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N E W S C O N F E R E N C E

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AT THE WHITE HOUSE

WITH RON NESSEN

AT 12:45 P.M. EST

FEBRUARY 6, 1975

THURSDAY

MR. NESSEN: The President came in at 8 o'clock, and he had his regular series of staff meetings in the morning. Then he had a visit from Senators Case and Sparkman and Congressmen Broomfield and Morgan to discuss the cutoff of military aid to Turkey.

Q What was there to discuss?

MR. NESSEN: The President's feelings as expressed in the statement yesterday.

Q Did he invite them in?

MR. NESSEN: I don't know who invited who to that meeting.

Q Did he get any kind of a commitment?

MR. NESSEN: I didn't sit in on the meeting, Helen, so I don't know what the outcome was.

Q Could you get any kind of readout as to whether there has been any change in the situation, or what ever happened in the meeting, or what was said?

MR. NESSEN: I assume what the President did was make the same points he made in his statement yesterday, but I will check on it.

Then, at 11:30 a.m., the President met with the Economic Advisers. I think you know who the participants were. The pool was in there.

This meeting primarily discussed some economic forecasts, and there were no decisions made at the meeting.

Q Were they different forecasts from the ones the budget made?

MR. NESSEN: No.

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Q The same forecasts?

MR. NESSEN: Yes.

Q Was there a discussion of whether the government is now going to use trends or averages? Is the President trying to get his Economic Advisers more "trendy" in their attitude and less "averagey?"

MR. NESSEN: Do you mean in their dress? (Laughter.)

Q No, in their economic statistics.

MR. NESSEN: I thought I was modish. (Laughter.)

Q How about it? Did he appoint Mr. Greenspan to talk about trends from here and henceforth on averages?

MR. NESSEN: No, actually not, Jim. I am only kidding.

I say, no decision was made. There was -- not a decision, you wouldn't call it -- a feeling that this 11.3 percent figure contained in the budget relating to the cost of living probably ought to be explained. I tried to do a bit of that yesterday, and I guess most of the people here hadn't gotten back from New York yet.

The 11.3 figure shown for 1975, as the cost of living figure, I am sure most of you have figured out by now, represents a statistic that is not normally used in describing the cost of living. It is the average annual percentage change in the Consumer Price Index. What that means is, you take what the average CPI was in 1974 and what the average CPI will be in 1975, and the difference is the number that is shown in the budget.

Q Isn't that the same figure that was used in the budget last year and the economic report last year and the budget the year before and the economic report the year before?

MR. NESSEN: I am not sure, Norm. There was a feeling that, when people talk about the Consumer Price Index and the cost of living and so forth, what they normally talk about is the increase from January 1 to December 31, and what that figure is going to be for 1975 is a little over seven and a little less than two for energy, giving a total of something over nine. I don't have the precise figure today -- I was trying to get it before I came out here, and I was not able to confirm it -- but it will be a shade over nine.

I am going to try and have a couple of little charts here tomorrow to try to illustrate what the difference between the actual annual cost of living increase is and this number used in the budget, which is the average annual percentage change.

Just to give you an idea of how that would work, the cost of living, or the CPI, increased at 12 percent, approximately, in 1974. That means that the average --

Q Wait a minute. Can you stop there and tell which one you are using at this point?

MR. NESSEN: I am just saying, at the end of 1974, prices were approximately 12 percent higher than they were at the beginning of 1974.

Q In other words, your calendar year figure is what, 12 percent?

MR. NESSEN: About 12, actually 12.2, but I want to use 12 just for an illustration I want to give.

Twelve percent -- now, the average CPI during 1974, that means, was 6 percent above where it started in the beginning. If by some miracle you had a zero change in the cost of living in 1975, if it didn't go up a penny in 1975, the 1975 average CPI would still be 6 percent above the 1974 average CPI. That is the kind of figure that was used in preparing this budget number.

Q Why did the budget use 11 percent for 1974, then? You say 12.2.

MR. NESSEN: Because they are using this averaging system. In other words, in 1974, the CPI average was 11 over the average for 1973.

