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NEWS CONFERENCE

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AT THE WHITE HOUSE

WITH RON NESSEN

AT 11:55 A.M. EST

NOVEMBER 26, 1974

TUESDAY

MR. NESSEN: The President came in and worked in his office a while before the meeting with the Congressional leaders, and met with General Scowcroft and Dick Cheney, who is Don Rumsfeld's deputy.

Then the President met with the leadership for one hour and 15 minutes. He began the meeting by saying that he was encouraged by the progress that was being made on the Rockefeller nomination and thanked the Members for what they had done, and also said he was grateful for the action on the mass transit bill.

He then went into a review of his trip to the Far East. He described it as strictly a working eight days. I assume that you are most interested in what he told them about the Vladivostok stop, are you not?

Q Yes.

MR. NESSEN: Should I skip Japan and Korea? There is nothing very startling about them.

Q Don't skip it.

MR. NESSEN: I will skip through it, then. He said it was the first trip to Japan by a United States President. It was mandatory that we went through the ceremonies. He said he had noted that Tanaka had resigned and explained the Japanese Government works on the basis of consensus, and whoever replaces Tanaka will continue the policies. Our talks were with the government and not with just one man.

He said that the Japanese and the Americans had agreed to cooperate on energy and food, that he had urged the Japanese to cooperate in avoiding the over fishing of the Northern Pacific Ocean, and had urged the Japanese to lift their ban on American beef imports; that is, American exports of American beef to Japan. He urged the Japanese to lift the ban.

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Q Will you go back over the part on fishing?

MR. NESSEN: He urged them to cooperate to avoid overfishing the North Pacific.

Q Did they agree?

MR. NESSEN: He did not say so.

In Korea he said he had visited the Second Division, which he found tough, and that he found General Emerson to be a first-class General, that Park felt that the domestic dissent was related to the threat from North Korea. The President said that Park was more lenient today in his rule than he was several months ago. He said that the "United States ought to continue its commitment to modernize the South Korean armed forces. If we do, we can keep North Korea in check."

Q That is in quotes?

MR. NESSEN: Yes.

The tunnel under the DMZ the President referred to as a clear violation, and he said that since he was last there in 1953 he had found unbelievable changes in the economy and that Korea is really moving economically.

Q Ron, did he discuss a dollar figure on the modernization of the South Korean forces?

MR. NESSEN: No, he did not.

Q So, he thinks the domestic dissent comes from the North Koreans?

MR. NESSEN: No, no. I said he quoted Park as saying that Park felt that domestic dissent was related to the North Koreans.

Now, on Vladivostok.

Q A question on the Korea thing. Did the President at any time during the trip or during this explanation explain how the North Koreans are allegedly using the Catholic bishop who this dictator has thrown in prison and other clergy? How did he explain he is more lenient today, Ron?

MR. NESSEN: Les, he was quoting General Park. Yes, President Park, as saying that Park felt he was more lenient today than several months ago.

Q Park felt, not the President, but Park felt he was more lenient.

MR. NESSEN: Yes, that is correct.

Q Did the President today give his own views on the domestic situation in Korea?

MR. NESSEN: Only as I have given it here, Ralph.

Q He was quoting President Park.

MR. NESSEN: That is correct.

Q Did he make his own observation?

MR. NESSEN: He did not.

Q Did he give you more details about how he protested or brought up the subject of the question of dissent? How this came up, and precisely what he said?

MR. NESSEN: He did not give that to the leaders this morning, John.

Tom.

Q Did he describe to the leaders the manner in which he raised United States concern about domestic policy?

MR. NESSEN: That is what John just asked. I said he did not mention that this morning to the leaders.

Q To be a little precise about what you said, I think you said the President said Park was more --

MR. NESSEN: I have a question in my own mind about that too, and I am glad you raised it, Peter. Park feels his domestic pressure is related to North Korea. That is quoting Park.

Q Right.

MR. NESSEN: Then the question of more lenient today than several months ago is the President speaking. So I was incorrect in that.

Q On what basis does he assume this? Did he give any hint on why he thinks it is more lenient today?

MR. NESSEN: He did not, Les.

Q Was there any report on the dissidents who met with Smyser?

MR. NESSEN: Smyser, no that took place after we left, and I have not heard any report on that.

