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NEWS CONFERENCE

#173

AT THE WHITE HOUSE

WITH RON NESSEN

AT 11:42 A.M. EDT

MARCH 27, 1975

THURSDAY

MR. NESSEN: The President has a meeting at 12 o'clock with the former Chancellor of Germany, Willy Brandt. He is the Chairman of the Social Democratic Party in the Federal Republic of Germany. He is visiting the United States during the period of March 24 through 29, partly to fulfill speaking engagements at Vanderbilt University and at the American Council on Germany in New York City.

The President had looked forward to this opportunity to discuss with Willy Brandt a number of issues, including the Middle East, the world energy, food and raw material situation, and political developments in Europe.

At 3 o'clock, the President will drop in briefly on a meeting of the Federal Agency Bicentennial Task Force. The Chairman of that is Jack Marsh. It will be in the Cabinet Room, and we can have photographs at the beginning of it, if you would like.

The President will speak briefly at the beginning on the importance of bicentennial programs being planned by Federal departments and agencies.

At 4 o'clock, the President is meeting with General Alexander Haig, who is the Supreme Allied Commander for Europe. This is his first official visit to the United States in that capacity.

The President will be discussing with General Haig issues concerning the Atlantic Alliance. Dr. Kissinger will also take part in that meeting.

We are announcing today that the President intends to nominate Rogers C.B. Morton to be the Secretary of Commerce, succeeding Frederick Dent, who resigned effective March 26, and was sworn in yesterday as the Special Representative for Trade Negotiations. Secretary Morton has been Secretary of the Interior since January 29, 1971. I believe we passed out copies of his biography.

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Prior to becoming Secretary of Interior, Rog Morton was a Member of the House of Representatives for four terms. As Secretary of the Interior, Secretary Morton has carried heavy responsibilities in the energy field, and since October 11, 1974, he has served as Chairman of the Energy Resources Council.

It is the President's intention that Secretary Morton will continue as Chairman of the Energy Resources Council in his new role as Secretary of Commerce to see the President's energy program through Congress.

The President concluded that Secretary Morton could make a valuable contribution to this effort as Secretary of Commerce. He has given Secretary Morton instructions that he should fulfill the responsibility for mobilizing American industry and the business community to expand resource development and conservation efforts in meeting the energy challenges which the United States faces in the years ahead.

On countless occasions, the American enterprise system has provided strength and leadership in dealing with problems confronting the Nation. The energy problem is an important challenge and, as Secretary of Commerce, Secretary Morton can galvanize the resources of the industrial community toward achieving solutions to that problem.

The President has made a preliminary selection of a candidate to become Secretary of the Interior, and that individual is now undergoing routine clearances. We will make an announcement concerning his nomination when those clearances are completed.

We have one travel note. The President plans to attend the 150th Annual Convocation dinner of the Yale Law School on Friday, April 25. This will be a departure in the late afternoon. He will go up and speak at the dinner --

Q In New Haven?

MR. NESSEN: Yes.

-- and then will come back to Washington that same night after the dinner. I don't have any further details of that trip. It is some way off. But it is firm, and I thought I would tell you about it today.

Q Ron, that last paragraph of your statement about a candidate, does that mean the candidate is not serving in government at present since he is undergoing clearance?

MR. NESSEN: No, I would not leap to that conclusion.

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Q I ask that factually.

MR. NESSEN: No. The fact of the matter is that clearances need to be updated periodically even when you are in the government.

Q So, he is in the government?

MR. NESSEN: I wouldn't leap to that conclusion, either. I wouldn't rule it out, though.

Q Ron, on the Federal Energy Agency, is that under the Energy Resources Council, or are those two entirely separate organizations?

MR. NESSEN: Separate.

Q So, there is no administrative position for Mr. Morton once he leaves Interior over the FEA; is that correct?

MR. NESSEN: I have to check. I have to look at the organizational chart. I don't know how it fits together.

Q Ron, what is the meaning of those terms used in the release, "mobilizing" and "galvanizing" industry, and so forth? What is Secretary Morton expected to do in Congress to get these mobilized?

MR. NESSEN: As you know, one of Secretary Morton's main interests and activities in the recent past has been to urge development of the so-called exotic fuels. He is very interested and, I guess, is an expert on the subject of coal gasification and liquification and those various projects, and he has pursued that in the Interior Department.

Among the other references in that paragraph would be the idea of now spurring private industry on to begin to actually make use of those processes. That is an example of the kind of thing I am talking about.

Also, another one of his projects is coal conversion. In Commerce, he would be able to deal with companies that now burn oil and talk to them about conserving coal. Those are the general ideas.

Q Ron, what authority would he have there that would further those aims that he doesn't have in Interior, where he does have actual control of programs?

MR. NESSEN: I don't know exactly what you are driving at, but the President feels that it is important to have someone who, himself, came from the business community in the Commerce Department where he can talk to business leaders in sort of their own language. That is one of the reasons why he was selected for Commerce.

