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THE WHITE HOUSE
PRESS CONFERENCE
OF
JAMES T. LYNN
DIRECTOR OF THE
OFFICE OF MANAGEMENT AND BUDGET

THE BRIEFING ROOM

4:00 P.M. EDT

MR. NESSEN: As you know, the President has sent messages this afternoon, separate messages, to the Senate and House outlining for them the 74 pieces of legislation which he believes they can and should pass in the remainder of this session.

The President has read a short statement of his views and intentions, and we have also passed out in printed form the full text of the message, listing the legislation that the President has set a top priority on.

To answer your questions about the various pieces of legislation, why the President has taken this approach and came up with this particular list, we have the Director of the OMB, Jim Lynn; his deputy, Paul O'Neill; and his press secretary, Alan Wade.

MR. LYNN: I will be happy to answer your questions.

Q What pieces of legislation do you think will pass before adjournment in October?

MR. LYNN: I have to say that I don't know. I hope all of them, and I certainly would like to see Congress get to complete consideration of all of them at the very least; in other words, to have taken their committee action one way or another on each. But, I believe if they will look at these very, very carefully, one by one, and if they do gauge them by the public interest, we will see a very high batting average on passing.

Q Are you going to recommend to the President that he pass the extension of the tax cut bill without the extra \$10 billion?

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MR. LYNN: I think it is premature for me to be making statements in that regard. As far as I am aware, Congress really hasn't taken any definitive steps in that connection. One of the things I will look at, at the same time I look at any tax legislation by the Congress, will be what is the latest forecast with respect to their spending. We still have not received their major appropriations bill.

Q Jim, what would you say to the charge that will be made, if it hasn't yet, that this is simply an attempt by the President to begin his campaign against the Democratic Congress somewhat like Mr. Truman did once

MR. LYNN: I would have to say that that would be sheer nonsense. You will recall that about a week ago, I think it was, we put out the midsession review, bringing up to date the budget, which now represents a composite of the President's budget and actions taken by the Congress so far that have foreclosed in part Presidential options reflected in his original budget and also adopting in part some of the proposals in his budget.

I don't believe that this has been the first time that a President has recapitulated where his program is and sent that recapitulation, that summary of proposed actions to the Congress so that they can see the whole thing in broad perspective. I think it is extremely useful that Congress see that broad perspective.

Q Mr. Lynn, is there not a statutory requirement for the midsession review? Is there any similar statutory requirement for a message of this kind?

MR. LYNN: No, I don't believe there is, but I do think it is good practice and I would urge Presidents to do it as they have in the past.

I might add, it is a little like the budget process. The budget process has brought to the Congress of the United States some appreciation for the totals, to use that comment you have heard me use before, borrowing it from somebody else, "The realization that a billion here and a billion there and after a while it adds up to real money."

There is the same kind of a problem sometimes that the Congress may not see from the President's perspective the total that is still on the matter of what remains to be done in what we at least believe is the public interest.

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Q Have you talked this problem over with leaders of Congress?

MR. LYNN: Have we talked over this problem?

Q Well, you obviously think this is a problem if they haven't paid attention to your legislative priorities.

MR. LYNN: I have discussed it with them in conversations from time to time, pieces of it, have made mention of the number of pieces of legislation that we have there, but certainly not in a formal way. I believe that a formal presentation of this should come from the President of the United States. Especially since it has the perspective of the whole Government and it doesn't just include OMB matters.

It isn't matters of dollars. It does involve dollars, but they are not dollar bills in the sense of appropriations. As the message makes clear, this does not include appropriation bills. These are authorizations.

So, it seems to me to give the total picture to the Congress is certainly the province of the President, not his OMB Director.

Q Mr. Lynn, apart from the political considerations that Bob says surely will be raised against this, what about the time element? This is an election year. Do you really think there is a good chance that a long laundry list like this can be passed when not only Democrats but Republicans are anxious to get home to campaign.

MR. LYNN: I am sorry, I wasn't --

Q Apart from the political considerations, there is a time element involved here when Members of Congress, Republican as well as Democrat, are anxious to get home and run, can a laundry list like this really have much of a chance?

