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NEWS CONFERENCE #150

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AT THE WHITE HOUSE

WITH RON NESSEN

AT 11:35 A.M. EDT

FEBRUARY 24, 1975

MONDAY

MR. NESSEN: The President is going to have a meeting this afternoon at 1:30 with Secretary Simon, Alan Greenspan, Bill Seidman, Jim Lynn, Arthur Burns, Frank Zarb and Secretary Morton. The purpose of the meeting is to review the current economic and energy situations and to review current developments in the financial markets. If you care to, you can take pictures at the beginning of that meeting.

Q How about getting a report from somebody on what the situation is after that?

MR. NESSEN: I will be there, Carroll, and I will be happy to come out and talk about it.

Q Is this an emergency meeting?

MR. NESSEN: No.

Q Ron, how does it happen this meeting was not on the President's schedule?

MR. NESSEN: I don't know. I guess it took time to make sure all the participants could be there because most of them have been doing a lot of testifying on the Hill.

Q Does the absence from the schedule suggest there is something unusual about this, or would you describe that as a routine meeting?

MR. NESSEN: I would describe it as routine.

Q What time will it be over?

MR. NESSEN: It does not list a time, Russ, but I would say, perhaps, an hour to less than an hour.

Q Is it likely, Ron, they will compose the veto message at this meeting?

MR. NESSEN: No, they will not.

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Q Has it been composed?

MR. NESSEN: It has not.

Q When do you expect it to go up?

MR. NESSEN: I don't have any word on that at all.

Q Ron, in view of the President's view that the situation is so urgent, the energy situation, why didn't he get the veto message up there right away?

MR. NESSEN: There is no urgency being lost by taking his time to compose his veto message. His \$1 first-month oil tariff is in place. The only thing that is being lost is the time that Congress ought to be working on an energy program.

Q Ron, can I follow up on that? Is the delay -- if you can call it delay--in the decision not to veto immediately, is that to give the Administration time to do some lobbying on the Hill?

MR. NESSEN: I don't know when the veto -- no decision has been made on when to veto the bill, so it is hard to say whether there is a delay or not.

Q Is the purpose of not doing it immediately to give the Administration time to lobby on the Hill?

MR. NESSEN: I would say, the purpose is primarily to carefully write a veto statement to explain his action.

Q He has not begun to write it?

MR. NESSEN: Not that I am aware of.

At 3 o'clock, the President is meeting with the NATO Secretary General, Joseph Luns, and again, it would be possible to take pictures at the beginning of the meeting. And afterward we will post a statement on what occurred at the meeting. Dr. Kissinger and Don Rumsfeld will also attend. Don's participation is based on the fact he worked closely with Secretary General Luns when Don was the Ambassador to NATO.

At 3 o'clock, the President will meet with Charles Goodell of the Clemency Board and --

Q What time was the other one?

MR. NESSEN: Three o'clock, and then, with Charlie Goodell at 3:30. I am sorry. And also, Jack Marsh will attend, and they will discuss several matters relating to the Clemency Board's activities.

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Later this afternoon, the President will host a reception at 5 o'clock for the officials of the State Bicentennial Commissions. Also attending that will be the newly appointed Advisory Council to the Bicentennial and officials of the American Revolution Bicentennial Administration. That will be in the Residence, and it is a private reception. There will be no press coverage.

Q You mean, in the family quarters?

MR. NESSEN: I don't know exactly what room it is in.

Q Why isn't there coverage?

MR. NESSEN: As I say, it is a private reception.

Q Why is it private?

MR. NESSEN: Because the President invited these folks over for a reception.

At 9:30 a.m. tomorrow, the President will make a speech to the National Bicentennial Conference at the Washington Hilton. There will be a travel pool, whose names we will post this afternoon. The President is leaving by motorcade from the White House at 9:20 a.m. tomorrow morning. This conference is being hosted by the American Revolution Bicentennial Administration and will be attended by about 500 people from around the country. We will have an advance text available this afternoon with an embargo of 6 o'clock tomorrow morning for p.m. papers. Your cameras -- it is open for full coverage -- but you do need to have your cameras set up by 7:15 in the morning at the Washington Hilton, so they can make their usual sweep.

Q What was the time?

MR. NESSEN: The speech, itself, will be 9:30 -- wait a minute, 9:35, actually, and it is at the Washington Hilton. We will find out what room. He will be back to the White House by 10 o'clock. As for the trip starting tomorrow to Hollywood, Florida, after lunch -- shortly after lunch -- we will have the bibles for that trip, and also, on Saturday, Cleve Ryan drew the names out of a hat for the order of the questioners. And I think Gaylord was a witness at that. We have that list, and we will post it right after this briefing.

The local people will get the first question, then Helen and then a local person and then Frank and then so on down the list.

As for the travel plans, all this will be in the bible, but just to start you off, the President will leave here at 12:45 tomorrow by helicopter and will get to Andrews at 1:05, and he will arrive at Fort Lauderdale-Hollywood Airport at 3:20 Eastern Daylight Time.

If you want to leave your bags in Room 87, Ray Zook's office, the deadline for that is 10 o'clock tomorrow, and the press bus will leave the Southwest Gate at 11:00 tomorrow. If you want to go straight on to Andrews and not come here and take your bags with you, you should be there no later than 11:30 with your bags. The press plane takes off by 12:15 tomorrow from Andrews. Everyone, the President and the press and the staff, will all stay at the Diplomat Hotel in Hollywood, Florida, where the phone number is Area Code 305-923-8111.

The speech tomorrow morning to the Bicentennial group is in the International Ballroom of the Washington Hilton Hotel. He starts speaking at 9:35.

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Q Ron, when will the text of his first Florida speech be ready?