Q Was this incident a brief ---

MR. NESSEN: Yes, very quickly. It was very short. In fact I have given it to you almost in its entirety on these two countries. I think everybody was anxious to hear about Vladivostok.

Q So are we.

MR. NESSEN: The President said in about a week or so he would exchange written communications with General Secretary Brezhnev to formalize the agreement they made in Vladivostok, and he asked the leaders to keep confidential the figures he was about to give them until those communications had been exchanged. He said, "After very hard bargaining", that is a quote, "we have agreed to equivalency", which is the rest of that quote.

Now I feel that I am bound by the President's request to keep the numbers confidential. The numbers were given today. That is the numbers of total delivery systems and also the total number of missiles which can be equipped with MIRVs. The numbers were given to the Members who attended as well as several other details of the agreement.

I just frankly feel I cannot give those numbers. The communication should be here in about a week or so, and at that time the numbers will be announced.

Q Ron, when they leak on the Hill will you be in a position to confirm them?

MR. NESSEN: I don't really feel like I can, Peter.

Q Was there any discussion today of the intelligence system that will be used to determine whether --

MR. NESSEN: I do have a considerable readout on the meeting beyond the figures, if you and I can go on with it, which touches on your point.

Q Just on the figures, can you explain why they are not being made public now?

MR. NESSEN: Because the President feels that it is improper to do so until he has exchanged the formal documents with the Russians.

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Q When does the President plan to talk to the American people about it by television?

MR. NESSEN: I don't think the format for announcing the numbers has been picked yet, Saul, but they will be announced.

The President gave the numbers and gave two or three other details and said -- and this is not a complete sentence the way he said it -- "The net result: A rigid ceiling has been placed on delivery systems and on MIRVs." He called the agreement "responsible" and said it had been approved by the Defense Secretary and by the Chairman of the Joint Chiefs of Staff.

At that point some questioning began and Congressman Rhodes asked whether the limitation on MIRVs was a number which referred to the number of missiles which could have MIRV warheads, or did it refer to the number of MIRVs themselves, and the President explained it referred to missiles equipped with MIRV warheads, that you could have as many MIRVs in a missile as you could cram in, but the number referred to the number of missiles.

Senator Thurmond asked how this was to be verified. The President replied it would be verified through our intelligence systems, which were described as very sophisticated and in many ways better than on-site inspection. Senator Thurmond said, "Would there be teams going in to each country?" The President said, "That is not anticipated."

Senator Stennis asked when this would be formalized, and the President explained the documents would be exchanged within a week.

The President said there would be some further negotiations going on between now and next summer. These are the negotiations in Geneva and that next summer this agreement hopefully would be consummated.

Q May I ask a clarification question. We have essentially two limits, a limit on delivery systems and then we have a separate category limiting the number of missiles which can be MIRVed. Is that correct?

MR. NESSEN: That is correct. There is an overall number of delivery systems, and then so many of those delivery systems can have MIRV warheads.

Senator Robert Byrd asked whether within this overall number of delivery systems, whether there was any mixture between submarine missiles, land-based missiles and bombers set by the agreement, and the President replied that there was not total flexibility by both sides as to the mix. You could have whatever combination of those systems that you wanted within your overall number.

Q Except only a certain number --

MR. NESSEN: -- could be MIRVed, that is correct.

Q Isn't there also a limit on the number of heavy missiles?

MR. NESSEN: I tell you, Bob, not directly, but I think when you see the details of the agreement you will understand why there is a certain limitation. It is not direct. It is not a category saying you can have only so many. I just have to ask you to wait until you see what the agreement is.

Q Ron, are the figures on both sides exactly the same?

MR. NESSEN: Yes.

Q Kissinger said at Vladivostok that the 1972 provisions with respect to heavy missiles would continue.

MR. NESSEN: That is correct.

Q Were they not so much a matter of numbers but a matter of not converting certain types of missiles to heavier missiles, isn't that correct?

MR. NESSEN: Not quite, but in that area.

Q But anyway there is a provision --

MR. NESSEN: There is a provision which applies to heavy missiles although not in the exact sense of a numerical limit on them.

Nick asked whether the numbers were the same for both sides in all categories, and the answer is yes.

The President said ---

Q Not in the mix?

MR. NESSEN: No, but we are talking about the total number of delivery systems and the total number of MIRV missiles.

