

This Copy For \_\_\_\_\_

NEWS CONFERENCE

#154

---

AT THE WHITE HOUSE

WITH RON NESSEN

AT 12:00 NOON EDT

FEBRUARY 28, 1975

FRIDAY

MR. NESSEN: The reason I had the briefing at 12:00 today, instead of 11:30, was that there was an Economic/Energy Meeting at 11 o'clock -- supposed to be -- and it was postponed until 2:20. So, I do not have anything to report on that meeting yet. It will be at 2:20 and the attendees will be Bill Seidman, Jim Lynn, Al Greenspan, Dr. Burns, Steve Gardner, who is Bill Simon's Deputy -- Bill is off on a trip, I am not sure if it is overseas or within the country --

Q San Francisco.

MR. NESSEN: -- San Francisco -- Frank Zarb, Secretary Morton and Paul O'Neil. That is a regular, weekly economic review meeting.

Q Will you be able to brief us on that later?

MR. NESSEN: I'll try.

At 12:45, the President will meet with the National Council members of the National Endowment for the Humanities. The meeting is in the Cabinet Room, and there will be pictures at the beginning of it, if you want any. The Council is comprised of 26 men and women appointed by the President. It meets quarterly and advises the Chairman of the National Endowment for the Humanities on national policy.

At 3 o'clock, as most of you know, the President will meet with Senator Mansfield, Senator Byrd, Senator Pastore, Speaker Albert, Congressman O'Neill, and Congressman Wright. The meeting was requested by Senator Mansfield to discuss with the President the energy ideas that are being considered by some House and Senate Democrats.

MORE

#154

Q Will we see them after that?

MR. NESSEN: Yes. At the beginning of the meeting you can have cameras and take film in the Oval Office, and I will attend and try to give you a readout when the meeting is over.

We also have a writing pool for the beginning of that which will be posted. Following the meeting, we will be happy to guide any of the Senators who wish to talk over to the grassy area over here for your interviews.

At 4:10, the President will be going to a reception for participants in the Young Republican Leadership Conference in the East Room, and we will post an expanded pool to go over there.

Q Will the President be speaking at that, Ron?

MR. NESSEN: Yes, he will.

Q Will he be answering any of their questions?

MR. NESSEN: Theirs or yours?

Q Theirs.

MR. NESSEN: I don't think the format is for him to answer their questions.

At 6:30 this evening the President and Mrs. Ford will depart for Camp David where they will spend the weekend. There is nothing particular on the schedule at Camp David. He normally takes a pretty good pile of paperwork with him. I cannot tell you specifically what papers he will be taking up there tomorrow or tonight. And by sometime during the afternoon on Sunday we will have an idea of when he plans to return.

The usual Camp David routine is that we keep in touch with him by phone and put out little tidbits from the press office.

Some personnel announcements today. I think you probably have them. The President is announcing his intention to nominate John E. Robson of Chicago as a member of the Civil Aeronautics Board, succeeding Whitney Gillilland who has resigned.

The President will also designate Mr. Robson as Chairman of the Board when he is confirmed by the Senate. Mr. Robson is a graduate of Yale in 1952 and the Harvard Law School in 1955. He is currently a senior partner in the Chicago law firm of Sidley and Austin. He was Under Secretary of Transportation from 1968 through 1969 and he was General Counsel of the Transportation Department for the two years before that.

Q Are we going to get some paper on that?

MR. NESSEN: You don't have it?

Q No.

MR. NESSEN: It is running out of the mimeographs even as we speak. He was Special Consultant to the Director of the Bureau of the Budget during 1966 and Chairman of the National Advisory Council on Economic Opportunity, and we will have a biography and the announcement after the briefing.

Q Who is currently Chairman? Is Gilliland Chairman, or is Mr. Butterfield Chairman?

MR. NESSEN: Mr. Butterfield is the head of the Federal Aviation agency.

Q Who is going to be head of FAA, Ron?

MR. NESSEN: We have a head of the FAA.

The President is also announcing the appointment of Vernon C. Loen, of Sioux Falls, South Dakota, as Deputy Assistant to the President for Legislative Affairs. He will serve as liaison for the White House with the House of Representatives.

Also, the President is announcing the appointment of William T. Kendall, of Bethesda, as Deputy Assistant to the President for Legislative Affairs, and he will serve as the White House liaison with the Senate. I believe you have both of their biographies.

Aldo?

Q What happened to Pat O'Donnell?

MR. NESSEN: Pat O'Donnell -- his title is Special Assistant for Legislative Affairs, and he is working as an assistant with Bill Kendall on Senate relations.

Q Is Kendall in charge of Senate relations?

MR. NESSEN: Pardon me?

Q Kendall is in charge? Pat has been? Kendall moves in over Pat O'Donnell?

MR. NESSEN: Pat O'Donnell is assisting Bill Kendall.

Q Are these new jobs, Ron, added on to the rest of the staff, or are they replacing somebody?

MR. NESSEN: Are they replacements? Is Pat O'Donnell an assistant to Bill Kendall? (Yes), and they are replacements.

Also, today, we are announcing a one-month extension of the Clemency Board.

Q Is that just the Board, or is that the whole program, the whole clemency program?

MR. NESSEN: Let me read you the Presidential statement. Do you have this?

Q No.

MR. NESSEN: This is coming out of the mimeograph machines, too. This is a statement by the President, and you will have printed copies of it, I think, before the end of the meeting:

"On January 30, 1975, I extended until March 1 the termination date of applications under the clemency program for draft evaders and military absentees who have charges still pending against them and for those who already have been punished for such offenses.

"Based on a further review of the progress of this program, I believe that many of those who have already been punished are only now learning they are eligible. This is confirmed by the large number of applications -- already exceeding 10,000 -- which continue to be filed with the Presidential Clemency Board.

"Therefore, I am today granting a final extension of the termination date for applications under the clemency program from March 1 until March 31, 1975."

MORE

#154

Q Is it likely at Camp David that the President will be working on his veto message?

MR. NESSEN: I would think that might be one of the things he is doing up there.

Q What was his question?

MR. NESSEN: Would the President be working on a veto message at Camp David? I think that might be one of the things he takes up with him.

Q What are we waiting for?

MR. NESSEN: I am waiting for these papers to get out.