MR. NESSEN: I have planned to get that out here in the morning before we go.

Q What about the speech before the Bicentennial. Is there any chance of getting that this afternoon?

MR. NESSEN: I expect we will have that this afternoon.

Q Do you have a release time on that Domestic Conference speech in Hollywood?

MR. NESSEN: That speech is about 4:30 in the afternoon. I guess we might as well put it out for release as soon as we get it ready. Would that help any?

Q Not for us one-man operations. This will be on the airplane.

MR. NESSEN: We better put it out then for release upon delivery, I guess.

Q Will you have it ready first thing tomorrow morning?

MR. NESSEN: I am hoping to. I have seen a draft of it.

Q If you got it out first thing in the morning that would be different.

MR. NESSEN: Let me find out when we are going to get it out and then we will decide.

Q Would you expect any activity here at the White House between the time the President returns here at 10 a.m. tomorrow morning and his departure from Andrews?

MR. NESSEN: No, I would not.

Q Are you briefing tomorrow?

MR. NESSEN: No.

Q Is he going to see the Boy Scouts tomorrow?

MR. NESSEN: I have not seen that on any schedule. We will check and see.

Q He said he is at 12:30.

MR. NESSEN: We will take a look.

That is about the size of it for announcements today.

Q How will he get from the airport to --

MR. NESSEN: In Florida? It is motorcade, as far as I know.

Q Are you ready to talk about golf yet?

MR. NESSEN: My game or his?

Q His.

MR. NESSEN: I think he is probably going to play in the tournament.

Q Wednesday afternoon?

MR. NESSEN: Yes.

Q Do you have any thoughts on the return from Hollywood?

MR. NESSEN: If he plays golf -- and I suspect he will--and then he has been invited to attend a reception for the participants in the golf tournament, and I would think he would drop in there for a few minutes, so that would have him leaving there maybe in the 8 o'clock area.

Q Ron, does the White House know of any other instance in history where foreign countries have presumed to instruct the United States as to who should be Assistant Secretary of State, as in the case of Mr. Davies, the opposition of Mr. Davies from OAU? What is the President's reaction to this?

MR. NESSEN: The President's reaction is that he intends to go forward with that nomination, as he believes in Mr. Davies.

Q Does he know of any other instance of this kind of thing, not regarding Ambassadors but Assistant Secretaries, where foreign countries have presumed to do this?

MR. NESSEN: I don't know that he has done any research on it, Les, but he does intend to go through with the nomination.

Q Ron, did Chairman Ullman of the Ways and Means Committee offer to compromise with the President on his energy package by allowing the \$1 tariff imposed on February 1 to stand if the President would withdraw his plan to impose a second and third dollar?

MR. NESSEN: I have read the Ullman plan in the paper. Do you mean, has there been more contact than that?

Q No, it does not have anything to do with the Ullman plan. It has to do with an offer to compromise the President's plan. Is it correct the Chairman did this, is what I am saying.

MR. NESSEN: Do you mean in a direct conversation with the President?

Q Direct or indirect, or through Congressional liaison people somehow?

MR. NESSEN: Peter, let me answer your question in a more indirect way, if I might.

Q You mean the usual way.

MR. NESSEN: I don't know. Let me sort of give you some thoughts that it would be fair to say reflect White House thinking at the moment on the energy program.

I think you have to start off with the concept that there has been a considerable success already with the President's program, and that is that before January 15 there was no consensus in the country or in the Congress that the country needed an energy program, and I think there now is that consensus, that the country needs an energy program and is going to have an energy program.

So, I think you would have to say that is a success for the President. I think you would also have to say that regardless of what happens on the veto, it will not change the situation at all, that Congress has not started to work on an energy program yet.

The President thinks the country now is convinced that the country does need an energy program. Congress is really on ground zero regardless of what happens on the veto. It needs to start to work on an energy program.

As for all the talk, including the question you just mentioned, it seems to me you have to look at this in three phases, Peter.

Number one, the President said in his original speech announcing this program that he was going to be sure that no region or industry or economic group was unduly hurt by an energy program, and he has done some things to keep that promise -- help for New England and especially for farmers and leaning in the direction of higher gas prices and so forth.

You cannot call that a compromise. You have to say he is keeping his promise.

He has also said that if and when anybody else comes up with a comprehensive energy program he will take a look at it and see if there is any area for accommodation. As for the \$1, \$2 and \$3, Congress has been saying we need 90 days to draft our own energy program.

That is precisely what the \$1, \$2 and \$3 was designed to do, to get started on something that is needed while Congress took the 90 days to draft the energy program.

We are 24 days into the tariff period, and Congress has not drafted an energy program. The Executive Order was signed providing for another dollar on March 1, and another dollar on April 1, and the proclamation is in force and is going ahead.

Q Does that suggest, Ron, that the President is still willing to drop the second and third parts of this if Congress comes up with its own energy program in time?

MR. NESSEN: Peter, in his original speech he said the \$1, \$2 and \$3 was not designed as a permanent program of any kind. It was to get started while Congress passed a program.

If it should pass a program that was acceptable before April 1, obviously the third dollar would not go on. That is no secret and that is no news. He said that in the beginning.

Q I am concerned about the second dollar.

MR. NESSEN: The Executive Order is in force, and I do not know of any plans right now to change it.

Q Ron, why can't you say whether Congressman Ullman has suggested a compromise regardless of whether it would be acceptable to the Administration or not?



MR. NESSEN: I am not fully familiar with the Ullman proposal, Norm. I don't quite understand the question.

Q I am asking why you did not answer Peter's question.

MR. NESSEN: Because I did not quite understand it. Are you asking whether the Ullman proposal is something that the President could compromise with?