Q How long since Mr. Morton has been in the business community?

MR. NESSEN: I think if you check your biography, it gives you the dates when he left Ballard and Ballard.

Q Could I follow that up? Isn't that a long time, 24 years? Does that qualify him as being someone who came from business?

MR. NESSEN: I don't get the drift of the questions. The President intends to nominate Secretary Morton for this position, and if Congress shares some of your doubts about his abilities, I am sure that there will be an opportunity at his confirmation hearings to look into those matters.

Q Ron, the drift of the question is not to doubt the Secretary's abilities. On the contrary, I assume the President admires this ability and wants to keep him in the Cabinet.

MR. NESSEN: That is correct.

Q I am curious as to what he thinks Secretary Morton can do in the Commerce Department to further the aims that you are talking about, since the programs on coal liquifaction and gasification, for instance, lie in the Interior Department.

MR. NESSEN: They are at the point now where Secretary Morton feels that private enterprise should begin to develop these as commercial processes.

Q How can Commerce get them to do that, as opposed to Treasury with tax policy or Interior with the resources. I don't understand where Commerce fits in.

MR. NESSEN: It is the department that deals with business and with businessmen.

Q Ron, is there going to be a substantial reshuffling now of personnel in the energy field? Morton was the top coordinator, supposedly, of energy policy, was he not? Will he have to be replaced in that role?

MR. NESSEN: I thought the announcement said that he would remain as the Chairman of the Energy Resources Council. In answer to a question that was asked back there, the Energy Resources Council is really a kind of coordinating body for all the departments and agencies of the government dealing with energy, including the FEA. As you know, the FEA's Administrator, Frank Zarb, is the Executive Director of the Energy Resources Council. So, I don't know of any major shuffle.

Q I think what we are asking is what can he do in Commerce that he couldn't do in Interior? He has been dealing with businessmen as Secretary of the Interior and as head of this Council. I think you, yourself, have said that this was one of his key roles in his speaking and so forth. What can he do in Commerce?

MR. NESSEN: I think the statement really reflects the President's views, Pete, and I say if Congress does share some of the doubts that you have, there will be opportunity to bring that out.

The President, I am sure you are well aware, has a high regard for Secretary Morton's abilities, and he feels he would like to use those abilities at this time in the Commerce Department for the reasons listed in the statement.

Q Ron, I don't think the questions do question Rogers Morton's ability. I think they are addressed to the question of why this shift is being made.

MR. NESSEN: I think the statement probably gives precisely the President's reasons.

Q Ron, did the Secretary ask for the transfer?

MR. NESSEN: I don't think so.

Q Is Secretary Morton also being investigated, since he is changing jobs? I notice here that while he was serving in Congress on the Interior Committee, he was also a director of the Pillsbury Company throughout that time?

MR. NESSEN: Yes.

Q I wonder if that would suggest a conflict of interest?

MR. NESSEN: I don't know. As I say, the clearances have regular periods of renewal, and he has gone through whatever clearances he needs to. His old ones have reached their periods of renewal.

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Q Can I say anything by way of what the President is looking for in terms of the new Secretary of Interior? Could you give us some hints?

MR. NESSEN: I can't really.

Q As opposed to the job he will do, concern for the environment, anything?

MR. NESSEN: As always, he will look for the best person to do the job.

Q I realize you may feel you can't discuss the selection of a candidate, but since they have already made a primary selection--the President, that is--and you referred to Zarb as the head of the FEA and Executive Director of the Resources Council, can you say that Zarb is not the primary selection?

MR. NESSEN: The President feels that one important element of the government's energy efforts these days is the need for continuity and consistency. That agency has had, as you know, a fairly rapid turn-over of administrators, and he is anxious to have continuity in the leadership now.

The agency is running well, and is one of the leading agencies in drafting the President's energy program and now in attempting to persuade Congress to pass it. So, for those reasons, I wouldn't look for any change in the leadership of the FEA.

Q Ron, to another subject, if I may --

MR. NESSEN: Have we exhausted that subject?

Q No.

MR. NESSEN: We have not exhausted that subject, Les.

Q One other thing. You are also looking for a successor to John Whitaker as Under Secretary of the Interior. He has had a heart attack and has been forced to resign.

MR. NESSEN: I thought Whitaker was at the Cabinet meeting the other day.

MR. HUSHEN: Yes, he was.

Q Is that search for a successor to Whitaker going to be postponed now until there is a new Secretary of Interior?

MR. NESSEN: I just don't know. Are we okay on Interior and Commerce?

Q What is the President's reaction to the tax bill?

MR. NESSEN: I mentioned to some of you this morning how little the President or anybody here knows about the tax bill, and just to show you what I meant by that, this document -- I mean this literal document; this is not a copy, this is the President's copy he gave me in the office this morning -- was given to him at 12:15 last night.

What it is is an original printing of a conference report heavily penciled in, scratched out and so forth. In fact, I have had some of the scratched out pages reproduced, and I could pass them out to you, if you care to have them.