Q You are saying the calendar change was 12.2?

MR. NESSEN: About 12.2, yes.

Q Ron, the fact is, though -- the thing I am curious about -- are the figures that were used the same figures as Norm asked earlier that had been used in previous years, or is this a new procedure?

MR. NESSEN: I don't know what the procedure was for making up previous budgets.

Q Can somebody check that so we will know how to go back and compare past years?

MR. NESSEN: Yes. What I am saying is, what the public generally understands to be the increase in the cost of living this year, 1975, will be in the area of 9 percent, and that the 11.3 percent used in the budget is a statistical figure that is arrived at by a method not normally used by the public in figuring how much its cost of living goes up. It is 9 percent, or a shade above, and I will get the exact figure as to how much the cost of living is expected to go up from the beginning of 1975 to the beginning of 1976.

Q What is the meeting with Vice President Rockefeller about? Is it the Domestic Council, and is there a move for Rocky to have some of his staff on the Council?

MR. NESSEN: They have a regular meeting. It is that. I don't know what the agenda is. There has been nobody selected for the Domestic Council jobs.

Q Why not?

MR. NESSEN: It is taking time to decide and to clear people.

Q Has Governor Rockefeller recommended that two of his top aides be in charge of the Domestic Council?

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

Q What would be your response to the story in the New York Times?

MR. NESSEN: My response is, when we have somebody to announce for the jobs on the Domestic Council, we will.

Q The thrust of that story was there seemed to be a little friction there.

MR. NESSEN: On that aspect of the story, I can tell you, absolutely not.

Q Has the President not approved someone else for that job?

MR. NESSEN: Has he not approved somebody else? As far as I know, no one has been selected.

Q He didn't suggest someone?

MR. NESSEN: Not that I know of.

As far as the friction part of it, I do want to indicate, clearly, there is no friction between the President and the Vice President, or between their staffs at all.

Q If there were friction, would you announce it from that podium?

MR. NESSEN: I think if there were friction, you folks would know about it.

Q The New York Times apparently thinks there was.

MR. NESSEN: There really isn't.

Q Does the President feel he should have a Domestic Council?

MR. NESSEN: Of course he feels he should have a Domestic Council.

Q What are the perimeters of Rockefeller's involvement; does he have a definite role?

MR. NESSEN: In the Domestic Council?

Q Yes.

MR. NESSEN: As we told you when they first met that Saturday, he is expected to play a role in suggesting names for the Executive Director and will play a role in domestic policy. What it is precisely has not been defined yet, but it will be.

Q Hasn't it been announced, Ron, he will be Vice Chairman of the Domestic Council?

MR. NESSEN: Oh, yes. As I said, all the things we said that Saturday hold true as for his role.

That meeting that Helen mentioned with the Vice President is at 2 o'clock, and it is sort of a regular routine meeting they have.

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Q Has the President made a decision on whether the Vice President's Commission on Critical Choices staff will be integrated with the White House operation?

MR. NESSEN: No, there has been no decision. I didn't even know it was a proposal. The last I heard was Mr. Rockefeller was getting private financing to keep the Critical Choices going outside the government.

Q Ron, you said that it is taking time to decide to clear people, as far as the Executive Director is concerned. Is the fact that the clearance processes are underway, does that indicate it has been narrowed down, and would people currently on the White House or Rockefeller's staff have to undergo the clearance process?

MR. NESSEN: If they haven't already had their clearances done, they certainly would.

Q I mean, would they be working on the White House or Rockefeller's staff without having their clearances done?

MR. NESSEN: It takes time for those clearances, and until you get your clearance, you work here as a consultant rather than a full-time employee. I don't know whether their clearances are completed or not. They all will go through the clearance process, and I don't know whether they are all completed yet.

Q Is there going to be a decision shortly on the Pakistan aid that can be announced?

MR. NESSEN: On what, the military aid request?

Q Yes.

MR. NESSEN: It hasn't been made yet, and I assume when it is made, I will have to find out whether we will announce it. I guess we will. I don't know why not.

