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NEWS CONFERENCE

#132

AT THE WHITE HOUSE

WITH RON NESSEN

AT 11:55 A.M. EST

JANUARY 27, 1975

MONDAY

MR. NESSEN: The President had breakfast this morning with the Republican Congressional leaders on the first floor of the Residence. I think you have a list of the people who were there, including the Vice President. Maybe I could give you a little report on the breakfast, if you care to hear it.

The President began by saying that he wanted to have these breakfasts about once a week or once every two weeks. Today's breakfast dealt almost entirely with the economic and energy programs. He again said that he thinks his program is a good one. He said that the Democrats, if they don't like it, have an obligation to come up with alternatives rather than chipping away here and nit-picking there.

He says he believes the public will support his program, and in that connection, he said that he thought that the special steps taken on behalf of New England, he had not seen reported or broadcast and that he thought he would take a moment to have those special provisions explained. Both Secretary Morton and Frank Zarb, then, did take the time to explain the special steps that had been taken for New England.

The special steps are -- as you know, New England relies heavily on imported heating oil to heat the homes and residual petroleum to run utility plants. Zarb and Morton pointed out that, under the proclamation signed the other day, there would be no increase in the import fees on already refined heating oil and residual fuels in the month of February, no increase whatever, and that in the second month the increase would be 60 cents instead of \$2 and in the third month that it would be a total of \$1.20 instead of a total of \$3.

MORE

#132

Zarb and Morton said that they were going to try to get this explained adequately since he didn't think the Governors, even when they were in here the other day, realized that these special considerations had been taken to help New England.

Secretary Morton also said that New England needs to think about permanent solutions to its energy problems, with less reliance on imported petroleum and more use of nuclear and coal conversion, offshore drilling and so forth.

Frank Zarb then gave a more general outline of why the President's program is preferable to any of the alternatives that have been suggested. He said there were four alternatives. One was to do nothing. One was to impose a tax on gasoline; in other words, to increase the excise tax on gasoline. The FEA has done some work on that and found that, in order to save a million barrels a day, the gas tax would need to be 35 or 40 cents a gallon.

Q Do you mean the new tax would be that much, or including the old taxes?

MR. NESSEN: No, that would be an increase of 35 or 40 cents. They have a calculation there --

Q -- over 4 cents now?

MR. NESSEN: Yes.

-- that for every 10 cent increase in the gas tax, people tend to use 250,000 barrels a day less. So, to get the full million out of gas through an increased tax, the increase would have to be 35 to 40 cents.

He said the third option was rationing, and I think we have already explained why the President is opposed to that. Zarb said he had seen a number of editorials over the weekend that seemed to support the President's opposition to rationing.

Q Ron, excuse me. For every 10 cents, people would use 250,000 gallons a day --

MR. NESSEN: -- barrels a day less, 250,000 barrels a day less.

The fourth option, according to Zarb, is the President's program, which he said was the best and he didn't believe that opponents could come up with anything better.

Morton said that he had been in Los Angeles over the weekend and that he had talked to a man who had some knowledge of petroleum distribution. The man told him that if rationing were to be imposed, that he thought a black market would spring up, that for 30 cents a gallon or more, you could buy black market gas over the first six months, and after six months, the black market price would go to a 50 cent bonus on top of the regular price. And that this man -- he did not identify the man -- said the man thought that --

Q Was it Henry Salvatori, by any chance?
(Laughter.)

MR. NESSEN: He did say that the man told him he felt the Mafia would get involved in black market gas.

Q Ron, there are a lot of commuters in California who depend on their cars. Is there any provision that would take care of their gas problems? Do we have it publicized yet?

MR. NESSEN: Do you mean under the President's program?

Q Yes, like New England.

MR. NESSEN: I am not aware of any, Tom, other than his statement that the provisions would be made to avoid the regional hardships.

Q No specifics on California?

MR. NESSEN: No. I think, again, we have to keep in mind that the purpose of this program is to discourage people from buying as much gas.