This is the one and only document in the White House that tells the President what is in the tax bill.

Here is the page that deals with credit for purchase of new principal residence.

Q What page is that?

MR. NESSEN: It is the first page after the cover. You can see the scratching and stuff written in the margin.

Q There is a lot of scratching.

MR. NESSEN: If you turn it over, there is a page dealing with tax credits. Here is a chart that has to do with the depletion allowance, and you can see that there is writing in the margin, and then the writing in the margin has additional writing in its margin.

Q It looks perfectly clear to me. (Laughter)

MR. NESSEN: This is more to do with the oil depletion allowance, and you can see things typed sideways in the margin and so forth.

Q Who explained this to the White House?

MR. NESSEN: Max Friedersdorf brought it over here last night to the President.

Q Is this an official copy?

MR. NESSEN: That is another point. If you check the Congressional Directory for this morning, you will find that at the place where the bill is supposed to be printed, it says, "This section will be supplied later."

Q Does all this mean the President doesn't know yet whether he is going to veto it or sign it?

MR. NESSEN: Good thinking, Bob. Seriously, this is not a joke. This is the copy of the bill that has been supplied to the White House, and it arrived at 12:15 last night. You can see the form it is in, and there is no other copy of the bill here except this one.

So, this is a long way around of saying that the President needs to have time to get a copy of the bill he can read and a copy of the bill that his advisers can sit down and analyze before he makes a decision.

Q Ron, the President did call for haste from the Congress, didn't he, and he got it. What do you hope to prove by this display?

MR. NESSEN: I don't hope to prove anything, Peter. I was asked a question. I am trying to make the point that this is the only version of the bill that the White House has seen. Now, a major tax bill it seems to me -- especially when it contains far-reaching provisions on which there were no hearings -- needs to be studied before the President can tell whether it is good or bad for the country.

Q Do you have any idea when you are going to get a clean copy so he can study it?

MR. NESSEN: I don't. You will have to ask the Congress.

Q Ron, has the White House asked for a typewritten copy?

MR. NESSEN: I am not sure that is the procedure, where you call up and say send us one. They will send one when they get it printed, whenever that is, but obviously they didn't make it in time to put in the Congressional Record today.

Q Will the President accept Congress' evaluation of the amount involved in the bill, or is he going to recalculate it?

MR. NESSEN: He will recalculate it.

Q Presumably somebody phoned them this morning to find out when the President will be able to have a clean copy?

MR. NESSEN: I don't have an answer to that. You do need to address that to the Hill.



Q When are you saying the President will recalculate the amount?

MR. NESSEN: He will add up the numbers and see whether the President's advisers come to the \$22 billion -- whatever amount is net.

Q Ron, as the President weighs the pros and cons of this bill, could you tell us -- and this might sound like a naive question -- is he only going to consider the economic ramifications of the bill or is he also going to take political consideration into account?

MR. NESSEN: We might save ourselves a lot of time this morning if you just simply let me say this has not moved one inch beyond what I told you last evening after the several meetings broke up. He is going to need to study it, and he is going to need to study it for several days. He has not made a decision on whether to sign or veto.

Really, we can talk for a long time, but that essentially is where it stands. There has been no movement since late yesterday afternoon.

Q Ron, you were being quoted on the radio this morning as saying that he was reconsidering the formulation of the tax cut.

MR. NESSEN: I don't remember saying that.

Q John Rhodes said that. Is that true?

MR. NESSEN: John Rhodes was quoted as saying that?

Q No, you were quoted as saying it.

Q I heard you quoted as saying the President is leaning toward a veto. Is that an inaccurate quote?

MR. NESSEN: Yes, it is.

Q Ron, the President is still talking about several days' study. Will he stay in Washington or will he go to California before he decides?

MR. NESSEN: There is no answer to that question, either. The whole Palm Springs trip is up in the air.

Q Ron, I think the question is that the President has said before that he favored a tax cut of \$16 billion to \$20 billion, and this is just a little over that. With the increased budget deficit, the estimates are up to maybe \$100 billion now as a budget deficit.

MR. NESSEN: Over \$100 billion.

Q Does the President feel a tax cut that large may not be appropriate now?

MR. NESSEN: Fred, he has to study the bill, and I simply cannot tell you anything further about it.

Q With the exception of one provision that I can think of on the foreign tax credit investment, the provisions in this bill should be familiar to the President.

MR. NESSEN: What are the provisions in this bill? Can you take this and figure out what the provisions are?

Q You mean Max Friedersdorf can't?

MR. NESSEN: Can you?

Q Max Friedersdorf had an office full of people working with everybody on Capitol Hill for weeks.

MR. NESSEN: Here are the charts. If you had to try to make some sense of that package, what are the provisions on that page?

Q Are you saying Max Friedersdorf can't understand it, that the men who have been working with the people on Capitol Hill for weeks can't understand that?

MR. NESSEN: As I said, we can take all the time you like on these, but there is simply no change in the situation.

