FOR IMMEDIATE RELEASE

MAY 4, 1971

OFFICE OF THE WHITE HOUSE PRESS SECRETARY

THE WHITE HOUSE

PRESS CONFERENCE
OF
SENATOR HUGH SCOTT
AND
CONGRESSMAN LESLIE C. ARENDS

THE BRIEFING ROOM



AT 10:20 A.M. EDT

MR. ZIEGLER: The Leadership Meeting this morning lasted for two hours. Senator Scott is here to discuss the meeting with you, together with Congressman Leslie Arends.

Congressman Ford, who is generally here, had a long standing commitment to go to Rochester, New York, to address a luncheon on revenue sharing. So we certainly didn't want to hold him here. He will be doing that particular task today.

In his absence, Congressman Arends is here.

Senator Scott.

SENATOR SCOTT: Ladies and gentlemen:

The President discussed with the Leadership the demonstrations and the reports from the House and Senate Leadership and matters pertaining to Lockheed Aircraft.

As to the demonstrations, the President noted that the government proceeds as usual and that the police and the District of Columbia officials and the Attorney General are all to be strongly commended for the way they handled these matters and for the restraint they exhibited.

He noted that the right to demonstrate for peace abroad does not include the right to break the peace at home. I, myself, certainly deplore the vandalism and the tactics which tended to erase far more restrained and responsible demonstrations earlier. And the government will not be stopped and the right of dissent will be honored. The First Amendment rights will be preserved. But vandals and obstreperous and the violence-prone leaders such as Rennie Davis, who formerly had a good many supporters in the Congress and probably has less today -- those people will learn there is a difference between the power to persuade and the power to coerce.

Persuasion is everybody's right. Coercion against the government is nobody's right.

CONGRESSMAN ARENDS: Might I first say that Jerry Ford was in attendance at the meeting this morning, but just left a few moments ago. That is why I am here.

We had a rather lengthy presentation from the Secretary of the Treasury, Mr. Connally, on the matter of what was to be done about Lockheed and the position they presently find themselves in, at least financially.

This lengthy discussion was about what we might do, what proposal might be presented to the Congress, and how we would handle it.

Undoubtedly such a proposal, if the suggestion is being made, would come to the House Banking and Currency Committee for their consideration. I think it was almost unanimous among those of us present, of the Republican leadership, that something be done about it and be done about it very quickly.

I am rather much of the opinion that very shortly the Secretary of the Treasury will suggest and the President probably will follow suit in sending something to Congress in the way of the solution of this very difficult problem that Lockheed faces.

Q When will this something be?

CONGRESSMAN ARENDS: It will be within a relatively short time. I wouldn't want to fix a date on it. I would say in a matter of a couple of weeks.

Q What would it be?

CONGRESSMAN ARENDS: It would be the question of the government's guaranteeing a loan of approximately \$250 million in order to, shall we say, assist Lockheed over the difficult time that they presently are in.

Q You say a couple of weeks?

CONGRESSMAN ARENDS: That is a guess. I would hope that it would be by that time.

Q Do you fully expect that this formula will go to Congress from the White House, do you, sir?

CONGRESSMAN ARENDS: I am inclined to think that a proposal will be sent up there, as I say, very shortly.

Q Did the President say he would?

CONGRESSMAN ARENDS: No, the President didn't say he would, but I am led to believe by the testimony and the statement made by Secretary Connally that the President is inclined to believe that that should be done.

Q The President said over the weekend that he would be, or that he hoped to be, sending a recommendation to Congress making the decision on Tuesday or Wednesday of this week. Did he give you some indication that it would take longer?

CONGRESSMAN ARENDS: No, he did not. So I am being overly cautious, shall I say, when I say a couple of weeks.

SENATOR SCOTT: The problem here is, of course, the maintenance of employment and particularly the maintenance of peacetime employment because, of course, the government could take over the defense aspect of Lockheed if it had to, but it couldn't take over the civilian employment. It is the civilian employment here which needs the most help.

Were the government to take it over, the cost would be far in excess of any loan guarantee proposed and it is not expected that loss will be incurred on the loan guarantee in any event.

Q What did you tell the President might be Chairman Patman's reception for such a proposal?