Q No. I just asked you because Congressman Ullman is on the record as saying he wanted to compromise the program, accepting the \$1 now in place, providing the President would drop the \$2 and \$3. Apparently the White House rejected this compromise. All I asked was, is this true?

MR. NESSEN: I do not know whether it is or not, but I do want to say that I think you are losing sight of what is at stake here, Peter.

Q No, I am not. I am just simply asking a narrow bore question.

MR. NESSEN: The narrow bore answer is that I don't know. The big bore answer is --

Q Is that one of these one-liners, Ron?

MR. NESSEN: What we are talking about here, Peter, is an energy program, and the Ullman proposal does not add up to an energy program.

Q But you are equating the tariff with an energy program, and you never said that was an energy program, either.

MR. NESSEN: It certainly is not. It is the 90 days Congress wants to draft an energy program.

Q Ron, let's ask it this way. How many times in the past week has the President spoken to Congressman Ullman?

MR. NESSEN: I don't know.

Q Can you find out?

MR. NESSEN: I will try.

Q Do you think he will veto it? Surely you have a timetable on the veto.

MR. NESSEN: I don't, really.

Q You did not discuss it with the President today at all?

MR. NESSEN: The President said he has not decided when to veto it.

Q Ron, has the President spoken to Ullman, regardless of how many times?

MR. NESSEN: I don't know that.

Q You don't know whether he has had any contact?

MR. NESSEN: As far as I know, Ullman has not been here. What phone calls, if any, they may have had, I don't know.

Q What is the prospect of sustaining the veto?

MR. NESSEN: To answer your small bore question, as Peter would say --

Q Narrow bore.

MR. NESSEN: Narrow bore, I am sorry. The President is hopeful, but I just want to focus on what the President is focusing on, if you are interested, and that is not the question of veto override or sustaining, but the question of getting an energy program considered and passed. Regardless of how that vote comes out, it does not move that situation one step forward.

Q Ron, is he any more hopeful on the veto today than he was last week?

MR. NESSEN: I don't know how you can measure his degree of hopefulness.

Q When do we begin to see impact on our daily lives from this interim step? My gasoline has not gone up a single penny. Didn't you promise higher gas prices?

MR. NESSEN: Mr. Greenspan thinks it is going to take -- for one thing, it takes time for these companies to actually pay the money. You know they are billed when the gas comes through.

Q At one time you said two or three weeks, and it has been two or three weeks.

MR. NESSEN: No, I think he was talking about two or three months. He was talking about two or three months to really work its way through the system and start showing up.

Q Ron, what proof do you have to back up this statement that before January there was no consensus in Congress that there should be an energy program?

MR. NESSEN: The examples that the President uses are that the first energy message by a President went to Congress in 1971, which was four years ago; that there was an oil embargo in 1973, which the President thinks should have probably shocked people into realizing their need to be independent from foreign sources of oil, and then there has been what the higher prices of oil have done to the American economy, and yet there was never an energy program produced and there did not seem to be any sense of urgency for an energy program.

Q By that definition, would it be fair to say prior to January 15 the President did not see that there was an energy problem?

MR. NESSEN: No. At least from the time I came here he, at meetings, constantly prodded officials to get him the data from the Project Independence study so that he could base his program on solid data. It finally came and shortly after that, he began to put his program together.

Let me say one other words on the big bore front about compromise. It seems to the President what is happening now is that Members of Congress and private economists and others who are interested in the problem are going through the same process that he went through from -- well, as I say, the time he came in and especially from the time he got the Project Independence data, which is to take all this mass of data, to look at all the options, like rationing and allocation, import curbs and all the rest, to weigh these and to decide which were the best and to squeeze them down and to come out with a program, which is what he has done.

Other people are now going through the same process that he went through. I think it is possible to look at what is emerging, both on the Hill and from private economists and say that once they have completed the process he went through, that their answer to the energy problem will be relatively close to his answer.

Q Does he feel that about Senator Church's proposed legislation, specifically with regard to the requiring of OPEC countries to submit sealed bids for the American oil market?

MR. NESSEN: Les, I know there are lot of pieces of legislation up there, and that is what they are, they are pieces of legislation as opposed to a program.

Q How does he feel about this particular idea of asking the OPEC countries, requiring them to submit sealed bids, to bid against each other. Does he favor that or oppose it, Ron?

MR. NESSEN: The President feels that the complete program that he has come out with is the way to do this. One thing he feels is that his program is a complete and comprehensive program and it deals with all different aspects of this as opposed to bits and pieces of legislation to deal with a bit or piece, and that it has been out on the table now for about a month and a half and it has been given great scrutiny and a certain amount of criticism, but that as a program it has stood up relatively well.

No major faults have been found with it as an entire program, which I think -- just to reflect another moment on some of these feelings around the White House -- says something about how the White House has become organized and operating in the past few months.

In the early days it seemed to me there was a problem with putting together complicated programs and weighing all the options and coming out with something that has stood up and then having all your advisers and officials get behind it.

Here we have a program that is complex and complicated and has stood up and is winning adherence, he thinks, and has his entire Administration behind it.

Q Ron, I am puzzled by your statement that no fault has been found with the President's program. First of all, I assume you are not talking about the \$1, \$2 and \$3 increase because you maintain that is not part of the program, but let's talk about the program for a minute.

I do not quite understand how you can stand up there and say no fault has been found with the President's proposal. I am not talking about the merits one way or the other, just the simple statement that no fault has been found with it.

The President's proposal for a \$30 billion increase in energy costs and then recycling that money into the economy has been vigorously attacked by economists, by the AFL-CIO, by Senators and Congressmen on the Hill. How do you mean no fault has been found with it? Do you mean you do not agree with the faults that have been found with it?