Q Ron, if the figures are right and if the President's program drives up gasoline prices roughly 10 cents a gallon, that means it is only going to save 250,000 barrels a day and not --

MR. NESSEN: I think we have been talking about 12 or 13 cents a gallon, now that the figures are refined a little more.

Q Is that the 12 or 13 cent figure?

MR. NESSEN: Yes. I don't know if you were here the other day when we gave a breakdown of where the savings were going to come from. It is anticipated that 450,000 barrels out of the million would be saved from gasoline use.

Q Ron, according to the FEA's figures, then, there would have to be a little more than the 12 or 13 cents? It would have to be 15 cents a gallon, wouldn't it?

MR. NESSEN: Frank has talked about various figures between 10 and 15 cents. It would be somewhere in that area.

The discussion went back to special reduction of fees for New England and Mr. Rockefeller said, "Nobody understands that," and the President said, "Yes, I know, we have to make it crystal clear."

That was about the extent of the discussion at the breakfast.

Q Ron, do you mean to imply, or even to say, that the President did not tell the New England Governors, or the Northeast Governors, when they were here the other day, about these provisions?

MR. NESSEN: He did, Jim, but he didn't get any feeling from reading about the Governors that they had fully comprehended what he was saying.

Q Do you think they would doubt what they were told?

MR. NESSEN: I don't see how they can doubt what they are told. It is written down in the proclamation.

Q Ron, they were uncomprehending, or what?

MR. NESSEN: I don't know, Jim. They were told, and the President and others at the meeting this morning did not think the word had sort of percolated around enough.

Q Ron, to be fair to the Governors, they more or less were saying they understood very well they were already the hardest hit, most depressed area because of their dependence based on the increases of the last 18 months, and that instead of giving them help you are just going to hurt them a little less than other areas, which is counterbalanced by their --

MR. NESSEN: The fact is that some other figures were given at that meeting, too, which show that New England is not really hurt the most. This will probably bring a lot of complaints from other regions, but the fact is that when you take the total increase in direct energy cost per household, New England -- well, for instance, the Mountain States will pay considerably more in total for increased energy.

So will the North Central and South Central regions of the country. Three regions of the country will pay more overall for fuel in direct energy costs than New England.

Q What are the three areas, Ron?

MR. NESSEN: For instance, to give you the figures, New England, overall, each average household in direct energy cost increases will pay \$180 a year more, whereas in the Mountain States they will pay \$191 more.

Q Do you mean Rocky Mountain States when you say that?

MR. NESSEN: Yes.

Q Is this based on the tariff or the whole program?

MR. NESSEN: That is the whole program.

Q Where does this \$250 figure come from that they were giving out earlier?

MR. NESSEN: Let me finish giving these figures and then come back to that point: Rocky Mountain States, \$191 a year more; the West North Central States -- and you will have to check with Frank Zarb's office to see which are the West North Central States --

Q Great Plains, is that --

MR. NESSEN: Check with Frank on what they are. -- will pay \$187 more on average, per household and direct higher energy costs; the West South Central States will pay \$185 more; and New England will pay \$180 more, so, you see, they don't suffer greater price increases than anybody.

Q Would you give us a rundown on the rest of the country?

MR. NESSEN: Yes, but let me just say we have not gotten through the announcements yet, so you don't know that Ansell Adams is coming in to see the President, but he is.

Q Who?

MR. NESSEN: Ansell Adams, the photographer. There is to be a photo of that, if you wish to take one, and if you will follow Bill Roberts, he will take you to the photo. It is going to be an outdoor photo because it is such a nice day.

Let me clear up just a couple of things that were left hanging here. Do you want to run through the rest of the figures for the rest of the regions?

Q Yes.

MR. NESSEN: I gave you New England, which would be \$180 more; and next below that you come to the East North Central States, where the fuel costs will go up \$174; the Middle Atlantic States will be up \$170; South Atlantic States will go up \$154 a year; the Pacific Coast States, \$151 a year; and the East South Central States, \$142 a year.

