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N E W S C O N F E R E N C E

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AT THE WHITE HOUSE

WITH RON NESSEN

AT 12:03 P.M. EST

JANUARY 30, 1975

THURSDAY

MR. NESSEN: I know you are all refreshed in spirit and uplifted in soul after the prayer breakfast.

Q One, why wasn't that open? Could you not have used your influence to get that opened up for coverage?

MR. NESSEN: It is a religious service rather than a news event.

Q If the President is there, it can be both, couldn't it?

MR. NESSEN: For instance, he goes to St. Johns, and we don't have filming in there.

Q But you don't bar coverage, either. I am not concerned about filming.

MR. NESSEN: It is not a White House event. It was considered to be a religious service.

Q Isn't that carrying the separation of church and State to the extreme?

MR. NESSEN: No, it isn't. It is keeping the President's very deeply held view that his religious beliefs and practices and everybody's religious beliefs and practices are a private matter.

Q Why weren't we allowed to go in there? The question of lights and sound and film is one matter. I was denied access to even pray.

MR. NESSEN: I didn't know that.

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Q What about us who wanted to go in and pray a little?

Q I am serious, Ron.

MR. NESSEN: If you just wait a second.

I am listening.

Q The Senate and the House prayer groups -- can they handle credentials and who gets in and so forth?

MR. NESSEN: Somebody else does the credentialing of the Senate and House prayer groups. I don't understand why reporters were not let in, but we don't have any control over it.

As you know, the President left here at 7:40 a.m. and went to the prayer breakfast, and I think you probably have copies of his remarks by now.

Then, you saw Prime Minister Wilson arrive. The President and the Prime Minister are still in their meeting, as far as I know, and we will post some information, a brief report, anyhow, after the meeting. They do have another meeting tomorrow, so it is not likely that there is going to be any lengthy report on this meeting.

At 2 o'clock this afternoon, the President is meeting with the heads of 31 Protestant and Orthodox Churches, which make up the National Council of Churches. These groups asked for this meeting to present the President their views on various domestic and international issues. He will discuss with them some aspects of his economic and energy programs, in which the leaders of the churches have expressed interest.

There will be a chance to take pictures there. This is the first in a series of meetings the President is expected to hold with the heads of various churches.

Q Which churches do you mean by Orthodox?

MR. NESSEN: Do you mean which ones are in this meeting? We will have a list of participants. We are going to post the list, but just so you understand, it is the Antiochian Orthodox Archdiocese and the Armenian Church of America and those kinds of churches.

At 3 o'clock, the President will have a meeting with Roy Ash and two of his assistants for a review of the major aspects of the 1976 budget.

For those who were not here yesterday, the plans are for the budget briefing to be held on Saturday by Roy Ash, at 10 o'clock in the morning, at the State Department auditorium. We hope to have most of the budget material tomorrow afternoon in Room 2108 of the New Executive Office Building. The budget and all the various materials are for release at noon on Monday.

The President and Mrs. Ford tonight will be the hosts at a formal State dinner for Prime Minister and Mrs. Wilson. The details of the coverage arrangements are available and can be obtained from Bill Roberts and/or Sheila Weidenfeld.

For the coverage of the various arrival activities, no black tie is needed, but for those who will cover the exchange of toasts and the entertainment and the start of the dancing, black tie is required for the men. You can get the complete details from Bill Roberts and Sheila.

We are preparing a Presidential statement, which should be off the machines by the end of this briefing. I can read it for you.

"Last September the President announced a program of earned return for those who were draft evaders and military absentees during the Vietnam conflict. This program was intended to reach a broad group of young Americans who had been convicted, charged, investigated, or who were still sought for violations of the Military Selective Service Act or of the Uniform Code of Military Justice.

"Also, this program was intended to provide a way for many persons who received an undesirable discharge from military service, for absentee-related offenses, to upgrade their discharge certificate to a clemency discharge.