CONGRESSMAN ARENDS: I am not sure that we could speak for Congressman Wright Patman. However, if I had to draw a conclusion, I would say that he would give it exhaustive and thorough study before he ever said he wanted to adopt the proposition.

I am of the opinion, however, that once this is presented very clearly to the Congress, carefully gone into, that the Congress would be receptive to the idea.

SENATOR SCOTT: There are 35,000 sub-contractors affected here in the first tier alone. There are 11,000 employees, approximately, at Lockheed. Fourteen thousand employees at a minimum would be affected adversely in the sub-contractor range and others ultimately.

We also discussed this morning revenue sharing, and in particular, general revenue sharing. We discussed the fact that the governors and the mayors of this country are overwhelmingly in favor of this highly desirable program which removed the former necessity for maintenance of effort and prior approval.

And we hope that the Members of Congress will listen very carefully to the urgent pleas of the local leaders of America and will forego the sheer political advantage in order to provide the relief which is unquestionably desired and greatly needed.

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Q Senator Scott, you said that the people have the right to dissent in order to persuade.

Do you think that the demonstrations of the veterans and those that followed, not the current ones, had any effect in persuading Congress or the White House?

SENATOR SCOTT: I think that the large demonstration, the parade and the generally sincere, somewhat emotional, obviously and reasonably, but restrained presentation of the veterans -- and I met with the veterans, I might add -- was an important contribution to the total thinking about the war.

I think many of us were able to point out that the President is indeed ending the war in the best manner and most effective manner in which it can be ended.

But we received, expected and welcomed the right of discussion here, which was shared with the veterans and the Congress.

But this group that came along later, some of whom identified themselves in the Foreign Relations Committee as revolutionaries, were not prepared to discuss, they were not prepared for any form of rational attempt at a meeting of the minds.

They were here to make trouble and they were here to get themselves in jail, if at all possible, and I note that they succeeded.

Q Mr. Arends, you said a few minutes ago in discussing Lockheed that it was almost unanimous among the Members of Congress this morning that something be done about it.

Were there any members of the Leadership here this morning that felt that nothing should be done for Lockheed or disagreed?

CONGRESSMAN ARENDS: No. We had no vote, of course. This is my own expression of the discussion around the table.

- Q Would the loan guarantee just be for Lockheed?

 CONGRESSMAN ARENDS: For Lockheed.
- Q It would name them specifically?

CONGRESSMAN ARENDS: Yes, and this is, I repeat, a loan which will be guaranteed to the bank.

Q Under what statutory authority would this loan be made specifically?

CONGRESSMAN ARENDS: They are coming to the Congress. As I said a moment ago, they will have to come before the Banking and Currency Committee of the House and the Finance Committee of the Senate and put this proposition. This takes a little doing and it will take a little time possibly, but I think that is something that we have to do at this particular time.

Q Did Secretary Connally tell you how Lockheed got into this position?

CONGRESSMAN ARENDS: No, he did not. A good deal of the difficulty, if not most of the difficulty, came from the fact that what happened to Rolls-Royce going into bankruptcy in England raised the question of what was going to happen in the future to the delivery of the engines for these 1011's.

SENATOR SCOTT: I would like to correct one thing I said. It will go to the Banking Committee in the Senate because no outlay of Federal funds is contemplated or required by the authorization, except as a guarantee.

Q Senator, you said that Rennie Davis had had many supporters in Congress. Could you develop that?

SENATOR SCOTT: I would suggest that you note which prominent public officials and Members of Congress arose to praise Rennie Davis at Earth Day and on other occasions. The record is complete on that. I am not going to deal in personalities. But some of them are pretty prominent people who supported Rennie Davis when it was politically advantageous.

And now that support of many is coupled with vandalism and the kind of tactics that were used here, they are strangely silent.

Q What I was asking, Senator, when you said many, was for a round figure, a number.

SENATOR SCOTT: I would say many among the prominent people, half a dozen or more.

Q Senator, are you specifically speaking of Senator Muskie?

SENATOR SCOTT: Since you thought of Senator Muskie, there must have been something said by him. I suggest you look at the record.

Q Senator, you are the one who just said Earth Day, which I think is what suggested Senator Muskie to us.