To make sure we know what we are talking about, this is under the President's total program, not just the increased import fees. It is direct energy expenditures per household, and the elements of that include gasoline and motor oil, heating oil, natural gas and electricity.

Q I wonder if you could put a list up and tell us what some of these States are -- I mean, South Atlantic, Middle Atlantic. What is Maryland, for example? Do we know which State is which under these various breakdowns?

MR. NESSEN: Zarb must have the thing.

Q If he will mimeograph it.

MR. NESSEN: Yes.

On the question of whatever happened to the \$250 we were talking about, the FEA has been refining its figures as it goes along, and I think it has a little better fix on what the increase will be.

The FEA is now saying that the average cost of increased energy prices under the President's total program as opposed to this interim first step, the average will be about \$275 a year per household. That breaks down to a direct cost for higher energy of \$171 and \$104 in indirect costs.

Q What would they be, Ron? What would the indirect costs be?

MR. NESSEN: Some of the things we have talked about here, products made out of petroleum and those kinds of things.

Q That is a ripple effect, isn't it?

MR. NESSEN: No, it really isn't. It is a straight passthrough. Ripple effect is when the price goes up more than the cost of the petroleum goes up.

Q Did you say \$171 and \$174?

MR. NESSEN: \$171 and \$104 for a total of \$275.

Q This is a \$25 increase over your original increase?

MR. NESSEN: That is right, yes. They refined their figures down now and come up with an extra \$25.

Q That is an average for the whole country?

MR. NESSEN: That is an average for the whole country, yes.

Q The figures you gave us, is that for just this first tax increase, the first month?

MR. NESSEN: No, no. All the figures I am giving you have to do with the President's total program.

Q At this breakfast, Ron, could you tell us if the President discussed some of the new revised figures from the economy?

MR. NESSEN: Let me just say this, that to be absolutely fair, the \$275 figure could possibly be as high as \$345 at the absolute outside. At the outside the very highest would be \$345. This is based on the idea that the \$104 in indirect costs -- that is, the price of products made from petroleum -- instead of being \$104, it could be as high as \$174.

However, the FEA does not believe that they will be because, based on past experience and, especially, the most recent experience of the increase in Arab oil prices, firms cannot and do not pass through the entire cost of their higher petroleum prices. That has been the experience.

Q What does that do to the cost figure? Is that now increased?

MR. NESSEN: No, it stays about the same.

Q How can that be?

MR. NESSEN: The \$275 is not that much greater than the \$250 that that other estimate was based on.

Q But you take every household in the country.

MR. NESSEN: The \$30 billion is based on this maximum \$345 increase, so if it were the lower \$275, the overall increase would be less than \$30 billion.

Q How much would it be?

MR. NESSEN: \$30 billion based on --

Q How much would it actually be?

MR. NESSEN: We have to do the arithmetic.

Q Have these figures all been published? Weren't they put out last week?

MR. NESSEN: I think they must have been.

Q Why are we going over it?

MR. NESSEN: I don't know, because I was asked about it.

Q Could you get us a copy of the report?

MR. NESSEN: That is easy enough to do.

Q On this breakfast meeting, was the President informed of revised economic statistics that now show that the jobless rate will go well over 8 percent before the year is out and that the GNP is going to drop sharper than originally estimated?

MR. NESSEN: I have not heard that, Pete.

Q Has he been given any such figures?

MR. NESSEN: I don't know.

Q Will you check for us?

MR. NESSEN: I certainly will. He has a meeting every week at which he is given the latest economic forecast, and I don't know what day that will be this week, but if there are such forecasts, that is where he would get them.

Q Could you give us the number of households so we can do this arithmetic ourselves?

MR. NESSEN: Certainly.

Q Ron, did they discuss the prospects for the President winning the legislative contest over the increase in tariffs in the House Ways and Means Committee?

MR. NESSEN: There was some discussion of what is going on in Congress, yes.

Q By the same token, Ron, did they discuss the chances for the President's entire program being passed? There has been a lot of talk the last few days that by imposing these fees he might have reduced the chances of the rest of the program. Any discussion on that?