The President said the figures were the best possible under the circumstances. "It is a two-way negotiation. This is not an arms reduction program. But it does not preclude later reductions. But you have to start somewhere. We put a cap on, and the cap is less than the Russians' planned program. It is slightly above the American planned program." The President said, "If we can negotiate reduction later, I am for it. First you have to set a ceiling. Then you can negotiate a reduction."

Congressman Frelinghuysen asked, "Why did the Russians agree to this plan if it requires them to have somewhat less than their planned program?"

The President said, "It is my best judgment that they are deeply concerned about the arms race. If we had not agreed to this we would have had a new arms race of unbelievable cost. This gives them security and stability against us, and we feel the same way. Brezhnev is concerned about a wild arms race. This provides adequate security for both of us."

The President then went through little details of how the negotiations took place, explaining how the dinner was postponed, and how long the sessions lasted. He said at the end of the first day, which you recall was early in the morning of the second day, he said, "There was no agreement when we broke up. We were deadlocked." Then he explained how they came back the next morning and he said there was a breakthrough. "By noon we had agreed on SALT."

The President then said the rest of that second day -- and I guess it broke up about 4:00 or 4:30, I think -- was devoted to the Middle East-European security, this joint Russian-Japanese energy development which you probably know about.

Q Did he explain why there was this overnight change?

MR. NESSEN: No.

Q Kissinger did not say there was any deadlock. He was talking very optimistically after this meeting.

Q In a pool report, Ron, he said he was trying to give us a hint something was up.

MR. NESSEN: They had made progress that first day, but at the end of the day they had reached a point where they could not nail down the agreement which is why Dr. Kissinger, I think, cautioned against the overoptimism or expecting too much.

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Q Ron, you said Mr. Brezhnev was concerned about a wild arms race. Was he concerned about the cost of the arms race? The reason I ask this is because I have seen another report which suggested -- and I want to know if you heard anything in Vladivostok -- the Russians were concerned the United States was on the verge of a technical breakthrough which would place the Russians even further behind the U.S. in nuclear weapons development.

MR. NESSEN: I did not hear anything this morning to indicate about that.

Q What about in Vladivostok?

MR. NESSEN: I did not hear anything there, either, along those lines, but I was not in on the negotiations in Vladivostok.

Q Dr. Kissinger specifically told us this would require reduction in arms by both sides.

Q That is right.

MR. NESSEN: By both sides?

Q That is not quite right. He said it would require reduction on the Russian side, and it could on the American side, depending on the mix.

MR. NESSEN: That is right.

Q Depending on what weapons you count.

MR. NESSEN: Okay.

Q But here you say it required no reduction. Is that what you said?

MR. NESSEN: I think it again depends on the mix, but the way the President described it this morning it would require a reduction from what the Russians planned, and it was slightly more than what we planned, about the same or slightly more than what we planned.

Q Is there any indication of what caused the break? Did they drop some resistance they had previously or did we? Was there anything that triggered this?

MR. NESSEN: Bob, I don't know what it was because I did not sit in on the negotiations.

Q But something did happen, right?

MR. NESSEN: The way the President described it this morning was, "There was no agreement at the end of the first day when we broke up. The second day there was a breakthrough. By nine we had agreed on SALT." That is what he said.

Q Ron, did the President indicate that the solution of the compromise on the Jackson amendment had anything to do with any of this?

MR. NESSEN: No, he did not.

Q Did we not late Saturday night decide -- that is the President and Dr. Kissinger -- to accept the last offer, the last previous offer that the Russians had made?

MR. NESSEN: That is not my understanding. I do know that that is not the way I understand what happened.

Q Were they the ones who then accepted our offer?

MR. NESSEN: Well, as I say, again, I don't know what the details of the negotiations were, except the President, I believe, said it was "the best possible figure under the circumstances. It was a two-way negotiation."

Q Ron, you said that the Defense Secretary and the Joint Chiefs approved this agreement. Could you tell us when and what the circumstances were of that approval?

MR. NESSEN: I cannot, Bob, because I am only quoting what the President told the leaders this morning, and that was the total of what he told them.

Q Did you say the Joint Chiefs or the Chairman of the Joint Chiefs?

MR. NESSEN: Chairman.

