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NEWS CONFERENCE

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AT THE WHITE HOUSE

WITH RON NESSEN

AT 12:20 P.M. EDT

MARCH 3, 1975

MONDAY

MR. NESSEN: At 8 o'clock this morning, the President had a regular weekly meeting with the Republican Congressional leaders. It was in the Cabinet Room, and I think you have seen a list of those who attended.

Then, Senator Scott and Congressman Rhodes came out here to give a report on the meeting. For those of you who were not here then, there will be a transcript ready shortly that you can read through.

Basically, what happened at the meeting was the President went around and asked the various Republican leaders for their comments on the two Democratic outlines on energy that came up this weekend.

The President also talked about the veto that he intends to make of the deferral of his oil tariff authority and he talked a little about the possibility that he may delay the imposition of the second dollar.

Other than that, I think probably Congressman Rhodes and Senator Scott gave you what you need out of that meeting.

Q That second dollar has already been imposed, hasn't it?

MR. NESSEN: Right.

Q You mean revoking it?

MR. NESSEN: No, it would not be a revocation. It would be a delay that would be retroactive if he decided to do it.

Q Was there any discussion of the third dollar?

MR. NESSEN: No.

Q Does the second dollar go on automatically on Saturday?

MR. NESSEN: Yes. The proclamation that he originally signed had a timetable.

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Q It was automatic?

MR. NESSEN: Yes.

Q It actually went on Saturday, didn't it?

MR. NESSEN: It went at midnight Friday.

Q If he decided to delay it, he would then retroactively postpone that to, say, May 1st. Is that the way it would work?

MR. NESSEN: If he decides to.

Q You can't say he has not made a decision?

MR. NESSEN: On what, delaying it?

Q On doing anything.

Q Has he made that decision?

MR. NESSEN: I am told he will make that decision in his own mind sometime this afternoon.

Q Four o'clock?

MR. NESSEN: I don't anticipate there will be any announcement today.

Q Would you expect it to be revealed for all the world to see in the veto message, is that what you are telling us here?

MR. NESSEN: I would not be surprised if those two came together.

Q Is there going to be an announcement at 4 o'clock?

MR. NESSEN: There will be no announcement today out of the White House concerning the possibility of delaying the second dollar.

Q What about the veto?

MR. NESSEN: I don't anticipate a veto, either.

Q What is this 4 o'clock business we have been given?

MR. NESSEN: Helen, I have no idea.

Q Have you seen the wires?

MR. NESSEN: Yes, ma'am. I have no idea, except to say the President's plans are to probably make a decision in his own mind sometime this afternoon. He will announce that tomorrow.

Q Ron, was there a tentative decision or an earlier decision or decision also to have an announcement this afternoon and then something came along that changed that?

MR. NESSEN: No, that did not happen.

Q Congressman Anderson told us that there would be an announcement at 4 o'clock.

MR. NESSEN: I am aware of that.

Q Was he wrong?

MR. NESSEN: I am telling you the decision will be made in the President's mind this afternoon, probably, and will be announced sometime tomorrow.

Q Did the President tell the Congressman or did anybody on the White House staff tell them it would be at 4 o'clock?

MR. NESSEN: Not that I am aware of.

Q Wait a minute. We are all out with stories and we have been out for a couple of hours. And do you mean you held up this announcement that there is not going to be an announcement at 4 o'clock and let it stay on the wire that long?

MR. NESSEN: Helen, I have been in with the President most of the morning getting straight the sequence of events. I did not go to the Republican meeting this morning. Jack did and he has handed me a note saying he heard no discussion of a 4 o'clock announcement at this meeting.

Q Then, what was Anderson saying to us?

MR. NESSEN: Helen, I just prefer to tell you what the President's plans are in this regard.

Q You said a 4 o'clock meeting? What about a 4 o'clock announcement?

MR. NESSEN: I am saying there will be no announcement today. There will be no veto today. The veto will be tomorrow; and obviously, it has to be tomorrow because the deadline is midnight tomorrow, and there will be an announcement sometime tomorrow concerning the President's decision on whether to delay the second dollar.

Q There will be no announcement of any areas of compromise today?

MR. NESSEN: No, absolutely not.

Q The President said on Friday that he was going to announce those today.

MR. NESSEN: It is likely the President, at sometime during the day today, will be talking to Senator Mansfield and Speaker Albert on the phone as he said he would do the other day.

Q Ron, if he is going to make the decision today, why not announce it. Why wait until tomorrow?

MR. NESSEN: The notes have to be put in written form. If he does decide to go for the delay, that would involve a revised proclamation and so forth. It takes a certain amount of legal steps to do it if he does decide to do it.

Q Senator Roth of Delaware announced last night he expected the President to announce this today after the morning meeting, and he was told he would likely postpone the tariff.

Q Was he misled or what?

MR. NESSEN: Helen, you have quoted Congressman Anderson as saying it was going to come out at 4 o'clock.

Q Scott and Rhodes also said there would be an announcement later today, this afternoon.

Q This is a bad scene, really.

MR. NESSEN: Folks, it may be a bad scene, but it is not my bad scene.

Q Jack was there. Can we ask Jack?

MR. NESSEN: Jack has handed me a note saying that the 4 o'clock was --

Q Was there any discussion of an announcement today, Jack, that there would be an announcement today because everybody we have talked to who came out of that meeting said they had the impression there was going to be an announcement today. Anderson said 4 o'clock. Was there anything in that meeting to suggest there would be an announcement today? How were all these Members of Congress led astray?

Q They were misinformed, and if they were, we had better correct the story.

MR. HUSHEN: There was no discussion of a specific time. There was discussion of an announcement later today.

Q There was discussion of an announcement today?

MR. HUSHEN: Yes.

Q Then what happened?

Q You have reached my problem, Ron. What has suddenly delayed things?

MR. NESSEN: I think we are hung up here beyond the length of time we need to spend on that matter.

Q No, we are not. What did Jack just say?

MR. NESSEN: Jack said there was a discussion in the meeting of a possibility of an announcement today.