MR. NESSEN: No, there was not any discussion of reduced chances for his program.

Q Did they give any sort of analysis to him?

MR. NESSEN: No. Oh, the outlook?

Q Yes.

MR. NESSEN: No.

Q Did they discuss any possibility of requiring that the OPEC countries submit sealed bids against each other for the U.S. market?

MR. NESSEN: No, that did not come up today.

Q Has the President considered it and is there any possibility that something like this might be done to try to break the cartel?

MR. NESSEN: I am not aware.

Q He has not even considered it?

MR. NESSEN: I am not aware if he has.

Q Ron, we were told again today that the President considered a number of alternatives on how to achieve his energy objectives, and each time absent is the alternative that the FEA recommended in a report last month, which is to save a million barrels a day by a series of mandatory and voluntary conservation measures and a series of measures to increase the production of domestic oil and domestic energy.

Did the President not consider that FEA recommendation, and if so, why did he reject that?

MR. NESSEN: Do you mean other than the steps he decided upon?

Q Some of them are included, but it does not include either rationing or the higher fuel oil.

MR. NESSEN: He considered rationing, he considered mandatory limits on imports, and he considered higher gasoline tax. He considered almost everything that has been around.

Q But, did he consider that FEA report, which listed, which outlined how a million barrels could be saved without either rationing or higher import levy?

MR. NESSEN: He did see it, and felt it would not accomplish the goal.

Back to the announcements now.

At 11:30 the President met with Ambassador Daniel Moynihan. The purpose of the meeting was to express his appreciation for Ambassador Moynihan's excellent service as Ambassador to India since early 1973. The President also received Ambassador Moynihan's personal views on India and on American-Indian relations and other matters.

The President will be meeting with the photographer, Ansel Adams, about now. Mr. Adams is having lunch today with Mrs. Ford. He is, as some of you know, a renowned photographer, mostly of nature. He is a past Senior Director of the Sierra Club Board.

In addition to being a social call, he is expected to talk to the President about some ideas of his regarding the national parks and environment. The photographers have gone out to take pictures of the President with Ansel Adams.

Q Can you tell us how this came about, Ron, Ansel Adams coming to the White House?

MR. NESSEN: Mrs. Ford has seen some of Ansel Adams' photographs -- and in fact, one of them is hanging in the President's small office and one of them is hanging in the Residence -- and she wanted to have him to lunch. While he was here, it was thought that the President might want to talk to him about these matters.

Q Ron, the Moynihan meeting, did Moynihan discuss food aid to India this year?

MR. NESSEN: It is possible that that came up. I was not in the meeting, but it is possible that it did.

Q Where are we on the options, then, particularly on what Secretary Kissinger had to say that we had decided on the highest of the three? Are you ready to announce that?

MR. NESSEN: No, we are not, Jim.

Q Are you still in the same position you were, where you are not denying it, but you are not quite confirming it?

MR. NESSEN: On the figure?

Q The billion and a half.

MR. NESSEN: I think it would be better to announce the whole package at one time.

Q Why was the photo canceled with Moynihan?

MR. NESSEN: I did not know it had been. I don't know why.

At 12:30 p.m., the President is meeting with Senators Strom Thurmond and William Scott to get their impressions of a recent trip to Asia, which they made. They spent two weeks visiting Korea, Japan, the Republic of China, Hong Kong, South Vietnam, Cambodia, Singapore, Indonesia, Thailand and the Philippines.

At 2 o'clock, the President will hold another of his regular meetings with the Vice President. They met last week, as you know, on Monday, also.

This afternoon, at 4 o'clock, the President will meet with about 20 or 30 Senators of both parties. The purpose, of which, is to discuss a timetable in the Senate for action on the President's, first of all, antirecession tax cut and, secondly, the President's energy program and to avoid any delay in getting that antirecession tax cut and also to avoid any delay in the energy program which would prevent the permanent tax cut from going into effect.

Q So, you are talking about the tax rebate, when you were talking about the first thing that was mentioned?