MR. LYNN: I think so. It isn't a laundry list either. I would call it a list of important things to be done for this country's future. I believe they can. After all, they have absolutely no compunction about going home and leaving the President with a pile of bills this high every time they go on recess.

Last time I think it was 25 bills they put on his desk before they left to go back home. I think they can pay attention to these important priorities. As I said, at the very least we would like them to have consideration so that the American people have their judgment as to whether they think these are good, bad or indifferent. We happen to think these are extremely important initiatives.

Q Jim, you were quoted the other day as saying in the Cabinet meeting, "It looks like you can say bye-bye to tax cuts." Now that seemed like a pretty realistic assessment of the situation. Isn't it going to take a legislative miracle to get the budget committees' recommendations and the Ways and Means and Finance Committees' recommendations overturned to get the larger tax cut the President wants?

MR. LYNN: I don't think it would take a miracle. All I would think it would take is for them to sit down and forget that it is an election year and see what they think is in the best interest of the people.

Am I sanguine about what they may do from what they have done so far? The answer is no, but this is one of the purposes of the President presenting this message, to say to them time is running out, you have some very important final decisions to make. It is one thing to come up with targets in a budget resolution. It is another thing to act and they are right on the threshold now of taking the action that will determine whether or not the American people will get the deeper tax cuts that the President wants them to have. Conversely, as the original targets and the budget resolutions would indicate, they are saying to the American people, "Sorry folks, we can't give you the tax cuts because we see an overwhelming need to spend your money and borrow money from the Treasury for Government programs."

We feel very strongly that the right course is the one the President proposed, which is to slow down the rate of growth of Federal spending and make room for the tax cuts, and it is not too late for them to do it and I really think the American people as a whole want it.

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Q You are not backing down from what you said in the Cabinet meeting, are you?

MR. LYNN: No, I am not. I must admit I didn't read precisely the transcript, so I guess I will have to rely in this case on hearsay being accurate. But I will have to say to you my own personal judgment is if they go the way of their target resolution, they are, in effect, saying "bye-bye tax cuts." That is what they put in the target budget resolution.

"Sorry, there is no room for the \$10 billion of lost revenues that come about from giving the American people tax cuts if we do the additional \$18 billion of spending that we think we ought to have that the President doesn't want to have."

The interpretation of that is, most fairly, bye-bye tax cuts.

Q Mr. Lynn, as this list as presented, all 74 items are presented with equal weight. Does the President have no order of priority on which of the 74 items he would like to see taken up or which he thinks is most important?

MR. LYNN: I have to say I believe they are all important. Now, the President did mention some specifically on the front page, but he did not intend by that to say that the others are not important. They are.

Now, it seems to me if the Congress has had an 85 percent, 86 percent increase in staff in the last 11 years, ten to 11 years, and if we now have what, 500 committees and subcommittees, something like that in the Congress of the United States, they can find the time to act on these important proposals. They found time to act on things like their own taxes. They found time to act on things like the stamp allotments and so on and they found time on some other priorities.

We are saying to them, "Let's find time on these priorities which the President believes, and I believe the American people believe, are important to this country."

Q Jim, what kind of public relations operation are you running with Congress to come out with a 20-page mandate like this on the same day Congress is overriding some vetoes?

MR. LYNN: I am afraid I don't understand your question.

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Q There was all the talk about cooperation and conciliation, and all that 23 months ago. Yet, you all come out, you have been vetoing bills and there has been holding the line there. Now, you come out and ask for 74 things here which they are having a hard time coordinating, or cooperating, or compromising with you on. Aren't you both just butting heads -- the Administration against Congress?

MR. LYNN: To the extent that there is disagreement as to where this country should move in the future, you may describe that as butting of heads if you want to. I would prefer not to.

I would say to you that there is disagreement -- that the American people should choose where they are on each one of those issues.

What the President is saying here is, "Look we have these proposals. These are proposals I have made in good faith to carry out my responsibility and what I believe our responsibility is as the Federal Government to the American people. Time is running out. Please take a hard look at these. Go through the committee actions that you need to the extent you haven't. Bring them to the Floor and vote on them and I honestly believe if you look at them solely in the public interest, you are going to agree with me."

Q To follow up on Phil's question, is this list in order of priority?

MR. LYNN: I think there is no way within a group of ten numbers or ten items or 12 items to put in an exact order what your priorities would be.