Well, you have it all in front of you .  
So I do not need to read it, at Peter's behest.

Q Why is the extension final now? Is that ruling out any contingencies that might arise?

MR. NESSEN: No, the President has told Chairman Goodell there will be no further extensions.

Q Ron, the second paragraph of this is rather unclear. The President refers to "those who have already been punished," which seems to imply that this is only an extension of the Clemency Board, the Goodell program.

Now, is this the entire thing?

MR. NESSEN: No. It says in the first paragraph it is an extension of the date for accepting applications for both draft evaders and military absentees.

Q The evaders in Canada have not already been punished, have they?

Q The Clemency Board only deals with those who have not been published already.

MR. NESSEN: In other words, let me say this -- something I forgot to say, actually -- that Goodell is having a news conference at 1:30 today. The place of it is the second floor conference room over here at this new Executive Office Building on 17th Street, and I think he can clear up some of these technical details for you.

Pushing right on, the President will meet on Monday afternoon with President Katzir of Israel. President Katzir is in the United States for a personal visit -- private visit. I am sorry. He is receiving several honorary degrees from various universities and this would be an opportunity for the President and President Katzir to become acquainted.

Q How do you spell President Katzir?

MR. NESSEN: K-a-t-z-i-r.

Q And his first name?

MR. NESSEN: We will get that for you.

Q Ephraim.

MR. NESSEN: There is a lady who knows.

Well, that is about it.

Q Ron, has Vice-President Rockefeller's rulings in the Senate filibuster debate, do those represent the President's views?

MR. NESSEN: The President feels that when he deals with this matter that the Vice-President is carrying out his constitutional responsibility, and his rulings do not necessarily represent White House or Administration policy.

Q Ron, do they represent the President's views?

MR. NESSEN: The President does not feel he has a constitutional involvement in this.

Q You said "do not necessarily represent his views"?

MR. NESSEN: Right.

Q What are his views? Does he believe Rule 22 ought to be left as is?

MR. NESSEN: I frankly have not talked to the President about that because he is not really involved in it.

Q Ron, on the same subject, is Senator Goldwater -- I believe he had a meeting with the President yesterday. Wasn't he in that congressional group?

MR. NESSEN: No, he was not. That was his son, the Congressman.

Q Oh. Has the Senator raised any complaints to the President about the Vice-President's faux pas in dealing with the Rule 22 debate?

(Laughter.)

MR. NESSEN: I don't know what you mean by "faux pas" but I am not aware that ---

Q He failed to recognize Senator Allen raised the ire of the Conservatives up there ---

MR. NESSEN: Right.

Q And I was wondering if the President caught any flak because of the Vice-President's behavior in this.

MR. NESSEN: From Senator Goldwater?

Q Or any of the other Republicans and Conservatives.

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

Q Ron, this morning Senator Helms said that he had discussed this matter with the President at a White House dinner party and the President indicated to him he was going to speak to Rockefeller or do something about it, and Helms was asked to quote the President and he declined to do so.

If the President did take any part in this discussion at all, wouldn't it be a complete violation of separation of powers? Of course, Rockefeller wears two hats, but wouldn't that be a complete violation? That would be the President entering into the action on the Floor of the Senate as President, and isn't it right that he is not supposed to do that?

MR. NESSEN: And he has not done that. He has not advised Vice-President Rockefeller on the rulings.

Q Have they talked about the question at all?

MR. NESSEN: I am told that the Vice-President at some point in the recent past has talked to the President about these rulings.

Q What did the President say?

MR. NESSEN: The President gave his views on the matter.

Q This was yesterday when they met?

MR. NESSEN: No.

Q Was this on this particular vote, Ron?

MR. NESSEN: No. No.

Q Or was it a general background discussion --

MR. NESSEN: General chat about the subject.

Q The President gave his views on the matter?

MR. NESSEN: Yes, sir.

Q What were his views?

MR. NESSEN: Well, since he is not constitutionally involved in the matter, I do not think I should reflect them here.

Q Is it likely that the Vice-President would rule contrary to the President's views on the matter?

MR. NESSEN: It is his responsibility and you would really have to ask him that question.

Q Did the President transmit to Vice-President Rockefeller the concern of the Southern Republicans as transmitted to him by Mr. Reed of Mississippi?

MR. NESSEN: I don't think so.

Q Did the President tell Senator Tower yesterday that he was not constitutionally involved?

MR. NESSEN: I don't believe that was the subject of the discussion, Margaret.

Q Rockefeller was not the subject of Tower's discussion?

MR. NESSEN: I don't know what the subject was, but I do not believe I heard that that was the subject. I don't frankly know what the subject was, but I had not heard that that was going to be it.

Q Ron, on another subject, what does the President think of the House version of the tax cut?

MR. NESSEN: The President is concerned about tacking on this oil depletion provision. As he said from the beginning, the country needs a tax cut quickly, very quickly, to stimulate the economy and pull the country out of recession, to get money into people's pockets, to get money to businesses so they can expand and increase purchasing power and turn the economy around. And this could very well delay the anti-recession tax cut.

Now the President certainly favors tax reform and has said so a number of times. But it is a matter that does take time and careful study, and he does not feel that this is the proper vehicle for something like that.

He also feels that in addition to the likelihood that that would delay the tax cut -- and that is really what he was talking about in Florida the other day when he talked about June or later -- he is concerned that this would lead to other attempts to legislate tax reform in a piecemeal way without the proper, careful study it requires.

Q Does he think that the oil depletion allowance should then be considered separately? And is he in favor of removing the oil depletion allowance?

MR. NESSEN: It really should be more part of an energy program than a fast anti-recession tax cut. And it is really difficult to answer the question in isolation because the question of depletion allowance also involves windfall profits tax and whether there will be a plowback provision in that; whether there is decontrol of oil prices and so forth.

You cannot answer that question in isolation, unless it is part of a whole program.

Q Ron, do you know what the President's past position has been on oil depletion? It has been around for a number of years.

MR. NESSEN: His past position has always involved other elements, other than the simple question of oil depletion.

Q He has never come out for or against the simple ending of the oil depletion?

MR. NESSEN: I simply do not know, Peter.