Q Weren't you people sitting in on the conference committee while this process was going on? Surely they know what was going on.

MR. NESSEN: This is a legal document, and it needs to be analyzed as any legal document before the President decides whether to sign it or not.

Q Can you identify those provisions in the bill on which you said there had been no hearings? Can you identify those far-reaching provisions?

MR. NESSEN: There were no hearings on any of those things, Bill.

Q Any of what?

MR. NESSEN: Any of the amendments, as far as I know.

Q What amendments? There are lots of amendments.

MR. NESSEN: Oil depletion.

Q There were no hearings on oil depletion?

MR. NESSEN: As far as I know, it was passed on the floor of the House without hearings.

Q There were all kinds of hearings.

MR. NESSEN: There were hearings on the tax cut, but there were no hearings on oil depletion.

Q People mentioned oil depletion because they knew it would come up on the floor.

MR. NESSEN: These are far-reaching proposals. There were no hearings on any of the amendments, as far as I know.

Q Housing credit, for instance?

MR. NESSEN: Correct.

Q Social Security?

MR. NESSEN: Correct.

Q Earned income credit. There were hearings on that.

MR. NESSEN: Were there?

Q Yes.

MR. NESSEN: Were there? I don't follow the Hill that closely. Maybe there were.

Q Those are the major provisions you are talking about?

MR. NESSEN: Right.

Q Ron, you sort of skipped over answering my question, so let me rephrase it. I had asked whether the President would take into account political ramifications, as well as political. Let me be more specific. Would the fact that a veto would improve his sagging popularity with the right wing of the Republican Party have any role in his decision?

MR. NESSEN: There is no way to answer that question. The President is going to wait for the bill. He is going to get an analysis of the bill and will then make his decision.

Q Let me follow this question up with a question I tried to ask before.

MR. NESSEN: Are we finished?

Q Let me follow this question up. Speaking of right wing, the Young Republicans of California voted this week to express their support of Governor Reagan for President in 1976. Considering California has the largest population, what is the President's reaction to this Republican Party development?

MR. NESSEN: There is none, Les.

Q He has no reaction at all?

MR. NESSEN: None.

Q Does the President have any reaction to the size of the vote last night, which seems to indicate he could sustain a veto? Is there any reaction to it?

MR. NESSEN: He is aware of it, that is all.

Q What is the assessment of the recommittal vote, which was not so favorable in terms of an override?

MR. NESSEN: The difference was only 17 votes, 197 to 214.

Q On that subject, yesterday afternoon, after the briefing but prior to the vote, you said there was no consensus, there were all sorts of opinions as to whether or not a veto could be sustained. In light of the vote, has that changed any? In other words, has that given you any indication one way or the other?

MR. NESSEN: The President believes he could sustain a veto in the House if he decided to veto.

Q How about the farm bill? Is he still leaning toward a veto there?

MR. NESSEN: He is opposed to the bill, but he has to wait to see what it looks like when it gets here.

Q Ron, I obviously misstated the other, but the point gets back to the fact that a lot of Max's people were up on the Hill yesterday afternoon to see about the possibility of sustaining (a veto).

MR. NESSEN: Yes.

Q Is it your assessment that they could sustain in the House based more on the recommittal vote or on what word they brought back?

MR. NESSEN: I don't know what it is based on, other than that the President feels that way.

Q Did he get a favorable reaction from his Hill people?

MR. NESSEN: As I say, he feels he can sustain a veto in the House if he vetoes the bill.

Q What are the President's thoughts of calling Congress back from the Easter vacation should he decide to veto?

MR. NESSEN: I can't help you with that, Russ. I don't know.

Q Ron, does the President plan to report to the American people on television and radio his decision on this either to veto or to sign the bill.

MR. NESSEN: I don't think there are any plans one way or the other.

Q Ron, you went to considerable lengths last week to emphasize the urgency of Congress acting quickly to get this rebate back into the hands of the people. Is there a change in that attitude now?

MR. NESSEN: No.

Q You say several days. Is he likely to decide tomorrow?

MR. NESSEN: I have no way of knowing.

Q Not today for sure?

MR. NESSEN: No, not today.

Q Ron, in light of the urgency about getting the stimulus in the economy, I assume if there is a veto the President will ask Congress to pass a stripped down tax rebate bill?

MR. NESSEN: I just don't know, Bill. It has not been decided. None of these questions have been decided.

Q Is it possible he could just forget about a tax cut?

MR. NESSEN: No.

Q That is not possible?

MR. NESSEN: No.

Q Then he would ask Congress to pass another kind of tax cut?

MR. NESSEN: He stands by his original proposal that the economy needs an anti-recession tax cut stimulant.

Q That hasn't changed?

MR. NESSEN: No.

Q Does the President have any reaction to the fact that Congress is now on Easter recess without having acted finally on his Indochina aid package?

MR. NESSEN: He is very disappointed.

Q Ron, a week ago, after many, many questions here about the incident of banging down the door in Alexandria, you said that the FBI was conducting what you called an administrative inquiry.

