senator, did Weinberger or Stein in virtually promising no tax increase if this Administration continues in office also talk to you about what the budget deficit would be, say, for the follow-on fiscal year and the fiscal year beyond that?

SENATOR SCOTT: We did not discuss the detailed figures of future budget deficits. You have information showing that the present anticipated deficit is less than originally forecast. We do not know what the Congress will do yet, or how responsible the Congress will be, and therefore to go on into the future, '73, '74 situations, you have to know how much the Congress will hold down the spending and whether or not you get the spending limitation and what vetoes, if any, the President exercises and whether or not they will be overridden.

Q Do either of you gentlemen expect if there is no tax increase next year or the year after that, which Administration spokesmen have virtually promised, that this government can operate without a substantial budget deficit beyond full employment concept?

SENATOR SCOTT: The 80th and 83rd Congresses were the only Republican Congresses you can go by and they pretty well lived up to that and give us a Republican Congress and we will live up to it again.

Q I am asking a very serious question.

SENATOR SCOTT: I am giving you a serious answer.

Q You had a couple of very large deficits. You have another large deficit coming and you are promising no tax increase and there are certain built-in increases in government programs that neither the White House nor Congress can control, unless you compare this to legislative massive roll-back of federal programs and my question again is, do you seriously suggest that you can have a promise of no tax increase and still not talk about the possibility of continued large federal deficits?

SENATOR SCOTT: I am replying by saying first, some of it depends on the responsibility of Congress. Second, the income of this country is increasing and 4-1/2 million potential taxpayers are being added to the economic situation. There is a strong and definite growth at the rate presently of about nine percent -- it may not be maintained quite that high, but in that area -- all of which increases the tax revenues of the country.

Now I say to you if we have a Republican Congress, yes, we can do it. If we have a responsible Democratic Congress, we can do it. If we have a Congress that overrides the President's vetoes, then they will have to take the responsibility if a tax increase insues.

CONGRESSMAN FORD: Hugh, may I respond in part to the question. If we have a \$250 billion spending limitation, the prospects for a deficit of the magnitude that has been talked about in the past will be lessened, because in the interim, in fiscal year 1972, our economic conditions are improving.

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As Hugh pointed out, more and more people are working. I think in the last 12 months about 2-1/2 million more people are working. The economic figures, the corporate income figures are very, very encouraging and that has to have a plus impact on the revenues, as far as the Federal Government is concerned.

So, as the economic conditions improve, and they are improving, both for the worker and for our businesses, and if we are successful in imposing a responsible spending limitation, I think in fiscal 1973 the prospects for the deficit going down are very, very encouraging. I am not saying we won't have a deficit, but without a spending limitation, and with a Congress that in some respects today is acting irresponsibly on spending, the prospects for an increased deficit and the need for taxes goes up.

Now, in fiscal '72, I think it is premature to make any forecast, but the first step is to put the spending limitation on and we are going to make a massive effort, as far as the House of Representatives is concerned, and we have some encouraging reports from responsible Democrats in the House that they are as concerned as we are and I think we can be successful in that regard in the House and lay the ground work for a diminishing deficit in 1973 and hopefully with full employment no deficit in fiscal '74.

Q Are you saying that the budget people can make very specific projections on the hypothetical McGovern budget, but cannot even give you raw figures on its own budget?

SENATOR SCOTT: The Administration is giving you the figures on its own budget in accordance with the law and in the framework of time when they are required to do so. We asked them to give us as close a figuring as they could on the McGovern series of proposals, based on McGovern's own statements. And the Democratic platform generally, I am afraid, has tried to be as indefinite as possible, but they have committed themselves to those particular items which I read to you.

If you break these items down, they come very conservatively to \$144 billion. If they do not -- I put these statements in the public domain -- let me show why the figures are inaccurate. It depends on, I suppose, whether they can find some economist who will be as fuzzy and as hypothetical as their campaign statements.