MR. NESSEN: Yes.

Q Will you put a list of Senators out?

MR. NESSEN: Yes.

Q How were they chosen? I mean, how do you go about picking 20 or 30 Senators and you don't get all of them?

MR. NESSEN: These are Senators who have expressed an interest in coming and talking about these programs and having the President explain why he believes action is needed now, without any delay.

Q Are they Finance Committee members?

MR. NESSEN: Some of them are.

Q Are they from appropriate committees, or are they a cross section?

MR. NESSEN: A cross section.

Q Are they all favorably inclined towards the President's program?

MR. NESSEN: No, they are not. I mean, you have McC. Mathias, Lloyd Bentsen and Mike Gravel and so forth, so you could not very well say they are all favorably inclined.

Q Was Chairman Long there?

MR. NESSEN: Russell Long tentatively plans to attend.

Q Are any of them favorably inclined?

MR. NESSEN: Well, I think so.

Q I mean that as a serious question.

MR. NESSEN: Yes. I think Senator Fannin, for instance, is favorably inclined. I think Senator Hansen -- frankly, I don't keep that close a watch on who is favorably inclined, but looking over the list, it strikes me that some are.

Q Ron, are you going to give us the list?

MR. NESSEN: Yes, we will.

All right. That is that meeting.

Q Where will that meeting take place, Ron?

MR. NESSEN: In the Cabinet Room.

Q Picture?

MR. NESSEN: There could be, sure.

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Q How about letting them come out here to take a picture?

MR. NESSEN: Do you mean out in this room?

Q Yes.

MR. NESSEN: Let me talk and find out how they feel about that.

Later this afternoon, the President will meet at 5:30 with the Board of Leadership Conference on Civil Rights, and again there will be an opportunity to photograph this. It is in the Cabinet Room.

The Leadership Conference on Civil Rights is a coalition of 135 organizations in the fields of civil rights, labor, religion and civic organizations. It has been in existence for about 25 years. The Board is meeting in Washington this week.

The Board Chairman is Roy Wilkins. Mr. Wilkins requested this time to come in and meet with the President with his Board members to discuss problems of civil rights and social welfare. We have a list of participants.

Do you have that? We will get that for you. There are 12 members coming in.

Tomorrow the President will attend the Congressional breakfast of the 32nd Annual National Religious Broadcasters Convention at the Washington Hilton Hotel. There will be open coverage and the President will speak briefly.

The travel pool should be here in the press room at 7:15. The President will leave the White House at 7:45, and should be returning to the White House by nine o'clock. Mrs. Ford will go along.

In order to get in, either a White House pass or a Capitol Hill pass or a Metropolitan Police pass will be sufficient. It is in the International Ballroom of the Washington Hilton. For those who have to set up equipment, you should have that all in place by 7 o'clock in the morning.

Q When is the President going to speak?

MR. NESSEN: I don't have the exact time, but if he gets there about 8 and leaves at 9, that sort of pinpoints it fairly closely.

Q I have a housekeeping question, Ron. The question is this: Ron, in view of the meeting this afternoon at Boston University of the student body of the School of Communications to discuss whether Ron Ziegler should be paid \$3000 for a speech, I was wondering, are you signed up or will you be signed up by a lecture bureau and, if so, what fee? That is the first part of the question, are you signed up?

MR. NESSEN: No, I am not, and I have no idea what anybody would be willing to pay to see me, if anything.

Q Does the White House feel that \$1 a second or \$1 a word, as this works out, is going to help with the inflation.

Since he worked for the White House, and that is why he is being brought to Boston University, do you have any kind of guidance for these young journalists, Ron?

MR. NESSEN: I don't, Les.

Q The White House has nothing to say on the inflationary effect of \$3000 for one speech?

MR. NESSEN: It does not.

Q Do you mind if I change to another topic?

MR. NESSEN: I would be delighted.

Q Have you talked with the White House counsel or possibly Frank Zarb in connection with the suit that is being filed at 3 o'clock this afternoon for eight Northeastern States to stop the tax?