MR. NESSEN: I think perhaps what I should have said is that first of all there is now a consensus that the country needs an energy program, and the precise details of how you are going to accomplish these goals -- there is some question about those -- but I think the program as a whole, acceptance of the fact that if you did it, it would work the way it is supposed to work, is accepted.

Q Ron, are you saying that the Democrats, AFL-CIO and other political opponents and critics of the President have said, "Well, we do not like this program, this \$30 billion, but if it is put into effect, it will work"? Is that what you are saying, that they have made statements to that effect? I don't recall any like that.

MR. NESSEN: There has been no other program put up that would accomplish the goals that his would, and there is a general acceptance that if you did put his into effect it would work the way he says it would.

Q Can you cite us who it is that has given this general acceptance? That is what I would like to get at.

Q What do you attribute to the fact that it is not in effect, considering this overwhelming acceptance everywhere? Why isn't it in effect?

MR. NESSEN: Bob, he said himself there does seem to be a certain reluctance by Congress, some Members of Congress, to ask people to make the kind of sacrifices that the President has asked them to make in the long-term interest of national security.

Q Ron, when you are saying that -- essentially your opening statement has drawn all the criticism or all the comments here -- are you saying essentially it has been accepted that if implemented, it would work like he says it would work as opposed to whether or not it should be implemented?

MR. NESSEN: Yes. Essentially that, and also I think another part of my answer would be that some of the alternatives that have been proposed have been looked at and rejected as more painful than the method he proposes.

For instance, we had the great rush on for gas rationing, and that lasted about a week, until people took a look at it and realized it would be worse than what he has proposed.

I think you are probably in the same position now with allocations, and when that is looked at more carefully and all the facts are weighed, there are people now coming around to the feeling that allocation is worse than what he has proposed.

Phil?

Q Ron, you say that economists and Congress are going through the same thing the President has already gone through. Don't you think this is good for the country?

MR. NESSEN: Absolutely. That is what I started off saying.

Q You criticized Congress for not doing anything, yet you are saying they are doing something in that they are going through all this.

MR. NESSEN: But they are doing it pretty slowly.

Q Ron, in light of this massive acceptance of the President's program, how do you account for the fact that both Houses of Congress and the group of all the Nation's Governors have voted in excess of two-to-one against it in recent days?

MR. NESSEN: Norm, the question is, what are they for?

Q That is not really the question.

Q That is not what you have been saying.

MR. NESSEN: It is what I am saying, Jim. When all these alternatives are weighed -- and nobody is very happy about having a higher price on fuel, even though the money will be given back to the economy -- that the President feels that they may not like this program but that it may turn out to be better than anything else anybody can think of.

Q Ron, what does the President think is the biggest problem, the energy program or the tax cut?

MR. NESSEN: Gaylord, I am not precisely sure what you are getting at.

Q Ron, he used to talk about inflation being public enemy number one. He has not said that recently, but what is public enemy number one, the energy problem or recession?

MR. NESSEN: The President feels -- and I think the Post or the Times last week said -- Congress ought to be able to work on more than one problem at a time, but the President did say at the very beginning, and believes it right straight through today, that the first order of business is to pass a tax cut aimed at turning around the recession.

The President feels that it is unconscionable for Congress to delay as long as it has on a tax cut. There is universal agreement, and I have not heard any major Member of Congress or a private economist say that a tax cut is not needed.

The President thinks it is unconscionable that Congress has not acted before now. The Members, the leaders, said right after the President's speech there would be a tax cut within 30 days. We are well over 30 days now.

The President was told this morning that the tax cut was not on the House calendar for this week, and he found that unbelievable. Also, he was immediately after that told that there were no Senate hearings scheduled on the anti-recession tax cut, and he found that even more unbelievable.

He feels that each day that Congress does not pass this tax cut, on which there is no argument, is another day that the Americans do not get the purchasing power paid to them to get this recession over with. It is another day that workers do not have jobs or more workers are being laid off their jobs.

I can tell you from watching him in a lot of situations that he feels about as strongly about this delay in Congress as anything I have seen him react to. I am told that the Senate could not get a quorum together, for instance, last Saturday to do business.

The President was told this morning that on occasions last week the House or the Senate met for 18 seconds in one case and six minutes in another case. He feels very, very strongly that Congress is not acting with the proper speed to get the Nation out of the recession by passing the tax cut.

Q Ron, has he forgotten his own 25 years in the Congress and how it works?

MR. NESSEN: I don't think so, Peter.

Q Ron, would you expect the President and the Republican National Committee to be saying pretty much the same thing you have been saying in these briefings when the campaign of 1976 comes around? Are you laying groundwork here?

MR. NESSEN: I don't think so.

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Q Ron, speaking of the tax cut, you have said several times that the President is going to have to peruse the final bill before he decides to sign it.

MR. NESSEN: Yes.

Q But various, anonymous White House aides were quoted over the weekend in a prominent paper as saying the President is in fact willing to accept the package as written by Ways and Means. Can you give us anything further on that?

MR. NESSEN: What I would like to do -- and maybe you already have it -- is to simply quote to you what he said to the Economic Writers in New York, which was his position then and is his position now.

Q You mean, the Economic Writers here, or the Security Analysts in New York?

MR. NESSEN: Both, actually.

Q Can you tell us whether the White House's anonymous aides were correct or not, instead of giving us his quote? We have heard that before.

MR. NESSEN: That is his position, Helen, what he said to the Economic Writers here.

Q Is 21-plus acceptable to him?

MR. NESSEN: I am just going to stick to his words because I checked again this morning and he stands by those words -- not only the Economic Writers, but also to the Security Analysts in New York, he said basically the same thing.