"After reviewing the progress of this program, the President believes that many of those who could benefit from it are only now learning of its application to their cases. This belief is based on a significant increase in the number of applicants and also in the number of inquiries over the past few weeks, when publicity and communications about the program were greatly expanded.

"Therefore, today, the President is extending the termination date for applications from tomorrow, when it was originally intended to expire, until March 1, 1975."

We will have that ready for you by the end of this briefing.

The President also has directed the Administrator of the Veterans Administration, Richard L. Roudebush, to accelerate the payment of 1975 GI insurance dividends to over two and a half million policy holders in the three VA life insurance programs.

Normally, the dividends from these insurance policies of veterans are paid throughout the year on the anniversary date of the policy. The President's directive means that a person who would normally have received a dividend payment at any point during the year from March through December will now receive that dividend payment within the next 45 days.

The President feels that this action will distribute a substantial amount of cash at a time when it is needed to give a boost to consumer spending.

Q May I ask a question about that, Ron?

MR. NESSEN: Yes.

Q Are you finished with that part? I want to ask you a question on this.

MR. NESSEN: I have some numbers to give you.

The total amount of money involved here is \$335 million 600 thousand. Of that, \$177 million 800 thousand will be in the form of checks mailed out in the next 45 days instead of spread throughout the year.

The rest of it is money that is dividends that the veterans have elected in the past to either credit toward their premium or to credit toward the purchase of extra insurance. This is an election that they have had in the past.

Based on the previous elections, it is estimated that \$177.8 million would be in cash, and the rest of the \$335 million would go toward premium payments or to buy extra insurance.

This program applies to three different forms of insurance held by veterans; that is, National Service Life Insurance, United States Government Life Insurance, and Veterans Special Life Insurance.

The number of veterans involved here is as follows: There are 2.3 million World War II veterans involved in the program. They will receive an average early dividend payment of \$69. The 111,000 World War II veterans in these three insurance programs will receive an early dividend payment averaging \$168, and 345,000 Korean War veterans involved are just now becoming eligible for their first dividend payment.

These insurance policies have to be in force a certain number of years, and this will be the first year that Korean veterans will be eligible. Their average early dividend payment will be \$9..

Q Ron, you say this is the first insurance dividend that Korean War veterans will have received?

Q I know that isn't true.

MR. NESSEN: I think that is right, but I will double-check it.

Q It is not true, Ron.

MR. NESSEN: It is not true? Let's hold up a minute and find out why it says this.

Q I have been getting mine for years.

MR. NESSEN: You better get those checks back before they catch you. (Laughter)

We should straighten that out. It is written that way, but we will find out.

The impact of this, as far as the budget goes, is clearly not an extra increase in spending, it is a shifting of spending that normally would have taken place in the first half of the fiscal year 1975 budget and moving that same amount of spending into the second half of the fiscal 1975 budget.

Q I had a question about it, which is now two questions, but the original question was, some dividend checks on GI insurance went out just a short time ago, and they have already been received.

MR. NESSEN: Yes.

Q Was that for 1974? Wasn't this part?

MR. NESSEN: No, I say the checks go out all year long, from January to December, based on the anniversary date of the policy, so the people whose anniversary date was in January have gotten theirs.

Q There was an announcement the other day that dividend checks were going out. That was not this program?

MR. NESSEN: As far as I am aware, this is the first announcement of a Presidential decision.

Q The other question refers to the fact that you said this is the first one for Korean War veterans.

MR. NESSEN: We will get that straight. John is calling now.

Just to give you one other announcement today, the President is transmitting to Congress his eighth special message on recissions and deferrals. I think you will have some material on that. This amounts to 40 new recissions and 26 deferrals.

The total of this is \$2.6 billion. I think most of the rest of what you need is in the package.

Q These are new decisions?

MR. NESSEN: Five of the recissions are involved in making some changes in previously sent up recissions, and 12 of the deferrals make some changes in previously reported deferrals.

Q Is this \$2.6 billion in new savings?