Q Is Dr. John Dunlop going to be Secretary of Labor?

MR. NESSEN: We will announce any new Cabinet people when they are appointed.

Q Will Mr. Levi be sworn in tomorrow?

MR. NESSEN: I haven't seen the exact plans for the Levi swearing-in. Why don't you check with Justice?

Q Won't he be sworn in at the White House?

MR. NESSEN: I don't think so.

Later this afternoon the President is meeting at five o'clock with Senators Baker and Pastore, who are Members of the Joint Committee on Atomic Energy, to discuss nuclear matters.

The President is sending to Congress today a proposed bill to regulate strip mining. We have the letter of transmittal and a summary of the bill and a comparison with last year's bill, and we have a few copies of the bill itself for those of you who may need that. That will be available in the Press Office after the briefing.

You have a packet of material here, I believe, don't you?

Q No.

MR. NESSEN: It is in the bins. I think it is all self-explanatory.

Q What does the weekend look like?

MR. NESSEN: There is an Executive Order putting into effect recent recommendations of the Federal Labor Relations Council to improve Federal labor-management relations, and the Second Annual Report on the National Sickle Cell Anemia Control Act, a proclamation declaring Save Your Vision Week, and the 1974 census of Agriculture.

Q Are Federal employees going on a four-day week, Ron?

MR. NESSEN: Four-day week? I would like to get on the six-day week, first of all.

I am told that OMB has not seen that study yet that was in the Star today.

The only other thing, really, is that some of you may not be aware of some testimony that Albert Rees gave yesterday on the Hill in which he pointed out that a company called Data Resources -- which is Otto Eckstein's company -- did some projections on the cost of the President's energy program and came up with some numbers in the area of 3 percent, or a little higher, for the effect on the cost of living.

This has been used, I guess, as the basis for a good deal of the testimony on the Hill pointing out this projected effect of the energy program on the cost of living by Mr. Eckstein and by others.

Alan Greenspan was reviewing the DRI -- that is the name of the company, Data Resources, DRI -- and noticed that they had made a mistake and put in an incorrect number. They calculated their projection based on a \$3 fee on imported oil when, as you know, under the President's program, it drops down to \$2 as soon as Congress passes the program.

This has been called to the attention of DRI and, as I say, Mr. Rees mentioned in his testimony yesterday -- I think you ought to probably contact DRI and find out.

I have seen the new figures based on the correct number, and they are precisely in line with the FEA's projection of what the effect will be, but I thought you would be interested since the number mentioned to me, these higher estimates mentioned in Congressional testimony, they apparently were based on an incorrect computer programming.

Q Ron, if Congress does not pass a resolution rescinding or delaying the President's three-stage increase in the cost of imported oil; in other words, if they pass it, but fail to override a veto; in other words, if it does not go into effect and Congress at the same time does not enact the \$2 increase that the President proposes, does not his \$3 increase remain in effect?

MR. NESSEN: Sure.

Q Then the Data Resources projection would be correct, right?

MR. NESSEN: No, because the President is unable on his own to establish the \$2 excise tax on domestic oil.

Q In other words, theirs was based on both domestic and imported?

MR. NESSEN: That is the President's program, \$2 on everything -- decontrol and all the rest.

Q Their projection was for \$3 on imported and \$2 on domestic.

MR. NESSEN: That is correct.

Q You are saying the \$2 on domestic would not go into effect if the scenario I am talking about came into being?

MR. NESSEN: It can't. He doesn't have the power to do it.

Q Was there any further discussion this morning in the economic meeting of what would happen if Congress were to send him a freeze on food prices and then uphold that bill if he were to veto it? That is, were there any projections in the meeting discussed if food stamp prices --

MR. NESSEN: I know what you mean. That didn't come up at that meeting. Actually, I think probably what you are wondering is about a decision to veto. You know, as usual, he doesn't commit himself one way or the other until the legislation gets here. He does feel, though, that the thing to keep in mind about the food stamp bill is what it does to that \$52 billion deficit -- and Congress really needs to keep that number in mind as it goes along through this session -- that every action like this adds to that \$52 billion number.