Q On what subject?

MR. NESSEN: I assume on the possibility of delaying the second dollar on the tariff.

Q Would you then tell us why you decided not to have an announcement today?

MR. NESSEN: There was no decision to have an announcement today, Mort. There was discussion, as I understand it, of the possibility of having an announcement.

Q Ron, when you found out there was not going to be an announcement today, nothing -- or assuming you knew that there had been some discussion of it because Hushen was in there--why didn't you come out or send somebody out to alert the wire services and others that this was not the case.

MR. NESSEN: I came almost directly from the President's office out here, and the discussion in the President's office never made any reference to an announcement today.

Q Personally, you had no knowledge that these misleading stories had gone out?

MR. NESSEN: I saw a story quoting Congressman Anderson as saying there would be an announcement at 4 o'clock. Let me try to explain the sequence of events as I saw them.

I went in and I told the President there was a story on the wires quoting Congressman Anderson as saying there would be an announcement at 4 o'clock. The President said he had no intention of making an announcement at 4 o'clock or any time today. Then, there began a rather lengthy discussion of the sequence of events for tomorrow; drafting the veto message, his timetable for making this decision sometime today, his probable phone calls to Mansfield and Albert and so forth.

But there was no discussion of "Yes, I did say that but I have changed my mind." He just did not seem to know where Congressman Anderson had gotten the idea. And then after that --

Q Couldn't you have sent a note out to Hushen or Speakes or somebody to get out here?

MR. NESSEN: Jim, the meeting lasted until 12:05 and I was here at ten after twelve.

Q What makes everyone so suspicious about whether your office is really being up to speed on what is going on, we were told this morning that Scott and Rhodes were not going to brief in here. Then we all went out in the driveway and someone came out and said, "They are going to brief in here." We came back in and someone said, "No, they were not," and when the Press Office said, "No, they were not," Senator Scott was standing in the doorway.

We are not sure -- we have to notify our offices of what is going to happen and be ready for things.

MR. NESSEN: I got off to a bad start today because I had my annual physical examination, and I did not arrive until Rhodes and Scott were here in the outer office. That is where I picked up the day's events. Let me just say there may have been some misunderstanding on the part of the attendees at the meeting today, but there was never any plan to make the announcement today. So, it is not a question of a cancellation or postponement.

Clearly, the wires are in a somewhat embarrassing situation, although I --

Q We are not in an embarrassing situation.

Q The White House is in an embarrassing situation --

MR. NESSEN: Gaylord, I don't see that.

Q -- when not one, but three, Congressmen come out and say an announcement is to be made.

MR. NESSEN: I did not hear Scott nor Rhodes say there would be an announcement today.

Q Ron, would you tell us what the President's opinion is of the two Democratic energy programs?

MR. NESSEN: I wonder if I could do this, Mort. There are a fair number of announcements today. Why don't you let me run through those and pick up after that with your questions, if I could?

Q You forgot something. How was your physical?

MR. NESSEN: They say I need a complete body transplant.

Q That is all? (Laughter)

Q I mean, how are you, Ron? How are you doing? You are a man in the public eye now. You may be getting \$2,500 a speech in years to come, and I just wondered how is your health.

Q Hushen was in the meeting. From 9:30 on, we didn't see the story. Why didn't he come and tell us it was wrong?

Q A serious question. Any ulcers?

MR. NESSEN: They didn't find any. I am not aware of any.

I don't want to beat the thing into the ground, but the fact is, as long as you quoted Congressman Anderson as saying that, I don't see what the problem is.

Q I don't like to be out with an erroneous story, frankly.

MR. NESSEN: That is something you need to talk to Congressman Anderson about.

Q No, it is not. It was said in the White House. You had people from 9:30 this morning who knew what was said on the wires and they let it go.

MR. NESSEN: As I said, I did not get in to talk to the President until shortly after 11:00 and was in there for an hour and as soon as I left, I came directly out here.

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Q Senator Roth of Delaware made the same announcement last night, and he expected the announcement to be made at midmorning or sometime today after the leadership meetings.

Q They all come out and say that is what they expect, and you are saying it has never been claimed.

Q What were they discussing?

MR. NESSEN: They discussed the possibility of an announcement today.

Q So, they therefore gathered it was going to happen, right?

MR. NESSEN: I only heard Scott and Rhodes. I did not hear any of the others.

Q Sometime this morning Senator Roth talked to somebody at the White House and was told the announcement would be made at four o'clock. Now, maybe the person he talked to was reading the wire, I don't know.

MR. NESSEN: That is possible, too.

Q But there obviously is a considerable view abroad in the land that there was going to be an announcement today.

MR. NESSEN: There may be, Norm, but the fact is --

Q Why don't you make one, Ron?

MR. NESSEN: I am telling you the sequence of events today, which was I went in to the President, and the first thing I said to him was, "What about the four o'clock announcement?" He said, "What four o'clock announcement?" And we went on from there.

Q Can you describe this four o'clock announcement? (Laughter)

Q Ron, has work begun on the proclamation that you referred to?

MR. NESSEN: It is not possible to begin work because the President has not made his decision on the delay of the tariff yet.

Q The answer is, work has not begun?

MR. NESSEN: That is correct.

Q Upon what is his decision contingent?  
He has been studying all weekend.

MR. NESSEN: That is going to come back to the question you asked a few moments ago, and I would like to go through the announcements, if I may.

Q Ron, one last question. Will the four o'clock announcement be made here in the Oval Office?

MR. NESSEN: You are going to waste your afternoon if you wait for a four o'clock or any other time announcement here today.

Q Ron, didn't the President himself tell us in the Cabinet Room on Friday that it would be Monday or before that he would make up his mind?

MR. NESSEN: I think the context of that was he would be back in touch with Mansfield and Albert Monday or before, and he will talk to them on the phone probably today.

Q Will they have an announcement at four o'clock?

MR. NESSEN: No.

Q Will he tell them his decision?

