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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
AND
JOHN J. RHODES
REPRESENTATIVE FROM THE STATE OF ARIZONA
THE BRIEFING ROOM

9:25 A.M. EDT

MR. NESSEN: We have Senator Scott and Congressman Rhodes to report on the meeting this morning with the President and the Republican leaders. I know that John and Hugh are too modest to tell you this themselves, so I will tell you that the President opened the meeting by expressing his gratitude to the Republicans in the Senate and House for the votes yesterday -- one in the Senate on the attempt to cut back the defense budget, and the one in the House which sustained the President's veto of the so-called jobs bill. The President said it was a great day yesterday and he expressed the gratitude both for himself and for his staff for the job that the leaders and the Republicans of Congress did.

With that out of the way, I will let the Senator and Congressman tell you about the rest of the meeting.

CONGRESSMAN RHODES: The main subjects were the upcoming vetoes, actions in the House to either sustain or override vetoes on the strip mining bill, and also the Ullman bill which will be on the Floor of the House on supposedly Monday, Tuesday and Wednesday of next week.

The Republican strategy to try to amend the rule under which the Ullman bill will be considered so that an amendment can be in order, to provide for decontrol of old oil with the windfall profits tax and plowback, was discussed, and it is a firm policy now, at least in the House, to attempt to do this; so that hopefully if this bill can be amended in such form as to do the type of job which we feel needs to be done for the energy supply of the country, that included in the bill would be some means for decontrol with a windfall profits and the plowback.

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SENATOR SCOTT: On the Senate side, the President expressed his gratification at the way the debate is going and the votes on the Defense Procurement Act, and is very pleased at that progression. We were able to tell him that we believe that his bill will survive substantially in the form in which he wishes it, and on top of the House action this is good news.

Q That is the defense one you are talking about, Senator, the defense budget?

SENATOR SCOTT: The defense procurement budget. I thought I said procurement, authorization.

He also asked us about the strip mining veto, whether we could sustain it. There were a few votes against it in the Senate. Yet it would appear in view of recent history that we would have at least an even chance of getting the votes we need to sustain it if it is not sustained in the House, although I think our job would be even more difficult. It is not easy anywhere but even more difficult there, and I think through one House or the other the bill is probably going to be sustained if it is brought up.

We also reported on the New Hampshire election. The President indicated, as he had said before in New Hampshire, he regretted the citizens of New Hampshire have been so long deprived of representation, and we told him that our view was that with the uncertainty of at least 27 ballots here which nobody knows truly should be cast or how they should be cast, and in an election by only two votes, with 27 highly ambivalent four to four decisions, it ought to go back to New Hampshire for a new election, and we will so move at the proper time, in addition to contesting the 32 or 33 issues which the Rules Committee has sent over. They expect this to happen some time next week.

Q Senator, I am wondering if we could get comments from both of you on this. What is going on with that so-called veto-proof Congress up there? Is it crumbling or what is happening?

SENATOR SCOTT: I think what has happened is that the so-called revolution which was hailed with such fanfare at the beginning of the year is going through a bad winter at Valley Forge, in this weather, too. I believe that they are afraid to act on legislation which would require sacrifices from voters, and unless you do require some sacrifices you are not going to conserve fuel; you are not going to develop alternative sources of energy.

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The President has bitten the bullet, has done those things which ought to be done, and the Congress has left undone those things which they ought to have done, and there is no health in them. I speak as a churchman.

Q Will you tell me why a \$5 billion bill to help people out of work is more inflationary than a \$108 billion defense bill?

SENATOR SCOTT: Well, the greatest social security in the world lies in the right to be secure in your home, your property, and in your physical survival. Therefore, I do not believe that the inflationary aspect, so-called, of a defense bill can be properly compared with other legislation. It has been cut and will be cut by a greater amount than most of the general welfare bills will be cut.

Q How much?

SENATOR SCOTT: I think something like \$2 billion off the original request, wasn't it?

CONGRESSMAN RHODES: The bill as it came to the House was \$2.7 billion over the President's budget. But I think it is fair to say that the debate in the House, I think, set forth a difference between the two parties which is historic, and people who say there is no difference should have heard the debate and should read it because I think that the whole matter turned on how was the best way to provide jobs.

It is not that jobs are not needed and it is not that everybody is in favor of ending recessions and unemployment, but the argument concerned whether or not at this particular time in our history it is a good idea to try to provide a pittance of jobs through the public sector or whether it is better to help the private sector to develop and to expand so that the real jobs can be provided these people.

It is a question of whether you want leaf-raking or jobs in factories, and I think the people who voted to sustain the veto opted for the latter course.

SENATOR SCOTT: I think a great many of the people who beat their wings together over making work jobs were the same people who voted yesterday in the Senate 42 to 41 to cut 17,000 jobs out of defense. Those jobs are held by human beings, too, and we have lost 2,300 jobs in Pennsylvania already by this kind of voting.