MR. NESSEN: I have not. I mean, obviously, the White House is aware of the suit but has not taken any action. This is a suit that eight Governors of Northeastern States say they will file to block the proclamation the President signed last week.

Q Ron, do you have any information on the President's schedule in getting around the country in defense of his program?

MR. NESSEN: No, the speeches have not been locked in enough to announce yet.

Q Any travel this week?

MR. NESSEN: I don't anticipate any.

Q Will he be going to New England to make himself clear up there?

MR. NESSEN: I think at some point he might, Frank.

Q Ron, could I ask two unrelated questions, of which the first is really a housekeeping question? What is budget day, what is budget week?

MR. NESSEN: Next Monday will be the budget going to Congress, and we are anticipating the regular Saturday briefing on the budget.

Q My other question relates to the story this morning about the FBI wiretapping in 1964 at the Democratic Convention. I am aware of the fact that you have declined to comment on these things when they took place in previous administrations, so I am not asking that.

What I am asking is, what will be the President's policy or what is the President's policy on the FBI retaining the tapes of that wiretapping; in other words, if they made tapes -- and I have to assume they did -- if they still have them, looking back at the President's statement the other day, does he believe the FBI has a right to preserve these tapes or does he think they should be destroyed or turned over to someone else or what is the policy?

MR. NESSEN: If there are any tapes, and I don't know that there are --

Q I don't mean to imply that the FBI gave them to the White House or somebody else; in other words, whoever has them, what does he think should be done with them?

Q. What was the question, please?

MR. NESSEN: Jim is wondering what would the President feel should be done with any possible tapes that may exist from the alleged wiretapping of Martin Luther King.

I would say, Jim, that I don't know if there are any tapes, and if there are, where they are, and I would need to find out what the President's views on that are. I don't know what they are.

Q Could you undertake to find out what his views or policy is on those tapes?

MR. NESSEN: Yes.

Q Ron, on a broader issue of the material that has been collected, largely volunteered, on Senators and Congressmen in FBI files, has the President taken any action to back up his position in the NBC interview where he said he did not think it necessary to keep that information any longer?

MR. NESSEN: No. What he said, Tom, was that he would not have any objection to some of the ideas that have been proposed on the Hill, and that still is his position.

Q Did he quite say that?

MR. NESSEN: I think the question was, "Don't you think that these files and so forth should not be retained," and he said, "I would have no objection to that."

You ought to talk to Larry Silberman because he has some thoughts about the legality of destroying government documents. He also has some thoughts about what would happen if there were some material in one of these files and it was thrown out and later the man was checked for clearance for a job and that material had been thrown out.

Then people would raise the question, "Well, if something was the matter with the guy, why didn't you know about it?" But that is Silberman's feelings, and you ought to check with him. The President's public stand is that he would have no objection to some of these ideas.

Q Then if I may go back to my question, as it happens both Dr. King and Bobby Kennedy are dead. What does the President feel about holding on to materials of people who are dead?

MR. NESSEN: As I say, if there is any material, Jim, I will find out what his feeling about that is.

Sarah?

Q Mr. Silberman is leaving the government service right away and it might well be that unless there is some policy of the White House on this that is hard and fast, that the successor to the Justice Department might feel different.

MR. NESSEN: That is true.

Q Don't we need a hard and fast decree from the White House on this?

MR. NESSEN: I don't know that it has come to the White House in any form that requires a decision at the moment.

Q Only from the press?

MR. NESSEN: Silberman is not leaving right away, but I don't know that the question needs to be resolved at this moment, Sarah. Director Kelley is making a report to the Acting Attorney General. The President said that if there is anything in that report that needs to be brought to his attention for his decision, he would want to see it.

Let me correct something about the religious broadcasters' breakfast. I made a mistake when I said that Mrs. Ford was going to be going to that. She is not.

Q Ron, the other day you gave us the President's view on folders of Congressmen and Senators as maintained by the FBI, and you said you would ask the President of his opinion of other government agencies, whether it be the Pentagon or State or whoever, maintaining folders on Congressmen and Senators.