Q Did any of the people present this morning raise any questions about that breakthrough and ask how it was achieved?

MR. NESSEN: They did not. This was taking longer than expected, and they were all going over the bill signing and things sort of speeded up at the end and the questions stopped, and there were two other matters that were discussed there.

Q Ron, did the Congressmen present give the President any indication of whether the Senate would approve this?

MR. NESSEN: They did not, Gene. Let me catch Bob Endicott.

Q You have said the figure is below what we had planned?

MR. NESSEN: I said about the same or slightly above our plans.

Q Above our plans. Does that mean we are now going to catch up with that figure? We will start producing more delivery systems to catch up with that figure?

MR. NESSEN: I don't know the answer to that, Bob.

Q Do you know when you say the aggregate number is slightly above our plans, do you know whether that statement includes the B-1 and the Triton. I ask that because Kissinger said they would be included in the total.

MR. NESSEN: He said it would be included in the application, I think is what he said.

Q Included in the MIRV total, so I am asking when you use the word "plans" you are talking about B-1 and Triton?

MR. NESSEN: I don't think this has progressed that far, Jim. The B-1 has not been approved by Congress yet, has it? I don't think so.

Q I am just talking about plans.

MR. NESSEN: I don't know what the plans for the mix are.

Q I mean, when you talk about the numerical limit being slightly above our plans --

MR. NESSEN: I am only quoting the President on that, and I don't know what --

Q I just ask whether you happen to know whether that includes B-1 and Triton.

MR. NESSEN: I don't know whether it does or not, Jim.

Tom?

Q Along those lines, did he talk today about definition of any kind; that is, the cap on the improvement of those systems and missiles that might be elements in this mix?

MR. NESSEN: He did talk about it. I cannot tell you what was said, though, because it is part of the agreement.

Q That is, are we to take it there might be a ceiling on improvements, a cap on improvements?

MR. NESSEN: We are beginning to tread into dangerous grounds here, Tom. Ask me that question again. Is there a limitation of any kind --

Q Is there a limit not only in the quantity but in the quality of the elements within that mix?

Q Will both sides be able to modernize their forces, I think is the question he is asking.

MR. NESSEN: There are some provisions which you will see which have to do with modernization.

Q Ron, another clarification. The President dismisses the verification problem by saying what we have is better than on-site inspection.

MR. NESSEN: Yes.

Q But if I recall Kissinger's briefing, one of the two problems yet to be worked out in negotiation was the verification problem.

MR. NESSEN: I remember him saying that.

Q The other being the definition problem that Tom and Bob talked about?

MR. NESSEN: Right.

Q How do you square the two?

MR. NESSEN: I cannot square them, Pete. I just have what the President said today and what Secretary Kissinger said the other day. I don't know that they are out of sync.

Q They seem to be, don't they?

MR. NESSEN: Not necessarily. I cannot justify them for you today because, first, I don't know they need it, but all I have is the two separate statements. I don't have any way to rationalize it.

Dick?

Q Can you go any bit beyond what you told Tom on this business of the modernization? What we have been talking about are numbers which both sides freely acknowledge are more than adequate to do the job should anything eventually -- any kind of catastrophe develop. The major question, it seems to me, has been, what are we going to do in terms of technology. And I gather that you do not feel that you are very free to talk about that. Is there anything more you can add to this?

MR. NESSEN: Well, as I told Tom, I am verging awfully close to the line, but let me call your attention, if I may, to the SALT-1 agreement, which had a provision for reconstructing silos, if you recall that, and suggest that it is in that area that I am talking about. But let's not go any further with that. We are really awfully close to what I am not supposed to say.

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Q But we are talking about silos, size of the silos. They are increasing slowly too.

MR. NESSEN: This is what I was talking to Bob about.

Q And throw weigh is not so much a qualitative improvement -- it is kind of quantity and kind of quality, but is that the hint you were trying to tell us earlier when you were talking about the size of missiles?

MR. NESSEN: Yes.

Q Ron, when you were talking about slightly above or substantially below what had been planned -- are you talking about ---

MR. NESSEN: I did not say substantially, did I? No.

Q Kissinger did.

Q That this will be below what they had planned.

MR. NESSEN: Correct.

Q And perhaps slightly above, slightly above.

MR. NESSEN: Right.