Q Senator, did you return to the White House as unacceptable a letter from the President regarding the End the War Amendments?

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SENATOR SCOTT: No, I indicated that I had reservations over a single line, but I later released it. I didn't want to be quite as rough on my colleagues as the line indicated, but finally decided that I had to do that.

THE PRESS: Thank you.

END

(AT 10:50 A.M. EDT)

OFFICE OF THE WHITE HOUSE PRESS SECRETARY

THE WHITE HOUSE

PRESS CONFERENCE

OF

SENATOR HUGH SCOTT

AND

CONGRESSMAN GERALD R. FORD

THE BRIEFING ROOM

10:30 A.M. EDT

MR. ZIEGLER: The Leadership met this morning for a little over two hours. As Senator Scott and Congressman Ford will tell you, they reviewed the status of legislation in the Congress, talked about that extensively, and the two leaders are here to talk about that with you and to report to you on the meeting. Congressman Ford.

CONGRESSMAN FORD: I will report on the things that we believe have to be done before the Congress adjourns. We believe that there has to be the approval of the SALT agreement which the House has passed, revenue sharing which the House has passed, the foreign military aid authorization which the House has passed, naturally the debt ceiling legislation, the military procurement, military construction authorizations. They are both in conference. I think there will be some action today on the one.

We have five appropriation bills, including military procurement and military construction. We have the prospective action, following the sustaining of the veto on the Labor-HEW appropriation bill. We have hopes, of course, that welfare reform will finally come out of the Congress. It has a very high priority.

There is the busing moratorium legislation and the bill that passed the House which is now over in the Senate involving busing, and this is more urgent now than before because of the ruling of Justice Powell; pension legislation, and last, but not least, the \$250 billion spending limitation. That is important because of the actions of the Congress in adding to the President's budget, and Hugh will comment on certain aspects of that if we don't pass the spending limitation.

SENATOR SCOTT: First of all, on revenue sharing, we expect it to pass probably this week. We will vote on some more amendments beginning today. On the SALT interim agreement, there is still a blockage on the time agreement, on the Jackson amendment, but Senator Mansfield has indicated, and I have joined him in saying, that unless there is an agreement, we will sometime next week move for cloture.

The examination of the latest McGovern budget on his "scheme-a-day" proposals reveals -- and this has been put together by the Republican National Committee and at the request of the Republican House Conference -- that the new figures, even after allowing for the removal of the alleged loopholes

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and the cuts in military spending, there would still be a \$100 billion excess over the budget, not even costing out certain programs that are too vague to cost out accurately. The nearest we could come to the welfare proposal for the working poor is about \$25 billion on top of the \$100 billion, and then the farm income parity, aerospace and defense industries proposals and the rest.

The net effect would be that in view of the \$94 billion we are receiving from the taxpayers now, and having already allowed for the so-called loopholes and budget cuts, he would still have to raise something well over \$100 billion, which would mean a 100 percent increase in taxes to the average taxpayer.

You can take the average taxpayer as having an income -- or many of them, certainly -- at \$12,500 a year, paying \$1038 taxes now, and they would pay about \$2000 under the McGovern tax proposals. Of course, if you add in the \$1000 a head proposal, you would have another \$50 billion. That, of course, would add many more millions of people on welfare.

The counter-proposal to that, among others, is the President's \$250 billion spending ceiling, which is a vote against high taxes. It would be my judgment that if we had that spending ceiling, we would not have any necessity for an increase in taxes, and if we don't have the spending ceiling, the President would have to veto measures to bring it down to that area.

The record of the Administration is good. We have taken 9 million people off the tax rolls while adding \$4-1/2 billion of corporate taxes.

I want to commend my friend Tom Eagleton for his statesmanlike comments on the adventurism of Salinger and Ramsey Clark in saying that it would have been preferable if they had not made these trips and made the comments about it. I really think that McGovern ought to reconvene the Democratic National Committee and reinstate Tom Eagleton on the ticket. I told Tom that I am still for him for Vice President.