Q Ron, was he saying, in those quotes, which we all have, that he will accept anything that Congress comes up with along these lines?

MR. NESSEN: Oh, no, I would not say that.

Q Then referring as to what he said there does not answer the question.

MR. NESSEN: Because Congress has not come up with anything yet, Norm. The House Ways and Means Committee has reported out a bill. There are no actions scheduled in the House this week, no hearings scheduled in the Senate. That is what he is very disturbed about.

Q Do you think Presidential support for that bill -- and that if Jack Marsh and his friends were to push for that bill -- that it might be that action could be speeded up on it?

MR. NESSEN: I am told that I should apologize for saying that one of the bodies only met for 18 seconds; it was 16 minutes.

Q And is the six minutes correct?

MR. NESSEN: Sixteen minutes -- I am sorry, not the 18 seconds, or the six minutes. It was 16 minutes was the shortest session.

Q Ron, do you have a figure on the dollar tariff, what it has brought in since February, the first of the month?

MR. NESSEN: I heard that it was going to bring in \$400 million a month; isn't that right? We better check that. That is what I heard at one stage.

Q Is the President going to see Meany in Florida?

MR. NESSEN: Not that I know of. That meeting is over.

Q Any labor leaders?

MR. NESSEN: No, their meeting is over before he gets there.

Q Ron, when the President made his tax proposal on, I believe, January 15, Al Ullman came to see him and, after that, told newsmen out on the lawn that he had told the President that he was going to try his darndest to get a tax bill out of Ways and Means by the end of February, and the indication was -- I am not quoting the President directly -- that that was fine.

It seems to me Ways and Means beat that acceptable deadline, and is that one of the things that the President is not displeased about.

MR. NESSEN: He is displeased that it is not scheduled for House action and that no hearings have been held in the Senate.

Q But he is not dissatisfied with the speed --

MR. NESSEN: Yes, he is.

Q In which Ways and Means acted?

MR. NESSEN: He is just displeased with the lack of action in Congress on the tax cut.

Q Ron, could I go back --

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MR. NESSEN: Let me catch Phil.

Q You may have told us at the beginning. Did you say who had seen the President alone this morning on his schedule?

MR. NESSEN: No.

Q Would you give us that?

MR. NESSEN: Well, I did, Brent Scowcroft and Dr. Kissinger did, Bob Hartmann, Don Rumsfeld, Jack Marsh and Max Friedersdorf all had meetings with the President this morning.

Q Ron, is what you have been saying that the President feels it may be reasonable for Congress to take almost as much time as he did on energy, but he is really teed off about the tax thing. That is the main basis of his objection?

MR. NESSEN: I would not say he is very happy about the delay on the energy bill, either, but it is complex and it does take time. And he feels when they have reviewed it they are going to come out close to where he is, but he still thinks they need to move.

Q Ron, when I was overseas, we got a news dispatch that reported Mr. Nixon had thought of himself as possibly an Ambassador to Peking. What was the President's reaction to that?

MR. NESSEN: The President reacted at his news conference in Topeka and said that he did not foresee anything like that happening.

Q There is no truth -- I heard talk that there is a possibility he might try to establish detente with Uganda, with Mr. Nixon going to Uganda. There was just talk about this. Is there anything reliable in that regard?

MR. NESSEN: I have not heard anything like that.

Q Ron, can you say anything about the resumption of military aid to Pakistan and the negative Indian reaction to that?

MR. NESSEN: I am told the State Department will be making announcements on that subject sometime shortly.

Q Ron, do the President's advisers now believe the unemployment rate will not go above 8.2 percent?

MR. NESSEN: Are you referring to Fred Dent's remarks?

Q That, plus Mr. Seidman said almost the same thing.

MR. NESSEN: Well, without specific regard to what they said, I am told Fred Dent said that he hoped that it would not go above 8.2. The Administration -- the last figures that Al Greenspan had were that it would go up to about 8.5 percent.

Q Ron, it has been five weeks, I think, since the President's tax message went, or at least his State of the Union -- the tax message went up later: if Congress had enacted the President's tax increase five weeks after he proposed it, October 8, do you think that would have served the country's best interest?

MR. NESSEN: You mean, the tax increase, the excise tax on energy?

Q The energy surtax.

Q Last fall, October 8, when he proposed a 5 percent surcharge, if Congress had acted swiftly and approved that within the same period of time we are talking about, which is five weeks, would that have served the country well?

MR. NESSEN: I don't know, Ted; obviously, the economic situation changed and his proposals changed to match it.

Q But that is exactly the question that the House caucus, House Whip McFall, is asking in answer to the charges that they are not moving quickly enough.

MR. NESSEN: Well, I don't know how to answer that, except to say that I have not heard anyone, who, either in Congress, or in the labor movement, or in the business world, does not think a stimulative tax cut to turn around the recession is needed.

Q Ron, there was a report that Congressman Jarman, who switched parties from Democrat to Republican, received a call from former President Nixon through the White House switchboard. Does the former President use the switchboard here?

MR. NESSEN: His direct lines through the White House switchboard have been taken away as of February 9, or perhaps before February 9, so, I don't know how that would be possible.

Q Ron, can you say whether President Ford considers former President Nixon as the titular head of the Republican Party?

MR. NESSEN: I have not heard him use that expression. (Laughter.)

Q Who is the head, in the President's view?

MR. NESSEN: The President would consider himself to be the head of the Republican Party.

The President is going to see a group of Boy Scouts at 1:30 tomorrow afternoon, just before he leaves for Florida.

Q 12:30?

MR. NESSEN: He is going to see them retroactively, apparently.

