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NEWS CONFERENCE

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AT THE WHITE HOUSE

WITH RON NESSEN

AT 11:29 A.M. EDT

OCTOBER 10, 1975

FRIDAY

MR. NESSEN: You know the President began his meeting with King Olav at 11:30, and we will have a picture at the end of that meeting with the pool going in instead of at the beginning, the reason being that King Olav is going to present the President with a gold medal commemorating the 150th anniversary of the beginning of Norwegian immigration in America. That will be done at the end of the meeting and that is when the pool will go in, and the cameras.

Since last night's news conference a number of people have asked about these incidents the President cited from the past, as to when Congress had imposed the spending limits simultaneously and, in fact, in the same bill with tax legislation, so I have done a little research and in 1967 Public Law 90-218 was passed on December 18, 1967, providing for a two percent cut in Government salaries, and a 10 percent cut in other Government spending, with certain exceptions, aimed at reducing by \$9 billion the Government's obligations for \$4 billion of it in the 1968 fiscal year and \$5 billion of it strung out later on.

Then in 1968 Congress passed Public Law 90-364, on June 28, 1968. Title II of that bill provided for a reduction of \$6 billion in outlays and \$10 billion in budget authority. And both of these, of course, were tax bills with the spending ceiling spelled out in them, so if Congress cannot figure out how to do it it ought to go back and look at what was done in 1967 and 1968.

There are also some more recent cases where resolutions have been introduced to put a ceiling on Government spending. There was H.R. 17102, by Congressman McDade, to set a limit on fiscal year 1975 expenditures at \$297 billion, and spelling out how that would be done, and also imposing a tax in case the ceiling was pierced.

There was also --

Q What happened to that?

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MR. NESSEN: Well, I am saying that the fact is that all these bills have been introduced so there is a mechanism. None of these bills passed because Congress apparently thought that it could just go on spending the people's money for the projects it thought best without putting a ceiling on the Government spending, but the fact is that Congress itself has recognized the mechanism because it considered all of these resolutions.

Q Ron, can I ask you something about that 1968 law because I checked it, too?

MR. NESSEN: Yes.

Q Isn't it correct that that law referred to the fiscal year for which this was to start on July 1 and that the budget for that, in fact, had been submitted five months earlier and that the main complaint ---

MR. NESSEN: We are right back where we were the other day, which is that they cannot do it this way and they cannot do it that way.

Q No, that is the specific point that the people in Congress are saying that they are being asked to set a spending ceiling for the year starting October 1, two months or one month before the budget is received and long before they can even study the budget. This was done in fact after the budget was received on the basis of studies of that budget.

MR. NESSEN: The President is not asking Congress to now make specific budget decisions on specific line items. What the President is asking and what he believes the people of the country share with him is a request that Congress do what every family in America does, which is determine how much it can spend based on how much income it has.

He is not asking Congress to set the budget for HEW, for defense, for housing or whatever. All he is asking Congress to do is pass a resolution or some other means saying that spending next year will not exceed \$395 billion so that we can cut people's taxes by \$28 billion.

Now the Members up there, some of them are sort of saying that they don't know how to do this. Well, it has been done before. There is a series of resolutions which they have considered in recent years.

Q It has not been done like this. It has not been done before.

MR. NESSEN: Well, that is the very point and that is why the President believes that you ought to call it the "can't do" Congress.

Q That is not true because this has not been done before, Ron.

Q There is the campaign slogan.

MR. NESSEN: Sir, I don't want to get involved in a philosophical debate --

Q No philosophical debate, just facts.

Q Wait. Does the President call this the "can't do Congress?"

MR. NESSEN: The President thinks that this is the "can't do" Congress. They cannot figure out how to cut people's taxes \$28 billion; they can't figure out how to pass an energy bill; they can't figure out how to develop the energy resources of the United States so that we don't import more and more oil from the OPEC countries at prices they set; they can't figure out how to reform some of the programs that are growing and growing and growing out of control; they can't figure out how to solve the natural gas crisis, which is going to be here in a matter of weeks. And the President thinks that what the country needs is a "can do" Congress, a Congress that can do these things.

