

FOR IMMEDIATE RELEASE

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THE WHITE HOUSE
PRESS CONFERENCE
OF
HUGH SCOTT
SENATOR FROM THE STATE OF PENNSYLVANIA
AND
JOHN B. ANDERSON
REPRESENTATIVE FROM THE STATE OF ILLINOIS

THE BRIEFING ROOM

9:32 A.M. EDT

MR. NESSEN: Congressman Rhodes needed to hurry back to the Hill for some business, so representing the House today we have Congressman Anderson and, of course, the Republican leader of the Senate, Senator Scott.

CONGRESSMAN ANDERSON: Senator Scott suggested I open up this morning on the energy question, which was discussed at this morning's leadership meeting, possibly because the House has been more actively engaged with energy legislation to date than the other body.

Frankly, I reported to the President and to the Republican leadership that I found public dissatisfaction at home during this recent recess because of high energy prices, and that my answer to the American people was that had the Congress passed the President's energy program as he suggested as early as last January, had the Congress gone ahead and passed a windfall profits tax, with a plow-back feature, had the Congress passed an excise tax on all oil production and then proceeded to rebate to the working driver through a system of tax credits, the additional energy cost resulting from that higher energy cost, I don't think we would have the public dissatisfaction today that does exist.

The blame has to be assessed, I think, on this Democratically controlled Congress that has managed to use up the first half of the first session of this 94th Congress without enacting anything that represents a really meaningful advance on the energy problem.

The blame, I think, ought to be placed on the Congress principally for its failure to deal either conservationwise or productionwise with the energy question.

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(OVER)

Those Democratic Senators that are complaining today about higher oil prices I think might have better have spent their time enacting some useful legislation that would have rebated some of the costs and given some tax credits to the American motorist.

SENATOR SCOTT: The other topic of discussion was the whole matter of the Cyprus situation, and the President was congratulated by House Members for having brought a meeting of a large number of them, a bipartisan group to seek a compromise which will now be offered in the House Committee on International Affairs.

It is my understanding that Congressman Morgan will cosponsor this compromise, which has three main points.

The first is by removing the embargo on goods which the Turks have already paid for and are even paying interest on the storage of the goods in the warehouse which belong to them, which they paid for.

Second, it would permit foreign military sales.

Third, it would permit military loans, but not grant aid to Turkey.

The leaders have promised that if this gets out of committee, they will push for it in the House. The Senate has already acted 41 to 40. It was the view of the Senators present that the Senate would probably either approve that or approve some conference report compromise.

We would not expect too much trouble in the Senate. We have a deadline here of the 17th of July, however, when the Turks start very serious discussions with us on installation problems. Of course, that would be a blow to us if those meetings went bad.

The President rightly feels, as I see it, that Congressional reaction up to now has not helped the Cypriot refugees, whom we want to help. It has not helped promote a settlement on Cyprus. It has not operated in the interest of Greece any more than it has in the interest of Turkey.

The point to be made is that this is not aid and that therefore those people who are opposed to foreign aid need not be concerned about this because this is not a part of our normal foreign aid programs. This is a continuance of grant sales and a removal of embargo on goods already purchased.

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Demeril has promised actively to try to negotiate to settle the problems in Cyprus if we can compromise and work out the problems in Congress, which do not seem to be discriminatory in their view.

We have had assurances of flexibility under those circumstances, and Mr. Sisco will cover that at the first hearing, which I believe is set for today, by the House committee.

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Q Is that all you discussed today -- energy and the Turkish situation?

SENATOR SCOTT: That is all except Senator Griffin and I asked the President earlier if we could bring Senator Hatfield down simply to give him a report on the current status of the New Hampshire contest. The President made the point that he cannot get into that, doesn't want to get into it. He is naturally curious, however, and we had Senator Hatfield down to give that status report.

It only took a few minutes and the rest of the time was taken up mostly on energy, and the next topic was, of course, the Turkish situation.

Q No discussion of the President's candidacy, Senator?

SENATOR SCOTT: There was no discussion of the President's candidacy. I said to him privately that I thought the Advisory Committee meeting had gone very well indeed, as did the reception last night. There will be news releases from time to time which will show ---

Q What reception was that?

SENATOR SCOTT: There was a reception last night here, from 6:30 to 7:30, for the members of the President's Advisory Council on the Ford For President Campaign Committee headed by Bo Callaway.

Q Why was that secret?

SENATOR SCOTT: It wasn't intended to be secret. I am telling you about it now. I thought you knew about it. There was nothing private about it.

After they had met with the President in the afternoon he invited them to come down and he thanked them for their efforts. There will be news releases from time to time regarding the means being taken in various States to qualify the President under the Federal election laws as to financing State-by-State. There will be news of support from time to time.

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Q Senator, do you agree with Bo Callaway's assessment that it will be easier for President Ford to get delegates to next year's Republican Convention, next year, if he is running alone and without Nelson Rockefeller?

SENATOR SCOTT: I didn't understand him to say that. No such thing was said in the Advisory Committee. What he is saying is something else.

He is saying this is a Ford committee. I believe from what I read today, not what he said yesterday at all, that he has also made the point that the President has said that he would like to have Vice President Rockefeller as Vice President again but that that is a matter for the Convention.