I guess Members of Congress have expressed their horror at the size of the deficit, but if this goes into effect on the food stamps, you would be up over \$52 billion already because that adds \$650 million to it.

Q Unless they cut somewhere else?

MR. NESSEN: That is correct.

The other part about the food stamps is that at this Southern Governors meeting and at other meetings, and also I think in the debate in Congress, there has been a lot of talk about the abuses in the food stamp program, particularly as it applies to college students who come from well off families and are applying for and receiving food stamps.

The President is wondering why Congress didn't do anything about the abuses in the food stamp program.

Q Doesn't that suggest correcting the abuses to save the money rather than to slash this automatically?

MR. NESSEN: I think we are dealing with two different things here. On the one hand, we are dealing with abuses and nothing was done about that. There is no slash in the money, Fran.

What is the increase in the overall government money for food stamps even if Congress had gone along?

MR. CARLSON: About 8 percent, I think.

MR. NESSEN: There are several hundred million dollars, I think.

The food stamp program has been increased by several hundred million dollars this year. If Congress had gone along with the President's provisions, the amount of money for food stamps would have still gone up several hundred million dollars. I don't have the exact number here.

Q You are complaining about the food stamp program because of abuses to college students, and I am not asking you about that.

MR. NESSEN: I am saying that was an aspect of the food stamps that was not touched by Congress.

Q Why doesn't the President suggest that?

MR. NESSEN: He did. He has been trying to get this thing corrected for a long time.

Q That is administered by a department that is under his control. That is administered by the Agriculture Department, isn't it?

MR. NESSEN: And it required legislation to deal with this problem.

Q Is he dealing with the abuses?

MR. NESSEN: He has. He supported legislation.

Q Is there any projection on the part of the President's economic advisers as to how much money would be saved if these abuses were cleared up?

MR. NESSEN: I don't have it in front of me, Tom. I will have to get it.

Q How would the increase in the price of food stamps deter college students who come from well off families anyway?

MR. NESSEN: I say it is a separate problem. I say there is a problem of abuses which wasn't touched and then there is the problem of putting everybody on an equal basis as far as the cost of their food stamps, which is what the President had recommended.

Q Ron, a small point. You used the figure, I believe, just a few minutes ago of a \$600 million saving, if they had gone along with the President's program.

MR. NESSEN: \$625 million, or \$648 million, it is one of those.

Q You said that would take the deficit over \$53 billion. I added 51.9 and 600, and I get 52.5, not 53.

MR. NESSEN: Fifty-two point five, I am sorry. What I meant was, it took it over 52. It was 51.9 to start with, and it took it over 52. I am sorry.

Q Do the President's Economic Advisers have any kind of projections on what the effect on the economy would be of spending an extra \$648 million on food? How much would that generate in -- if you will pardon the expression -- the ripple effect in tax increases?

MR. NESSEN: I am not clear on your question.

Q I am saying, this \$648 million, if it stays in the food stamp program, it will be spent; it won't be saved. It won't have anything else happen to it; it will be spent by people on food. I want to know if the Council of Economic Advisers has any projections of the advantages of adding \$648 million to spending on commodities like food?

MR. NESSEN: I will have to check, Norm. I don't know what the figure is.

Q Ron, is the President convinced that the elderly poor can find it within their budgets to pay 30 percent of their monthly income on food without jeopardizing their health, housing and other human essentials?

MR. NESSEN: As you know, if you have followed the food stamp debate at all, when you talk about 30 percent of their income, you are talking about 30 percent of what is left after they have -- let's see what comes out of that before you ever count against the 30 percent -- that is 30 percent of net income.

Let's see what you subtract -- you subtract their housing, you subtract employment costs, including child care, and you subtract their medical costs and so forth before you ever figure out what their net income is, of which they pay 30 percent for their food stamps.