Q At his Rose Garden press conference last summer he was asked about --

MR. NESSEN: Let me tidy that up just a little bit by saying that he has announced publicly that he favors phase-out of the foreign oil depletion allowance. That certainly is on the record. And his position on domestic oil depletion allowance really hinges on so many other factors that it is not possible to give a simple answer.

Q Did any oil men in Michigan discuss this with him recently?

MR. NESSEN: Not that I am aware of.

Q Ron, since he considers this part of the energy subject, will he take it up this afternoon with the leaders?

MR. NESSEN: Senator Mansfield requested this meeting and I did not get any feeling that that was one of the matters he wanted to discuss.

Q They are regarding it as part of the tax matter. Do you expect it to come up?

MR. NESSEN: It is hard to tell what they wanted to come down here and talk about.

Q What was the question?

MR. NESSEN: Bill was asking whether I thought that the matter of depletion allowance would come up this afternoon in the meeting with the Democrats.

Bob?

Q If you want to follow up, go ahead.

Q One reason the Democrats tacked this on, Ron, was they have believed it would be vetoproof. Assuming the Green Amendment survives in the final bill, would the President sign a tax bill with an oil depletion allowance?

MR. NESSEN: That is a very big assumption that I do not think I should base an answer on.

Q Ron, you did not make it clear back a minute or so ago whether the President talked to Rockefeller before or after his ruling.

MR. NESSEN: I am frankly not entirely sure when the discussion took place, and there has been more than one ruling, but they have chatted about this matter and the President has told him his views.

Bob?

Q Ron, yesterday, the White House was apprised of an open letter to the President from Prince Sihanouk --

MR. NESSEN: Yes.

Q -- which sounded somewhat conciliatory in tone. It has been published now, today, and it proposes rapid reconciliation between the American people and the Cambodian Khmer Rouge and the Sihanouk regime. I wondered if you have any reaction to that letter?

MR. NESSEN: No.

Q Why not?

Q Ron, in that Sihanouk letter, he does make the pledge he would not export any ideology. Does that have any effect on the attitude towards him, towards the President's argument in this case?

MR. NESSEN: As I understand it, that was a letter to Bill Attwood, the Publisher of Newsday.

Q Has the President seen it?

MR. NESSEN: Not that I am aware of, Tom.

Q He sent a similar letter to Senator Mansfield, as I understand it, Ron.

MR. NESSEN: Right.

Q Has that letter been communicated to the President?

MR. NESSEN: Not that I am aware of.

Q Ron, why hasn't the letter been communicated to the President? It concerns a fairly important subject, and it is an open letter to the President.

MR. NESSEN: I assume that, if Prince Sihanouk had a matter that he wanted to communicate to the President, he would send it to the President, rather than to a newspaper publisher.

Q Does the President doubt the authenticity of this letter?

MR. NESSEN: I really don't think that is the issue, Tom. It is a letter to a newspaper publisher, and I don't know that the White House, or the President, ought to be in the position of responding to letters to Bill Attwood.

Q Are you standing on protocol, when we are talking about a war?

MR. NESSEN: Certainly not, Bob. I am just saying, if Prince Sihanouk had some information to communicate to the President, he could communicate it to the President.

Q Well, he has.

MR. NESSEN: I thought he sent the letter to Bill Attwood.

Q It was an open letter to the President, and you had a copy of the letter delivered to you last night. Why couldn't the President take a look at it?

MR. NESSEN: Well, the reporter brought me a copy of the letter, and I told him that I would be happy to look at it to see what interest it might have to the Press Office.

Q Do you have an reaction to it?

MR. NESSEN: I am having trouble with some of the French words. There is not a letter from Prince Sihanouk to the President.

Q Was the letter given to you for you to pass on to the President?

MR. NESSEN: I was very specific when I accepted the letter, and I said I was not accepting it on behalf of the President, or to pass on to the President. I was accepting it as a matter of possible interest to the Press Office.

MORE

Q So you did not pass it on to the President then; is that correct?

MR. NESSEN: I did not.

Q Did you consult with anyone else in the White House, Kissinger's office or anyone else, on what you should do in accepting the letter or not do?

MR. NESSEN: I think -- look, it is a letter to a newspaper and the reporter wanted me to see it and I accepted it on those grounds and I don't think there is really much more we can do with that.

Q You can react to it.

MR. NESSEN: To a letter to Bill Attwood? The White House does not normally react to letters to newspaper publishers.

Q It is from Prince Sihanouk. It is an open letter to the President. There is no diplomatic channel between Prince Sihanouk and President Ford, and it appears to me that you are rejecting it simply because the manner of delivery was not suitable to you.

MR. NESSEN: I hope you don't get any feeling there is any matter of rejection here. It was a letter to the publisher of Newsday and a Newsday reporter thought I would be interested in seeing it and that is where it stands.

Q Do you regard this as a publicity stunt rather than as a serious diplomatic proposal?

MR. NESSEN: I have no way of judging what the idea --

Q Can't we let the President in on it?

(Laughter.)

Q Seriously, Ron. Can't we in all reasonableness, and being realistic --

MR. NESSEN: Sarah, I think you are really addressing questions to the wrong party.

Q I am addressing it to you. You got the letter as an open letter to the President. Obviously, you expected to pass it on to him or to see that he got it -- maybe he got it from two or three other people -- but you could discuss it with him.

MR. NESSEN: I told the reporter that it was not my role to accept letters for the President when they are addressed to a third party, and I really do not see the point of all this.

Q Ron, the introduction of this letter says, "Please consider the possibility of simply publishing for their special information the following text of my open letter to His Excellency, the President of the United States," sent to President Gerald Ford and to the distinguished Senators and Members of the U.S. Congress. And the letter proceeds.

He makes no bones about this being a letter to the President.

MR. NESSEN: Well, I really think I just need to repeat that a communication to a head of State normally is addressed to the head of State and this is a letter to a newspaper publisher, and I do not really see where we go from there.

Q Ron, this letter aside, has there been communication initiated between Prince Sihanouk and the White House through any other forms, means?

MR. NESSEN: Not that I am aware of.

Q Has Senator Mansfield indicated he would present his copy to the President this afternoon?

MR. NESSEN: You would have to ask Senator Mansfield.

Q Is the National Security Council or the State Department examining the substance of this letter presumably to see what Mr. Sihanouk is discussing, what the Prince wants to do?