MR. NESSEN: Yes.

Q I am wondering why, in view of your statement that we always track down answers, why it is taking the FBI so long to inquire about this. Is there any information? Is any information expected or could we draw the conclusion that this has kind of been put off in limbo?

MR. NESSEN: I guess you have to check with the FBI on that.

Q I have. I did yesterday, and the results had not come in. I wondered if they had come in today, Ron.

MR. NESSEN: I guess you need to check with them on that.

Q I did.

Q Ron, can you put into perspective a little more just what the President's thinking is at this point? Yesterday we had various statements which suggested that he was concerned about provisions of it. At this point, can you say that he is sufficiently concerned that he is leaning toward a veto or that the concern is simply normal precautionary reaction on his part and that he wants to examine the bill before he signs it?

MR. NESSEN: He has not decided whether to sign or veto, Dick.

Q I appreciate that. You have said that several times. I am personally a little bit confused as to whether he is just taking a cautious approach and wants to examine all of the provisions before he goes ahead to sign it, or whether he is really so concerned now that he is leaning toward a veto and wants to get a clearer picture of it all before he acts.

MR. NESSEN: He wants to find out what is in the bill before he decides whether to veto or sign it.

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Q Has the President talked to Rhodes this morning? Did he talk to him last night?

MR. NESSEN: Do you mean after he saw him in here at this Congressional meeting?

Q Rhodes said that he interpreted the President as being inclined to veto the bill.

MR. NESSEN: Rhodes attended the Congressional Republican leaders' meeting at 4 o'clock, and I believe he said that after he emerged from that meeting.

Q He also said it after the vote in the House.

MR. NESSEN: Yes.

Q Is that accurate?

MR. NESSEN: It is Congressman Rhodes' view.

Q Did Congressman Rhodes talk to the President any time after that leadership meeting?

MR. NESSEN: I don't know that, Mort.

Q On Indochina, you say the President is very disappointed. Does the President think the Lon Nol government and the Cambodians can hold out until Congress gets back to work on the aid package further?

MR. NESSEN: I just don't see how there is any way of knowing that, Walt. It depends on what sort of attacks they come under.

Q All along, the White House has been giving us timetables as to how much longer they can hold out, and you know what it takes to move legislation through Congress. Does the White House think there is still enough time to get the emergency aid package through the Congress in time to help Lon Nol and President Thieu for that matter?

MR. NESSEN: Yes.

Q Ron, how long is the President willing to wait for a readable copy of this bill before he gets impatient and asks them to get him one? (Laughter) That is a serious question.

MR. NESSEN: A copy will be here as soon as it is printed, I am sure.

Q Wasn't a copy printed before the House of Representatives voted on it?

MR. NESSEN: No, this is what the House voted from.



Q This is what they voted on?

MR. NESSEN: Yes. As you see yourself, the Congressional Record was not even able to get it in this morning's edition because there was nothing available other than this.

Q Ron, will the several days' review start from the time the President gets the readable copy?

MR. NESSEN: The Economic Policy Board met this morning to begin to discuss some of the issues that at least there are relatively complete details on.

Q With the President or separately?

MR. NESSEN: Separately. The Economic Policy Board met without the President.

Q Has the Embassy in Saigon reported to the President on the reports of a coup attempt?

MR. NESSEN: There has been some press reports but it has not been determined here the details and who was involved and what the meaning of it was.

Q What information has the President received from the Embassy on this?

MR. NESSEN: I don't think we ought to go into the precise information he received, but in summary, it is not clear from the reports who was involved, what the degree of involvement was, what the motives were, what the intensity was, and so forth.

Q Is the President satisfied that there was indeed a coup attempt?

MR. NESSEN: As I say, there is just not that much detail available to give a very good assessment of what happened.

Q Ron, the White House has been very concerned about the situation in Indochina--Cambodia and South Vietnam for sometime. But two front page stories in the Times say 35,000 Communist troops poised around Danang and Saigon's military in a state of shock, and you seem very noncommunicative, for some reason, on this subject this morning. Is there any reason? The situation has not changed. You are not concerned? You say there is still enough time for aid if we wait a couple of more weeks.

MR. NESSEN: Walt, I hope that you don't detect in me any lack of concern by the Administration because I think Dr. Kissinger spoke quite strongly on the subject.

The President feels that Congress should have taken up this issue before it went on vacation. He wishes they had taken it up, and he feels that it is urgent that they do take it up quickly and urgent that the aid gets there quickly.

I would refer you to the things Dr. Kissinger said yesterday which are certainly a reflection of the President's view. I don't know from what Dr. Kissinger said that you could come to the conclusion that there was any lessening of concern.

Q Why do you think Lon Nol can hold out with Phnom Penh surrounded, Ron, and they are pushing in closer each day? Can you give us some illustration of why you think that he can hold out in that condition?