MR. NESSEN: Probably not, but then again, he has not called them yet so I don't know what he will say to them.

Q Will there be a veto message containing both points?

MR. NESSEN: I expect the announcement tomorrow would be both a veto and a decision on what to do about the oil tariffs simultaneously.

The President has begun his meeting with Attorney General Levi. It is their first private meeting together. The Attorney General attended his first meeting on February 21, but the President is starting a series of private meetings with new Cabinet members where they can talk over the Cabinet members' departments and the Cabinet members' views and the President can indicate general policy areas and approaches that he considers important in their departments. There have been photographs taken at that meeting.

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At three o'clock the President is meeting with Ephraim Katzir of Israel. It will be an opportunity for them to get acquainted. President Katzir is here on a private visit. We will have a posting describing the meeting.

On the personnel front today, the President is announcing his intention to nominate Eugene V. McAuliffe of Jamaica Plain, Massachusetts, to be the Ambassador to Hungary. He succeeds Richard F. Peterson, who is resigning to return to private life.

A little background on Mr. McAuliffe. He has been Deputy Chief of Mission of the United States to NATO in Brussels since 1972. From 1970 to 1972 he was a political officer with SHAPE. He is a career Foreign Officer. I believe you have a complete biography.

The President is also announcing his intention to nominate Anthony M. Kennedy of California to be the U.S. Circuit Judge for the Ninth Circuit. He succeeds Charles M. Merrill, who has retired. You also have a biography of Mr. Kennedy.

We also have available here the 14th annual report to Congress from the U.S. Arms Control and Disarmament Agency. There is also a statement by the President to the Congress concerning the progress of the past year in arms control negotiations with the Soviet Union, and with the negotiations in Vienna on mutual and balanced force reductions in Europe.

We are announcing that tomorrow at noon the President will meet in the Oval Office with Hushang Ansary, who is the Minister of Economic Affairs and Finance for Iran. Minister Ansary is visiting Washington to attend a meeting of the U.S.-Iranian Joint Commission, of which he and Secretary Kissinger are co-chairmen.

This is an opportunity for the President to discuss matters of common interest pertaining to the work of the Joint Commission, particularly in the energy and economic fields.

The President's meeting with Minister Ansary reflects warm and close relations which exist between the United States and Iran, and the importance our government attaches to strengthening and broadening that relationship.

Following the meeting tomorrow, we also will post some details of what went on there.

To pick up with Mort's question, I wonder if the way I might do this would be to first of all talk about the plan that was put forward last week, the policy outline or policy consensus of the Democrats, and then go on to the Ullman plan.

As for last week's policy outline, the White House feels that it is pleased that the Democrats have committed themselves to the goals that the President has set of getting rid of American dependence on Arab and other foreign sources of oil.

The White House feels that the plan in the sketchy details that were provided will not reach the goal; the specific proposals such as they are will not reach the goal.

As for a couple of specific items that have been found in there, there is a feeling that this plan places an extremely heavy burden on the poor. It would by raising gasoline prices five cents take \$5 billion out of the economy. This would especially hit the poor because there is no mechanism in this plan to give the \$5 billion back in any way.

There also is a feeling that the program is incomplete in that there is nothing in there to stimulate off-shore development, coal, exploration for new oil, the development of so-called exotic fuels -- which are coal gasification and liquifaction, geothermal, solar and so forth.

There does seem to be a feeling here that in many ways the plan is dictatorial in that it gives a great deal of regulatory authority to the government. It has elements of allocation and rationing and very tight regulation of the automobile industry.

It calls for the setting up of a Federal board of some kind. The details are not provided, but it appears to the people here that it could be a kind of super rationing board that would allocate fuel and determine which industries get fuel in which regions and how much fuel individual people get.

The next item specifically is that the plan advocates conversion to coal but it does nothing about modifying the pollution laws in a way that would allow conversion to coal. It also talks about placing certain incentives to buy small cars and penalizes people who buy big cars, and again, does nothing to modify the air control laws in a way that would permit this.

There is very strong feeling that -- as written in the sketchy outline -- the immediate effect of this would be to place a premium on Americans buying foreign-made cars, and that this would cost jobs in Detroit and a further dislocation of the auto industry.

Q Is that possibly because foreign cars are more in line with the President's long-range energy goals?

MR. NESSEN: At the moment, if you put this into effect without any changes in the air pollution laws, the only kinds of cars -- that is going too far --

Q Don't foreign cars have to follow the air pollution laws, as well as American-made cars? I think they do.

MR. NESSEN: What I am saying is if you want Detroit to build cars that get more miles per gallon, the White House feels you need to go up to the California air pollution standards and then have the five year pause that he called for. Otherwise, you force people to buy foreign cars.

Q Ron, can you explain again why foreign cars which meet the same standards are able to be produced when American cars are not?

MR. NESSEN: That I do not know, but it is the case. (Laughter)

Q Why encourage the purchase of cars that are not energy efficient; that is to say, U.S. produced cars?

MR. NESSEN: There is no effort here to encourage the production of less efficient cars. It is just a fact if you want more efficient cars, you need to--the White House feels--provide a way for Detroit to do it by going up to the California standards and then pausing there to give Detroit a chance to build those kinds of cars.

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Q Ron, the question you were asked a moment ago relative to this point was the foreign auto makers seem to be able to do it. Why can't American auto makers do it?

MR. NESSEN: That is not a question the White House can answer.

Q Is the President considering an incentive to American auto makers to produce cars that reach the efficiency levels of the European auto makers?

MR. NESSEN: He has signed an agreement, as you know, with the auto makers to improve their efficiency by 40 percent; and if they don't, he has said he will force them to by legislation.

Q Ron, does the President regard this Democratic energy program as one providing the basis for a compromise?

MR. NESSEN: Let me go on with the specific items and then step back a minute.

There is also talk in the Democratic plan about one way of saving fuel is to enforce the 55 mile-an-hour speed limit. The President has already, as you know, urged that and Congress has passed a bill in that direction.