It reminds me a little of when they were trying to explain to us what tenants in common were in Common Law in law school, and they tried to describe that, "each tenant in common occupies the whole land."

I sat there a little dumbfounded, wondering what they meant. But the concept was that each of the tenants in common had an equal right to occupy the totality of the land you were talking about. You don't do it this way because you can't just say energy is more important than taxes are; is more important than crime, because every one of them is of a top priority to the country. There is no way that you can just say, "This is number one."

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Secondly, even the processes on the Hill are such that they lend themselves to multiple consideration. Take a look at their action on appropriation bills before they went home. They were acting every day on one or more appropriation bills, day after day. They put a period of time aside each day for taking actions on those.

You know, this isn't a matter of every one of them has to go into every committee and subcommittee meeting to look at these items on this list. Each of them have their assignments and their sub-assignments and as I say, quite a bit of expert support up there to help them with these issues.

Q Before you went to law school, you studied history. (Laughter)

MR. LYNN: I wish I had studied more than I had.

Q Isn't it politically unreal to ask for 74 items in a political year this late in the ball game, really? In past Presidential years, have you seen such a thing as this?

MR. LYNN: I must admit I haven't been enough of a student of history to see. All I can say to you is we have many pressing problems and opportunities in this country and I think they should get on with all of them. And I see no reason why they cannot.

Q As a student of history, would you say it looks like the President is going to emulate Harry Truman in attacking a do-nothing Congress this fall.

MR. LYNN: I will leave that to the President to talk about. I have worked for the President now for two years. I find him very much his own man. He is very much President Ford, a person of his own strengths, and I think he will stand on his own strengths.

Q Are you in favor of the extra \$10 billion tax cut, say, as Government stands now, without any additional programs?

MR. LYNN: I am for -- Helen, I know the President is -- those tax cuts. But on the other hand, I have to say to you his tax cuts also carry with them an economic policy that is based on a slower rate of spending in the Federal Government.

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Now, they have not taken definitive action, as yet, on their major appropriations bills or on some authorization bills, so that there is time for them to put in the kind of restraints that will make the extra tax cuts possible. But as I said before, in the budget process, they have given a preliminary signal to the President, to me, to the American people, "We are sorry as we add up the figures, we just have to spend a lot more than you want to spend, Mr. President. We have to increase the rate of spending to, what, something 11 or 12 percent over last year."

The President is saying, it ought to be somewhere around five or six if I remember right. If we do that, they, at least, say the deficit would get too big to give the tax cuts you want to give, Mr. President.

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Q Jim, is there a feeling at the White House that Congress would get a whole lot more work done if there was less hanky-panky going on?

MR. LYNN: I don't know how to describe hanky-panky, so I better stay away from that question. I don't know what hanky-panky means.

Q If you can't tell us which of these is the top priority, can you tell us which ones the President is most concerned about in terms of the prospects for action?

MR. LYNN: Concerned about from the standpoint of prospects? I am afraid I don't understand.

Q Which ones is he most worried about that they won't act on?

MR. LYNN: Which ones is he most worried about? Do you mean, putting it the other way, which ones have the greatest likelihood of passage and which ones don't?

Q Okay.

MR. LYNN: I have to say to you that after having been in this town going on eight years now, that after having been here close to eight years, I just don't engage in those any more. I can give you some examples of legislation that you asked me one week what I thought the chances were I would have given you an entirely different answer a week later.

To pull one off the top of my head, coastal zone management, which is a bill that has come to the President. As to what that bill would look like, I think it changed in a week to two weeks, something like that. I could give you example after example of bills that looked very bad one week and the next week the sky cleared up and the sun came out. I have seen others, incidentally, that I have worked on sometime anywhere from three months to two years, and everything looked good and on a given Saturday it all fell apart. I don't think there is any way of doing that.

Q Let me put it this way. Is there any area that he has pretty much written off?

MR. LYNN: No.

Q Is there any reaction on the jobs bill override now from the Administration?

MR. LYNN: I think the President -- I know very well that he is extremely disappointed, but maybe you can give further -- they think there will be something later this afternoon. My views on this I think I have expressed often enough.

THE PRESS: Thank you.

END (AT 4:17 P.M. EDT)