MR. NESSEN: As I understand it, the ammunition shipments have about -- what did we say April 25, was that the date -- sometime in April, anyhow, the money will run out for ammunition shipments, but meantime, they are getting ammunition shipments.

As has been pointed out here before, the other side is taking losses, too, which affect their ability. As Secretary Schlesinger said in the Cabinet meeting one day, nothing should be taken for granted when you are predicting events in Asia.

Q Ron, they have occupied a section -- they are moving into a section where they say they can get heavy artillery in and just flatten the city and certainly knock out planes. When they are able to knock out all planes coming in, how long do you think Lon Nol can hold out then?

MR. NESSEN: I don't really think that is an assessment I could make from here, Les.

Q Ron, what is your assessment of the enemy offensive running out of steam at some point? We are already passed the deadlines in Cambodia for past years. Several weeks ago here, you did talk in terms of ten days, two weeks they could last and now we are past that time --

MR. NESSEN: I don't think I used it quite that way.

Q Then Schlessinger lengthened it out slightly, as I recall, but my question essentially is, are we getting any intelligence --

MR. NESSEN: You must recall also it was after that assessment by Secretary Schlesinger that an extra \$21.5 million was found due to a bookkeeping error which enabled ammunition shipments to go on for several weeks.

Q My question is, are we getting back any intelligence feedback to show any signs of the kind of wearing out by the other side that has come at approximately this time or earlier in past years?

MR. NESSEN: I haven't seen anything to add to what I have said to you before.

Q For slackening their pace of attacks?

Q Ron, last week you were asked about an assertion you made that the Soviet Union and China were supplying more aid to the North Vietnamese in South Vietnam than we had been able to supply to the South Vietnamese government.

MR. NESSEN: No, wait a minute. What I said was they had supplied more aid this year than in any previous year.

Q But there was an assertion made on the Hill by Mathias and Stevenson that the CIA and the DIA had come up with reports indicating that the amount that the Communist nations had supplied to the North Vietnamese was half of what we supplied to the South Vietnamese since the peace accords were signed. Have you checked that out and do you have a response to that?

MR. NESSEN: I did check it out, and I don't have a response to that.

Q My earlier question didn't suggest a lack of concern on the part of the Administration. What I was saying was the situation in Indochina is the bleakest it perhaps has ever been and yet, we don't hear anything new, particularly from you this morning, on that situation. My question is essentially; has the President privately given up hope?

MR. NESSEN: No.

Q Is the President so preoccupied with the tax bill he is not giving attention to Indochina?

MR. NESSEN: No.

Q Does the President agree with Secretary Kissinger that Congressional failure to act is being taken as a deliberate attempt to destroy our alliances?

MR. NESSEN: Wait a second, Peter. We really need to keep language straight in this place and not simplify it like that.

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Q That was fairly accurate.

MR. NESSEN: I don't think so. The thrust of your question is: Does the lack of support by Congress in Indochina --

Q Does he feel that this is being taken, by and large, around the world as a deliberate decision by the United States to destroy --

MR. NESSEN: Did he say a deliberate decision? I thought the thrust of his remarks were that it was being viewed around the world not as a deliberate effort to undermine, but as something that throws into doubt American constancy, I think was the word he used.

Q He said it amounts to destruction of an ally.

MR. NESSEN: That is a whole different subject. He referred to the lack of Congressional action on the aid request to Cambodia and Vietnam as the destruction of an ally, but if your question is, does the President agree, the answer is yes.

Q Ron, how much time is the President spending on this problem? I can't get any feel from what you say, and from looking at his schedule --

MR. NESSEN: On what problem?

Q On Southeast Asia and the Middle East. How much time is he spending talking to people about it and reading reports about it?

MR. NESSEN: He gets his morning intelligence reports every morning, so he is fully informed on the situation there. He sees Brent Scowcroft as his first visitor in the morning when he comes to the office at about 20 minutes of 8, and then he has a meeting that runs anywhere from an hour to an hour and a half with Dr. Kissinger at 9:15. Then throughout the day and the evening he has other meetings as needed, and other reports come to him as needed throughout the day.

Q Anything from General Weyand yet?

MR. NESSEN: No.

Q Ron, speaking of the President's schedule, how did General Haig travel to San Clemente to pay his respects to his former boss?

MR. NESSEN: I frankly don't think it is something that we ought to give from here, but I will. (Laughter)

Q Will you ask General Haig to come see us after his meeting with the President?

MR. NESSEN: I will ask him if he wants to come see you, just so you understand why General Haig is here and so forth. --

Q I know why he is here. I would just like to know who paid for his trip to California.

MR. NESSEN: General Haig is here as part of his normal round of consultations he has every year or so with all the members of NATO. On this particular leg of the trip, he went to Ottawa and now he is coming here to see the President. In fact, this is sort of the tail end of this year's round of consultations because he has been to all the other NATO countries before coming here, except he has not been to Iceland on this trip or to Athens.

So, that explains why he came here. He flew from Ottawa in a military plane to Los Angeles, where he spoke to the West Point Founder's Day dinner on March 21, and then he stayed in Los Angeles on other business, the nature of which I don't know, until the 24th.