MR. NESSEN: In new savings, right.

Q Do you know what the total of his recission is?

MR. NESSEN: The total number of deferrals, counting today's package, is 150, adding up to \$21.2 billion. If you count today's deferrals, plus all previous deferrals, you get 150 in number, and in amount you get \$21.2 billion.

If you take today's recissions and all the previous ones, you get a total of 74, and the dollar amount is \$1.8 billion.

Q Is that deferrals or 74 recissions?

MR. NESSEN: Seventy-four recissions and 150 deferrals.

Q Ron, could you please go over just once more how these work in terms of Congress?

MR. NESSEN: I was afraid you were going to ask me that, Dick. That is another question for John when he gets out with the answer to this other question.

Some take effect unless Congress acts, and the others don't take effect unless Congress acts. We will get it straightened away.

Q Will today's special message take \$2.6 billion out of the economy that would have been there if the President did not take this action?

MR. NESSEN: I don't understand the question, Ted.

If Congress goes along with its role in this, the budget would be reduced from today's actions by \$2.6 billion.

Q I am using the same words you used about the \$335 million that goes out to veterans. You say that is money that is going to be pumped into or distributed into the economy, and it will give a boost to consumer spending.

MR. NESSEN: Yes.

Q My question is, on the other hand, is the other action taking \$2.6 billion out of the economy?

MR. NESSEN: As you know, these are deferrals. Deferrals are actions that put off certain spending --

Q Government spending.

MR. NESSEN -- rather than canceling it and recissions are what the name says, recissions.

Q But isn't it a fact, Ron, that this money is presently impounded by the Administration until Congress acts, so it is not really in the economy?

MR. NESSEN: That is certainly true, yes.

Q Yes, but didn't he, within the last few weeks, release the water resources funds that were on deferral?

MR. NESSEN: I saw something about some funds being released, and I don't know what their status was. I thought I understood that they were impounded from the previous administration, but I better not talk about that since I don't know the exact facts on it.

I don't have any other announcements. We are waiting for John to give us the explanation of deferrals and recissions and to give us an explanation of my remark about the Korean insurance.

If you want to start the questions while we wait, we can do that.

Q On the clemency, do you have any numbers?

MR. NESSEN: Charlie Goodell's office, I think, is keeping track of the numbers. I have not been keeping track of them here.

Q Do you have any idea of how much more widely you would expect this program to be used by giving it this month's extension?

MR. NESSEN: In numbers?

Q In numbers, magnitude, any way you want to express it.

MR. NESSEN: I am told that the rate has gone up something like tenfold in just the past couple of weeks, and I don't know what Senator Goodell feels will be the increase over the next month.

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Q Does this refer to all three programs, both the Charlie Goodell program, the Clemency Board and the Defense Department program?

MR. NESSEN: The tenfold?

Q No, the clemency.

MR. NESSEN: Yes. The entire clemency program is extended for 30 days.

Q Ron, what was the reasoning for limiting it to one month, in view of the possibility that there might have been some additional returnees that would take longer? Do they think a maximum of 30 days --

MR. NESSEN: That was the President's judgment.

Q There was some pretty strong feeling the other way, was there not?

MR. NESSEN: I was not in on the meeting. You would have to ask Senator Goodell.

Q What are the possibilities of extending the program beyond March 1?

MR. NESSEN: I don't know of any plans to do it.

Q Ron, why is the program indefinite?

MR. NESSEN: I think, when the President spelled out his purposes at the beginning, he explained why there was, at that point, a three-month program. I don't remember precisely what they were; I would have to dig out that statement and find out.

Yes, ma'am

Q Ron, the new Democratic Governor of Tennessee, Ray Blackman, was in town and had lunch with the House Congressional delegation. Among the things he proposed was that there be rationing and that the Selective Service Office would be the ones that would handle rationing. Has there been any thought given to the use of the Selective Service Offices throughout the country for rationing?