Meanwhile, we are getting along in the Senate as well as we can without Senator McGovern. We had votes like the vote on the sad events in Munich yesterday, and we had votes on revenue sharing, but we don't mind too much as long as Senator McGovern can still phone in his votes.

Q Senator, is that what you discussed with this President this morning?

SENATOR SCOTT: Some of that, yes. It was a very relaxed session. I think the most entertaining session I have attended down here yet.

Q Other than nominating the Democratic Ticket, since you were talking politics, did you get down to the President's schedule for campaigning on the Republican ticket?

SENATOR SCOTT: The President feels he will have to stay in Washington to be available to the Congress and to continue his communications with them in his hope that they will be responsive to that.

Following the departure of Congress, which we would welcome if it occurs September 30th, which the joint leadership has indicated as a goal, then I would suppose the President would be freed for appearances around the country.

CONGRESSMAN FORD: I might add that there is agreement between the Democratic and Republican Leadership on both sides of the Capitol that September 30th is the target date for adjournment. Now, this list that I read off can be accomplished by the 30th. It does mean, however, that there has to be some action in the House as well as the Senate, and it cannot be the kind of a schedule that has been followed, at least in part, since our return.

Q Senator, did you get any White House clarification on where the White House stands on the Jackson amendment on SALT?

SENATOR SCOTT: We don't need any clarification on that. The Administration is for the Jackson amendment. I have heard in meetings yesterday that Senator Pastore has one interpretation, Senator Jackson has another. I have another. Every individual Senator interprets these amendments as he sees fit. If the White House wishes to interpret the same or otherwise, that is their business.

The main thing is the amendment is written out. It means what it says. It is supported by the Administration. One Senator has asked me to repeat that today, a Senator who is opposed to the Jackson amendment. So I do so.

Q Senator Scott, is it also the President's view that Senator McGovern's proposals would mean a 100 percent increase in personal income taxes?

SENATOR SCOTT: It is a fact. It was discussed with the President as a fact. I noted no dissent on anyone's part.

CONGRESSMAN FORD: Let me add, if I might, a figure or two which I think is important in coming to the conclusion that Hugh did.

If you add up all of the specific proposals that you can price out accurately, it would add \$151.4 billion annually to the Federal budget. Then, if you subtract the \$30 billion which he advocates as a cut in defense spending, then if you take into account the reduction in revenues based on his tax proposals of \$22 billion, you come up with a figure of roughly \$100 billion increase in spending, or deficit, over and above what is anticipated at the present time.

SENATOR SCOTT: To which you have to add at least the \$25 billion for the working poor proposals, and there are four other proposals that we just cannot cost out.

Q What time period is involved in this costing-out process?

CONGRESSMAN FORD: This would be the budget that I assume he would submit in a legislative recommendation if he took office in January, or whenever he would submit his budget for fiscal year 1974.

Q Aren't you being a little overly generous to him when you subtract \$30 billion in defense proposals when, in fact, he has only said he would do \$10 billion a year? You are giving him \$20 billion credit.

CONGRESSMAN FORD: We are trying to be as conservative and as cautious as we can. As Hugh said, this is a scheme a month. Hugh called it a scheme a day. As I recall, the last time we were here before the Republican convention, we had a budget then predicated on his various proposals, and that showed an added deficit of \$150-some billion.

Well, in the interim, he has come down now to a deficit, giving credit for everything in the most conservative way, of \$100 billion. We have two months to go. I applaud his movement in the right direction, but even \$100 billion added deficit to the taxpayer in the \$12,000 bracket means a 100 per cent increase in his taxes.

Q Congressman Ford, have you priced out the proposals that President Nixon has made in the same fashion that you have priced out the proposals that Senator McGovern has made, and can you give us the figures for the President's programs?

