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NEWS CONFERENCE

#172

AT THE WHITE HOUSE

WITH RON NESSEN

AT 5:22 P.M. EDT

MARCH 26, 1975

WEDNESDAY

MR. NESSEN: You know about the Congressional leaders' meeting and you talked to some of them.

Q How long was it?

MR. NESSEN: It lasted from four o'clock until about 20 of five. The House Members had to leave because they were called back into session at 4:45.

Q What was the format of the meeting? Was it a give and take?

MR. NESSEN: Everybody just expressed his views on the bill and the veto, how they stood and what the outlook was for overriding it, if it came to that, or sustaining, and that kind of thing. Everybody just expressed an opinion.

Q What was the President's opinion?

MR. NESSEN: The President said that he had serious concerns about what he has heard about the bill. I want to back up and say that nobody had a copy of the bill, and nobody had a very clear idea of what was in the bill.

They told the President that they had been told on the Hill that they might have three copies printed in time for the House vote, but at that point nobody had a printed copy of the bill or knew exactly what was in it.

The President said that he still believes that a tax cut is the best way to stimulate the economy. He was concerned about what he called the "astronomical" spending proposals that are moving through Congress. So, he has to weigh the tax cut bill against those oncoming spending proposals.

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Dr. Greenspan was called upon to give an economic report as best he could, but so little was known about the bill that he wasn't really able to give very much.

Q Did he make a recommendation?

MR. NESSEN: No, he did not.

Q Ron, would it be fair -- if I can go back to astronomical, what was the word after astronomical?

MR. NESSEN: Spending proposals moving through Congress.

Q Would it be fair to attach that description to the \$22.8 billion reported out by the Conference Committee?

MR. NESSEN: You see, it is so difficult to talk about this, Ralph, because nobody has gotten the bill and added up the numbers yet.

As you know, the House bill, at one time, was called a \$21.3 billion, and then it turned out to be \$19.8 billion, so this is called a \$23 point something billion, but nobody down here has sat down and added it up to see what it really does come to.

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Q If it was \$22.8 billion, would that be astronomical spending?

MR. NESSEN: Let me go on to something else that has happened, and perhaps that will put all this into perspective.

After that, the President adjourned to his office and invited some of his advisers into his office. They were Mr. Hartmann, Mr. Marsh, Secretary Simon, Director Lynn, Bill Seidman, Al Greenspan, Max Friedersdorf and myself. That conversation went on from 4:45 until just now.

Q Where was Rumsfeld?

MR. NESSEN: Rumsfeld is out of town making a speech, I am told.

Q Dick Cheney was not there either.

MR. NESSEN: Dick Cheney is in Saudi Arabia.

Q Was Zarb there?

MR. NESSEN: Zarb was not there.

Q For a deadline, could you go ahead?

MR. NESSEN: I have very little more to tell you except this follow-up meeting continued a discussion of the bill. As I say, so very little is known about what is in the bill.

Bill Simon, for instance, pointed out -- and he has been up, I guess, in touch with the people on the Hill as they wrote their conference report -- the section on housing, for instance, is worded, according to Bill Simon, in such a vague way that it is not clear to him what houses would be affected by this \$2000 tax credit. He can't get a firm idea of whether it is houses started before January 1 or completed before January 1.

Q Ron, it is houses started as of yesterday.

MR. NESSEN: You see, Simon says from what he has read of the language that he is not clear. Anyhow, what I am saying is there was some discussion of some of the amendments and, since there is no written copy of the bill up here, nobody could be very positive about what these amendments meant and analyze whether they were acceptable or unacceptable.

What I am saying is, in sum, for your leads, that the President has got to wait until he gets a copy of the bill and he and his advisers can go over it before he makes his decision whether to sign or veto.

Q Will that be tonight?

MR. NESSEN: No, I certainly don't expect it tonight, and probably not tomorrow. Probably it will be several days before he makes up his mind.

Q Will he stay in town until he makes his decision?

MR. NESSEN: Certainly so.

Q It will probably be several days?

MR. NESSEN: I said certainly not today and probably not tomorrow, and very likely it would take several days.

Q California is out, then?

MR. NESSEN: The President, at the end of the meeting, said, "This is Wednesday, and we are not supposed to go until Saturday, so we have some time." He has not decided about California yet either, whether to go or not to go.

Q Has he assessed the prospects of upholding or overriding?

MR. NESSEN: As I say, that was one of the matters discussed in the prior meeting with Congressional leaders.

Q What did they tell him?

MR. NESSEN: There is no clear view of what the outcome will be.

Q Did the leaders tell him what Congress will do in the meantime while waiting for his decision? Will they leave, go home or stay here?

MR. NESSEN: Some will leave and some will not. Seriously, that was the report. Some will leave and some will stay and some will do neither.

Q Ron, there has been a great deal of confusion over this concern being expressed about the spending programs as opposed to the amendments in the final bill.

MR. NESSEN: Yes.

Q Some people have been saying, or describing the amendments, as part of this spending program. You made it sound as if the amendments are outside. There are other things going through Congress.

MR. NESSEN: I hope I didn't give that impression because at the follow-up meeting in the President's office Bill Simon and others pointed out that some of the amendments in the bill, in all fairness, could be described as spending programs.