It was during his stay in Los Angeles that he visited -- apparently from what I read in the paper, because I have no way of knowing on my own -- the former President, and then he came to Washington for this meeting with the President on a military aircraft.

None of the planes he flew on was in the White House fleet.

Q Ron, did President Ford know that General Haig was going to visit former President Nixon in California? Did anybody inform him of that before that visit?

MR. NESSEN: I have no way of knowing that.

Q Will the President visit him if he goes to Palm Springs?

MR. NESSEN: There are no plans to.

Q Did Vice President Rockefeller bring a personal message to Egyptian President Sadat while he was in Saudi Arabia and any other messages of political significance?

MR. NESSEN: I am told he took a personal message from the President to the new King of Saudi Arabia. Whether he took any particular written message to any other leaders he might see, I don't know.

Q Would you check on that?

MR. NESSEN: Yes.

Q Ron, the Commerce Department announced this morning the largest drop in oil imports, an 18 percent drop. It is the largest since the embargo and the lowest since the 1969 maritime strike.

MR. NESSEN: Right.

Q How does the Administration account for that? Is that considered a good or bad sign? Bad because it indicates industrial activity is lower here and we are using less oil, or good because we are relying less on imports?

MR. NESSEN: There are several factors to that drop. It is partly accounted for by the fact that prior to the imposition of the \$1 per barrel tariff increase, there was a bit of a rush to bring oil into the United States free of the \$1 extra tariff.

At that point, imports went up to something like nine million barrels a day. Following the imposition of the dollar and with all this oil having been rushed in under the deadline and put into storage, there was a falling off down to around six million barrels a day or somewhat less. So, that is one reason for it.

The other reason for it is some indication that conservation measures and so forth are working. I mean, the first reason I gave is obviously a one-time kind of aberration. The second reason is a feeling that the oil conservation measures are working and there is a decline in oil imports.

Q What are those indications that there is a fall-off? The FEA figures I have seen don't seem to indicate that at all.

MR. NESSEN: The level of imports is the indication. There is less oil being imported into the country than has been the case in the past.

Q The indication of the FEA is that there is more being sold at the pump and there are pressures being placed on dealers to sell more.

MR. NESSEN: I have seen those stories. I don't think the two matters can be equated. There is a lot of oil in storage in this country, as you know. The imports have fallen off. That is the fact of the matter.

Q Ron, do you see no tie-in with the recession in the decline in industrial activity?

MR. NESSEN: That particular reason was not suggested to me by the people I talked to about this.

Q Secretary Kissinger said yesterday he is going sometime in April on a tour of several Latin American countries prior to the OAS meeting in May, at which time this matter of the Cuban embargo is going to come up again.

MR. NESSEN: Right.

Q You were asked two or three weeks ago and were going to check on whether we would feel bound to start trading with Cuba if the majority of the OAS members did.

MR. NESSEN: What I found out was -- and I think I may have actually relayed it once -- what I did was I went back and read the Secretary's remarks carefully and talked to some people and what he was saying was that at the moment we feel legally bound by the OAS trade embargo.

If the OAS lifted that embargo, then we would no longer be legally bound, but there might be other considerations in our trade relations with Cuba.

Q That is what you were going to check on, if the reverse would be true.

MR. NESSEN: Whether we would be legally required to trade with Cuba.

Q If being a member of the OAS, if the OAS voted in the sanctions --

MR. NESSEN: I don't think there is any legal requirement you must trade with a country. It works the other way around.

Q Ron, if the President goes to California, do you expect General Weyand would report to him there?

MR. NESSEN: If he does, that is a very real possibility.

Q Do you know when?

MR. NESSEN: I think the timetable remains the same, which is between the middle and the end of next week.



Q Do you rule out Saturday as a date for leaving because the President is going to study the bill?

MR. NESSEN: I can't rule out anything right now or in, for that matter.

Q Has the President scheduled any political speeches in California if he does go there?

MR. NESSEN: No.

Q One final question. There was a report, a news survey, in the Post this morning on the President's standing in public opinion polls, and in one segment dealing with how he has handled relations with Congress, it seemed to show a major increase in the negative rating.

MR. NESSEN: Yes.

Q Is the President afraid that if he were to veto this tax bill, it would be seen as a further indication by the public that he is not doing well with Congress?

MR. NESSEN: He is not going to, and I am not going to, react to polls, and he doesn't base policy on polls.

THE PRESS: Thank you.

END (AT 12:29 P.M. EDT)

AT THE WHITE HOUSE

WITH RON NESSEN

AT 5:39 P.M. EDT

MARCH 27, 1975

THURSDAY

MR. NESSEN: The meeting with the Economic Policy Board lasted from about ten after four until ten after five, a little over an hour. It was in the Roosevelt Room, and you saw who was there.