The Democratic plan does not speak of how you would enforce this, whether you would have to provide more police cars to the States or what. There is nothing new in that element of it.

Q Don't you enforce the speed limit the same way at 55 that you do at 75, Ron?

MR. NESSEN: That is not, as you well know, a Federal responsibility.

Q There is the Highway Act.

Q But I don't see any difference in enforcing the speed limit at 55 or enforcing it at 75.

MR. NESSEN: Wait a second. What I am saying is, it is presented in the Democratic outline as a way to save great amounts of fuel. And from the Federal point of view, there does not seem to be any way to enforce that.

On the economic side of this Democratic outline of last week, their projections are based, among other things, on an annual growth rate of 10 percent in the GNP, the real GNP, in the second half of 1975, which is considered by the economists here to be utterly unrealistic. There is a feeling that in the Democratic plan of last week--there is some acknowledgement of the fact--that government spending needs to be held down, but there is also talk of programs that would add billions of dollars to the deficit.

The one other thing about the energy program is that their goals are somewhat lower than the President's. They talk about saving one-half million barrels a day by the end of this year and 1.6 million barrels by the end of 1977, but a look at their program indicates that a great deal of that is based on voluntary conservation and, based on some experience, the White House thinks it is probably not possible to accomplish what they think can be accomplished by voluntary measures, and so the savings, if the voluntary methods do not work the way the Democrats say they would, there would only be a saving of 250,000 barrels a day this year and only 700,000 barrels by the end of 1977.

The Democrats say that their program will save 11.6 million barrels a day by 1985 and the fact is that they -- as I mentioned to you the other day -- Zarb and Mor-ton ran this through their computers and their estimation is that it would save only 6.5 million barrels a day. And that this, instead of reducing imports, would actually allow imports to increase to 12 million barrels a day by 1977, which would be, in effect, almost double what it is today.

Just to turn briefly to the Ullman plan.

Q Could you run quickly through that, those claims on the numbers?

MR. NESSEN: According to the plan, the Democrats say that their program would save -- and also I am glad you mentioned that, I want to tidy up one figure -- their program would save 11.6 million barrels a day by 1985; 11.6 million barrels a day by 1985 is what they say.

The calculations by the computer here are that their program would actually save only 6.5 million barrels a day by 1985. And whereas, based on that, the White House calculates that the United States would be importing 12 million barrels a day from Arabs and other foreign producers by 1985.

That is the figure I want to correct. I said 1977. Twelve million barrels a day by 1985 under the White House calculations based on the Democratic plan which is nearly double what is being imported today.

Q Does the 1.6 billion by the end of 1977 still stand?

MR. NESSEN: It does not because nearly half of that, as far as we can determine, is based on the voluntary steps which the White House does not feel would save what they say it would save.

Q So, the 700,000 is your estimate of what it would save?

MR. NESSEN: Correct.

To turn to the so-called Ullman plan, frankly, there has not been enough time to give the Ullman plan the same kind of analysis that was given to the earlier Democratic outline.

Frank Zarb has taken a look at it and feels, based on a first look and not a detailed analysis, it offers a distant hope, but it is far from a satisfactory basis on which to base a compromise.

Again, at first look, it appears to depend too much on a higher price for gasoline and the White House feels that that method is inefficient and unfair.

Now, to answer the more general question of, is this the basis for a compromise, it does seem that there is more than one Democratic or Congressional plan. The first one presented last week is really nothing more than a sketchy outline. The Ullman plan does provide for details, but it has not been completely analyzed yet and rather than answer that specific question, I think it would be fair to say the President's goal is the same, which is to get Congress to sit down and quickly pass an energy program.

Q When you are saying that it is far from a satisfactory basis on which to base a compromise -- I think that is what you said -- does that mean, then, you are rejecting the Ullman plan as a basis for compromise?

MR. NESSEN: As I say, there has not been enough --

Q That is what you actually said, though -- you said it is far from a satisfactory basis on which to base a compromise. That is what you said.

MR. NESSEN: Well, as I say, that is based on a first look and it is also based on the idea that it is really unclear at the moment what Congressional Democrats are supporting in the way of an energy program.

Q So, the White House is not rejecting this outright?

MR. NESSEN: The President has not rejected anything outright. He simply urged the Democrats to come up with something that they can unite on and then sit down with him and mesh the two programs.

Q Ron, is the first Democrats' plan also far from an adequate basis for compromise? You used that term.

MR. NESSEN: It would apply, I think, more so because actually, it is sketchy in its details. In both cases, the President is pleased that; ~~one, the Democrats~~ have accepted the goals he has set; and ~~secondly, the~~ Democrats do seem to commit themselves to passing an anti-recession tax cut quickly.

Q Ron, I am confused about where they have accepted the goals he has set. As you outlined, the computer analysis of the program offered last week, it does not nearly reach the goal he has set.

MR. NESSEN: That is right, and that is the point I was making. Where they talk about joining in his goals, their method of getting there does not appear. It appears their methods will not get there.

Q Ron, you say this is nothing more than a sketchy outline, the one of last week. Yet, you have given a rather detailed look at the thing and why it won't work. If it is so sketchy, how can you analyze it in such detail?

MR. NESSEN: What was there was analyzed.

Q Is this the President's view? When you say the White House, does the President feel this point by point? This is the President, isn't it?

MR. NESSEN: There was a meeting here on Saturday--attended by Morton, Zarb, Greenspan, Lynn and a number of their assistants in their offices, and myself--and this is the technician's view of it, which was then passed on to the President.

Q Did the President spend any time over the weekend on this?

Q Did the President accept it?

MR. NESSEN: I don't know that you accept or reject a technician's report. This is a technical analysis of the bill.

Q Did the President spend any time at Camp David this weekend analyzing this proposal?

MR. NESSEN: After this meeting, the same sort of thing that I gave you was relayed to the President by phone at Camp David.