Q What amendments?

MR. NESSEN: Earned income is a new welfare program -- by Bill Simon's definition -- and he said, right across the desk to the President, "That is a new spending program."

Q Is that in the bill now?

MR. NESSEN: From the varying reports we have gotten --

Q Was it cut in half, Ron?

MR. NESSEN: As I said, you can see how much we know about the bill. It is all written on a page and a quarter.

Q Who supplied you with that?

MR. NESSEN: This came from the Congressional liaison people.

Q If that is a new spending program, then he will have to veto, wouldn't he, according to his previous statements?

MR. NESSEN: Phil, you know, seriously, he is simply not going to decide for at least several days.

Q What do you mean by several days? Do you mean a weekend or beyond?

MR. NESSEN: Helen, if I could pin it down more firmly, I would, but I can't because the President himself doesn't know.

Q Would you say several days is the rest of the week or will lapse over to next week?

MR. NESSEN: I just don't at this moment have a clear idea.

Q Ron, does he consider that housing clause --

MR. NESSEN: Gaylord, you have come back. I have something in my office, if you will come in afterwards, that I want to give you.

Q Does he consider that housing amendment up to \$2000 a spending program?

MR. NESSEN: I don't know that that expression was used to apply to that. The main complaint about that was that nobody knew what it said and what it applied to.

Q But you said earlier that that could be regarded as a spending program.

MR. NESSEN: No, I said the earned income provision was described explicitly by Bill Simon as a new spending program.

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Q What does the astronomical spending apply to?

MR. NESSEN: You know, some of the bills moving through Congress were mentioned in there -- the 5.9 public jobs bill was mentioned, and the farm bill was mentioned. I don't know that any others were mentioned by name except those two, but the figure, as I am sure some of you are aware, has been put together by the Administration in which you add all the spending bills that are moving through and get a budget deficit of around \$100 billion.

Q Ron, does this mean the President is considering vetoing a tax cut bill on the basis of spending that may or may not be enacted?

MR. NESSEN: He is weighing all the factors in it; that is, the dollar total of the tax cut, itself; the amendments unrelated to the original purpose of the bill, which was an anti-recession tax cut; and the other spending proposals not part of this bill that are moving through Congress pushed by the Democrats.

Q But he doesn't know what is going to happen to these other spending proposals?

MR. NESSEN: He doesn't know what is going to happen to them, but you can see they are moving through.

Q I am told by some pretty good sources on the committee that the President told Chairman Ullman and Chairman Long he would accept a package that came in under \$25 billion. Is that inaccurate? Is that an incomplete statement, perhaps with reference to --

MR. NESSEN: I just don't know about the episode at all.

Q Further, I was told that after the committee finished with the bill that Secretary Simon got up and shook hands all around and told people it was a good bill. The Secretary didn't come back and report that at all?

MR. NESSEN: He certainly didn't tell that to the President in his office.

Q Does the President want Congress to remain here?

MR. NESSEN: At the moment, the strategy is not clear, Helen.

Q Ron, is the President aware that Chairman Ullman said that the House, at least, has the votes to override a veto? Did he know that?

MR. NESSEN: He was given various estimates in the Congressional leaders' meeting but not that specifically. There was no consensus on whether there were the votes to sustain or not sustain. There were various views expressed. There was no consensus.

Q Some thought that you could and some thought you couldn't?

MR. NESSEN: Yes.

Q What was the majority sentiment for a veto, for or against a veto?

MR. NESSEN: There was no vote taken.

Q I mean, among the Congressional leaders, those who spoke up, did most seem to advise veto?

MR. NESSEN: There were various opinions. I don't know that you could say there was a majority one way or the other.

Q It was really quite mixed?

MR. NESSEN: It was totally mixed.

Q Do you expect the President to give some indication to the Congressional leaders within the next few hours, or tomorrow, whether they should stick around?

MR. NESSEN: I just don't think he has made up his mind yet on whether to even ask for that.

Q What was his mood? Was he angry?

MR. NESSEN: No.

Q Did he show any emotion at all?

MR. NESSEN: No.

Q Ron, quite apart from no decision tonight or tomorrow, do you anticipate that after the votes are taken tonight you will have further comment?

MR. NESSEN: No.

Q Ron, did the President urge Republican Members to stay for the tax vote?

MR. NESSEN: For the vote tonight on the bill?

Q Yes.

MR. NESSEN: No, he did not urge them, but there was never any question raised --

Q I thought you said earlier that some were leaving.

MR. NESSEN: I hope it was clear that after the vote tonight, some would be leaving and some staying for a variety of reasons.

Q Was the President made aware of a statement by Senator Long to the effect that if the President vetoes this, he may be surprised by what is in the next tax bill that reaches his desk?

MR. NESSEN: He was told that, yes.

Q Did he have any response?

MR. NESSEN: He was told that by one of the Republican Members, but he did not have any reaction to it.

Q Did he talk to Long or Ullman today?

MR. NESSEN: Not that I am aware of, no.

THE PRESS: Thank you.

END

(AT 5:36 P.M. EDT)