

FOR IMMEDIATE RELEASE

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OFFICE OF THE WHITE HOUSE PRESS SECRETARY

THE WHITE HOUSE
PRESS CONFERENCE
OF
HUGH SCOTT
SENATOR FROM THE
STATE OF PENNSYLVANIA
ROBERT P. GRIFFIN
SENATOR FROM THE
STATE OF MICHIGAN
ELFORD A. CEDERBERG
REPRESENTATIVE FROM THE
STATE OF MICHIGAN
AND
ROBERT H. MICHEL
REPRESENTATIVE FROM THE
STATE OF ILLINOIS

THE BRIEFING ROOM

9:30 A.M. EDT

MR. NESSEN: Ladies and gentlemen, we have Senator Scott, Senator Griffin, Congressman Cederberg and Congressman Michel to tell you about the Republican leadership meeting this morning.

SENATOR SCOTT: This is a good time to be briefed. We had a melange of things to talk about this morning.

We discussed the tax bill and its prospects. The President would like a clean tax bill. He would hope that we can avoid "Christmas treeing" it. He wants it as soon as possible.

He was very much concerned that the additional spending involved in the current appropriations bills -- particularly what is happening in the House -- and he says we need action and correction in those matters.

We discussed Cambodia. We also heard from Secretary Hills on housing. We had a report from the two House sides on that.

I want to make only one point, and that is on Cambodia. We were told by Secretary Schlesinger -- and the President underscores it -- that while the running out of ammunition is very serious, he would like as good a bill as he can get. An even worse problem is morale, as further reflected by the action of the Thai government, regarding withdrawal of American forces and the statement of President Marcos indicating he is reassessing his position vis-a-vis the United States.

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(OVER)

I just wanted to get that in, that vis-a-vis.

Q What else was said on Cambodia?

SENATOR SCOTT: Can we have a statement from the House first?

CONGRESSMAN CEDERBERG: I think Senator Scott has pretty well covered what we discussed this morning. I think one of the important things in the matter of taxes and spending was the President indicated his willingness to compromise in the area of taxation, but he felt very strongly that we need a clean tax cut bill.

But then he reiterated his opposition to the vastly increased spending that is being projected which will run the deficit up to -- it is projected now to something about \$80 billion.

When the budget first came in at \$52 billion, I think the country was fairly well shocked at that time. But now, looking at the actions or inactions of the Congress, we have reached the point now where it is a minimum of \$80 billion. And probably will be closer to \$100 billion when we look at all of the things that are in the mill in the House.

When you consider that we are going to wind up this fiscal year, June 30th, with between a \$40 billion and a \$45 billion deficit, and if we have something like \$80 billion to \$100 billion deficit June 30, 1976, that means we have to go into the money markets and finance probably a \$130 billion deficit.

I don't think you need to really be an economist to figure out the impact that this can have on inflation and interest rates just at the time we want to do something to lower both of those statistics.

Q Congressman, did the President indicate to you he was now prepared to go above a \$52 billion deficit and make something on the order of \$70 billion, some sort of compromise there could be worked out?

CONGRESSMAN CEDERBERG: I think the President would prefer not to go above the \$52 billion, but I think he is realistic. I think he is going to -- and he indicated -- he wants to take a firm position on overspending because it is a difficult situation to compromise a tax bill reduction which he said wanted to be \$16 billion.

Now, if that comes out something around \$25 billion, whatever it might be, and then you add to that vastly increased spending, it seems to me that we have, in our urgent and real desire to try to get the economy turned around -- we may turn it around all right, but then only at a later time have a more difficult situation than we have now.

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Rather than take an aspirin to cure our headache, we seem to want to take the whole bottle.

Q Sir, what does being realistic mean? Does it possibly mean a \$70 billion deficit?

CONGRESSMAN CEDERBERG: It could, I don't know. You see, my party does not have the votes in the Congress to sustain some of the actions that the President might want to take.

Q Are you saying that the President would accept a \$25 billion tax cut if there were not other additions or amendments?

CONGRESSMAN CEDERBERG: As one member of the meeting, I think if it came out clean -- and Senator Scott and Senator Griffin and them might want to verify this -- I think he might be willing to do that if we are willing to hold the line on spending.