The fact of the matter is, as you know, that the percentage of income that is now spent for food stamps varies, but most people, I believe, pay in the neighborhood of 22 percent of their income, of their net income, for food stamps, so this is a relatively small percentage increase.

Q It is a relatively small amount of money that they have available.

MR. NESSEN: The numbers I started to give you before were, that the food stamp program for this year, for fiscal 1974, I should say, fiscal 1974, the government spent \$2.8 billion on the food stamp program, and in fiscal 1975, if Congress would go along with the President's program, still the amount spent would increase to \$3.7 billion, so you have a \$900 million increase in food stamps. Even if Congress went along with the President, you would still have that increase.

The numbers for families --

Q What about 1976, do you have that?

MR. NESSEN: I haven't got my budget out here with me.

It is 3.6 for fiscal 1976, which is about the same as 1975.

The effect on families is -- I mean, you can take all different kinds of families, I suppose, and work out all different equations of what it would cost them, but a typical family -- I guess there is no typical family --but take a family of four people, which makes \$200 a month, which has a net income, I should say, of \$200 a month, that is, after paying all their other stuff, their cost of food stamps would rise from \$35 a month, which they pay now, to \$60 a month. And in return for the \$60, they would get \$145 in food stamps, so they would be getting a bonus of \$94 as opposed to the former bonus of \$101. I think you have to look at it that way.

Q Are there any studies on how many families would effectively be driven off the food stamp program by having the new price of food, practically speaking, equal the amount they would spend?

MR. NESSEN: I don't know what you mean by that.

Q -- destroying the advantage in having a food stamp program at all. In other words, there are some people that, when the price of food stamps rises, they cease to have any advantage from receiving food stamps and, therefore, they are out of the food stamp program. Is there an estimate on how many such families there are and what their average range income is?

MR. NESSEN: No, I don't. I can try and get it for you.

Just to go back to some figures I couldn't find before, and that is, before you calculate 30 percent of their income, you deduct a great number of items from their real income, such as 10 percent of their earned income is taken off just automatically and, then, their taxes, whatever taxes they pay, including Social Security, retirement,

union dues, local, state and Federal taxes, come off their earned income. Also, medical costs of over \$10 a month are subtracted from their earned income, payments for child or invalid care are subtracted, tuitions and required fees for education;unusual expenses for losses from fires and so forth, theft and any court ordered support and alimony payments and, also, a portion of what they pay for their housing, including utilities, mortgage payments, rent and interest and real estate taxes and assessments.

So, what I am saying is --

Q You say all of that, or a portion of that?

MR. NESSEN: On the shelter costs, anything exceeding 30 percent of their income is subtracted from their earned income before you get to their net income. So, what I am saying, it is not -- if someone earns \$200 a month, you don't charge them 30 percent of \$200 for their food stamps, you charge them 30 percent of whatever is left after you subtract all those numbers, all those items.

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Q Ron, can I change the subject?

MR. NESSEN: I don't know. Does anybody else want to talk about food stamps?

Q Yes, I wanted to ask another question. All your figures deal with earned income, and my question deals with the elderly.

MR. NESSEN: As you know, anybody who doesn't earn any income obviously doesn't pay any of their income toward food stamps. That is a misconception. If you have no earned income, you can't pay 30 percent of nothing to get food stamps. You get all your food stamps without paying anything.

Q Are Social Security benefits considered earned income?

Q If they get Social Security benefits, I think they have to pay a portion of that, don't they?

MR. NESSEN: Let me check that.

That is a misconception. If you don't earn anything, you obviously can't pay.

Social Security benefits are counted as income, and then you subtract all that stuff.

Q What was the answer?

MR. NESSEN: Social Security benefits are counted as earned income, and then you subtract all these other items before you find out whether they have any net income left or not.

Q Ron, a couple on Social Security wouldn't have child care expenses; since they are under Medicare, they generally won't have heavy outlays for medical costs or prescriptions; they won't be paying tuitions; they won't be paying alimony, so what is left is housing. So, you subtract a portion of their housing from the \$250 a month they receive, and then they have to pay 30 percent of that for food stamps, is that correct?