MR. NESSEN: I will have to check and find out.

Q Can you explain why the President has delayed four months in appointing his two members to the Federal Election Commission and when he expects to do so?

MR. NESSEN: I think I mentioned here a while back there are several names under consideration and that we expect to have an announcement fairly soon.

Q Ron, to get back on the Rockefeller thing, has the President personally received complaints from Republicans in the Senate about Rockefeller's rulings in the filibuster debate?

MR. NESSEN: I don't know of any.

Q Has he received them from Democrats?

MR. NESSEN: I don't know of any.

Q Ron, a number of public officials and some Members of Congress have been using the word "depression" recently, saying either the country is in a depression or is sliding into a depression.

Does the President have a view on whether or not the country is in a depression now or is moving into a depression?

MR. NESSEN: I think he has said publicly, himself, it certainly is not in a depression, and he does not expect it to go into a depression.

MORE

#154

Q Ron, could I follow that?

Art Okun was testifying before the Joint Economic Committee this morning again, and he said the same thing Phil was talking about. It becomes ever more likely that the history books will record this episode as a depression rather than merely a recession.

He used the figure of -- obviously this is a semantical thing -- but he used the figure of a 10 percent unemployment rate as being the turnover from a recession into a depression.

Paul Samuelson has also suggested that was the figure. So in that context, is the White House still holding by its forecast that the rate of unemployment is not going to exceed 8.5 let alone get up to 10?

MR. NESSEN: The President has said he does not expect it to get to 10. I think he said he did not expect it to get to nine. Also, I saw some figures the other day, and I do not mean in any way to minimize the seriousness of the situation -- because the President certainly does not -- and it is one of the reasons he is so disappointed in Congress delaying on the tax cut.

There is a difference between the kind of unemployment that we have now and the kind of unemployment there was during the depression in the sense that there is unemployment insurance. There are public jobs programs, and there is supplemental unemployment benefits, and this tends to cushion the unemployment until the economy turns around. The President's Economic Advisers as well as the majority of views by private economists that I have seen in writing, all agree that the turnaround will come around the middle of the year.

Q Ron, the second dollar in oil import fees is due to take effect tomorrow. Is any consideration being given to delaying that effective date vis-a-vis the discussions that are going to take place this afternoon?

MR. NESSEN: I don't know what Senator Mansfield intends to discuss at the meeting, but at the moment the proclamation is in effect and the proclamation calls for the second dollar to go on tomorrow.

Q Has there been any discussion of delaying that?

MR. NESSEN: As far as I know, the President intends to have the proclamation go ahead and put the second dollar on tomorrow.

Q Ron, just to go back to that matter of the letter from Prince Sihanouk. You said you did not show it to the President, but can you tell us what you did do with it, if anything?

MR. NESSEN: I do not think I should, Bob.

Q Did you pass it on to someone else?

MR. NESSEN: I think I will just leave it where it is.

Q Where is it?

(Laughter)

Q Is the President aware of it?

MR. NESSEN: I do not know whether he is or not. I have not mentioned it directly to him.

Q Did he not receive a direct letter from Sihanouk? That is implied in the opening passage of this letter. I believe he says, "also sent to the President and members of Congress."

Did he not receive a direct letter?

MR. NESSEN: Not that I am aware of.

Q Ron, if the President's vote-counters like Friedersdorf, and so on, suddenly decided the President did not have enough votes to sustain his veto on the tariff next week, is he absolutely, firmly committed to veto that bill?

MR. NESSEN: As far as I know, but Friedersdorf and Marsh and others are now confident they have the votes and they have told him that.

Q But there are some Republican vote-counters on the Hill who don't work for the White House who are not so confident, and that is what I am asking.

MR. NESSEN: I thought Senator Jackson indicated he agreed that there were the votes.

Q Jackson first agreed to it and then he said he was sure he could override it, and I am not sure what he is saying now. But I do know some of the Republican vote-counters on the Hill are saying -- these are the "muckity-muck" vote-counters up there -- are saying you don't have the votes yet despite what Friedersdorf tells the President.

MR. NESSEN: I don't know what they are saying, but I do know the President has been told there are the votes to sustain the veto.

Q Will the veto go Monday or Tuesday? Do you know that?

MR. NESSEN: It has not been decided yet, Carroll.

Q Ron, on the boycott issue, the President said, "Foreign businessmen and investors are welcome in the United States when they are willing to conform to the principles of our society."

I wonder in that respect if the President does not feel that the Soviets may have been on firm ground when they blocked very strenuously attempts of U.S. lawmakers to tack the immigration restrictions on the trade bill?

MR. NESSEN: Whatever action the President may take on the matter of discrimination would certainly be aimed at making sure that American laws are carried out or that if new laws are needed, they are proposed. It would not be a question of involving yourself in the foreign policy of another country. It would be making sure American laws are carried out.

Q In other words, possibly we would have one set of principles at home and another set of principles abroad?

MR. NESSEN: I don't see how you leap to that, Gene. It is obvious the United States cannot dictate another country's internal policies nor can any other country dictate our internal policies. But the President will certainly be sure our internal policies do not allow for any discrimination.

Q Ron, I understand the Democrats sent down some copies of their energy plan. Did the President receive one personally, and has he read it?

MR. NESSEN: I don't know what you refer to as the energy plan.

Q Why don't you guess what I am referring to?

(Laughter.)

MR. NESSEN: I know what you are referring to. There is a five-page announcement, some copies of which have reached the White House. The President has seen it and his reaction was, "Where is the rest of it?" But he has seen it.

Q A five-page announcement, Ron?

MR. NESSEN: It seems to be in the form of an announcement or a press release which I have here somewhere, if you will just give me a minute.

I think that is the document you are talking about, Tom.

Q I think the Democrats announced --

MR. NESSEN: Here we are. It is this document which is five pages, and it lists some objectives for an energy program and what the needs are, and the President felt it looked like it represented a start by the Democrats in working toward a program. He was curious to see what the specifics and details will be when the Democrats come up with it.

Frank Zarb is taking a look at it and his reaction, strictly on a technical analysis, is that it will not work in terms of energy independence; that there is no way that this brief sketch of some ideas on energy would make the United States invulnerable to foreign oil by 1985.