Have you had a chance to ask him?

MR. NESSEN: I haven't, Cliff.

Q Ron, when is Silberman leaving?

MR. NESSEN: As you know, the President asked him to stay on for a transition period after Levi takes over, and I don't think there is any time limit set on that for how long he will stay.

Q Senators Proxmire and Stevenson have introduced a bill. They want to give the Council on Wage and Price Stability authority to delay wage and price hikes the Council thinks inflationary. I wondered if the President would support that rather limited modified form of controls?

MR. NESSEN: No, he would not. He would oppose that. He does not support any legislation that would start toward wage and price controls.

Q Ron, there have been several shifts, such as Senator Proxmire on the FCC Fairness Doctrine. I am just wondering, how does the President feel about the Fairness Doctrine? Does he agree with Senator Proxmire and does he believe that license renewals should be three years or five?

MR. NESSEN: I would have to check on that, Les. I am not sure.

Q He has not spoken, to your knowledge, about this?

MR. NESSEN: Not to my knowledge.

Q Ron, to the News Directors on Friday, the President made several remarks about taking the facts back to the communities and reporting facts, and this morning at the Congressional breakfast he had some things to say about certain portions of the story not being published or broadcast.

Does the President feel the news coverage of his program has been inadequate?

MR. NESSEN: Oh, no. I think you know him well enough to know that he does not have that kind of attitude.

It is a complex program, and it is not that the news reports on it have been inadequate. It is that he just feels that in the ongoing course of writing stories and broadcasting stories that more and more details of it will come out and when people see the whole program, they will support it.

Q Ron, I think the part about New England on page 32 of the fact sheet does not specifically mention New England.

No, no; well, that is right, Aldo. It does apply -- I mean, the lower, or the nonexistent increase, the zero increase, in import fees on products -- that is heating oil and residual fuel -- applies nationwide, but it affects New England most because they use a great deal of imported products.

For instance, it would affect Florida because the utilities in Florida to a great extent run on this imported residual fuel rather than residual fuel that is refined within the United States.

Q I see, but the central part of the country, some of which was harder hit by this than New England, would not necessarily be affected by this, is that correct?

MR. NESSEN: It would not necessarily be affected by that, particularly, yes.

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Q Ron, you said there was some discussion this morning about legislative efforts to delay the higher import fees?

MR. NESSEN: Oh, no.

Oh, I see what you mean. You mean efforts in Congress to delay.

Q Yes.

MR. NESSEN: Yes.

Q Can you be a little more specific on that? Did the members their feel these efforts would be successful?

MR. NESSEN: Well, they didn't have any clear-cut view on what would happen. The President told them that he would meet either tomorrow or Wednesday with the bipartisan leaders, Democrats and Republicans, here at the White House to talk about moving his program on.

He did talk about how the delay, or efforts to delay, seemed to him to be delaying his total program -- his two programs, really, the antirecession tax cut and, then, the whole energy program, which provides for the permanent tax cut. He thought that that was an important argument, that the people around the country would be letting their Congressmen and Senators know about it. And he did say that he would be meeting with bipartisan leaders to talk about how to move this program on.

Q Did he say that he intended to veto the debt ceiling if it has the rider attached from the Ways and Means?

MR. NESSEN: That did not come up specifically this morning, but I know he has not ruled out a veto of the two if they are attached to each other.

Q Has the White House done any nose counts as to the prospects or outlook that that veto would or would not be overridden?

MR. NESSEN: Yes.

Q Would you expect that veto to be sustained?

MR. NESSEN: Well, we are a long way from the veto, Jim. The President would hope that Congress would be more responsible than to play that kind of old-fashioned politics with two issues that are important and should be dealt with on their merits, and he thinks that when people around the

country realize that these kinds of tactics are delaying their immediate tax cut, their rebate, their check in the mail, and, also, realize that these kinds of tactics delay their permanent tax cut, Congress perhaps will not go along with these tactics.