Q Ron, after the meeting this morning, Congressman Anderson out on the lawn said -- and this is in reference to the Ullman bill in particular, of which he and Mr. Scott both spoke rather respectfully -- "There is room for compromise, yes. In the ingredients of the Ullman program, I see emerging the possibility of compromise."

How could he come away with that impression, which appeared to be uncontradicted by Scott and Rhodes, and then we got the exact quote, which we just got from you on the basis of compromise with the Ullman plan?

MR. NESSEN: I don't know that there is any contradiction. What was the quote out on the lawn?

Q The question specifically asked, "Did the President indicate this was what he was looking for in terms of compromise, of something on which to base compromise?" He said, "There is room for compromise, yes. In the ingredients of the Ullman program I see emerging the possibility of compromise."

MR. NESSEN: I would not question that there is emerging -- what was the rest of it -- emerging the possibility of compromise. I certainly would not back away from that.

Q Ron, I think you said the President wants the Democrats to come together, unite behind a plan, a single plan. I think you also said he wanted them to hurry up and not only unite, but pass such legislation.

MR. NESSEN: That is right.

Q Aren't you really saying that short of legislation, that the President is not going to move toward compromise?

MR. NESSEN: I think he said before --

Q Isn't this a rhetorical exercise in a way that we are going through?

MR. NESSEN: I think to some degree the way the compromise will be worked out is more through the legislative route rather than the kinds of things that people have talked about of sitting around a table. I mean, that is the way legislation is passed.

Q The President put it in those terms, Ron, sitting down with the Congressional leaders.

MR. NESSEN: Ullman is beginning his hearings today, so the legislative process has begun. But that is with the compromise energy bill, if you will, and they will get hammered together.

Q Ron, are you saying he has to have a bill from Congress in some kind of final form passed by one or both Houses before he begins the process of compromise on it?

MR. NESSEN: No. I think Senator Mansfield said the other day he expects a number of these additional meetings to talk about energy.

Q You keep going back and forth. First you say the legislative route is the ordinary route for compromise, and then when I ask you if he has to have a bill, that is the legislative route, you say, "Oh, no."

Which is it, Ron? How early in the game will the President be willing to sit down, as he says, at a table to start going over these different plans and reaching a compromise? Will it be at the end, after they pass bills? Will it be at the middle or will it be quite soon?

MR. NESSEN: I don't think it is possible to answer that question, Jim. There will be a number of things going on. As Senator Mansfield said, he is sure there will be additional meetings. Congressman Ullman is beginning his hearings today to begin to put together an energy bill.

Again, it is not one of those black and white questions that there will be a meeting one day and at the end of the meeting somebody will come out waving a piece of paper and say this is the compromise energy bill.

Q Ron, the President said when there was a Democratic plan he would be willing to sit down at the table. Those were his words. What does he mean by a plan? We have plans now that have been made public. They are not yet in the form of completed legislation. What did the President mean when he said a plan? Did he mean a plan or did he mean legislation?

MR. NESSEN: No, he is talking about a complete program.

Q Ron, one thing I find thoroughly confusing here --

MR. NESSEN: This whole briefing is thoroughly confusing.

Q Ron, since you help make public relations policy around here, I wonder if you could explain it. There is a constant, day-to-day -- or sometimes back and forth within the same day -- alternation between a White House posture of being eager to compromise and a posture of denouncing the Congress for not seeing the scale of the problems.

Why do you change back and forth so often?

MR. NESSEN: I don't think there is a change back and forth, Adam, I really don't.

Q Ron, maybe you could clear things up.

MR. NESSEN: I hope so.

Q You seem to have said what to me would seem to be two contradictory things. You said at one point the Ullman plan is not viewed as a satisfactory basis for a compromise.

MR. NESSEN: I said it is far from --

Q Far from a satisfactory basis. A bit later on when confronted by Anderson on other Congressional statements, you said you wouldn't back away from the statement that it is the basis for a compromise. Now, which is it?

MR. NESSEN: I think one of the problems, why we get a little out of phase, Adam, is that people use words with precision. I think if Steve's quote is right, he said he sees in the Ullman plan emerging a possible ground for compromise. Isn't that what it was--basically the quote?

Q That was one of numerous times that the word compromise was used in a very positive effect in relation to the Ullman bill in particular that sent all of us back to our typewriters to say the Republican leaders emerged from the White House surprisingly receptive to the Ullman bill, which does not appear to be what we are getting now. And again, we rush back to change our story around again.

MR. NESSEN: You should not rush to your typewriters so fast.

Are we really badly out of phase on this? I don't think we are.

Q Yes, we are.

Q Let's ask it this way: Does the President see the Ullman plan as a vehicle for reaching a compromise and coming up with a coordinated program?

MR. NESSEN: At this point, the President has not had a detailed analysis of the Ullman plan, as I mentioned. Frank Zarb is taking a first look at it.

Q Ron, may I ask --

MR. NESSEN: Just a minute. Maybe we can get more of this along. Let's see if we can tidy up the edges of these now.

Q Ron, is this far from a satisfactory basis of compromise, as you said?

MR. NESSEN: That is Frank Zarb's first look at it.

Q He has rejected the Democratic plan that was out on Friday, or was available on Friday, as a satisfactory basis of compromise?

MR. NESSEN: Let's see if we can do this thing.

Q You said it is a distant hope, but far from a satisfactory basis on which to base a compromise.

MR. NESSEN: What is the difference between a distant hope and an emerging possibility? (Laughter)

Q If it is far from a satisfactory basis on which to base a compromise, then how can the President make any change in his strategy on the second and third dollar unless he compromises -- which we have heard he will not do -- or unless he is changing his strategy or giving up?

MR. NESSEN: He certainly is not giving up. As I mentioned to some the other day, the fact that the Democrats have come up with at least two plans so far and that Ullman is beginning hearings today would indicate the strategy has worked. The strategy of the \$1, \$2 and \$3, as the President has said, was to prod Congress into coming to grips with the energy problem, and they are beginning to.

Q Is that why all the questions are being asked, because it has been said here a dozen times that there will be no compromise -- until there is something on which to base a compromise. The President will not change his strategy on the second and third dollar?