CONGRESSMAN FORD: The President's program is included in his budget for fiscal year 1973.

Q What is the projected deficit?

CONGRESSMAN FORD: I think it is \$22 billion or \$23 billion. If you take that figure and add to it Senator McGovern's figure in fiscal '73 or fiscal '74, you would be well over \$130 billion.

SENATOR SCOTT: I would not want any of you to take Senator McGovern's proposals too seriously, because I really think he wants people to believe he is against everything he stands for.

Q Are you sort of shelving the welfare plan?

SENATOR SCOTT: No. Jerry has said it still has a high priority with us. We have a Democratic majority in the Congress. They are in control of all the committees. We want them to bring it out and pass it. The President wants to sign a proper and adequate welfare bill.

Q That would be a guaranteed income bill for the poor people?

SENATOR SCOTT: It would have the effect of a floor under income, yes.

CONGRESSMAN FORD: \$2400 a year, but with the opportunity to work their way off of it, with the incentive to do so.

Q Senator Scott, do you expect that the President's proposals on busing will pass before September 30th?

SENATOR SCOTT: Well, it is difficult to say. The situation in the Senate is that Senator Ellender and Senator Griffin and others are doing their best to get the House bill



passed. A group of 10 Senators who are opposed to it are doing their best to see that it doesn't pass. Efforts are being made now on the part of all parties to try to work out a time limitation agreement. That will evolve, I would say, during the next seven days.

Q Senator Scott, later on in the campaign, say three or four weeks from now, what kinds of appearances and how many does the President plan on behalf of Republican candidates in the Senate?

SENATOR SCOTT: The President will make that announcement. The indications to us today were that a suitable announcement will be made, but for the present, he must stay a little loose while the Congress is in session. He likes to be here, and he wants to be close to what is happening.

Q How about the September 30th deadline for adjournment and the long list of things that still have to be done? Did the President indicate whether or not he would call Congress back into session after the November elections?

SENATOR SCOTT: No, he did not.

Q Do you have any indication?

SENATOR SCOTT: I have no indication on that at all, one way or the other. It would depend on whether the Congress has omitted legislation which is vital to the interests or security of the country.

Q Is it your understanding, Senator, that the President will put out his own tax reform plan before the election?

SENATOR SCOTT: I have no information. Nothing developed this morning that has to do with any tax legislation. My observation is that every time McGovern refers to something as tax reform, it is really a tax increase. I have never been so certain as I am in this campaign that a vote for McGovern is a vote for higher taxes, higher spending, higher costs of everything, and higher unemployment.

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Q Are you saying the President is not going to propose new taxes next year?

SENATOR SCOTT: I am saying that if we have the \$250 billion spending ceiling and if Congress remains responsible in its appropriative functions there would be no need for an increase in taxes.

Q You brought up the matter of deficits. As I recall, the President campaigned in 1968 on the promise to have a balanced budget. Is it going to be an embarrassment this year for him to campaign on a deficit?

SENATOR SCOTT: I think the President is running on a full employment budget. I have heard Senator McGovern use the same terms on different things.

Q I mean in 1968.

SENATOR SCOTT: The Congress, with a majority of Democrats, has added a great many things to the President's budget over and above his requests. He has vetoed a great deal of them. Some of those vetoes were sustained and some were overridden. The President does not control the spending in our system, when the Congress overrides it.

CONGRESSMAN FORD: Let me make a comment on the tax matter. The President said this morning that there will be no tax increase by this Administration. That was very firm and very clear.

Q Is that committing for the next four years in case he wins re-election or are we only talking about until January 20th?

CONGRESSMAN FORD: The President simply said there will be no tax increase proposed by this Administration, with no time limit discussed.

Q What did he mean by this Administration? Did he mean his first four years, until January 20th?

CONGRESSMAN FORD: I assume that the President will be re-elected. I therefore put it in the context that there will be no tax increase proposed following January 20th to the next Congress.