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Q Do you think there is a proper concern in this Administration for the aspects of people being out of work? I mean, like 600 policemen being laid off in Detroit, the situation in New York and across the country, the big cities, as teachers?

CONGRESSMAN RHODES: Of course, through revenue sharing this Administration has in the last several years provided more funds for the use of the cities and the States than any previous Administration in history, and I think that the problems of the cities point out their own inherent difficulties caused by their own inherent folly in their operations in the past. They have got some hard thinking to do and some changes to be made.

Q What is the President going to do if the House passes that energy bill without the gas tax?

CONGRESSMAN RHODES: That was not discussed.

Q What was the discussion on the energy bill?

CONGRESSMAN RHODES: Mainly the discussion was the strategy which will be employed on the Floor. There are some 140 amendments, I understand, which have already been filed, to this bill. So it would be pretty impossible right now to tell how this bill is going to look when it comes out. It could look like a hydra-headed monster. So there was certainly no discussion as to what the President would ultimately do. There could not be.

SENATOR SCOTT: I would like to add this, that the plight of the cities could hardly be laid at the door of the Federal Government. The plight of the cities comes from a succession of city leaders throughout the country competing strenuously to give as much to their citizens as they can, and they ended up giving more than the city could manage, even after they got more revenue sharing funds or more funds from the Federal Government than ever before in history.

In New York, for instance, free education is a tremendously desirable goal. But when New York City undertook to provide free college education for all its citizens it discovered it could not pay for it, and when one person out of eight is on the welfare rolls, that creates in itself a great burden.

I saw in U.S. News this week that it is quite likely that at least \$1 billion is lost every year through clerical errors in the welfare agencies alone. I am going to inquire whether that is anything like a ballpark figure.

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Q But there is a big problem now in the country, don't you believe, in the sense that these are problems -- they have to be faced -- and it seems that the Federal Government must move in in terms of education and seeing that people have the proper police protection.

SENATOR SCOTT: Yes, the Federal Government is providing many times more for education than was provided 20 years ago or 10 years ago as its contribution, but the Federal Government cannot bail out the City of New York without undertaking to bail out all the other cities in the country, and I can give you about five cities in Pennsylvania that would be down here with a tin cup in hand the moment you decide to bail out New York.

CONGRESSMAN RHODES: You know, the only reason the Federal Government is not in the plight that the cities are in is because the Federal Government is a sovereign and can, in effect, print its own money. If it could not do that, with a \$140 billion deficit in the budget facing us in the next eight months, we would be asking for somebody else to bail us out.

But being the sovereign, of course the situation is somewhat different. It is different only in the fact that we can create money. However, it certainly is not different in the fact that these deficits are very inflationary.

SENATOR SCOTT: In the cities, the chickens have come out to roost and they look now very much like buzzards.

Q Going back to this veto-proof issue, what is the President's standing in Congress as a result of the events of the past day or so? Have they changed? Is his political stature increased up there? Has his political clout increased?

CONGRESSMAN RHODES: I think his political clout was always underestimated, at least in the House. I would certainly say as of now it is very high, but I think it has always been quite high. I am not going to be so bold as to say that every bill that is vetoed can be sustained from now until now on, but I think I could say that the chances of sustaining vetoes is greatly enhanced because of the actions of the Administration taken in the last month or so.

SENATOR SCOTT: I was talking yesterday to Senators from the Middle West and from the East, and all of them discovered, when they were home over the non-legislative period, that the public has now finally and belatedly become aware that it is the Congress which has fallen on its face with regard to energy and legislation requested by the President.

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This is not to say that there is total or widespread approval of what the President has done. It is rather a feeling that they don't know fully, exactly what has been done by the Executive basically, but something had to be done; they are rather glad he did it and they are quite curious to know why Congress, with a two-to-one majority, cannot do anything. And, as you know, I said the other day Congress has not produced enough energy to light a five-watt bulb.

Q Is there a disagreement between you? You say Congress has fallen on its face on energy, but Mr. Rhodes says you cannot say yet whether there is a problem until you see what form the bill takes in the House.

CONGRESSMAN RHODES: I don't understand any conflict in those two statements. I was talking about what form the bill will take and I certainly did not intend to indicate by that statement that I had any great admiration for what the Democratic Congress has done in the field of energy.

Q Senator, you said something about people being secure in their homes, and that was one of the reasons why it is better to veto a jobs bill than it is to lessen the money for defense. Wouldn't you think if you asked a man on the street who did not have a job whether he would be more secure with a job, even if it were raking leaves, than spending \$142 million on a missile that will pinpoint another missile in its silo, don't you think he would answer that he would be much more secure if he had a job rather than spending \$142 million on some weapon to destroy some other weapon?