Our own organization is the Ford For President organization. In Pennsylvania, on my motion some months ago, we have endorsed the Ford-Rockefeller ticket. I think we are the only State that did it. We did it and I can tell you now we intend to stand by it.

But this campaign organization has nothing whatever to do with Vice President Rockefeller. The President's own interest in suggesting a running mate is his business. The business of the committee is to nominate and elect President Ford.

Q Do you believe that President Ford's ties to Nelson Rockefeller will in fact hamper his selection of delegates to next year's Republican Convention?

SENATOR SCOTT: In my judgment, quite the contrary.

Q You don't think there is a concerted effort to cut Nelson Rockefeller loose?

SENATOR SCOTT: Not among the members of the Advisory Committee, and not among those who will have anything to say about it. There will, however -- if there are variant views as to the way in which the Convention goes about the selection of a Vice President, all those will obviously be discussed.

But the final decision is up first to the President to say what he wants, second to the Convention to say what it wants, and those are independent actions.

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Q Do either of you have any thoughts on how much or whether any energy legislation will be passed before the August recess?

SENATOR SCOTT: We believe that the bill now in the House Commerce Committee will be acted upon and that the conference in turn will act on this extension of the oil control legislation.

I understand that the rest of the President's proposals are unlikely -- I may have missed a bill here and there -- but I believe general speaking the rest of them Congress is unlikely to pass before it takes its next recess. These come rather rapidly.

Q You don't see the deregulation of natural gas?

SENATOR SCOTT: He wants it very much, but I think first you must deal with the question of deregulation of oil, and I would hope that as soon as possible we can bring the question of deregulation of natural gas to a vote in either House. I would favor it.

I believe in the longrun the consumer will be better off if he gets more fuel.

Q Did you discuss the oil spill liability legislation?

SENATOR SCOTT: Not at all.

I think Congressman Anderson may answer some of these questions.

CONGRESSMAN ANDERSON: I would have very little to add to what Senator Scott has said. If the House holds to its present plans to recess on or about the 2nd or 3rd of August, I see little likelihood we could get final House and Senate action both on the legislation now pending.

I know that the President is considering decontrol of old oil, and I meant to say earlier in my discussion of that subject that one of the points we made at the meeting this morning is that we are currently extracting from oil deposits in this country only about 20 or 30 percent of the oil that is really there.

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This means that unless we proceed to the more expensive means of secondary and tertiary recovery that that oil is going to remain in the ground. Obviously we cannot persuade entrepreneurs in this country to go in for the more expensive methods of extracting this oil, that are involved in secondary and tertiary recovery, if we continue to keep that price pegged at the artificially low level of \$5.25 a barrel.

So it is imperative that we work out some formula. What exactly that formula should be has not been decided, I don't think, but we need some formula to provide for some decontrol to the extent we can encourage additional production. If not, we will surely reach the predicted level of about 40 percent of our oil coming from foreign sources very shortly.

SENATOR SCOTT: As against 34 percent now, I believe.

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Q Senator, I have a question which you are sort of in the best position to answer, both as a former National Chairman and the Republican leader of the Senate.

SENATOR SCOTT: That kind of question always sounds ominous.

Q Is there any feeling within either the Ford campaign machinery or on your part that your Senate colleague, Senator Kennedy, is going to be the Democratic nominee? You gave us a list of names in the driveway a few months ago, and you never mentioned his name.

SENATOR SCOTT: That was out of deference to his wishes.

Q Again I ask, do you think there is feeling within the President's Advisory Committee the man the President will face will be Edward Kennedy?

SENATOR SCOTT: No, the only name that has come up in the Advisory Committee is President Ford. We never discussed the opposition punitively or otherwise, and I accept Senator Kennedy's statement at full face value. I believe he does not intend to run. I don't expect him to run. I expect the Democrats to run after him. I don't expect them to catch him.

Q Can you tell me, does former President Nixon have any role to play in this coming election, and will Watergate affect the Republican chances?

SENATOR SCOTT: None that I am aware of, nor has it been discussed. I think the American people believe that Watergate is behind them, and we sincerely hope so. I do believe that the action in the Senate may raise the issue of whether public officials are thoroughly cognizant of their full obligation to maintain the highest standards of responsibility.

After all, we were given assurances on the honor of the Senate that the new change in Rule 22 of 60 votes for cloture would never be used -- never, never be used -- to invoke a party position against either party to their detriment.

It is now being so used. It is being used politically. It is being used without precedent. Never before have we gone past four cloture votes. Therefore, I do not think it is in keeping with the assurances we were given when some of us voted for the amendment to Rule 22, that political parties would not be expressed by the use of a Senate rule.

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That is exactly what is happening now and to my mind it is the only action of that approach that is a failure of elected officials to do their duty that is now going on currently in Washington.

Q Senator, do you ever hear from former President Nixon?

SENATOR SCOTT: I haven't heard from former President Nixon other than a call at New Year's to wish me a pleasant New Year's. That is all.

THE PRESS: Thank you.

END (AT 9:50 A.M. EDT)