Q Even if the \$250 billion spending ceiling is not enacted?

CONGRESSMAN FORD: That would be very, very important to make sure that the Congress wouldn't have to face up to it. But the President was very clear in his discussion with us today that the Administration intends not to submit a tax increase.

Q That means the value-added tax will not be proposed, the one that has been bandied around quite a bit.

CONGRESSMAN FORD: Senator McGovern and Sarge Shriver talked as if that were an Administration proposal. It has not been advocated by the Administration. I can only repeat, there

is no tax increase contemplated by this Administration.

Q Do either one of you expect to be a majority leader in the next Congress?

SENATOR SCOTT: I will accept the nomination. Pete Dominic thinks that we have a chance of anything up to nine. Some races look infinitely better today than they did even 30 days ago. It looks to me like in the Senate we have at least a good chance for a majority. If that is the case, I would not run away from the majority leadership, I assure you. I am a candidate right now.

Q In his acceptance speech in Miami the President said the American voter will not tolerate any attempt by our enemies to interfere with its cherished right to cast the votes any way they wish. But we have reports out of Saigon that the Government-controlled broadcasting industry in South Vietnam is editorializing rather strongly against Senator McGovern.

I wonder if you consider that to be an interference in the American voter's cherished right.

SENATOR SCOTT: No, I don't think it is an interference in the American voter's cherished rights. After all, I would be surprised if they did not fear McGovern as much as Hanoi welcomes the prospect. That is fairly obvious from both sides; who is for whom. But there is no more interference than there is when the British, the French, the Italians, the Germans, and many other nations all are editorializing that Nixon would be good for the world as well as good for the United States. The general theme that "We are safer with Nixon" is very encouraging.

Q You pointed out that the Administration had not advocated the value added tax. Did the President say he would not in the future advocate a value added tax?

CONGRESSMAN FORD: That detail was not discussed. The President did say there would be no tax increase recommended by this Administration. The details of any tax reform were not discussed.

Q We are going to assume you mean, you know, after the election and so forth. That is the only way we can write it.

CONGRESSMAN FORD: I think that is fair.

SENATOR SCOTT: That is the way we want you to write it, including everything else we said.

Q You do have a double standard about interference in our domestic politics.

SENATOR SCOTT: Politics involves every sort of double standard, I am afraid.. (Laughter)

CONGRESSMAN FORD: Let me comment on the House races. I certainly hope that Hugh is the Majority Leader, and I think the prospects are good that he will be.

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I am not a candidate for Majority Leader in the House. If we are fortunate enough to get a majority, I would have aspirations for another office. Let me talk about that for a minute.

We need about 38 to 40 net gain. Our prospects are improving likewise. I have traveled around the country in the last several weeks and we do find increasing optimism in many, many House races. We have an excellent group of candidates. I am sure that there will be a coattail effect. Naturally, with that we have a possibility of getting a majority in the House.

Q Can I clarify one thing in regard to both personal income taxes and value added tax? Are you saying that you don't expect to have a proposal for increases on either one of them through the end of the next Congress?

CONGRESSMAN FORD: I can't forecast what is going to happen in the next two or four years. There could be all kinds of crises, international as well as otherwise, and to make a commitment for two or four years I don't think is reasonable. All I can say is the President said this Administration is not going to ask for a tax increase.

Q That doesn't jibe with the fact that the President himself has said that he is considering a value added tax. You are laving us with a very confused impression here.

CONGRESSMAN FORD: There are people in departments, I assume -- I don't know as a matter of fact -- examining all kinds of tax policy changes, but the President, himself -- I can only repeat it -- said there would be no tax increase advocated by this Administration.

Q Can we go back over that once more?

SENATOR SCOTT: I can clarify a little by pointing out there can be all kinds of taxes. The Administration has no commitment to value added or any other form of new tax, but the commitment is against a tax increase when you see the total tax package. That is why value added was not even discussed today at all. I would not put all the weight on value added that McGovern does at this time.