Q Ron, the FBI did not deny this account by one Joseph Burton that he engaged in undercover intelligence up through 1974. Does the White House have any comment on that? Does it stand behind the FBI's denial of that, and would the President disapprove of any such activities if indeed they did occur?

MR. NESSEN: I don't know about that specific case, John, because I did not see that. I think the President has made his views clear on how the FBI and all other government agencies should conduct themselves.

Q Ron, is it reasonable to expect the veto message will not go up until the President is back in Washington on Thursday?

MR. NESSEN: I would suspect that is true, yes.

Q Question?

MR. NESSEN: Bill was wondering if it would be safe to assume the veto message would not go up while the President is out of town, and I think it would be fair to assume that.

Q Does the President plan to put off his veto until the March 1 increase goes into effect on oil?

MR. NESSEN: I don't think those are connected, Helen. The proclamation is in effect.

Q What is the deadline?

MR. NESSEN: The deadline would be based on ten working days from the time it was sent up here, which would be March 4.

Q Ron, Cambodia seems to be getting worse by the hour. Does the President have any reaction to reports coming out of there on military support?

MR. NESSEN: On that, he has asked for this supplemental and explained why it is needed and the urgency with which it is needed. He is following the situation closely.

As for how much money the import fee is bringing in, the full \$3 would bring in \$400 million a month. I am sorry, I was somewhat mistaken on that. The full \$3 higher tariff would bring in \$400 million a month. The expected revenue for February would be \$120 million a month.

The reason that \$120 million is not precisely one-third of \$400 million is that, as you recall, he waived any import fee on products -- imported petroleum products -- as a way of saving New England from any undue hardship.

Q Could I go back to Cambodia for one minute. A question related to that last question is, the President has made it clear he thinks this supplemental is necessary to keep South Vietnam and Cambodia from falling into the hands of the Communists.

Does the President, by the same token, subscribe to the so-called domino theory in Southeast Asia that was restated at least partially by Secretary Schlesinger? Does he agree that the fall of one country in Southeast Asia increases the chances that other countries will come under Communist domination?

MR. NESSEN: I would rather not refer directly to the domino theory, Jim, but rather say that the President has said himself, before, two things: one, it would certainly bring increased pressure on other countries in that area, and it would also be a signal to other countries elsewhere in the world that they might not be able to rely on promises of American aid if they got in trouble.

Q Ron, did the President send a message to Mr. Nixon over the weekend in connection with a party that was held at Palm Springs.

MR. NESSEN: I have heard of no message like that.

Q Ron, do you have that figure for us on travel?

MR. NESSEN: Do we have any cost on the travel? We will check that for you. I don't think we have it yet.

The Boy Scouts are coming at 12 o'clock tomorrow.

THE PRESS: Thank you, Ron.

END (AT 12:22 P.M. EDT)

AT THE WHITE HOUSE

WITH RON NESSEN

AT 3:17 P.M. EDT

FEBRUARY 24, 1975

MONDAY

MR. NESSEN: Actually, there were not any decisions made at this meeting. It was just a review of a couple of areas.

There was sort of a brief, factual runthrough of the House Ways and Means Committee tax bill. Neither the President nor his advisers really expressed any opinion on it. It was just a look at the numbers and how they were divided up.

The only comment really was the President saying in his own words what I relayed to you this morning of his views on the amount of time it is taking. He used the word "tragic". He said it is tragic they have taken this long to pass a tax cut. He said it is a matter of great concern to him, and time is important.

Dr. Greenspan said, yes, what they have done up to now amounts to zero stimulus for the economy, zero stimulus.

That is really about all it was. Let me correct one small thing I told you this morning concerning whether the House is going to take the tax bill up this week.

The President was told this morning that it would not be. I then found out it was put on the calendar. It was taken off the calendar, and now it has been tentatively put back on the calendar for further consideration by the House.

You will really need to check that on the Hill, but I wanted to make sure you did not think I misled you this morning.

Q Ron, will the Administration have a position on the bill by Thursday, assuming it comes up then.

MR. NESSEN: I would not expect it tomorrow.

The next item on the agenda was a review of the capital markets by Bill Simon, who expressed concern about the budget deficit going bigger than \$52 billion, saying that this would increase the competition for loan money.

The Federal Government would be in there borrowing money, States and cities would be, and of course, industry would be out there borrowing money. He was especially concerned about how this would affect the recovery -- right now, quite frankly, the demand for debt paper by industry is relatively low, but as the recovery picks up steam, industry will be needing to borrow more and more money.

At this point Simon is concerned that there would be competition for the money, which would force interest rates up, bring up inflation and would hamper the recovery in the area of housing where it would drive mortgage rates up once more.

He used the word "abort," that this might abort the recovery. The President then said, "I understand your worry, Bill, but the problem is not with the Executive Branch. It is with Congress." There was a general discussion, again with no conclusions, about how to impress on Congress the need to not add any more to the budget and to go along with the \$17 billion in rescissions and deferrals.

The final item on the agenda was energy, and again it was a general discussion of where we stand, with no decisions. The President said, "Our plan is to keep going. We have not compromised. There is nothing to compromise with. There is no change." That is, there is no change in the President's position. The quote is, "There is no change."

At an earlier part in the discussion, he said, as he has said before, you have to have something to negotiate with. He also mentioned, in his own words again, what I told you this morning, which is while he is hopeful that his veto will be sustained when it comes to a vote, regardless of how that vote comes out, it is not really very important because Congress will still be on the spot to come up with an energy program, regardless of what they do about the veto.



Q In what context were the remarks on compromise raised? Did the President just say them out of the clear blue sky, or did someone suggest or approach the subject of compromise?