Q Ron, you said a minute ago that you have done some head counts?

MR. NESSEN: Yes.

Q Then how come you cannot answer my question as to what the head counts show?

MR. NESSEN: Because I don't think the President is in the position of having to choose whether to veto or not. He is hoping he will not.

Q Well, leaving that aside, if you have the head counts, can't you tell us what they show, whether they show a sentiment for override, or a sufficient number of votes for override, or whether they show a veto would be sustained?

MR. NESSEN: I think the way the President feels is that he would rather not be confronted with a bill that he thinks represents not a responsible approach to these important issues and an approach which delays the real guts of both programs, two tax cuts for the people.

Q I understand that, but normally, when the White House -- any White House, any Administration -- has a victory within its grasp, it should be willing to talk about it, and your refusal to talk about it makes it sound as if those head counts are not so good from your point of view.

MR. NESSEN: You have to draw your own conclusions, Jim. What I am saying is that the President does not believe that Congress ought to go that route because it is keeping people from getting their tax cut, their immediate rebate and their permanent tax cut.

Q Ron, how is that debt ceiling and tariff bill linked in any way to the immediate rebate -- tax cut? You said that four times.

MR. NESSEN: Sure, because how can the House Ways and Means Committee get busy on this, and how can the Senate get busy? Senator Humphrey has said that the tax cut will be here in 30 days, and the 30 days is running, but nothing has been done about it.

Q Can't the House Ways and Means Committee start today on the tax rebates, since they finished with the tariff?

MR. NESSEN: They did?

Q They did, Ron. They have three days of hearings and markup that is supposed to start Thursday.

MR. NESSEN: Well, the President certainly hopes so, and then, of course, the Senate will be tied up now trying to delay the import fees, which the President does not think ought --

Q Could that not be avoided by going along with Mr. Ullman's request for a 30-day postponement of imposing the oil levy?

MR. NESSEN: Well, Mr. Ullman's request was based on a misapprehension on his part that the necessary legal work had not been done. It had been done. As the President said the other day, he feels the time to start is now, partly because he believes three years have gone by without any action and partly because he feels that countries overseas will be looking at this process to determine whether the President is really serious, or the United States is really serious, about reducing and eliminating its reliance on foreign oil.

Q Ron, does the White House have any comment on the decision of the OPEC countries to invite the developing countries to this conference on energy?

MR. NESSEN: Well, you know that has only, really, just been done, and the reports are now coming in and are being studied here, so I would not have anything very detailed to say about it. I am sure you remember that the President and Secretary Kissinger indicated that this country's international energy program does look forward to a meeting between the oil producers and the consumers, but beyond that, I think it is too soon to give you a detailed analysis of what they have done. You know, it is not in a completely opposite direction from the one that the President has indicated he would go in.

Bill.

Q With all the admitted difficulties of explaining this, what you say, very complex program, has anyone suggested to the President that perhaps it ought to be simplified, perhaps something withdrawn from it and then press ahead with something that could be understood and could be passed?

MR. NESSEN: Well, he thinks this can be understood, given enough time and explanation. Maybe he ought to mail Speaker Albert a copy.

Q Where did the FEA get its figures on this 10 cent a gallon increase in taxes, or increase in cost, to reduce usage 250,000 barrels a day?

MR. NESSEN: Is that based on past experience, John?

Q Price increases of last year or what?

MR. NESSEN: Let's check on that.

Q Ron, you are leaving us before this briefing breaks up -- at least you are leaving me, anyway, with the distinct impression that the President has received some very bad news that if he vetoes this debt ceiling bill with that import rider that that veto is going to be overridden by Congress. Do you wish to leave us with this impression? Is there anything you choose to say to disabuse us of this impression?

MR. NESSEN: Well, you should not get that impression.

Q Fine, disabuse us.

MR. NESSEN: The President does not think Congress should push on that front, that Congress ought to get busy on the program and not maneuver to block the program.

THE PRESS: Thank you, Ron.

END

(AT 12:45 P.M. EST)

#132