SENATOR SCOTT: I believe Rennie Davis was the speaker at Earth Day. You can look up the reports of what happened. I b elieve the April 24th and other possible gatherings in Washington were discussed by Rennie at that time and certain people commented on them.

But it is very recent. It wouldn't take much research to see what they said.

Q Senator Scott, could you tell us whether the President is personally aware that you are making that kind of statement from this rostrum?

SENATOR SCOTT: No. The President is not personally aware of precisely what I am saying. In fact, he never is. But where I have said what the President commented on, I have so indicated.

I am making a personal comment here. I am suggesting that you go back to your notebooks and to the record and you will find a good many, a fair number of people, a half dozen or more who saw fit to praise the activities of Rennie Davis on other occasions.

None of them are praising him now.

Q What conclusion do you draw from that?

SENATOR SCOTT: I draw the conclusion that some people are entirely too quick to praise people whose purposes are doubtful and whose activities would bear closer scrutiny.

Q Was that particular point brought up and discussed this morning in the GOP meeting, Senator Scott?

SENATOR SCOTT: That particular point in the way I have stated it was not brought up in the GOP meeting this morning.

- Q Was Rennie Davis discussed at all this morning? SENATOR SCOTT: Not by name, no.
- Q Ron, could I ask you a question on Lockheed? The President said he expected to make a decision today or tomorrow. Does he plan to make an announcement today or tomorrow?

MR. ZIEGLER: There is no plan for the announcement to be made today or tomorrow. I believe Secretary Connally will be providing the President with the final recommendation this week sometime and an announcement will be made.

Secretary Connally outlined for the Leadership, as they have indicated to you, the reasoning behind the need for a guarantee of the loan for Lockheed.

Q Senator Scott, did someone brief this morning on yesterday's activities here or was it just discussed?

SENATOR SCOTT: No. It was just a general discussion more or less at the end of the meeting taken part in by several people. The only briefing this morning was by Secretary Connally.

Q Senator Scott, you are quoted in an AP story this morning as having said in Charlottesville that you see no problem in getting all American troops out of Vietnam or Southeast Asia by 1972, assuming the prisoner-of-war issue can be solved.

Do you know something that we don't?

SENATOR SCOTT: No. Assuming the prisoner-of-war issue can be solved and the President makes a decision on Vietnamization, the end of '72 is a possibility, a reasonable possibility. But this is a personal opinion. It is not based on any conversation with the President.

THE PRESS: Thank you.

WILLIAM B. WIDNALL
7th District, New Jersey

Room 2309
RAYBURN OFFICE BUILDING
WASHINGTON, D.C. 20515
CODE 202: 225-4465

DISTRICT OFFICE ADDRESS: 97 FARVIEW AVENUE PARAMUS, NEW JERSEY 07652 COLFAX 5-3550 File W WH Flisher May 4

BANKING AND CURRENCY
JOINT ECONOMIC
JOINT DEFENSE PRODUCTION
HOUSING SUBCOMMITTEE

COMMITTEES:

WASHINGTON STAFF: BEVERLY J. SHAY EXECUTIVE SECRETARY

Congress of the United States House of Representatives Washington, D.C. 20515

May 6, 1971

The Honorable Gerald R. Ford U. S. House of Representatives H230 The Capitol Washington, D. C. 20515

Dear Jerry:

My position, shared by a considerable but unprevailing number of HUD staff, is that the water and sewer program should be excluded from the Special Revenue Sharing proposal. My reasons are basic:

- 1. The present proposal takes a program that is oriented to small towns, suburbs, and rural areas, and gives it to the bigger cities. The counter arguments that we will be held harmless are not realistic in view of previous HUD practice and performance.
- There are presently \$3.5 billion in denied applications in HUD's filing cabinets. Under the present proposed setup, only towns now participating in the program are eligible for aid.

With this in mind, I presented capsule comment at the White House leadership conference Tuesday morning. You asked for a copy: this is enclosed.

Sincerely yours,

William B. Widnall, M.C.

Enclosure

The Honorable Gerald R. Ford U. S. House of Representatives H230 The Capitol Washington, D. C. 20515



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Bincerely yours,

William B. Widnall, M.C.