Also, there was some feeling here of wondering how these ideas fit together with Chairman Ullman's Democratic energy plan and that is not entirely clear as to whether that tacks on or what.

One other mechanical thing. That is, that the pool for the Young Republicans Reception has been expanded, and a number of writers will be on that. You can check right after this briefing to see if --

Q Ron, is the President dealing with Otto Passman?

MR. NESSEN: I think this is a follow-up, is it not, to what we are talking about here?

Q It had to do with that, yes.

Are you flatly ruling out any change in the announcement that that extra dollar will go on tomorrow?

Q I did not hear that.

MR. NESSEN: The question was, am I flatly ruling out any change on the second dollar going on tomorrow?

The proclamation is going forward right now and the second dollar is scheduled to go on tomorrow.

Q Is the President dealing with Otto Passman on this Cambodia money and by-passing the authorization committees of the House and Senate? Is his strategy to try to get the money for Cambodia through the Congress by dealing with Otto Passman's Subcommittee on Appropriations?

MR. NESSEN: I am not sure precisely which subcommittee is involved.

Q That is the subcommittee involved, so we have that settled. But now is he dealing with Passman?

MR. NESSEN: I don't know that, Sarah. I know whatever the mechanism is that the President feels the money is really needed quickly.

Q Could you tell us the status of the problem down here in the White House? We know it is needed quickly and we know you have been saying that for days.

What is the status of the money for Cambodia now in the White House?

MR. NESSEN: The status is that the proposal has gone to Congress and the President feels that it is needed urgently.

Q Is he doing anything else about it?

MR. NESSEN: I think he is making those views known publicly..

Q Are his liaison men up there working through and expecting this to go through the Passman subcommittee?

MR. NESSEN: Sarah, I have not gotten involved in that degree of following the legislative liaison workings.

Q That is the step right now if you are going to get it through Congress.

MR. NESSEN: I am sure they are working very hard with whoever it is necessary to work with to get it through Congress quickly.

Q Thank you, Ron.

END (AT 12:40 P.M. EDT)

AT THE WHITE HOUSE

WITH RON NESSEN

AT 4:30 P.M. EDT

FEBRUARY 28, 1975

FRIDAY

MR. NESSEN: Really, the point I want to make is there has been one event added to the day and that is as soon as he gets back from the Young Republicans the President is having a group of Republican Congressional leaders in to talk about the same areas that he talked to these Democratic leaders about.

The Republicans are here and waiting and as soon as he gets back, let's say 10, 15 or 20 minutes, he will then talk to the Republicans.

I do not know if at this late date you want to run through the Economic and Energy Meeting that preceded that. It really was sort of a factual review of where the economy is -- some numbers I cannot give you -- but I can say the numbers do not change the forecast that the economy will begin to turn up in mid-summer, and unemployment is not going to go up to the kinds of nine or 10 percent numbers you have heard.

As far as the Leadership Meeting goes, I think some of the leaders will speak for themselves and the President pretty much filled you in on what happened in there.

To answer Steve's question, what the President had this morning in the way of a Democratic plan was the five-page release. This afternoon he had this fuller document, and he did tell them he would study it over the weekend. Zarb and Morton would run it through the computers over the weekend.

Q How many pages?

MR. NESSEN: Including tables -- there are some tables in the back -- including tables it runs 38 pages.

You have the thrust of it which is he will look at this over the weekend. Morton and Zarb will look at it, run it through the computer, and no later than Monday he will sit down and talk to them again and indicate the areas, I think he said, where there might be some accommodation.

He did indicate, as you heard, that the second dollar will go on the tariffs tomorrow although he is leaving open the idea that perhaps after looking at this, if there does seem to be a need to or a reason to postpone this second dollar, he could do it retroactively on Monday or Tuesday.

Q It would not be before then?

MR. NESSEN: No.

Q Would you say that again?

MR. NESSEN: I say the second dollar will go on tomorrow or tonight at midnight as scheduled, but as he indicated in there, there is the possibility, after looking over this, that he might postpone the second dollar retroactively.

Q Ron, the impression I seemed to get in there was that the reason he is not announcing postponement now is he wanted to consult with the Republican leadership.

MR. NESSEN: And to study this program and see if it forms the basis of an accommodation.

Q Is he still going to Camp David?

MR. NESSEN: Yes.

Q Ron, at one point he said Monday or before. I take it from what you say it will not be before Monday?

MR. NESSEN: Unless he does it by phone Sunday, I would think it would be Monday.

Q Ron, what about the veto?

MR. NESSEN: That is going ahead, and he told them it was going ahead, and they said they understood why he needed to veto it.

Q When will the message go up? Monday?

MR. NESSEN: Or Tuesday.

Q He is going to veto it?

MR. NESSEN: Yes, sir.

Q I take it he still thinks he has the votes to sustain the veto?

MR. NESSEN: In the Senate he does and in the House there was again the figure that I mentioned to you the other day. 125 to 130 is the vote he feels he has in the House now.

Q Ron, is this meeting different than any of the other meetings they have had, the tone of it, the attitude on either side?

MR. NESSEN: I don't know that I would contrast it with any other meeting, but I think you, yourself, saw the tone of it. The President said -- and there was no disagreement -- that there was no disagreement that he detected at this meeting over the need for an energy program. He said, "Our debate is over the mechanism," and he emphasized the need to reduce oil, and I do not really feel I should quote the members because they are outside talking for themselves.

Q No they are not. Pastore was there two minutes and left.

MR. NESSEN: I think it is fair to say on their behalf -- I should not do that -- but there was agreement all around the table that there was indeed consensus that we needed an energy program and there was some debate, obviously, over the mechanism.

Q Ron, did Mr. Zarb tell the delegation that their plan would not work?

MR. NESSEN: He did not say that at the table. The President told them he would run it through his computer over the weekend and come back with some hard statistics on Monday.

Q Was there anything in the booklet that was not in the five-page publicity report?

MR. NESSEN: Considerable. Tables in the back --

Q Was there enough to change Zarb's view?

MR. NESSEN: No. Zarb has not changed his view based on what he has read so far. He has not had a chance to study this yet, but based on what he read before, the shorter five-page version, he has not.

Q Did the President indicate any areas to them where there was no room for compromise?

MR. NESSEN: Not on the goal of the --

Q Like one million barrels?