SENATOR GRIFFIN: I don't think any of us are prepared to say what the President would do on this particular matter. He did not draw a line at a particular figure. He indicated, however, that he hoped that a lot of the things that have been added in the Senate committee would be eliminated either on the Senate floor or in Congress. He wants a bill that is closer to the House bill in terms of the figure.

CONGRESSMAN MICHEL: We also had a little bit of discussion with respect to the lack of real meaningful discussion, particularly in the House, on these money bills and some of these measures that are coming before us because the Democratic side is just getting their orders from the Democratic caucus and just jamming it down our throats.

We are talking about strip mining legislation today. There will be an agricultural bill later on, probably a housing bill, and as soon as the members come to the floor, "Is it a Republican-sponsored amendment? If so, just automatically vote it down," with no consideration for the merits of the amendments. I think that is the kind of predicament we are in in the minority in the House. We discussed it very candidly with the President and he recognizes, of course, our plight in some degree. He has to carry the ball more in the sense to give us visibility. It is unfortunate that is the way the ball bounces.

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Q Are you telling the President on Cambodia he now has a chance, that the Administration has offered a compromise position to get the bill to the floor? What are you telling him, especially in the House?

CONGRESSMAN MICHEL: It may very well be that Senator Scott on the Foreign Relations Committee would prefer to respond to that, but in the House, we told him -- as far as the House position is concerned -- that we have very real, serious problems.

I think it was Bill Broomfield, speaking for the House Foreign Affairs Committee. He told the President some of the problems he has had in that committee.

Q Is there any hope you can get it out of committee, though?

CONGRESSMAN MICHEL: I would hope so, but that is probably still a question at this moment.

SENATOR SCOTT: The Senate, of course, has reported by a nine to seven vote what is really the Hamilton-DuPont compromise. That is all we have. There may be attempts to do better on the floor.

We have no count as yet. It is a rather difficult thing to prognosticate. On what Bob has said, I think the President's warning last year about a veto-proof Congress are coming true as to the dangers.

The equation, as I see it, is veto-proof Congress equals "King Caucus" equals irresponsibility, so we have a runaway Congress, and that is a very disturbing situation.

Q In view of what is happening in the world today, especially Southeast Asia, can you tell us more specifically what is happening in Cambodia? Are we dismantling, burning the papers in the Embassy?

SENATOR SCOTT: Nothing was said about burning the papers. Some embassies have been closing, as you know. One suspects that the government people there are looking over their shoulders wondering whether the United States is going to do anything to help save them from destruction and disillusion.

The ammunition will run out by the end of April unless we can at least get this minimal mercy mission going over there. Some people even talk about the food. Bangladesh -- it is great to send food. Cambodia -- apparently, they want to choke off the oxygen, as the Star-News says, to end their agony.

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Q Do you think we have not written off Cambodia?

SENATOR SCOTT: The President has certainly not written off Cambodia. I say this is a runaway Congress where compassion has taken second place to expediency.

Q I don't mean in terms of what we do. I mean the possibility of survival.

SENATOR SCOTT: I think what you read in the papers is about right.

CONGRESSMEN MICHEL: Secretary Schlesinger did tell us, however, they were able to count an offensive to the extent they could push those howitzers back far enough that they were not throwing in the kind of shells they were in the airport. That is at least some positive reaction to some of the assistance they can depend upon.

For how long a period of time, whether it runs through the dry season, I think only time will tell.

Q Senator, did I understand you to say that Schlesinger said it was not a question of ammunition as much as morale?

SENATOR SCOTT: No. He said the ammunition situation is very bad. The morale is even worse. That is what he said.

Q Was there any attempt in the meeting to pinpoint the blame for the low morale in Cambodia on the Congress?

SENATOR SCOTT: I don't think you need to do that. It is self-evident. He who runs may read. They have, by caucus, agreed to abandon Cambodia in both the House and Senate Democratic caucuses, and I think that speaks for itself.

Certainly, nobody else has the power to abandon Cambodia except the President, and he has not done it.

Q Did the President talk about the gasoline tax at all, and whether he is softening his position on that?

SENATOR SCOTT: We did not get into energy today at all.

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Q Did you get into the question of whether the Senate would stay in --

SENATOR SCOTT: The President asked that. I said the intention of the Senate is to stay in until it passes the tax bill, not necessarily until after the conference acts.

THE PRESS: Thank you very much, gentlemen.

END (AT 9:40 A.M. EDT)