Enclosure

WATER AND SEWER FACTS



- 1. The Water and Sewer Facilities Grant Program exists because there is a federal recognition that;
 - (a) The adequacy of these facilities is essential to the health and liveability of a community.
 - (b) Many local governments do not have the fiscal resource to provide these facilities on their own.
- 2. The overwhelming majority of communities presently participating in the program have populations under 50,000, with substantial number having populations of under 10,000. At present, 71 percent of the available funds are going to towns 50,000 and under. If the population figure is raised to 100,000 the percentage figure rises above 90 percent.
- 3. The program is unique among HUD administered categorical grant programs in that it is not urban oriented, but rather directed toward communities in the process of growth, the capacity of whose water and sewer facilities is constantly being overcome by their increasing number of users.
- 4. For communities under 50,000, typically, a water and sewer facilities grant will be an isolated instance of that community either requesting or receiving assistance under any HUD grant program.
- 5. The water and sewer facilities grant program should be continued as a separate and identifiable federal commitment. In spite of the positive aspects of consolidation this course is completely defensible in light of the critical nature of the subject matter. Few priorities can stand above the availability of water and the disposition of sewage.
- 6. Community development special revenue sharing proposes to concentrate its resources (80 to 95%) on SMSA's. Within SMSA these revenues will be disproportionately shared with cities of 50,000 or more population to the prejudice of cities with less than 50,000 population. Cities outside the SMSA's will be at the mercy of the Secretary of HUD, receiving 10% or less of the funds now available, which are woefully short. Counties, and their services are ignored.
- 7. The effect of CDRS will be to make the funds now used for Water and Sewer Facilities Grants available to those communities who least need this type of assistance and make little use of it at present. Conversely, those communities with the greatest need for financial assistance in this area will have little or no chance under CDRS for the funds which they formerly enjoyed as Water and Sewer Grants, and for which there have been roughly 20 requests for every dollar available.
- * CDRS Community Development Revenue Sharing
- SMSA Standard Metropolitan Statistical Area



- 8. At present in the Water and Sewer Program, there has been:
 - (a) \$1 billion authorized
 - (b) \$500 million appropriated and vetoed.
 - (c) \$350 million appropriated and passed.
 - (d) \$200 million held back by executive. leaving
 - (e) \$150 million presently available.

HUD's unfulfilled and denied applications totals \$3.5 billion, constituting a legitimate backlog. All of them are ineligible at present under CDRS, because not now in program.

CER410 ABBUT SABATA

Tuesday, April 20, 1971

PAN AMERICAN DAY

The House agreed to H. Res. 387, commemorating the Pan American Day.

THE HOUSE CONSIDERED THE PRIVATE CALENDAR

HOUSE BEAUTY SHOP

By unanimous consent, H. Res. 23, relating to the creation of a select committee in the House of Representatives, was laid on the table.

MARITIME AUTHORIZATION -- SUPPLEMENTAL

RULE

By a voice vote, the House adopted H. Res. 355, providing one hour of open debate.

PASSAGE

By a voice vote, the House passed H.R. 5352, to amend the act to authorize appropriations for the fiscal year 1971 for certain maritime programs of the Department of Commerce.

MARITIME AUTHORIZATION--1972

RULE

By a voice vote, the House adopted H. Res. 354, providing one hour of open debate.

PASSAGE

By a record vote of 360 year to 11 mays, the House passed H.R. 4724, to authorize appropriations for certain maritime programs of the Department of Commerce.

Wednesday, April 21, 1971

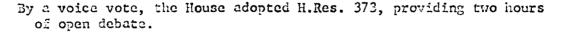
PRESIDENTIAL MESSAGE--FOREIGN AID

Received and read a message from the President proposing the reform of the United States bilateral assistance program--referred to the Committee on Foreign Affairs and ordered printed (H. Doc. 92-94)

Wednesday, April 21, 1971 (continued)

PUBLIC WORKS ACCELERATION ACT

RULE



The House concluded all general debate on H.R. 5376, to extend the Public Works Acceleration Act, the Public Works and Economic Development Act of 1965, and the Appalachian Regional Development Act of 1965; and began reading the bill for amendment. When the Committee of the Whole rose, title II of the bill was read and open for amendment. Proceedings under the 5-minute rule will continue tomorrow.