Some people have raised a question about my saying this morning there was no printed copy in the Congressional Record. There was not in the first edition of the Congressional Record. About one o'clock this afternoon a second edition of the Congressional record came up here, and the bill was printed in there.

The Enrolling Clerk of Congress has told Max Friedersdorf that the official copy of the bill will arrive here sometime today. It is not here yet.

Q The messenger is here. We filmed him.

MR. NESSEN: With the official enrolled copy?

Q That is what my producer is telling me.

MR. NESSEN: Max told the President about one-half hour ago it was not. Did this happen in the last half hour?

Q Yes.

MR. NESSEN: Then it is here.

By arriving today, the President has until midnight, Tuesday, April 8 to sign the bill or veto the bill; to make a decision, in other words. Max told the President at this meeting that it would arrive today, and he had until midnight, Tuesday, April 8 to sign it or veto it.

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At the beginning of the meeting, the President said he has looked over a summary of the bill prepared by the Treasury Department, and each participant at the meeting had this, which is a 12-page factual rundown of what is in the bill, and a second four-page presentation from the Treasury Department on what they consider to be some of the major objections to the bill.

Dick, I don't think you will be able to file until the briefing is over unless you want to end the briefing now.

Q It is unrelated to the briefing.

Q He is not covering the story.

MR. NESSEN: This is what everybody had before them at the meeting.

Q Did you say four pages of objections?

MR. NESSEN: Four pages of Treasury Department objections, yes.

Q Four pages?

MR. NESSEN: Yes.

Q Treasury Department objections?

MR. NESSEN: Parts of the bill they find objectionable.

The President opened the meeting by saying he looked this over and he finds "some good things and some very bad things in the bill."

Q Is that a quote?

MR. NESSEN: That is a quote.

He said he did not want to hear recommendations at this meeting, that what he wanted to hear was discussions of the pros and cons of individual provisions.

Q Recommendations being recommendations for a veto?

MR. NESSEN: Or a signing, yes. He didn't want to hear recommendations about whether to sign or veto. He said that this is a tough call. He said then, and he said later, that he wanted the participants at the meeting to study the bill and to later -- after they have studied the bill -- send in recommendations. I don't mean later today. I mean whatever time it takes them to make their recommendations.

Q Is he going to take the full time until  
April 8?

MR. NESSEN: I have no way of knowing, Fran.

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Q Excuse the interruption, but when he says this is a tough call, does he mean it is going to be a tough decision for him to make?

MR. NESSEN: That is what I interpret that to mean, yes.

Then Fred Hickman, who is the Assistant Secretary of the Treasury, more or less led the discussion by going through the provisions of the bill, primarily a factual rundown of what the provisions were, how much each one would cost, and so forth. Then, others would chime in.

The President asked a good number of questions. The other participants chimed in as to their knowledge of how some of these things will work. For instance, at one point the President said, "As a practical matter, can you tell me how it will work," referring to one of the provisions.

Q Did they tell him?

MR. NESSEN: This had to do with the credit for housing. Jack Marsh said the bill is "totally vague on what is covered." For instance, the question came up of were mobile homes covered and, if so, when does construction start on a mobile home; at what point on the construction line? When does construction start on a regular house, when you break ground, when you clear the ground or when you lay the footings?

Those were the kinds of technical questions that were discussed. Hickman said at one point, "The bill is filled with technical problems."

Finally, the President wound up the meeting by saying that, "In your recommendations, I want you to look not only at the specifics of this bill, but also the failure of Congress to hold down spending."

Jim Lynn said that, "If you take the rescissions and deferrals the Congress has refused to go along with, the increased size of the tax bill," and what he called "spending bills which are steaming along on the track" --

Q Who said that?

MR. NESSEN: Jim Lynn.

That is, the failure to go along with rescissions and deferrals, the bigger tax cut than the President proposed and spending bills which Jim Lynn said are "steaming along on the track," that the budget deficit for 1976 would be about \$100 billion.

So, the President said he wanted that considered in the recommendations along with the specifics of this bill.

Q But the tax bill is included in that?

MR. NESSEN: Yes.

And really, that is where it broke up.

Q Did he give them a deadline for the recommendations?

MR. NESSEN: No. He just wants them to go back and take their time and prepare their recommendations.

Q Since the President mentioned he has until midnight on the 8th to decide, did he discuss with you what his travel plans are?

MR. NESSEN: No, he has not made a decision on whether to go or not.

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Q As a practical matter, could he go to California without making a decision to sign or veto this bill; that is, could he continue with his plans to go Saturday morning and not sign or veto the bill?

Q He is due back the 8th, isn't he?

MR. NESSEN: The 7th, I believe, or the 8th. The California trip, as I said this morning, is completely up in the air.

Q Can he go without a decision on the tax bill?

Q He sort of indicated that he wouldn't, didn't he?

MR. NESSEN: That he would not go? I don't get any feel of whether he is going or not.

Q And you figure it is still going to take several days?

MR. NESSEN: Yes.

THE PRESS: Thank you.

END (AT 5:47 P.M. EDT)