SENATOR SCOTT: In peacetime, yes, he would.

Q We are in peacetime.

SENATOR SCOTT: In peacetime, he would say that, but the Government has to consider the good and the bad. The Government has to consider what might happen in wartime. In wartime, that same individual wanting a job just as much would be thinking first of air raid shelters and of what the Federal Government has done to save his country for him.

Now, I voted for the bill you are talking about, so I am in a difficult position on that ground. I want people to have work, even make-work, but I don't think make-work is anywhere near as good as that produced by free enterprise.

Q You voted for the public service bill?

SENATOR SCOTT: I did.

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CONGRESSMAN RHODES: Of course, I think the way you put the question is somewhat unfortunate. If I could re-put it and then answer it, I would appreciate it.

It seems to me what you are getting at is whether or not the average individual would rather be unemployed or would he rather live under some foreign ideology, perhaps dominated by a foreign government.

Q No.

CONGRESSMAN RHODES: Well, that is the choice. We can argue about whether these missiles are necessary to preserve peace or not. The Congress, I think, has opted for the fact they are necessary to preserve peace and to preserve our way of life. If the man on the street is convinced that Congress is right, then he is going to say so be it; go ahead and spend the money on the missiles. If he is not convinced that this is necessary, then he won't. And I just don't think there is any other way to answer your question.

SENATOR SCOTT: There is one way to answer it and that is to take \$80 billion from defense and spend it on jobs. You would then have a country without defense. That is the alternative.

Q Nobody has proposed that.

MR. NESSEN: I don't know that we need a philosophical debate this morning. I think you know the President has proposed \$1.6 billion to continue public service jobs and \$412 million for summer jobs, so it is not an either/or question.

Q Gentlemen, I was wondering if the President talked to you this morning at all about his plans for his own candidacy, whether you can tell us anything about that?

SENATOR SCOTT: I cannot tell you anything. I had a private discussion with him after the meeting, very briefly, about his candidacy, and I told him I was finding a great deal of support for it and there are a great many people that want to work for him, but that was really all that I said and he was glad to hear it.

CONGRESSMAN RHODES: Nothing was said in the open meeting at all.

SENATOR SCOTT: Not in the open meeting.

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Q Did you discuss any of the trip?

CONGRESSMAN RHODES: Yes.

SENATOR SCOTT: He said he felt the trip had been useful and he believed in the future there would be various foreign policy developments which he could discuss as they may occur and that he felt it quite important that the Greek Premier and the Turkish Premier had met together and he had the copy of "Stars and Stripes" with him, which said Greek and Turkish leaders pledge peace efforts and he said he needed the authority which the Senate granted him and he would hope he would get it in the House and urged support for the same measure in the House.

Isn't that right, John?

CONGRESSMAN RHODES: Yes. He also mentioned the fact that the votes taken in the House on the Defense Procurement Bill, particularly certain amendments, were very helpful to him in the NATO meetings and that the members of NATO were more convinced by those votes than, perhaps, anything else, that the United States expected to stand by its commitments to the NATO Alliance.

SENATOR SCOTT: He also praised Senator Mansfield for having put aside his known preferences for reduction of forces in Europe in view of present conditions and said that he found, in Europe, that many people were delighted to hear of Senator Mansfield's position.

Q The House is not going to approve the Turkish aid lifting is it?

CONGRESSMAN RHODES: That remains to be seen, of course. There would have to be some switches in votes, but you know, times do change. And I would imagine that there would be some significant switches. I would hope that, when this comes up for a vote, the Turkish aid measure would receive the approval.

Q Senator, in the private discussion with the President, did he give you a timetable on when he would formally announce?

SENATOR SCOTT: No, this was simply a casual discussion. It contained no more than I have told you, except, as I said, he expressed satisfaction. And I told him there were many people waiting to go to work for him and waiting on him for the word. He said he was very gratified to hear it.

Q Did he indicate any breakthroughs on the Mideast as a result of his discussions?

SENATOR SCOTT: He did not discuss the Mideast in detail.

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CONGRESSMAN RHODES: The Mideast did not come up in detail.

Q If this was asked before, please don't answer it; what other legislation -- where else are vetoes expected?

SENATOR SCOTT: It did not come up.

Q What legislation is the Administration strongly opposing?

SENATOR SCOTT: It did not come up. You see, the context was the vetoes having to do with energy this morning. That was it.

CONGRESSMAN RHODES: The only thing we have a clear veto signal on -- we did not get it today, but we have gotten it before -- is H.R. 4035, which is the extension of the authority for deregulation, but with the provision that the Congress has 15 days instead of five days for disapproval.

THE PRESS: Thank you.

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(AT 9:45 A.M. EDT)