The House took the following action when in the Committee of the Whole:

By a voice vote, agreed to an amendment by Mr. Tiernan that includes as an eligible area an area where unemployment of Vietnam era veterans is at least 25 percent above the national average rate.

By a division vote of 37 yeas to 113 mays, rejected an amendment by Mr. Harsha that sought to strike out title I (authorizes \$2 billion for immediate use by the President for accelerated public works employment).

Thursday, April 22, 1971

PUBLIC WORKS ACCELERATION ACT

RULE

On Wednesday, April 21, the House, by a voice vote, adopted H. Res. 373, providing two hours of open debate.

PASSAGE

By a record vote of 319 yeas to 67 mays, the House passed H.R. 5376, to extend the Public Works Acceleration Act, the Public Works and Economic Development Act of 1965, and the Appalachian Regional Development Act of 1965.

Subsequently, this passage was vacated, and S. 575, a similar Senate-passed bill was passed in lieu, after being amended to contain the language of the House bill as passed. Agreed to amend the title of the bill.

The House insisted on its amendments and asked a conference with the Senate. Appointed as conferees: Representatives Blatnik, Jones of Alabama, Gray, Edmondson, Harsha, Schwengel, and Cleveland.



Thursday, April 22, 1971 (continued)

PUBLIC WORKS ACCELERATION ACT (continued)

RECOMMIT

By a record vote of 120 years to 262 mays, the House rejected a motion by Mr. Devine to recommit the bill to the Committee on Public Works with instructions to report it back forthwith with an amendment that strikes out title I.

SUPPLEMENTAL APPROPRIATIONS

By a voice vote, the House passed H. J. Res. 567, making certain argent supplemental appropriations for fiscal year 1971.

Monday, April 26, 1971

No legislative business transacted because of the death of the late Honorable Robert J. Corbett of Pennsylvania.

Tuesday, April 27, 1971

SUPPLEMENTAL APPROPRIATIONS

The House agreed to the amendments of the Senate to H. J. Res. 567, making certain urgent supplemental appropriations for the fiscal year 1971, clearing the measure for the White House.

DISTRICT DAY

The House considered and passed the following legislation pertaining to the District of Columbia:

- D. C. government organization report: H.R. 5765, to extend for 6 months the time for filing the comprehensive report of the Commission on the Organization of the Government of the District of Columbia (passed by voice vote).
- Police dogs: H.R. 2598, to authorize the acquisition, training, and maintenance of dogs to be used in law enforcement in the District of Columbia. (passed by voice vote). Prior to passage of bill, by a record vote of 76 yeas to 303 nays, the House rejected a motion by Mr. Mikva to recommit the bill to the Committee on the District of Columbia.
- Police and fire department retirement benefits: H.R. 2600, to equalize the retirement benefits for officers and members of the Metropolitan Police force and the Fire Department of the District of Columbia who are retired for permanent total disability. (passed by voice vote).

(MORE)

Tuesday, April 27, 1971 (continued)

DISTRICT DAY (continued)

Paralyzed Veterans of America: H.R. 2894, to incorporate the Paralyzed Veterans of America (passed by voice vote).

Merchant Marine Veterans: H.R. 6105, for the incorporation of the Merchant Marine War Veterans Association (passed by voice vote).

ALCOHOLIC BEVERAGE RETAILERS LICENSES: By a record vote of 178 years to 200 nays, the House failed to pass H.R. 6417, to reduce the number of class A retailers' licenses issued and outstanding under the District of Columbia Alcoholic Beverage Control Act, to establish the number of such licenses that may be issued and outstanding under such act.

COMMITTEE FUNDS -- DISTRICT OF COLUMBIA

The House agreed to H. Res. 28, authorizing funds for the Committee on the District of Columbia.

PAY ADJUSTMENT

The House agreed to H. Res. 282, providing pay comparability adjustments for certain House employees whose pay rates are specifically fixed by House resolutions.

COMMITTEE FUNDS -- FOREIGN AFFAIRS

The House agreed to H. Res. 288, authorizing funds for the Committee on Foreign Affairs.