MR. NESSEN: If they have subtracted all the items they are allowed to subtract from earned income, whatever is left is net income.

Q Because they don't have some of these other expenses, they have to pay a higher rate?

MR. NESSEN: You are talking about people on Social Security?

Q Right.

MR. NESSEN: If the numbers are subtracted correctly.

Q Will the President have a reaction to that House vote yesterday? I am talking about the 90-day postponement.

MR. NESSEN: On the tariff thing?

Q Yes.

MR. NESSEN: As I told some of you yesterday, considering that he started with practically no support whatever, the 114 really is more than expected. As he put it this morning, he said there was good news and bad news in that vote. The good news was that he did much better than he anticipated he would do, and the bad news was he didn't do as well as he wanted to do.

Some Members have told the White House in the meanwhile that the vote yesterday should not be considered a vote on the substance of his proposals, of whether people agree or disagree with his energy plan, that really it was only a vote on the timing of his energy program.

Q Who are these Members?

MR. NESSEN: I don't precisely know who called him. Several people did.

Q Several Congressmen?

MR. NESSEN: Yes.

Q Would they be Republicans?

MR. NESSEN: I don't know who they were.

The President feels that the United States has an energy problem and that action is needed now and that what the House has done is to take a vote to delay any action on the energy problem.

The country needs and wants an energy program, and the country's energy goals are not being met. What the House has done is vote to not even start toward reaching the energy goals. It has voted to do nothing.

Congress, as you know, is going out--either today or tomorrow--it has been in session over a month, and really has done basically nothing in a month in the way of positive action on anything. They have spent all this time trying to stop action. They have not started even hearings on his energy program.

The President says this with more sorrow than anger, I guess, to use one of the better cliches.

Q Were those his words?

MR. NESSEN: Sorrow and anger?

Q No, the other words.

MR. NESSEN: Yes.

Q Not even started hearings, they are going out, and they have been in session a month and basically have done nothing?

MR. NESSEN: Yes.

Q He said they have done nothing on anything?

MR. NESSEN: Yes, that is correct.

Q That is a good quote.

MR. NESSEN: As I say, the President has this feeling more in sorrow than in anger because he believes the country needs and wants an energy program, and Congress has not even started on one. He thinks that Congress has basically two choices -- to try to take the President's power away and do nothing or to pass a program and give people their permanent tax cut, which is being held up.

There is no action being taken on the permanent tax cut he has proposed. Obviously Congress, based on the House vote yesterday, has taken the first choice, which is to do nothing and to deny people their permanent tax cut.

Q Ron, the Ways and Means Committee is working on a permanent tax cut, or a tax bill. How can you say there is no action being taken? What action could be taken other than what is being taken?

MR. NESSEN: As I say, Congress is going home. They have been here a month and have done nothing, but vote for a delay. The President hopes that the Senate, when it takes up this matter, will see things differently.

Q Does he expect a filibuster in the Senate? Is he going to support a filibuster in the Senate on this issue?

MR. NESSEN: He doesn't have any idea what the strategy of the Senators will be.

Q Ron, Jack Marsh was in the economic meeting, wasn't he?

MR. NESSEN: Yes.

Q Didn't they discuss at that time the fact that some of the President's supporters on this program are thinking about a filibuster in the Senate?

MR. NESSEN: The oil tariff never came up at the economic meeting.

Q How does he feel about a filibuster, whether that would conform with his call for his action now.

MR. NESSEN: I just don't think the President knows or has any views on what may happen in the Senate.

Q Does he want to exert any leadership or take a position on that?

MR. NESSEN: The President wants Congress to get busy and pass his program and stop wasting all this time, as they have done so far. He doesn't want Congress to spend all this time trying to stop action. He wants Congress to start taking some action, and he thinks people do, too, and he thinks the people will let their Congressmen and Senators know about it when they get home.

Q Does he oppose a filibuster?

MR. NESSEN: He wants action. He doesn't want anything that will stop action.