Q Is that commitment through next year?

SENATOR SCOTT: I understood the President's intention is not to ask this Congress, and I would certainly think the import was that he would not ask the next Congress for tax increases if he gets his \$250 billion spending ceiling, and if the Congress is responsible.

There was the further comment that if he doesn't get the spending ceiling, he will have to achieve it by the process of veto. At that point, if Congress overrides the veto, they must find a way to raise the taxes to meet the money which the Congress has pushed onto the President.

Q Does no new taxes also mean no new closing of loopholes?

SENATOR SCOTT: I think the word "loopholes" is a schematic semantic which means what the individual may want it to mean. The present tax provisions aren't properly defined as loopholes. They are revenue provisions. They are the statutes of the United States. They are provided for the purpose of increasing incentives in order to increase the tax revenues ultimately, and in order to further the benefit to the economy.

Now, the use of a loophole implies that somebody is avoiding the law, and there is no evasion or avoidance of the law that I know of.

Q Getting back to my question on the editorializing by the government broadcasting industry in South Vietnam --

SENATOR SCOTT: It goes on in Washington, too.

Q This government that I am talking about exists militarily and economically almost wholly at the sufferance of the American people, some of whom are not Republicans. I wonder on those grounds if, as a matter of principle, you can still find no reason to criticize these editorials.

SENATOR SCOTT: If you are suggesting that editorials in Saigon ought to be subjected to pressure from U.S. forces, I disagree with you. If you are suggesting that the United States should tell either an American newspaper or foreign newspaper not to take an editorial position, I disagree with you. I am a First Amendment boy. I don't quite see the point of the argument that Saigon doesn't have a right to say that an American Government which has been of great assistance to them, in their opinion, they would hope it would continue.

At the same time, it is quite natural that Hanoi would say, of an American Government whom they dislike, that they hope that that administration will not continue. I don't think we can tell either Hanoi or Saigon to not publish whatever they think.

Q But you are arguing against yourself.

SENATOR SCOTT: I don't think so. I never do.

Q I didn't make any of that argument. I quoted to you what the President said in his acceptance speech. The President said the American voter would not tolerate interference, in its cherished right to vote, by our enemies. I asked you to contrast that with the series of editorials that are being aired in Saigon, attacking one of the candidates for election here.

SENATOR SCOTT: Well, if you are asking me to contrast it, the answer is, I see no contrast to draw. I see nothing improper in the action.

THE PRESS: Thank you.

END

(AT 10:50 A.M. EDT)

OFFICE OF THE WHITE HOUSE PRESS SECRETARY

THE WHITE HOUSE

PRESS CONFERENCE

OF

SENATOR HUGH SCOTT, SENATOR ROBERT P. GRIFFIN,

CONGRESSMAN GERALD R. FORD

AND

CONGRESSMAN LESLIE ARENDS

THE BRIEFING ROOM

AT 10:15 A.M. EDT

MR. ZIEGLER: The Leadership Meeting this morning was a breakfast meeting which was held over in the Dining Room on the first floor, the Dining Room just off the State Dining Room.

The President met this morning with the leaders who are here with me and also attending the meeting was Dr. Kissinger and John Ehrlichman and Cap Weinberger. During the meeting the President and the leaders reviewed the legislative proposals that are still before the Congress and where that stands and had a thorough discussion of that and also Dr. Kissinger discussed with them much of what he talked to members of the press about the other day, but in a little more detail regarding his recent visit to the Soviet Union and to Germany, France and Great Britain.

So, with that, I think the leaders can take your questions.

Senator Scott.

SENATOR SCOTT: Before questions, there is something that was not discussed, but I read in the paper that Sargent Shriver said his net worth is only around \$100,000. I can't believe it. I think his net worth is considerably less than that, unless, of course, you are talking about dollars. (Laughter) I imagine she must have cut his allowance. (Laughter)

CONGRESSMAN FORD: I think in light of what Ron said, it is best that we just go to questions. It was a thorough discussion of the legislative program and the report by Dr. Kissinger.