MR. NESSEN: If you are asking whether the President is going to sit down this afternoon and hammer out a compromise, the answer is, no. The fact is Ullman is beginning hearings. Administration witnesses will be testifying at the Ullman hearings. The President still feels that his is the best plan.

Jack tells me that the President said today that Ullman seems to be moving toward the President's way of solving the energy problem.

Q Who said that?

MR. NESSEN: The President said Ullman seems to be moving towards the President's way of doing this.

Q Did he refer to himself in the third person?

MR. NESSEN: No, I am paraphrasing. As we have said before, as the Members of Congress go through the process of studying the President's program, we think more and more of them will move toward it.

You know, one day last week I said that Members of Congress are going through the same process he did and are likely to come out close to where he is, and certainly Ullman has come out closer to the President's approach than perhaps some people expected.

Q Is the decision the President will make this afternoon, it has to do alone with the tariffs or postponing the tariffs, further tariff increases?

MR. NESSEN: That is the decision he will make this afternoon, whether to postpone or not.

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Q And that will be included in the veto message?

MR. NESSEN: Yes.

Q On what is this decision this afternoon contingent, though?

MR. NESSEN: If he decides to delay the second dollar and third dollar, it would be to accomplish two things. One, for the Democrats to come up with a firmer plan; and secondly, to take that plan and his plan and mesh them and pass an energy program.

Q Ron, isn't really what he is doing -- I am trying to think now what you are saying and what I am saying -- but isn't he really saying now by making these moves that he is laying the groundwork for possibly compromising when Congress comes together, the Democrats come together on a single plan? Isn't that what you are saying when you talk about the President saying he wants them to unite behind a plan? Isn't this really preliminary to compromise as opposed to really compromise?

MR. NESSEN: I think it has not reached the stage yet where you could have a compromise.

Is everybody fairly square on where we stand?

Q One final question on the subject. What is the lead --

Q Ron, on another subject --

MR. NESSEN: I do think we ought to straighten this out because I do sense there is considerable confusion.

Q Isn't the problem that you are talking about a compromise at the table and Congress and the Democrats are talking about a compromise in legislation? They are going to present the President with a fait accompli.

MR. NESSEN: I would not say a fait accompli, Carroll.

Q They are going to present him with a finished product--

MR. NESSEN: -- which will be hammered out in the legislative process in which Administration witnesses will testify and presumably outside witnesses will testify; and whereas, there may be meetings. The bill obviously will emerge from the legislative process. And in answer to Jim's question, I don't think there is anything exclusive about either you do it at the table or you do it in legislation. It certainly is going to come from both of those methods.

Q Ron --

MR. NESSEN: I want to get this straightened out, Les.

Q Does the President continue to feel the Democrats have not put forward a whole and complete plan in either or both' --

MR. NESSEN: As I say, he has not had time to completely study the Ullman plan. The Ullman plan certainly looks more complete than last week's Democratic outline.

Q Ron, you just said we have not reached the stage yet where there could be a compromise. On Friday, you said that the President was going to Camp David to study whether the Democratic plan provided the basis for a compromise and if he decided it, then he would postpone the second dollar.

Now, you are saying it has not reached the stage yet that there could be a compromise.

MR. NESSEN: The Ullman plan has not been analyzed yet, Mort. He went to Camp David to look over this other plan. Now, the Ullman plan has emerged, which does appear to be more detailed than last week's plan. He needs to take some time to look at that.

Q But does the postponement, though, of the second dollar hinge on whether the President finds the Ullman plan to be an acceptable basis for compromise?

MR. NESSEN: I would not narrow it quite that much. I would say it hinges on whether he feels the Democrats in general are far enough along toward developing a program that would provide the basis for compromise.

Q How is he going to determine that?

MR. NESSEN: He now has two plans before him and he will be talking to probably Mansfield and Albert this afternoon.

Q Ron, what if the President would, after looking at it in depth, would like the Ullman plan or at least a major part of it. Looking back again at what my notes seem to say here, he would still want the Democrats and Congress to either adopt that plan or great parts of it.

MR. NESSEN: His plan?

Q No, I am talking about the Ullman plan. Before he sits down to work out a compromise. That seems to me what I heard.

MR. NESSEN: I would rather try to stick to my own description of this, and also to make one other point.

Q I am trying to put it together in a rationale here.

MR. NESSEN: At one point, when you talk about compromise, it seems to me compromise is always used in the sense of what is the President willing to give up? I think you have to remember compromise works both ways.

Q Ron, could I refresh your memory on what the President said Friday after his meeting with the Democrats? He said, "The Democrats have submitted a plan which is carefully thought out. It does not agree in some details with ours, but I think it is a plan and it could possibly be meshed with ours. And we certainly will work to achieve some accommodation. "

"Question: It is enough of a start to work now toward a compromise."

"The President: Yes."

MR. NESSEN: At that point, he had that 38 page document, and he had not had a chance to read it. It had charts and graphs in it. It looked comprehensive. Over Friday night and Saturday, it was analyzed and a lot of it seemed to go up in thin air.

Q Ron, the President is withdrawing or are you withdrawing what he said on Friday?

MR. NESSEN: No, Jim. The whole object of this has been for the Democrats to come up with something and then begin to deal seriously with passing an energy program. That has been accomplished by the President.

Q Ron, he said, "yes," when he was asked whether "it" -- meaning the Democratic plan available to him then -- "is enough of a start to work now toward a compromise." You are now saying, "No, he wants to look also at the Ullman plan which he has not had enough time to look at." Is that right?

MR. NESSEN: He certainly wants to look at the Ullman plan and any other ideas that are coming from the Hill.

Q Ron, you just said a few moments ago that, "A decision this afternoon on whether he delays the second and third dollars" -- so he is, in fact, considering whether or not to delay also the third dollar. Is that correct?

MR. NESSEN: You would almost have to unless -- you mean if he delayed for 60 days and the second and third would go on simultaneously?