COMMITTEE JURISDICTION

The House agreed to H. Res. 320, transferring jurisdiction of the Subcommittee on Foundations of the Select Committee on Small Business to the Committee on Banking and Currency.

Wednesday, April 28, 1971

OLEOMARGAR INE

RULE

By a voice vote, the House adopted H. Res. 388, providing one hour of open debate.

PASSAGE

By a voice vote, the House passed H.R. 2166, to amend the Federal Food, Drug, and Cosmetic Act.



Wednesday, April 28, 1971 (continued)

MARTHUANA AND DRUG ABUSE COMMISSION

RULE

By a voice vote the House adopted H. Res. 389 providing one hour of open debate.

PASSAGE

By a voice vote the House passed H.R. 5674, to amend the Comprehensive Drug Abuse Prevention and Control Act of 1970 to provide an increase in the appropriations authorization for the Commission on Marihuana and Drug Abuse.

A point of order by Mr. Staggers was sustained against an amendment by Mr. Anderson of California that sought to include amphetamines as a schedule II drug.

RAILROAD RETIREMENT ANNUITIES

RULE

By a voice vote, the House adopted H. Res. 390, providing one hour of open debate.

PASSAGE

By a record vote of 379 yeas, the House passed H.R. 6444, to amendthe Railroad Retirement Act of 1937 to provide a 10 per centum increase in annuities.

FLAMMABLE FABRICS ACT

RULE

By a voice vote, the House adopted H. Res. 407, providing for one hour of open debate.

PASSAGE

By a voice vote, the House passed H.R. 5066, to authorize appropriations for fiscal years 1971, 1972, and succeeding fiscal years to carry out the Flammable Fabrics Act, as amended.



Thursday, April 29, 1971

COMMITTEE FUNDS

By voice vote, the House agreed to the following resolutions, all authorizing funds:

- H. Res. 303, Committee on Government Operations, amended;
- H. Res. 247, Committee on Science and Astronautics, amended;
- H. Res. 273, Select Committee on the House Restaurant, amended;
- H. Res. 312, Select Committee on Small Business, amended;
- H. Res. 337, Select Committee on Crime; and
- H. Res. 351, Committee on Public Works.

By a record vote of 298 yeas to 75 nays, the House passed H. Res. 274, Committee on Internal Security. Agreed to an amendment by Mr. Hays to the committee amendment that raises authorization from \$450,000 to \$570,000 (by a record vote of 256 yeas to 129 nays); rejected a motion by Mr. Edwards of California to recommit the measure to the Committee on House Administration with instructions that the committee hold public hearings on the necessity of the funds (by a record vote of 104 yeas to 274 nays).

COAST GUARD AUTHORIZATION

RULE

By a voice vote, the House adopted H. Res. 406, providing one hour of open debate.

PASSAGE

By a voice vote, the House passed H.R. 5208, to authorize appropriations for procurement of vessels and aircraft and construction of shore and offshore establishments for the Coast Guard.

Prior to final passage, the House agreed to an amendment by Mr. Bow that specifies that ship construction of authorized vessels be constructed in the United States.

TOWING VESSEL OPERATORS

RULE

By a voice vote, the House adopted H. Res. 403, providing one hour of open debate.

PASSAGE

By a voice vote, the House passed H.R. 6479, to provide for the licensing of personnel on certain vessels.

Monday, May 3, 1971

THE HOUSE CONSIDERED THE CONSENT CALENDAR

SUSPENSIONS (3 BILLS)

The House voted to suspend the rules and pass the following bills:

- H.R. 155 Facilitating transportation of cargo by barges specifically designed for carriage aboard a vessel. (passed by voice vote)
- H.R. 135 Distribution of unclaimed postal savings deposits to the States. (passed by voice vote)
- H.R. 6283 Extending the President's Reorganization Authority. (passed by a record vote of 301 yeas to 20 mays)

PROGRAM AHEAD

Tuesday, May 4, 1971

PRIVATE CALENDAR

S. 531 - Authorization for Post Office to prepare applications for passports. (OPEN RULE - ONE HOUR DEBATE)

Wednesday, May 5, 1971, and Balance of Week

H.R. 4604 - Increasing the outstanding loan ceiling of the Small Business Administration.
(SUBJECT TO A RULE BEING GRANTED)