Q Did Dr. Kissinger say anything about Vietnam, Congressman, discussions on Vietnam with the Soviet Union?

CONGRESSMAN FORD: He has had discussions with them, but we didn't get any details of the discussions in that regard.

Q Do you people agree with Senator Dole that the Watergate case is going to turn out to be a plus for the Republicans?

MORE

CONGRESSMAN FORD: I would answer it this way. The indictments are on the record now and it certainly clears the White House and any of the responsible people in the Committee to Re-elect. I think the American people have faith in the judicial system and in my canvassing last Saturday in Michigan, I think no one we canvassed out of 25 homes raised that issue at all. The American people are more concerned about the affirmative things that involve peace and prosperity, and they don't believe that this is an issue because they know the White House is not at all connected with it.

SENATOR SCOTT: We canvassed over 100 people in Minneapolis and St. Paul. Two of the four precincts were strongly Democratic. I never got a single question about it. It is what I call perhaps a Washington issue.

The people of this country are satisfied that the judicial system is operating. They have confidence in it. Evidently Senator McGovern feels that he will gain some rallying by attacking the judicial system, attacking the Grand Jury method of procedure. He is not going to get anywhere.

Q Senator Scott, I would like to go back to an issue that you raised last week and it has become somewhat confused since then and that is whether or not the President is under any circumstances going to ask for a tax increase.

I believe that you qualified your statement and said that it depended to some extent on what the Congress did. Mr. Ziegler and Mr. Ehrlichman removed your qualifications and said there were no circumstances under which a tax increase would be requested. Yesterday Treasury Secretary Shultz put back your qualification.

I wonder if you could explain to us just what the tax situation is?

SENATOR SCOTT: There is no confusion about it. If the Congress will adopt a spending ceiling, if the Congress is responsible, that is it. The President believes that if his advice is followed there is no reason why he should have a tax increase. Certainly he doesn't intend to do anything that would bring about the necessity for such a tax increase.

CONGRESSMAN FORD: Let me reiterate somewhat differently, but I think with the same result. The President reiterated this morning there would not be a tax increase and urged us to fight for the spending ceiling and indicated that any of the various authorizations or appropriations that would undermine the spending ceiling or produce fiscal irresponsibility would be vetoed.

Q Does that mean even if Congress does not stay below the spending ceiling there will still not be a tax increase or is it a conditional thing?

CONGRESSMAN FORD: I think that is too speculative to really give a fair answer to. We have to talk about the realities of trying to get a spending ceiling which the President is fighting for and we hope to pass in the House and to try and convince the Congress to hold down appropriations and authorizations which we hope to do with those of us in the minority.

So, I don't think we can go beyond that. The President did say again this morning he was opposed to a tax increase.

Q Senator Scott, do you share Senator Stennis' concern about the Lavelle thing, that the higher-up's perhaps had any knowledge of it?

SENATOR SCOTT: As you know, I never adopt anybody else's views and then go on from there. I have views of my own. I am not on the Committee. I will wait for the Committee's recommendation and I think it will exercise the kind of judgment that the Committee is known for and when the Armed Services recommendation comes in, we will guide ourselves accordingly.

I am not going to say what Senator Stennis says. He and I were schoolmates together and I have known him ever since those days as a man who can speak for himself.

Q Sir, newspapers have reported that the Soviets are sending arms to the fedayeen and thus to the Black September group. In view of the fact that one of the murdered members of the Israeli team was American-born, what are your views, the views of the leadership, on this?

SENATOR SCOTT: This is not a matter where we are confronted with any evidence. I think it is not a matter for legislative consideration at this time. I would rather know what the facts are and I think this is an executive matter and one which again the Executive would probably want to know whether there are any facts here and whether they call for any reaction.