Now there is a resolution in Congress if the Members can't figure out how to give people a \$28 billion tax cut. All they have to do is look on their desk when they get back from vacation and they will find on their desk House Concurrent Resolution 425 which was proposed by Congressman Latta of Ohio, a concurrent resolution to declare that total Federal budget outlays for fiscal year 1977 shall not exceed \$395 billion. It is a resolution that runs only about 12 lines and, as I say, when they get back from their vacation and if they have heard -- as the President thinks they will -- from their constituents while they are at home, that the people do want a \$28 billion tax cut and do want the uncontrolled growth of Government and Government spending held down, then all they have to do is rummage around through the papers on their desk, find this resolution which has been introduced and pass it, and then pass the tax cut of \$28 billion. It is not that hard to do.

Q Would that be legally binding?

Q Could I ask a question now?

MR. NESSEN: Sarah?

Q Congressman Olin Teague, who is a friend of the President, says that he would like the President to recognize the fact that he has passed four energy bills in the Science Committee of the House, not one of which he was able to get through without a hard time getting the facts out of this Administration, and he thinks the President should recognize the fact that Congress has done quite a lot.

Now what is your reply to that? You just said they have not passed any of these bills including research. That is not true, Ron.

MR. NESSEN: I don't know what the bills are that you are referring to, Sarah.

Q You just made a blanket statement that is not true.

Q What else have you got on your agenda? Really, we have to go.

MR. NESSEN: I know that. I am trying to hurry on.

Q This is more important than this trip.

Q Latta said that this trip would not have any binding effect on Congress because it conflicts with the budget loss that we now have on the books.

MR. NESSEN: The "can't do" Congress is thinking of new excuses in every way of why it can't do the people's business. The people --

Q That is just a bunch of political talk. Can we do away with the political speeches today if you are in a hurry?

MR. NESSEN: The Congress, if I may say this, makes its own rules. Now to say that Congress can't do something is to say that the Congress cannot legislate. There is nobody that imposes any rules or restrictions on Congress. It is a --

Q How about --

MR. NESSEN: I wonder if I could finish. Could I finish?

Q Is a veto a restriction on Congress to do something?

MR. NESSEN: I am sorry, I don't get the thrust of your question.

Q You said that there are no restrictions on Congress. Is a veto a restriction on Congress?

MR. NESSEN: Congress makes its own rules. It is a co-equal branch of the Government and for Members to say we can't do this, we can't do the people's business, is to throw up their hands and say, we cannot do what we are in business to do, which is to legislate.

Al Ullman, as I saw it on the CBS morning news the other morning, threw up his hands and said, "We can't cope with this," and a whole range of other Members have said we cannot do it for this reason, we cannot do it for that reason. There is nobody that imposes rules on what Congress can do. It makes its own rules and if it wants to -- as the President said last night, there must be some Members up there who have the imagination to figure out a way to give people \$28 billion of their money back.

Q Do you have anything else for us besides political speeches?

Q Ron, are you saying the President would accept this resolution, if he got this resolution passed he would accept that and that it would not veto a tax cut if he got this resolution?

MR. NESSEN: It is one method of doing it.

Q A non-binding resolution.

MR. NESSEN: Well, I don't know why you say it is non-binding.

Q Well, I gather that is what Mr. Latta says, the author of the resolution.

Q He should know.

MR. NESSEN: As the President said last night, Congress must have the imagination to figure out how to do this.

Q Is that all?

Q Ron, have you anything about the President's cold? Did he go swimming last night? Did he see Dr. Lukash?

MR. NESSEN: He did go swimming last night. He sees Dr. Lukash every morning on the way to the office.