Q. Yes.

MR. NESSEN: That decision has not been made yet, whether to do it. And if so, how to do it.

Q Ron, you have been listening to considerations in his mind when he considers whether to delay these?

MR. NESSEN: Correct.

Q Isn't it also a fact that one of the considerations is whether a delay would make it less likely that the veto would be overridden?

MR. NESSEN: He has been told all along that -- not all along, but certainly in recent days -- it looks like there are the votes there to sustain the veto, and there was something said this morning -- if I can find the notes -- at the meeting.

There was a general discussion of the veto matter, and Senator Griffin told the President, "I think we will be able to sustain your veto."

So, he has been told--at least from what was the first day -- I guess the day we went to Florida was the first time he was told he would be able to sustain the veto.

Q Aren't you saying even without analysis the Ullman plan looks better than the other plan? And doesn't this suggest if there is going to be a compromise, it will be within the framework of the Ullman plan?

MR. NESSEN: The Ullman plan looks more complete and it has great elements, large hunks of the President's plan in there.

The timing is somewhat different on some of the matters. It lays total emphasis on raising gas prices and none of the others do. But certainly, it is closer and more complete than the other one is.

Q Ron, I would like to pick up right there and make one stab at it. We have now left --

MR. NESSEN: Have we narrowed the gap?

Q I don't know. Perhaps I am trying to avoid the kind of confusion that took place this morning, but we are now left, unfortunately, with our notes on that one statement you made that, "The Ullman plan is far from" -- and almost everything you said since then indicates you really did not mean to say it quite that strongly. Can you get that "far from" out of our notes?

MR. NESSEN: I don't want to get it out of your notes, but I want to remind you what it was and that was that it was Frank Zarb's comments upon a first look at the Ullman plan.

Q You are now saying that. Subsequent to that, you have said it is closer to, or it seems to be closer to the President's plan. It seems to be more complete. And we are left with this conflict that something that seems to be closer to the President's plan seems to be more complete, seems to go by the better basis, is also according to you, far from the basis for a compromise. Which is it?

MR. NESSEN: According to Frank Zarb's first look.

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Q According to you?

MR. NESSEN: I am quoting. I was quoting at the beginning Frank Zarb's comment upon a first look at the Ullman plan.

Q What is the White House position. That despite what Frank Zarb says, or in addition to what Frank Zarb says, it is also somewhat more promising and complete. Is that right?

MR. NESSEN: Just let me say that I cannot give you the kind of detailed analysis that we had of the other plan because there has not been time to make that yet, so I cannot give you the President's views, except that it is more complete and it seems to be closer to his.

Q Ron, is this the situation. That after the President makes his announcement tomorrow, it will be up to Congress, the Democrats -- and presumably also some Republicans involved in this -- to work out the details of a compromise plan in the legislative process?

MR. NESSEN: Hasn't that always been the goal? Obviously, he would like his plan passed.

Q I understand that.

MR. NESSEN: But if there are areas of accommodation and a Democratic plan --

Q That is different than the President sitting down with just Democrats in Congress and working out a compromise plan.

MR. NESSEN: As I told Jim --

Q You, at times, said that, and at times the President indicated it would be at the table meeting, and I am trying to get it clarified.

MR. NESSEN: This is all going to be worked out, and we will hopefully reach an energy program -- as I told Jim -- through both processes of consultation and ultimately through the legislative process.

Q Ron, I would like to ask, if I could ask, this question.

MR. NESSEN: Let's just see if everyone is content with where we have left this. This is an issue of some importance, and I don't want to leave it fuzzy in people's minds.

Q Ron, the first program, the Democratic alternative plan that came out Friday; you said when you were sketching your objections to it --

MR. NESSEN: Not mine.

Q -- Zarb's and Morton's, et cetera, that they would run it through the computer, and concluded it will not reach the President's goal.

MR. NESSEN: Right.

Q Now, just to be sure I understand--the Ullman plan--you have not decided yet that that is not going to reach the President's goal, but you flatly stated the first one is not going to?

MR. NESSEN: Correct. This is what the President was told by the technicians. It is something that he independently cannot determine himself. He was told this by the technicians.

Q What did he say, Ron, after he read the thing and they told them this? You talked to him this morning. Did he say, "We cannot buy that Democrat's plan"?

MR. NESSEN: He did not make a specific comment on it, Gaylord, and I did not hear the other end of the phone conversation on Saturday.

Q Ron, I just want to reserve a question on another subject before somebody says that you --

MR. NESSEN: Is that it now? Is everybody fairly straight on this?

Les?

Q The question has to do with Secretary Schlesinger, who was asked, after he came out of a Congressional hearing, about the screening out of members of the Jewish faith regarding an armed forces assignment to Saudi Arabia.

He said, "No, I wasn't aware of that. That is contrary to the instructions within the Department of Defense, which emanated from a case involving a black colonel a year ago. However, the U.S. Government must not discriminate against the employees" -- and this is the point -- "if another country decides to reject an American citizen, it must reject it because of the sovereign interference of that other government rather than the action taken by the U.S. government in regard to screening persons," and that leaves us with the ultimate question.

Will the Commander in Chief go on allowing Saudi Arabia to impose religious segregation on units of our armed forces, or will he order them out of Saudi Arabia if this practice continues?

MR. NESSEN: I think there is additional Q and A.

Do you have the rest of the quote?

Q No, this is the quote that was dictated to me by the Department of Defense.

MR. NESSEN: If you wait until I get the rest of it, I think it explains how Secretary Schlesinger intends to deal with the matter.

Q He says there won't be any more screening of Jewish persons, but you still have to get a baptismal certificate if you are going to go to Saudi Arabia.

Now, what is the Commander in Chief going to do about that, tell all the Jews to convert or what? This is a very important question, Ron. I think you can recognize it. It is a question as to whether the Commander in Chief of the armed forces is going to allow a foreign country to impose religious segregation on our troops.