I myself can't go by what the papers report on, absent some obligation of mine to comment.

I would like to say on the question of Senator McGovern's proposal that we surrender the fight against inflation by abandoning the controls, it is pretty well known that the McGovern jawboning proposal was tried in several Administrations, that jawboning does not work and even George McGovern's jawboning doesn't work and a proposal that we surrender is, of course, an errant refuge from responsibility.

Senator McGovern failed to vote on the Economic Stabilization Act December 1 last, which passed 86 to four. He wasn't even there. He did, I believe, comment other than on the Senate Floor that it was two or three years late. Now he wants to take it off altogether, and above everything else, he didn't even show up to vote for it or against it.

MORE

Q Secretary Shultz indicated yesterday that the Administration is losing some of its interest or enthusiasm for value added tax as a substitute for the property tax. Did the President say anything about that?

CONGRESSMAN FORD: We didn't discuss that particular aspect of tax matters this morning, but I noted that the Vice President, who is a member of the Intergovernmental Commission, indicated that he was turning against the value added tax.

The President is waiting for a recommendation from that group and with the President taking that point of view, and I suspect a number of others who I have personally talked with, I would doubt they would recommend it and that certainly would have a significant impact.

Q Congressman Ford, did you discuss with the President this morning the Watergate case?

CONGRESSMAN FORD: We did not. It did not come up. We talked about the legislative program.

Q Could you give us more detail on what you discussed with the President?

CONGRESSMAN FORD: We went down the list of legislative items that are either in the House or Senate or in conference in relationship to when we thought the Congress would adjourn. The White House is going to be working with the Congress trying to get some of the things that have been held up or roadblocked, such as H.R. 1, the Welfare Reform bill, the various other matters that are still in either one House or the other. There is no judgment on the part of the White House as to whether this is a good or bad record until the Congress concludes.

MORE

Q Do you agree with what you claim is the public attitude that the Watergate affair is an insignificant thing?

CONGRESSMAN FORD: It doesn't appear to be among the voters a very significant matter.

Q What about your own opinion of it?

CONGRESSMAN FORD: I don't think it is. I think it is far more important that we make progress both at home and abroad, internationally as well as domestically, on solving some of our problems. The judicial process will take care of whether individuals are guilty or innocent and I think that is the way the American people feel.

SENATOR SCOTT: I think the word "insignificant" could cause some misunderstanding. The question here is not what is significant or insignificant. The indictment of these people is very significant to them. If they are guilty, then it was a shabby and misbegotten thing they did, and they should be punished for it.

But the point is that charges as to others have utterly failed of any proof and if those charges continue to be made without proof and without a willingness to present proof, they open themselves to slander or libel charges as the case may be. I think we have had enough of this kind of abuse of the public's credibility. The public's willingness to accept those charges — the public is not willing to accept them and that is why they ought to ask the questions.

Q What charges specifically are you talking about?

SENATOR SCOTT: I am not going to give further currency by repeating the charges that George McGovern makes. I will say they are silly charges, they have been made by George McGovern and they have been widely reported.

Q Some observers are saying that Senator McGovern is doing so poorly in the polls and the President is doing so well with, so far, a minimum of campaigning that perhaps the President should let Senator McGovern do all of his campaigning for him.

Looking ahead do you see the polls staying the way they are?

SENATOR SCOTT: Well, the President will, in due time, announce his own plans. He certainly will have things to say. Whether the polls stay the way they are depends on whether the voters stay the way they are. My own canvassing indicates an overwhelming support of the President. Normally the polls tend to contract a little as the undecided make up their minds one way or another. The only poll that counts is on November 7.

Q Do you see a landslide?

SENATOR SCOTT: No. I would hope that the President would receive the largest possible vote and that he would carry in a Republican House and Senate. I would be very happy with a landslide. I wouldn't ask for a recount. (Laughter)

THE PRESS: Thank you, gentlemen.