Q And this morning, what did Dr. Lukash say?

MR. NESSEN: I didn't hear the diagnosis. It is about the same as it was last night.

Q Do you have anything else for us?

MR. NESSEN: I don't have any more announcements.

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Q Ron, the Governor of Kentucky said the reason the trip to Louisville was called off was not because the President was in danger, but that it was a political embarrassment -- he was going to campaign for a candidate who was going to lose.

Will you respond to that?

MR. NESSEN: I didn't read the Governor's remarks quite that way, and what the President told you last night, which was that both local law enforcement officials, the hosts for the dinner and the Secret Service all felt that for security reasons -- the security of both the President and of members of the community -- it would be best not to go.

Q Ron, did Melvin Laird come up with the idea of the \$28 billion figure for the tax cut in the budget and in the budget cut?

MR. NESSEN: Not that I know of.

The \$28 billion figure was determined -- I think maybe there is some misunderstanding about this -- the \$28 billion figure was, first of all, determined to be the amount that you could cut the Federal budget, the growth of the Federal budget, and then working backwards from that, having once determined what could be cut out of that growth in the Federal budget then the tax cut was balanced off gains, so it was worked in that direction.

The OMB computer ran through various numbers ranging from about \$25 billion up to \$30 billion, and this is the number that was determined to be the way to cut the budget, the size of the budget.

Q Ron, specifically, there is no way you can put it through the computer to afford what you can cut back without putting in various combinations of specific proposals?

MR. NESSEN: That is correct.

Q They came up with one, so why isn't the President helping Congress at this point and just resolving the whole thing?

MR. NESSEN: Congress does not need any help if it really wants to give the people their money back. But let me say that the President certainly didn't pick a number out of the air, by any means. He has in front of him a variety of ways to get the \$28 billion out of there so he knows --

Q But --

MR. NESSEN: Wait a minute, Steve. Maybe you don't agree with this proposal, but let me at least explain why the President believes it is the right proposal, and if you disagree, okay.

The President has a variety of specific proposals of how you lose \$28 billion from the growth of the Federal budget, so he knows it can be done.

Now, as he said last night, it is going to be handled in the normal way, which is that he is going through the proposed budget line by line making the specific proposals.

In January, at the regular budget time, he will send in a \$395 billion budget.

He is not asking Congress to do that now. They will do that next year. All he is asking Congress to do is to bind itself to set a ceiling of \$395 billion -- a ceiling, not the details -- to just say that the Government is only going to take an extra \$25 billion of the people's money next year. This is not a cut in anything, Steve. This is an increase of only \$25 billion.

Q Ron, if the Congress did this and put its specific proposals of limits --

Q Sarah, may I just follow up, please?

MR. NESSEN: Nobody said specifically proposals. As I say, he did not pull that number out of the air.

Q Once you pull it out that there are specific options that the President put through the computer and has at his disposal, what reason, other than political, is there not to give Congress the benefit of this computerized information? What direction is the President going?

MR. NESSEN: Steve, he has to do the budget in the orderly way, and it will be there in January, as always, with the specific cuts. He has not made all the specific decisions yet.

Q But, Ron, to call for a \$28 billion tax cut is a very popular thing to do.

MR. NESSEN: Well, is it now? The President said in his speech the other night there would be a lot of screaming --

Q Just a minute. That is why --

MR. NESSEN: --and as the Wall Street Journal said, which is more popular, a tax cut with a spending cut or a tax cut without a spending cut? Who is playing the politics here?

Q Ron, you have submitted a proposal that has no pain yet, you have not itemized the kinds of cuts that would have to be made to get to the \$28 billion.



MR. NESSEN: The President has been asking for budget cuts ever since early in the year. Congress has not gone along with those budget cuts yet. This is not something that he wants to take effect next October.

Congress would like to cut this spending now. He would be delighted, too.

THE PRESS: Thank you.

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(AT 11:48 A.M. EDT)