MR. NESSEN: Yes. And Zarb said that the two million barrels a day by 1977 was not just selected arbitrarily out of the air, that it was a necessity based partly on the announced policy of Canada to phase-out its oil shipments to the United States. That has to be made up.

And the continual decline of American production, that we absolutely needed to make two million barrels a day by '77 if we were going to make up and begin to cut down the dependence on foreign oil.

Q What about the one million by this year?

MR. NESSEN: That is part of the process of reaching two million.

Q In other words, the Democrats wanted to go slower to get to the same place. They will get to the same place, only slightly later. That is the difference?

MR. NESSEN: That was explained at the meeting. Some of the Democrats said, "We are all trying to get to the same place in 1985; we just want to go slower.

It was in that context that Zarb said the two million barrels was not arbitrary. It is a necessity.

Q Did the President discuss the decontrol of old oil on April first? Was that discussed?

MR. NESSEN: Just in passing, he mentioned it.

Q Is he going to stick with that plan to decontrol? That is another element.

MR. NESSEN: He made no commitment to back away from that plan.

Q He still favors it?

MR. NESSEN: His intention as of this moment is to do it.

Q Ron, we got the idea that the whole tone of the thing was more of cooperation, rather than confrontation.

MR. NESSEN: Yes, that was said very clearly by a number of the Senators and, certainly, by the President, that the whole tone of this was one of cooperation, especially on the economic part of the program.

The latter part of the meeting in there dealt with the tax cut, and the President said, "We need a stimulant to the economy, quickly. To have this get caught in a parliamentary mess --" by which, he meant the oil depletion amendment -- "it could be near June before the tax cut gets through Congress and the money starts going out to the people."

And, again, I do not want to quote the Senators, but I heard no Senator there who opposed that idea; that the oil depletion would cause great delay. And some were very precise in what they said about that.

Q Ron, if the President did agree to put off this second dollar, what would he expect to get in return?

MR. NESSEN: That idea was raised to him by the Senators.

Q Which one?

MR. NESSEN: I suppose there is no harm in saying it was Pastore, and he was precise in saying, "If we cannot come up with an energy program in 60 days, then we cannot come up with an energy program, and you have every justification for going ahead with the two and the three dollars."

Q That is what Pastore said?

Q Pastore said that?

MR. NESSEN: Yes, sir.

Q He said, "60 days"?

Q From now, you mean?

MR. NESSEN: Let me just make absolutely sure I am quoting him correctly: "If we can't come up with something in 60 days, we can't come up with something."

Q Was he talking about the group, collectively, or just about the Democrats?

MR. NESSEN: I think he was talking about the Democrats in Congress.

Q Did he add anything about the two dollars and three dollars; that he would be justified in going ahead with it?

MR. NESSEN: He said, "I don't see how we can ask the President to do more than postpone the second dollar for 60 days. If we don't come up with a program by then, you can put it on."

Q Are any of the aides going up to Camp David this weekend?

MR. NESSEN: I think this has happened so recently that I don't know that the weekend plans have been reshuffled yet.

Q Ron, does the President still plan to go?

MR. NESSEN: Yes, sir.

Q Ron, does the possibility of delaying the second dollar a barrel enhance the possibility of sustaining the veto?

Is that one of the reasons for this?

MR. NESSEN: It did not come up in that context. The President thinks he can sustain the veto as is.

Q Did he say he thought he could sustain the veto in the meeting?

MR. NESSEN: One of the Senators said -- Speaker Albert said that he thought the House would vote to override it, and one of the other Senators said, "But you might be sustained in the Senate." And the President said, "I am confident of that."

Q What Senator was that?

MR. NESSEN: Pastore. (Laughter.)

I should not be doing this.

Q Ron, to follow up, was there any discussion that if he did put off the second dollar what would he expect in return?

MR. NESSEN: I never did finish that. I think what I was getting at -- he is not taking off the second dollar, he is postponing the imposition for 60 days, during which time the White House and the Democrats could put together an energy program that would pass Congress.

Q But you made it sound like he already decided.

MR. NESSEN: Decided what?

Q You said that he is postponing the imposition for 60 days.

MR. NESSEN: I said, if he did, it would be for that purpose.

Q But he has not committed to postpone it yet?

MR. NESSEN: He really has not. I can tell you that absolutely flat, because that is precisely what he told them; that he would consider it over the weekend.

Let me make sure you understand that the latter part of the meeting was devoted, as I say, to the emphasis on the need to hurry along on the tax cut and separate out the depletion allowance so that does not delay it any more.

Q Did he set a target date, like before the Easter recess?

MR. NESSEN: It was spoken of in terms of 60 days, Phil.

Q You mean, getting the tax bill in?

MR. NESSEN: I am sorry. There was no time put on the tax, just that it be done quickly.

Q He did not say, like, in March, or before April 15th, or anything?

MR. NESSEN: No.

MORE

Q Ron, I am not clear on what the response of the Senators was to his saying that the tax cut could be caught in a parliamentary mess.

MR. NESSEN: I think if I may do something retroactively here, it seems to me I should not be in the position of quoting Senators by name, especially when they are here themselves. Could we just put --

Q They have left already. They are all gone.

MR. NESSEN: If we could just not say that, "Nessen quoted the Senators as saying," if you could just use the quotes without putting them in my mouth -- I am giving you an honest count on them.

To give you an idea of the tone of the meeting, when the President stated, "We need a stimulant to the economy quickly, and to have this caught in a parliamentary mess and so forth," one of the Senators replied, "This is a welcome moment, to have us here to talk about this thing. It is great for the future of the country."

I mean, that indicates what the mood was in there, I think.

Q It indicates what?

MR. NESSEN: "It is a welcome moment to have us here to talk about this thing. It is great for the future of the country."

Q Are you interpreting that, Ron, as indicating that the Senators are willing to drop that oil depletion allowance?

MR. NESSEN: As I said, Bob, I heard no Senator in there who spoke against the idea that it was necessary to drop it in order to get the tax cut through quickly.

Q But the President flat out said that. He said, "We want you to drop that oil depletion thing."

MR. NESSEN: Yes. He said that right along. Oh, yes.

Q What did he say about their tax alternative? Did he say he would support their tax alternative minus the oil depletion allowance?