Q Are you talking about what we and they had planned during the remainder of the interim agreement by 1977, or what we all, both sides, had planned by 1985?

MR. NESSEN: Okay. That is a good question, and the briefing this morning was too general to get into that, and I just frankly do not know the answer to it. It was just put in the terms I relayed to you.

Q Kissinger in effect said 1985, didn't he?

MR. NESSEN: I just do not recall. We have a transcript. We could check it out.

Q Would it be possible to get transcripts of what you have said here today about what the President said to the leaders with those quoted remarks in quotes?

MR. NESSEN: I think the transcriber always does that.

Q But you know, like mid-afternoon or something like that. That part of your briefing, on the Vladivostok meetings.

MR. NESSEN: It is always available here. Usually they have it a little later in the day than that.

Q I would like to subscribe to that, if we could get it in writing, passed out.

MR. NESSEN: How much is a subscription? Okay. Let me go on.

Q Let me ask one question. Could you just go over that line about the economic developments between Japan and the Russians? I just would like to get that line accurate.

MR. NESSEN: I did not give a line really. He just touched briefly -- he said among the other subjects -- do you remember that natural gas field up there? Well, I don't have any exact quotes because he just touched on it. He said that was one of the things they talked about.

Q Did he discuss it with the leaders at all?

MR. NESSEN: With the leaders, no, he did not.

Dick.

Q To leave this subject, could you in any way characterize in terms of significance the provisions that you referred to in terms of modernization for technology? In other words, would you call these significant? Would you call them minor, small, major?

MR. NESSEN: I would say they are along the lines of the SALT 1 Agreement which has to do with the modernization of silos, reconstruction of silos.

Q This one-week delay, is there some sort of complication? Stennis indicated there was some sort of interplay still going on.

MR. NESSEN: I am aware of none. I think it is simply getting it down on paper and getting translations made and that sort of thing. I have heard nothing about any hangup.

Q Does the President plan to seek Senator Jackson's support, and is there any significance to his not attending?

MR. NESSEN: Senator Jackson is being briefed, probably right now, by a senior member of the National Security Council.

Q Why?

MR. NESSEN: Because he is interested in the subject and he is the chairman of a subcommittee I think which deals with this subject.

Q Is there any more --

MR. NESSEN: I have quite a lot.

Q Why wasn't he invited to the White House?

MR. NESSEN: Because the meeting was -- the guest list was fairly rigid in terms of the committees, and the chairmen, and ranking Republican of the committees, plus the leadership of the two parties.

Q That was your own rigidity. The President could have made a change in that.

MR. NESSEN: I don't know of any other reason than that, except this briefing was arranged for him.

Q Did Jackson ask to be briefed?

MR. NESSEN: I am not sure who the initiative came from, frankly. In fact, I only heard about it just before I came out here and I wanted to tell you about it.

Q Can we find out where the initiative came from?

MR. NESSEN: We could check that.

Q Who was the senior member of NSC?

MR. NESSEN: I don't think we probably ought to do that.

Q Are there plans for other briefings of other Congressman?

MR. NESSEN: Absolutely. I don't have an exact schedule, but the President will be informing -- other Members of Congress will certainly be briefed on this.

Q Ron, do you know when the President went into negotiation at Vladivostok if the Russians were still insisting on a reduction of or elimination of forward-based tactical aircraft?

MR. NESSEN: John, I don't know what the position was before because I was not in on the substantial negotiation. The President did mention this morning that when he was describing the agreement that the Russians had -- he did not use the word abandoned or anything like that. He just said that our forward tactical weapons would not be counted against the total. But he did not indicate whether that had been an issue or had been abandoned before or what.

Q But there is something tricky about that, isn't there, Ron, because those forward based vehicles are going to be included in the Mutual Balanced Force Reduction negotiations, are they not?

MR. NESSEN: You got me. I have not gotten into that one yet, Peter. I don't know.

Q You might try it one day.

MR. NESSEN: I think before long I probably will.

Q Try to find out if that word balance is in there when you check it will you?

MR. NESSEN: I will.

That took care of the Vladivostok briefing. At that point Roy Ash gave his budget briefing which he is going to give to you here in an hour and five minutes. The budget cut proposal is embargoed for 3 o'clock, so I cannot give you any numbers. If anybody has any interest in filing for afternoon papers on this maybe I can give you a few things about it. Do you want to try that?