MR. NESSEN: Let me see how Schlesinger answered that very specific point in the remainder of his --

Q What does the President say? Has he discussed it over the weekend at all? He said in Florida that this was contrary to American law and American procedure and so forth. What is the President going to do?

MR. NESSEN: Wait a second. Again, I think we need to be more precise with the words there. He asked these four departments to look into the matter to see if there were any American laws being violated or whether any laws were needed, for that matter.

The remainder of the Schlesinger quote, if I can pull it out of my memory, is he was going to find out whether the Pentagon was living up to the instructions that they are supposed to follow in terms of assigning people to overseas posts.

Q Sure, Ron, but the problem is the Pentagon cannot tell the King of Saudi Arabia, "Stop being anti-Jewish," can they?

MR. NESSEN: I would not think so.

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Q Then what is the President going to do if the Saudi Arabians insist that you have to have a baptismal certificate to get in -- military and civilian? Then what is the President going to do? Is he going to tolerate this or order our armed forces out?

MR. NESSEN: I think, first of all, he needs to determine what the facts are; and that is what Secretary Schlesinger said the other day that he was going to do, was to determine the facts of this.

Q Ron, while you are waiting for that, my question dealt with the President's news conference in Hollywood, Florida, where he was asked about re-evaluation of U.S. policy toward Cuba.

MR. NESSEN: Wait. I have the Schlesinger thing here before my very eyes.

Q I still want to get my question in.

MR. NESSEN: You will.

The rest of that was:

"Question: Are there other agencies within the Department of Defense that are also screening?"

"Answer: I would think that this case is an exception."

"Question: Are you planning any action?"

"Answer: We will investigate that thoroughly."

"Question: Will there be any disciplinary action?"

"Answer: If disciplinary action is called for, it will be put into effect."

I think the key question there is, "Are you planning any action?" "Answer: We will investigate that thoroughly."

Q Ron, he can investigate until the cows come home, but the fact of the matter is the Department of Defense has confirmed the fact that Saudi Arabia requires evidence that you are not a Jew to get in. We have got troops there.

The basic question, Ron, is the Commander in Chief going to allow the Saudi Arabians to impose religious segregation on the armed forces of the United States. Yes or no, Ron? Do you know? Or, do we wonder? Do we just ask the questions?

MR. NESSEN: As someone mentioned here last week, I guess, it is a fairly well-accepted international practice that countries may reject foreign nationals for various reasons, and we do in our country. Other than that, I think --

Q Who? In which case do we reject religious people?

MR. NESSEN: No. I did not say religious people, Les.

Q I am sorry.

MR. NESSEN: Other than to say that, I think I would rather wait until Secretary Schlesinger has made his thorough investigation, which he promised.

Walt?

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Q On Cuba, as you know in his Houston speech, the Secretary of State said, "The United States is prepared to move in a new direction in relations with Cuba."

The New York Times added "ending fourteen years of a boycott" and so on. And Kissinger then went on to underscore the shift in American foreign policy toward Cuba over the past three months.

You remember, I am sure, in his news conference in Hollywood, Florida, the President was asked, "Are you in the process of reevaluating the government's position and do you foresee any lifting of economic and diplomatic sanctions for Cuba in the immediate future?"

MR. NESSEN: Yes, sir.

Q Kissinger's answer was only five, at the most six, days after the President delivered this answer: "Very frequently in my daily briefings with Secretary Kissinger, we discuss Latin American policy, including our policy toward Cuba. The policy today is the same as it has been, which is if Cuba will reevaluate and give us some indication of a change in its policy toward the United States, when we certainly would take another look. But thus far, there has been no sign" -- this is the President -- "of Mr. Castro's change of heart. So, we think it is in our best interest to continue the policies that are in effect at the present time."

Now, it seems to me the President and the Secretary of State have two entirely different policies towards Cuba. Could you clear it up?

MR. NESSEN: No, I disagree. The American policy is President Ford's policy. Secretary Kissinger does enunciate American foreign policy and advise on it, but there is no difference because President Ford sets the policy.

Now, just to try to clear up what you see as an inconsistency, both the President and the Secretary have been very clear, I think that a fundamental change in American policy is going to depend on Cuba demonstrating it is ready to change its policy and to assume a policy that would allow the United States to change its policy towards Cuba.

As Secretary Kissinger said in the past couple of weeks, there have been some signs by the United States that we are serious in our intent to review policy and that review depends on two things. And I think, perhaps, the inconsistency you see is maybe based on the fact that you overlook one of those which is: one, it will depend on Cuba's action; and, two, that the OAS may act on this matter. If it does vote to waive the sanctions, then the United States would be bound by international law to go along with that, but there is no dropping of the first point which is that a change of American policy depends on a change in Cuban policy.

Q But couldn't Secretary Kissinger's speech suggest there has been a change of heart? That is to say, because the President said, "Thus far, there has been no sign of Mr. Castro's change of heart so we think it is in our best interest to continue," and so on.

Now, Secretary Kissinger is acting and speaking as if in fact there had been a change of heart, and I would like to know what the change has been.

MR. NESSEN: I don't think that is in there, though, is it?

Q In Kissinger's speech?

MR. NESSEN: Does Kissinger say there has been a change of heart?

Q He said, "The United States is prepared to move in a new direction in relations with Cuba."

MR. NESSEN: But doesn't it then say what the two contingencies are before moving in that new direction?

Q I did not read the contingencies, and I do not have a full transcript of the Secretary's speech.

MR. NESSEN: You folks always accuse me of never volunteering anything when I have a whole book full of stuff, so since nobody asked me, I will volunteer that the Congressional delegation that went to Vietnam will be coming here to see the President some day this week.

There does need to be a little time for them to rest and put their thoughts together. They will see the President later this week.

Q That was the question I wanted to ask. Does the President feel that trip accomplished anything? Does he feel it will gain him any votes in getting money for Cambodia and Vietnam?

MR. NESSEN: I think he will just wait until they come in and talk to him and see what they present.

THE PRESS: Thank you, Ron.

END

(AT 1:30 P.M. EDT)