MR. NESSEN: I think one day recently, when we talked about what the President sees as the difficulties with rationing and why he is opposed to it, there was a figure that the FEA came up with in terms of the number of local boards that would be needed to administer this program and deal with the kinds of special exceptions that people would expect. It seemed to me the number was something like 1,500, but since this Administration, the President, is opposed to rationing, there has obviously been no thought given to how to run a rationing program.

Q Ron, when will the President name members to the Federal Election Commission?

MR. NESSEN: I don't have any timetables on any appointments.

Q Is John Bell Williams being considered as one member?

MR. NESSEN: I just don't think it is the proper practice to talk about who is or is not being considered for this or any other Presidential appointment.

Q The House nominated their appointees yesterday.

MR. NESSEN: It is being worked on, and we will announce it when the President has made his choices.

Q John Bell Williams, the Black Caucus opposes his nomination, if the President should nominate him.

MR. NESSEN: Phil.

Q Secretary Schlesinger said that troubles may break out in a number of areas as a result of the decline of U. S. military power. Has he advised the President of this, and does the President agree with this assessment?

MR. NESSEN: I have not seen the Secretary's remarks, Phil, and I would like to look at them first and I also would like to check what he has told the President.

Q Ron, could you tell us about the President's meeting with Al Ullman yesterday? Is there another one scheduled, and what is happening in connection with his consultations to the Congress?

MR. NESSEN: Well, he had an hour's meeting with Al Ullman, and I think I read what Al Ullman said about it. And it seemed to me to be an accurate account of what happened. There are not any other meetings scheduled that I know of. The President's views on the so-called compromise with Congress, I thought, were spelled out with great clarity to the economic writers yesterday.

Q Ron, up on the Hill this morning, Arthur Burns suggested that Congressional leaders and the President sit down at Camp David or some other pleasant place -- as he put it -- and work out a compromise. Do you think the President might follow Dr. Burns' advice?

MR. NESSEN: Well, again, I say that the clearest explanation of the President's views on a so-called compromise was from his own mouth yesterday. I think they were very clear, and you can see, yourself, he is making the point that -- how can you compromise on the energy program at the moment when there is nothing to compromise with? A compromise, it seems to me, by definition, means that you have two rival programs and you somehow bring them together and form a compromise program.

In this case, you have the President's energy program on one side and nothing on the other side. There is simply nothing to compromise with.

Now, on the taxes, the tax cut to fight the recession, I think the President also was clear in his views.

I am sure some of you have seen the Harris poll that came out today, which shows that 67 percent of the people favor the President's tax cut proposal. It was described to the families polled as "Do you favor or oppose an immediate Federal income tax cut of 12 percent across-the-board with a \$1,000 limit, which would reduce everybody's 1974 Federal income tax by 12 percent," which is a pretty fair description, I guess.

Sixty-seven percent said they favored it, and 21 percent said they opposed it.

Q Twenty-one percent said they opposed it?

MR. NESSEN: Twenty-one percent said they did oppose it, Pete.

Anyhow, I think the President's views on getting his antirecession tax cut are that he believes his way is the best way -- and apparently 67 percent of the people agree with him -- and that he would like Congress to pass it and soon.

Q They didn't get any alternative; it was not as if they just liked his suggestion or a higher or lower one.

MR. NESSEN: That is just about where we stand now, isn't it, Fran?

Q Some other proposals --

Q As long as you have discussed this new Harris poll with us, would you discuss the White House reaction, your reaction, or the President's, to the two previous polls, one by the Gallup organization for Newsweek Magazine that showed 55 percent of the public in favor of gas rationing and a previous one by Harris -- since you cited the Harris poll -- which showed that the President had an 86 percent negative rating on his handling of the economy -- the highest negative rating ever received by a President on a specific issue?

MR. NESSEN: Well, I see we are embarked on a great poll trading expedition here.

Q You brought it up.

MR. NESSEN: Yes, I can see that. I can see the error of my ways.