MR. NESSEN: Actually, Frank Zarb brought it up, Walt. Actually, he quoted from the Shabecoff story and said he had been reading where the Administration sources were saying the Administration was ready to compromise.

He said from his point of view he did not see any way to compromise since there was nothing to compromise with; that there had been some -- the President has kept his promise in some ways, by helping New England and the farmers and so forth, but as far as he was concerned, there had been no compromise and that is what launched this discussion and produced that.

Q Was there any discussion on the problem of long-range unemployment?

MR. NESSEN: No, there was no discussion about unemployment.

Q Did they discuss contingency planning, if the recession should get worse? The President has said he would take more action if necessary. Did they discuss that?

MR. NESSEN: That was not on the agenda this afternoon.

Q Did they discuss the timing on the veto or head counts on overriding or anything?

MR. NESSEN: No, there was no discussion on head counts. The President just checked to find out when the deadline was and asked Jim Lynn, who was there, and the deadline is next Tuesday, a week from tomorrow.

Q I understand some of these Congressmen are going to Vietnam tomorrow, ten of them. Some left over the weekend. Some of them are coming back on Sunday. Would this affect the President's veto? Would he veto the bill while some elements are out of the country or is it a courtesy he would wait?

MR. NESSEN: I cannot answer one way or the other because he has not decided when to veto it yet. Regardless of when he vetoes, the choice of a date for an override vote would be up to Congress and so presumably the leaders there would schedule the vote after these fellows got back.

Q They could not override until after the veto, Ron.

Q How long did it last, Ron?

MR. NESSEN: It started about 20 minutes of two and lasted until 2:40. It lasted about an hour.

Q Was there any discussion of unemployment figures in Dent's remarks the other day that he did not think it would go above 8.2?

MR. NESSEN: No, but the morning at this morning at the briefing it came up.

Q I was here.

MR. NESSEN: I am sorry. Unemployment was not discussed in there.

Q Is there any reason why such an important subject was not brought up?

MR. NESSEN: You know, there are a number of economic and energy meetings that go on and the agenda for this one was the three items I mentioned. I am sure that will be on the agenda for another meeting, but it was not for this one.

Q Was the discussion limited entirely to the three items on the agenda?

MR. NESSEN: There was a brief discussion that did not go anywhere of the effect of the \$25 billion a year that is being taken out of the American economy and sent over to the oil producers and the fact that there does not seem to be an understanding of the seriousness of that kind of drain on the American economy, but that was very brief and, as I say, did not go anywhere.

Q Ron, I am sorry, but I walked in a minute late. What was the first of the three things?

MR. NESSEN: The first of the three topics was a very brief factual review of the House Ways and Means Committee tax bill without any real opinions being discussed either by the President or his advisers and a reiteration of the President's feeling that it is tragic that Congress is taking so long to pass a tax bill.

Q Was there any discussion of American arms sales abroad and a possible effect on unemployment and recession?

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

Q Ron, how many people, who were in today's meeting, will be at the White House Conference in Hollywood tomorrow?

MR. NESSEN: I know Rogers Morton will be there, and I think Seidman will be there. Greenspan, I guess, will be there.

Do we have a list of the participants tomorrow?

I know some of those there today will be there tomorrow.

Q Ron, the words, "really not important," is that a paraphrase from you, or are those the President's words in regard to the vote to override?

MR. NESSEN: No, that was a paraphrase.

Q In other words, the President does not mean to convey that, Senator Packwood and others, who are working for votes to sustain the veto, that is not really an important issue?

MR. NESSEN: No, absolutely not. What he was trying to convey was, regardless of how the vote comes out, Congress is still on the spot to come up with an energy program.

Q Ron, is it conceivable that these men would sit in and run through an important item like the tax cut proposed by Ways and Means without rendering any judgment about its acceptability?

MR. NESSEN: Peter, I am giving you an honest account on that one. That is precisely what happened. There was a brief factual review that was based on a factual comparison of the two, and that is all it was.

Q Was there any discussion on how they compare? Is the disparity great?

MR. NESSEN: Yes, that is what the piece of paper is about. In one column you have the tax rebates, in the other column, you have the Ways and Means' bill and tax rebate for individuals and the Administration's plan, \$12.2 billion, and the Ways and Means Committee bill, \$8.1 billion and so forth, and it was to sort of walk people through this so they would understand what was in the bill. But there was no judgment rendered.

Q Were they told, Ron, to begin thinking about how these two bills could be put together, if it came to that?

MR. NESSEN: No. It was strictly a factual rundown of what was in the bill.

Q Ron, you do not seem to translate any sense of urgency out of this meeting, and yet, there seems to be a growing sense of pessimism in the country and among business about the economy. Could you reconcile that?

MR. NESSEN: I hope I have not left you with the impression, Carroll, of lack of urgency, because, this morning, based on some chats I have had with the President before this meeting and, again, in his own words this afternoon, he feels very, very strongly -- he used the words, "tragic, unconscionable" and so forth -- about the delay in passing the tax cut. That certainly should not indicate any lack of urgency. He feels very strongly about it. He said that this morning, and I can say it with some fresh words now, because that is the point.

Q Did you get any sense from the economists at that meeting that the situation was deteriorating faster than you thought, say, a month ago?

MR. NESSEN: No. Bill Simon, at one point, reiterated the forecast that it would begin to turn up in the middle of the year.

Q Could I follow up on Peter's question of this morning? In view of the President's experience all those years in Congress, you know, how can he say it is "tragic and unconscionable" that Congress is moving with its own deliberate speed, or lack thereof, and there is nothing unusual about what Congress is doing. Isn't this just political rhetoric on the part of the Administration?