Q Does he think they should not take a recess?

MR. NESSEN: He thinks they ought to go to work and pass this program and give the people the tax cut he proposed.

Q Is the President considering inviting President Thieu of South Vietnam to the United States to help promote passage of the supplemental aid to Vietnam?

MR. NESSEN: There is no plan or invitation for President Thieu to come here.

Q Has it been considered at all?

MR. NESSEN: I don't know of any plans or invitation for Thieu to come here.

Q Is the President concerned that perhaps his tariff program may be in trouble? The reason I phrase it that way is that I counted the votes yesterday, and they had a 26 vote cushion to override in the House, if my reckoning is correct.

As I understand it, Senator Kennedy says he has 60 votes for the same in the Senate. That is not quite enough for cloture, but presumably he might be able to come up with six more votes. Is the President concerned he might lose this program in view of those numbers?

MR. NESSEN: As I said, the numbers in the House were larger than he thought they would be and the Senate has not really begun on it. He hopes the Senate will take a different view. He has been having some meetings here at the White House to explain his program, and he will continue that with Senators now that the issue is before them.

Q Will the Vice President issue his rule on Rule 22 in advance of a possible filibuster on this?

MR. NESSEN: You will have to ask the Vice President. I don't know.

Q Frank Zarb yesterday afternoon was asked about what the President would do if Congress does not go along with the higher oil tariff, and Mr. Zarb said that in that case, they would give strong consideration to the fallback position of going ahead with an import quota system coupled with allocation.

Does this reflect the President's thinking, do you know?

MR. NESSEN: I saw that story, and was very surprised to see it because, if you recall the speech in the library, the President said the same thing, and that has been what, several weeks ago?

He said if the price method does not reduce imports by the minimum barrels a day, he would make up the difference by import quotas. So, I didn't see anything new in that story.

Q That is not quite the same thing. If Congress doesn't approve the higher fees --

MR. NESSEN: I didn't read it that way. I read it as him saying the President would make up the difference. In fact, I think he used the specific example I used, if the pricing mechanism reduces imports by 800,000 barrels, the President --

Q I was there, and he discussed both possibilities.

MR. NESSEN: The President intends to go right ahead with the \$1, \$2 and \$3, and the deregulation of oil on April 1.

Remember this -- and I think this does get lost sight of sometime -- from the very beginning the President said this was an interim program that he was taking because it was the power he had to act, and he felt that action needed to be started soon. What he really wants is to get rid of the \$3 tariff and get on with the permanent system of a \$2 excise on imports and a \$2 excise on domestic oil and give people their \$30 billion back.

So, the real fight is not over these tariffs. The real fight is to get these tariffs on and get Congress working on the permanent program. That is what he wants. He doesn't want this on permanently. From the very beginning it was put that this is the action he can take himself while he is waiting for Congress to pass his program.

Phil?

Q Senators Javits and Williams this morning held a news conference and announced they will introduce a bill tomorrow to provide one million public service jobs. Have they talked with the President about this and, number two, would he support that?

MR. NESSEN: They haven't talked to him that I am aware of and, of course, the President recommended the public service jobs program himself. I forget what the numbers were in his program. I guess Brennan prodded the States and cities a little bit to start filling those jobs because I am told there are a lot more jobs available than people have been hired for.

Q Ron, what was the President's reaction to Senator Goldwater's criticism of his program and has he talked to him or is he planning to talk to Mr. Goldwater?

MR. NESSEN: He has not talked to Senator Goldwater and he didn't really have any particular reaction to Senator Goldwater's remarks.

Q Had he heard at the time that he was asked about Jackson, instead of Goldwater? Was he aware it was Goldwater that had said that when he was asked about it?

MR. NESSEN: I don't know. I know it was the question down in Atlanta you are talking about.

Q The question said Jackson.

Q We wanted to know if the President was aware the reporter made a mistake. It was really Goldwater.

MR. NESSEN: I am not sure. I will have to check.

THE PRESS: Thank you.

END (AT 1:28 P.M. EST)