Q Yes.

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MR. NESSEN: Roy gave the figures, and again I cannot give you the figures because they are embargoed until 3:00. I can tell you the budget cuts which will go up there involve a total of 80 deferrals and recissions, 55 separate pieces of legislative action.

Q How many?

MR. NESSEN: Fifty-five, and 11 administrative actions that the Executive Branch can take without Congress.

The President, under the deferral and recission process, could have suspended this spending as of 3 o'clock this afternoon, but instead has set the date as December 16. This is so as not to give the impression that he is rushing these things up to Congress just before a recess when they cannot take any action. This would give them time to consider whether they want to go along with the deferrals and recissions after they get back from Thanksgiving.

Ash said that the President's aim in this budget cut proposal is a sharing of the burden dividing up the misery, and that the President had tried to minimize the effect on unemployment. He then went through some numbers.

The President now feels that Congress has a responsibility in the inflation fighting program, and that Congress is accountable for its action or inaction on these budget cuts, and that it is now Congress' turn to show whether it is committed to fighting inflation.

The President chided the members gently by saying that they had added to the budget by overriding his veto of the Federal pay raise. Do you remember where he tried to postpone the Federal pay raise and they rejected that, that and also by overriding his veto of the railroad retirement provisions.

Ash said, "The President is not sending up marshmallows. These are bullets."

I thought we learned our lesson on that one time, but I guess not.

Q Did he mention the minimum effect on unempoyment? Did he cite a figure on that?

MR. NESSEN: He did not cite a figure today, no.

Q Are there any defense cuts or is it all HEW?

MR. NESSEN: Helen, what kind of question is that?

Without giving you the numbers, I will say that Ash anticipated Helen's question by taking the Members through very broad categories of the budget, one being defense, interest payments, payments to individuals and all other spending.

He compared the original July 1 budget figure with what the new budget figure will be after this afternoon's package and showed them the percentage reduction from July 1 and also the percentage increase from the 1974 budget in each of these categories. You will see when you get the numbers, Helen, that there is a cut in the defense budget that you will be able to compare with the other defense budgets.

Q How can the government cut interest payments? You list interest payments here.

MR. NESSEN: I list interest payments, but I did not say there was a cut, Jim.

Q In what context is that in then?

MR. NESSEN: I am showing how -- the different broad categories --

Q Is this a percentage of the budget that is accounted for by interests, you mean?

MR. NESSEN: No, there is a dollar figure for interest.

Q You started off that sentence by talking about defense.

MR. NESSEN: I said Director Ash gave four broad categories of the budget, defense spending, interest payments, payments to individuals and all other payments.

Q What is going to happen to the other three categories. You said defense is going to be kept, but you have not said what is going to happen in the other three categories.

MR. NESSEN: Ralph, you are going to get these figures in one hour from now.

He said, "These two provisions are clearly inconsistent with the actions we must take if we are going to bring Federal spending under control to stop inflation." The President said he continues to support a responsible increase in benefits to veterans. Since 1944 the cost of living has risen 55 percent and since 1966 veterans benefits have risen 120 percent.

There will be a message going to Congress this afternoon spelling out his reasons for the veto to which we -- do we have a time yet on that -- it will be slightly after 3:00.

Q How much was that bill? Is that a 23 percent bill?

MR. NESSEN: It is 22.7, as written.

Q In benefits?

MR. NESSEN: Just in benefits. That does not count the loan program and increased eligibility.

Q When you said in the neighborhood of 20 percent, that he would accept, is that a change from the previous statements of about 18 percent?

MR. NESSEN: I tried to figure that out too, Norm, and he was very vague and he was going very fast at this point, and I think he probably meant 18 point something. I think he just could not quite remember what the exact figure was.

Q Ron, in following up this commendable ideal of bringing Federal spending under control, just a minor item, but housekeeping item, while you were gone, I think the Star News reported in order to maintain the \$2 White House lunch for the White House staff, there is about \$300,000 worth of armed services personnel working here.

Do you know anything about that, and could you tell us why, as well as also the report that there is still Secret Service men in Key Biscayne?

MR. NESSEN: I do not know about either of those matters, Les.

Q Would it be possible for you to check?

MR. NESSEN: We can check.