Q It sounds like he is accepting the rest of the bill, Ron.

Q He did not criticize anything else?

MR. NESSEN: Let's leave it that way. He did not speak against it.

Q Did he reconcile the 21 and the 16?

MR. NESSEN: No. But frankly, just to give you a little guidance on this, the bill has been looked at up here at the White House, and according to White House figures it comes out to about 19.8 rather than 21.3, or whatever it is. I don't know if that is of any interest to you.

Q The lower the better, you mean?

MR. NESSEN: They did run it through and that is the number they came out with, 19.8.

Q Would the lower figure presumably help it?

MR. NESSEN: I did not bring it out here with me. I have it in my desk.

Q Would the lower figure make you look more favorably upon it?

MR. NESSEN: I am just telling you that as a matter of interest rather than linking it up with what we were just talking about.

Q Ron, did any of the Democrats challenge the President's contention that he had sufficient votes to sustain the veto in the Senate?

Q What was the question?

MR. NESSEN: Did anybody challenge his contention that he was confident.

No. As I say, Pastore said, "You might be sustained in the Senate." The President said, "I am confident of that," and then Pastore went on with another subject.

Q Would it take a new proclamation --

MR. NESSEN: It would take an amended proclamation to drop that second dollar retroactively.

Q And he will do that some time Monday if he decides --

MR. NESSEN: If he decides. Monday or Tuesday, I would think.

Q Ron, does the President find anything in the Democratic energy program that stimulates domestic production which has been one of his goals? I mean, their take of the oil depletion allowance and they are not --

MR. NESSEN: No. He made that point specifically, that that was one of the things. He said he just quickly had seen some stories about it; he had not studied this program. He said, "Morton and Zarb will have to use their computers to see if yours cuts enough barrels."

That is what my notes show, but he did say a quick look at it indicated it did not provide any -- he called it a good starting point.

MORE

#155

Q What, their whole program?

MR. NESSEN: Yes.

At one point, he asked them some questions. He said, "Does the Ullman plan coincide with this, or is it different, or how does it fit together?" The President said that he could not make a judgment on their program without studying the details, and he said, "We can have Morton and Zarb look at it." And he raised the question of whether it did anything to stimulate domestic production. He said he found two items in there he felt were very close to his plan. One was their talking about conversion to coal, conversion of plants that run on oil to coal. He also said he was happy to see they supported the idea of more efficient automobiles, more efficient in terms of burning less gas, although, their method of doing that is different from his.

Q What did they say about the Ullman plan and the compatibility with this?

MR. NESSEN: "I would like to ask some questions. Does Ullman's plan coincide with this? Is it different?"

Then, again now, on background, the Speaker said, "Our's is a policy statement. We do not expect it to go through without changes. Our's is an outline," and then, in another point, Jim Wright -- again, just to a quotation of him on background -- "Our presentation is a composite of the thinking in the Senate and House. You say we have no --" I am getting myself in deeper and deeper -- I am going to finish this quote and stop. For background now, "You say we have no program; the opposite is true. We have 535 programs." (Laughter.)

But anyhow, that is where the conversation went when it came to the Ullman plan.

Q Ron, what day was it you stood at that microphone and told us there would be no compromising on the one, two and three dollars a barrel?

Q This morning.

MR. NESSEN: There has been no compromising on one two and three dollars a barrel.

Q Would not the agreement to postpone the second dollar be some kind of compromise?

MR. NESSEN: If he did, it certainly would be a postponement to give Congress time to see if it can put through a program.

Q Ron, can you tell us anything about the preparation for this meeting? Obviously, he did not go in there cold and make a concession like this. Where was the negotiation going on before this meeting started?

MR. NESSEN: You mean, negotiating with Congress?

Q There must have been some negotiations that led to this happy meeting.

MR. NESSEN: There wasn't, Carroll. There was a discussion by the President and his advisers this morning, for about an hour and 15 minutes, and then, the President spent some time alone reading over -- he did not have this long plan here. He had the five-page plan. He looked through that, and he looked through some notes from his advisers.

Q When did the 38-page plan arrive, when the meeting began?

MR. NESSEN: I don't know because it was there when I arrived, but I had not seen it at the White House before 3:00.

Q You mean, the Senators, those who were here today, had no hint before they arrived that the President might postpone the second dollar?

MR. NESSEN: As far as I know, they did not.

Q When was it decided he might?

MR. NESSEN: I assume, when Pastore made the suggestion, and he responded to it.

Q Just like that?

Q Ron, you have been so adamant now on the imposition of these new increased tariffs, what was it that induced the President to think that he might postpone the second dollar? That is a great concession, wouldn't you agree?

MR. NESSEN: He has not made that decision yet, Mort, and if he did make it, as he said, it would be based on a weekend of study and some advice from Zarb and Morton as to whether this was indeed an energy plan that would reach the goals. And it would be based on a determination that he might make that 60 days would give Congress time to pass an energy program, or get started passing an energy program.

Q Wouldn't it be a bit difficult for him to back away from it now that he has voluntarily brought it up and put it out there in front of everybody?

MR. NESSEN: I think we probably have to wait until Monday to find out, Steve.

Q The factors are; one, whether this is an energy plan that will meet his goals; two, whether Congress can arrive at a full-blown plan in 60 days. What are the other considerations?

MR. NESSEN: I think he wants to find out how the Ullman and other plans fit into this; whether they are compatible or rivals or what. He just wants to look at the whole series of issues that are involved.

Q Ron, Congressman Conable, among others, I think, several weeks ago said that he thought that the possibility of giving up the second and third dollars was under discussion, was a possible alternative. Has that been discussed around the White House as a way to resolve this?

MR. NESSEN: I have not heard that discussed up until today.

Let me say, I hope that if he does go ahead on Monday and decide to postpone the second dollar, I think you would be wrong to say it was a concession. I think the President would certainly view it as a success for his efforts to persuade Congress to get busy.

One member, who attended this meeting -- and I am not going to tell you who it was -- said, "If the goal of your import tariff was to get the mule's attention, you have got the mule's attention."

Q Was that Pastore?

MR. NESSEN: No, it was not.

That is why it would be wrong to say that a postponement of the second dollar, if he decides on it, is a concession. It is an indication that his strategy succeeded.

Q But it is a shift in his position; you have to admit that.