MR. NESSEN: That really is not true. The President recommended a tax cut on January 15. As I have said before, there is universal agreement that is what is needed to fight the recession. No one disagrees with that, that I know of. You have had Democratic leaders saying, "We will have you a tax bill in 30 days," which has since passed. The Senate could not get a quorum on Saturday. They did take a vacation for the Lincoln Day recess. These are not usual times, and the economy is not in a usual state. The President feels it needs this stimulant as quickly as possible.

Q Ron, I suppose the question could be put this way; could you find out when, in his experience, the President can remember the Ways and Means Committee acting faster than it has acted on this tax cut?

MR. NESSEN: Peter, I don't see the relevancy of your question.

Q It is precisely relevant because he is accusing Congress of delay, when, by most people's judgment in this town, it acted faster than it ever has before on a comparable bill.

MR. NESSEN: We are not talking entirely about the Ways and Means Committee.

Q You are talking about the tax cut?

MR. NESSEN: The Senate has had no hearings and has none scheduled as far as I know.

Q When the President was in the House, what would he have thought about the Senate taking up a tax bill before it passed the House? I thought that was a Constitutional prerogative that the House was rather jealous of.

MR. NESSEN: You can begin hearings, can you not, before the full House approves a bill?

Q I suspect you can, but it is not usually done.

MR. NESSEN: Here is who is going to the meeting tomorrow in Florida: Secretary Morton, John Barnum, who some of you know is the acting Secretary of Transportation, Bill Seidman, Bill Baroody, H. R. Crawford, who is the Assistant Secretary of HUD, C. Langhorne Washburn, who is the Assistant Secretary of Commerce, Mike Duval, who is a member of the Domestic Council staff, Fernando DeBaca, who deals with Hispanic-American Affairs.

I do not want to get into an argument about are they moving faster than they ever have in the past, but it is something there is no argument about and more than 30 days have passed. It does take time to crank up the IRS computers to get the refunds out. He just feels they are moving more slowly, and he shares, in fact, Mr. Meany and other people's views, who have spoken out on this subject.

Q Ron, has the President called Senator Long and urged him to begin hearings of the Finance Committee?

MR. NESSEN: I am not sure whether he has called him specifically on that. He is in touch with Senator Long, from time to time.

Q Who was the Congressional leader -- what Congressional Democratic leaders were saying there would be a tax cut within 30 days?

MR. NESSEN: Well, the President mentioned, in this meeting, that he recalled Hubert Humphrey had, in answer to the President's State of the Union speech, said, "We can and must have a tax cut within 30 days," and then, he recalled that Senator Humphrey had gone on one of the TV shows a little over a month later and said, "We can get a tax cut through in 30 days."

Q The leadership never said it, though, did they?

MR. NESSEN: I thought that Al Ullman had set a date, but I am not sure.

Q To get it out of committee, maybe?

MR. NESSEN: Maybe, but anyhow, the President did recall Senator Humphrey's remarks.

Q Did Dr. Burns contribute anything to the meeting?

MR. NESSEN: Dr. Burns spoke on a couple of subjects.

Q Money -- releasing more money for easier credit?

MR. NESSEN: Easier credit? No, he did not speak on that. When Bill Simon was talking about the dangers of a bigger deficit than the \$52 billion, he talked about his agreement that there needed to be an effort to hold the budget deficit to that level.

MORE

Q Did he reiterate any of his public criticisms that certain things that should be counted against the deficit were not being counted against the deficit; if you counted all these things in and Congress did its usual thing, you were going to be \$200 billion --

MR. NESSEN: No, he did not mention that today.

Q Ron, it strikes me as a bit of a waste of time to have brought busy people of this caliber together for an hour to decide that there is no change in the energy policy and there might be a credit crunch next year if the deficit gets bigger and to look at an alternative tax bill and to express no opinion on it.

Are you sure there was not something of substance spoken here that you don't want to tell us about?

MR. NESSEN: I tell you, I am very aware of the fact that people like these readouts after meetings and I have been extremely cautious in doing them to make sure that I give an honest account on them so that they continue to be useful, and I have given you an honest account on this one.

Q Ron, when Secretary Simon reiterated he expected a turn up in the economy by the middle of the year, did he get into any specifics?

MR. NESSEN: No. He said it in relation to what the effect on that would be if credit got tight again and interest rates went up. He said, "The economy is going to start up in the middle of the year, and if we have a bigger deficit and inflation and interest rates go up, that could be aborted," is the context in which he said it.

It was not a separate item that he elaborated on.

Q Ron, do you have a bible and a text for tomorrow morning?

MR. NESSEN: I know we have a bible. I am told the speech will be available at the earliest at 5 or 6 o'clock and the bible will be ready shortly. It is being run off now.

Q Ron, some of us have been back on the phone again since noon, or the briefing, and confirmed all over again that the Administration could pretty much live with the Ways and Means tax program. Can you tell us that now?

MR. NESSEN: I cannot tell you that. The Ways and Means tax bill will not be the tax bill that gets here almost certainly, and the President prefers to wait to see what Congress produces before commenting on it.

Q How about Ullman. Have you had time to check and see if the President has talked with Ullman or did indeed turn down a compromise on \$1 to \$3?

MR. NESSEN: I did not. All I can do is reiterate that the proclamation calls for the \$1, \$2 and \$3 to go on at the time the President is sticking with the proclamation.

Q Ron, since that time we found out that the \$120 million a month is coming back into the general fund and is being held for rebates.

MR. NESSEN: Right.

Q And since there is no system to rebate that money to the general public, is that money just going to sit there, as far as you know, or what?

MR. NESSEN: Until Congress passes the energy program to get it back into the economy there is no way to get it back out again.

THE PRESS: Thank you, Ron.

END (AT 3:40 P.M. EDT

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