Q But since you volunteered this information now, I thought the question was proper. You volunteered it.

MR. NESSEN: I am getting pinned to the wall today. All these numbers.

Let's make sure what we are talking about. Take the original July 1 budget, right, and you compare it with what the budget will look like after this afternoon's package, right? You have a reduction in defense spending. You have an increase in interest payments. You have an increase in payments to individuals, and you have a reduction in all other payments. And that is all I can tell you folks, really.

Q One more thing. Does it come within his goal of \$5.4 or \$5 billion?

MR. NESSEN: I am not really going to do that one, Helen, because it is too close to the hour.

Q Ron, will you have a paper to go along with this? Will this be spelled out?

MR. NESSEN: Yes. I have not even gotten through my morning announcements yet and I will spell this out when I get back to that.

Let me say one other thing that came out of the leadership meeting. The President told the leaders that he has decided to veto the veterans education bill. The President said, "Believe me, it was not an easy decision."

But he said that two portions of the bill could not be justified under the current economic circumstances. Those two sections are the \$600 loan program and the extension of eligibility from 36 to 45 months.

Q Go over the last one.

MR. NESSEN: An extension of how long you can have in college, from 36 to 45 months.

Q How much was that, a 23 percent increase?

MR. NESSEN: The President said he was prepared to accept an increase in benefits roughly in the area of 20 percent, but he could not go along with these two other -- what he referred to as -- defects.

Q Did the leaders warn him that his veto is likely to be overridden?

MR. NESSEN: He acknowledged it without being reminded of it.

Q What is that, Ron?

MR. NESSEN: I think the way he phrased it was, "I do not have any illusions about what is going to happen to the veto."

Tom.

Q Did he have any comment today to the leaders about Secretary Simon's testimony that in January or February the President would have to consider a gas tax?

MR. NESSEN: No. That did not come up.

Q What did the President meet with Senator Scott and Congressman Rhodes about?

MR. NESSEN: O.K. I want to get on with my announcements, which that includes.

Following the leadership meeting the President went to the East Room to sign the Mass Transit Bill, which you all saw, and I think you have gotten the briefing from Secretary Brinegar and also you covered the ceremony.

The President also met with Jack Marsh, Bob Hartmann, Bil Timmons and myself later this morning. He also met with Senator Scott and Congressman Rhodes, after coming back from the signing ceremony, to discuss legislation he wants Congress to pass.

At 12:30, which is past now, we are going to have a photo at the beginning of the President's meeting with Secretary Butz and Secretary Butz is here, back from the World Food Conference in Rome, to report to the President.

This afternoon the President will meet with staff members. Some of the time will be spent on the 1976 fiscal budget. Let me give you a rundown on how this budget briefing is going to go this afternoon.

At 1:00, which is only 25 minutes from now, the material will be handed out to you here in the room. The briefing will be here incidentally, instead of at EOB. It will include the message itself, which runs about six pages, a fact sheet, and a very thick book which includes the specific details of each of the 146 cuts.

I am going to have to say that there is no filing on this until after the briefing, and the reason for that is that papers will not have reached Congress until about 2:15 as I understand it, and it is just Congressional courtesy not to have it on the wires until after the members have received it.

So, 1:00 you get the papers and you have a half-hour to read them and this is not going to be like the economic message where we goofed up and got the stuff late. The stuff is really here.

So you will get that in 25 minutes. Roy Ash will be out at 1:30 to brief, and presumably that is going to run until about 2:15, I would guess, or whenever. But whenever the briefing is over the stuff should have gotten to Congress and then you can go ahead and file, and the release time is 3:00.

Q Ron, just to clear up one point. Am I clear that you said the President expects his veto of the Veteran's Education Bill to be overridden ?

MR. NESSEN: That is what he indicated to them. He did not say it in quite those words. He said, "I have no illusions about what is going to happen to my veto."

I don't have any other announcements actually.

Q Will you have some copies of the Vladivostok statement this afternoon that Al and Ron brought up?

MR. NESSEN: That was copies of the Kissinger briefing. Was that it?

Q No. Your comments of the President's briefing.

MR. NESSEN: As soon as the transcript is typed up.

Is that the end of the briefing? Nobody said, "Thank you."

THE PRESS: Thank you.

END

(AT 12:40 P.M. EST)