MR. NESSEN: He has not shifted yet.

Q If he were to do it, it would be a major shift.

MR. NESSEN: As the man said, if the motive was to get Congress to move in the right direction, he got it.

One more thing -- some of you may have seen an Associated Press story quoting Warren Rustand on the President's future plans, or you will see it. I want to say that Warren is unauthorized to speak in that area. He has no expertise in that area, and what he said is inaccurate.

Q What did he say?

Q How is Mrs. Ford's health?

MR. NESSEN: Good as far as I know.

Q On what do you base that?

MR. NESSEN: Take a look at the story and you will see what I am talking about.

THE PRESS: Thank you, Ron.

END

(AT 4:55 P.M. EDT)

AT THE WHITE HOUSE

WITH RON NESSEN

AT 5:58 P.M. EDT

FEBRUARY 28, 1975

FRIDAY

MR. NESSEN: The President did have a meeting with the Republican leaders. I think you know what their names are. You know who was there.

The President emphasized at the outset that he had made no commitment on whether to delay the second dollar on the tariff increase -- and I hope I was clear on that in my previous briefing -- that he has made no commitment and you should not go too far out on the limb in speculating that he will.

The President again stated that he thinks the Senate will sustain his veto. Most of the meeting was taken up with the discussion of two elements; one, the contents of this policy released by the Democrats. There had been time for the members and the President's Staff and the President to at least leaf through the policy release so the discussion was taken up in about equal part with what this really represented.

And secondly, based on that brief sort of perusal of it, what the President should do about the second dollar. As I said, he said he had not made any commitment and that indeed he had not made up his mind.

Along that line, the President recalled at the previous meeting with the Democratic leaders it had not been referred to as a program, but rather one member had called it an outline, and another member had called it a policy statement; another member called it a consensus. And a number of the President's advisers, as well as the Republican leaders, were concerned about postponing the second dollar if there was not some certainty that the Democrats would take this outline and flesh it out and turn it into more of a program that he could look at and see whether there was any area of compromise within a 60-day delay.

MORE

#156

There wasn't really any consensus as to whether the Democrats could do that, if given a 60-day delay. But Secretary Morton and Frank Zarb said they had had a brief time to look through this; that it was not very specific. As John Rhodes said outside, it contained a lot of fluff. Zarb said that he found some inaccuracies in the calculations.

Some of the advisers, frankly, were pretty flat against a 60-day delay because they did not see anything here that justified a conclusion that the Democrats had moved far enough along toward developing a program that they could finish up the job in 60 days.

Jack Marsh pointed out that it was the Democrats who had asked for the 60-day delay; that the President had not volunteered -- and as we have said before until today did not even entertain the thought of a delay in the \$1, \$2 and \$3.

Some of the people who had looked over this briefly referred to it as a fuzzy press release and again said the President ought to be sure that the Democrats would be able to turn it into a real program within 60 days if he did decide to grant the delay.

One adviser said, "The more you look at it, the thinner and thinner it gets." Also, it was pointed out that there are other programs or other ideas in the energy area on the Hill by other Democrats and no clear indication that this is even a united press release by the Congressional Democrats.

The President, then, reiterated after that sort of discussion, that he had not made a commitment, "and the Democrats know it." Frank Zarb said the important thing over the weekend in looking this over and the thing he and Roger Morton will be doing, and also that the President will be doing is to determine whether this meets the minimum goals that the President has set, especially the goals that the country be invulnerable to foreign oil by 1985, and save two million barrels a day by 1977.

Frank said at his first glance it did not reach those goals.

The President then concluded the meeting by saying, "Over the weekend I will study this and determine whether there is enough here to justify putting off the tariff for 60 days to allow them to come up with a full program." He said he wanted to just make sure before everybody adjourned that they realized he strongly deplored Congressional failure to act more swiftly on a tax cut.

"Unless they knock out this depletion allowance amendment in the Senate, my prediction of June for a tax cut will be accurate." And he said that he had been looking at the cover of this and concluded that the words "economic recovery" were a misnomer because there is nothing in here that deals with economic recovery.

Okay.

Q Ron, if he granted a 60-day delay, what does he hope would happen in that time, that an energy bill would be enacted in Congress, that the Democrats would get together on something, or what?

MR. NESSEN: Within 60 days, if he did decide -- he has to be sure before he decides to postpone the second dollar that the Democrats are far enough along that they will be able to come up with a full program within 60 days, that he could then sit down and look at and try to mesh together with his.

Q But not one that had been enacted by Congress?

MR. NESSEN: Obviously, he would like his enacted in 60 days but it appears there is no Democratic program far enough along to expect it to be enacted in 60 days.

Q Ron, what are the weekend's plans in terms of when are they going and who is going with him?

MR. NESSEN: They should be going in about 20 minutes and at this moment it appears that nobody will go up there with them tonight, but there will be phone calls and so forth.

Now I know Frank is going to be here tomorrow because I am going to be seeing him. So I suspect a good deal of this is going to be done by telephone. It is possible, I suppose, that someone could go up there, but the plan now is not.

Q Ron, Griffin said if he made the delay retroactively for 60 days, it would enhance the Senate chances of sustaining the veto. Was that discussed in there and can you give us a feel for the President's thoughts on that?

MR. NESSEN: It was discussed in the sense, as I say, there was some talk of how the veto would fit into this, if there were a delay, a 60-day delay, and in fact some of the members thought perhaps the Senate would not even bother to try to override the veto, if he decided they would have a 60-day delay anyhow. It was discussed in that sense and the President reiterated he expected the veto to be sustained in the Senate.

Q When you talked about Zarb giving a cursory reading and feeling it did not meet the goals of 1985 and 1977, it obviously does not meet the goal of 1975, that is saving one million barrels a day.

MR. NESSEN: Right.

Q Is the President willing to compromise that goal?

MR. NESSEN: That is still his goal.

Q So saving half-a-million barrels this year is not acceptable. Is that what you are saying?

MR. NESSEN: It does not meet his goal, that is right.

Q Are you going to brief tomorrow?

MR. NESSEN: I will be here tomorrow, but I don't see any need to brief. I will be in the office, though, if anybody wants to come and chat.

Q Thank you, Ron.

END (AT 6:10 P.M. EDT)