The 86 percent poll, as you know, Jim, was before he proposed his energy and economic programs, and I really think that we need to wait and see what a similar poll would find now. It seems to me that there is some clue perhaps to what it would find in Newsweek's Gallup poll, which showed, immediately after the library speech and the State of the Union speech, that when asked "Do you now have more or less confidence in the economy after hearing these two speeches," 44 percent said more confidence. But I think to get an exact duplicate of that, you would have to ask the same question now that he has announced his programs.

The other poll you cited was the 55 on rationing?

Q Right.

MR. NESSEN: Which was done a day or two or three after the announcement of his program, and he feels that since then there has been a better understanding of the inefficiencies and inequities of rationing. Again, I think we really would have to have an updated version of that.

Q Would you like to see Gallup and Harris repeat those polls now, or would you invite them to do so, and would you be prepared to stand on the results?

MR. NESSEN: Well, I don't think it is proper for the White House to invite or order polls. I am sure the polls will be made. I think maybe we talked too much about polls anyway.

Q Ron, by your bringing this up this afternoon, does that show the President is anymore sensitive to polls now than he was before?

MR. NESSEN: Oh, no, certainly not.

I was asked about the tax compromise and it just seemed to be something that was involved in the issue.

Q Ron, do you want to talk about the poll that said that Richard Nixon is the seventh most admired American?

MR. NESSEN: I don't believe I will talk about that one. Henry Kissinger would probably like to talk about that one.

Q You wouldn't touch that one with a ten-foot pole?

Q . Ron, does the President have a cold?

MR. NESSEN: Not that I know of.

Q Not that you know of?

MR. NESSEN: No.

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Q Ron, we were told yesterday that the President intends to make an all-out fight for this aid to South Vietnam. Has he any reason for encouragement about the chances that this aid will be passed by Congress? Everybody in Congress seems to say it does not stand much of a chance at all, including the Republican leaders.

MR. NESSEN: I don't know. I think that is an oversimplification to say that everybody in Congress thinks it has no chance at all. He is going to explain why he feels it is needed and fight hard to make that case, and he believes that those Members who are not now convinced he hopes will be convinced after they have heard what he believes are persuasive arguments.

Q Ron, is this an attempt to hold Congress to account before the American people so that if the South Vietnamese government ultimately falls, that the finger of responsibility can be pointed at Congress?

MR. NESSEN: Absolutely not. The President feels he wants the money for the reasons he stated in the message, and as for this kind of suggestion, it just has not come up in any way that I am aware of at the White House.

I think what you are suggesting is to build an excuse and that is just not part of the idea of why he is doing it. The idea he is doing this is because he believes that South Vietnam and Cambodia need the money to survive.

Q What is your assessment or the White House assessment of the chances of getting that aid through Congress at this point?

MR. NESSEN: I am not much of a Congressional head counter.

Q Ron, could you comment on the use of the word "disaster" yesterday in referring to what might happen if they didn't get the money?

MR. NESSEN: As I say, he didn't spell it out, but based on the conversations that I have heard, I think what he is talking about is the possibility of South Vietnam and Cambodia not being able to avert the military defeat at the hands of the North Vietnamese.

Q What about the traumatic experience phrase? Could you elaborate on the traumatic experience phrase?

MR. NESSEN: I think what he is talking about there is an experience of seeing a country that America itself had been involved in for some long time, the reaction of Americans to seeing that country possibly captured by the North Vietnamese.

Q What is the reaction the President fears?

MR. NESSEN: Oh, I don't know that I can explain it much beyond --

Q Does he fear something like what the Republican Party said of the Democrats after the fall of mainland China in the late forties? Is that the sort of thing?

MR. NESSEN: No, I have not heard that.

Q Ron, one of the concerns of the churchmen who are coming in to see the President this afternoon is the level of U.S. foreign food aid. Have the direct decisions now been made by the President?

MR. NESSEN: No, they have not.

Q When do you expect them to be made?

MR. NESSEN: I suspect shortly, but I cannot give you a date.

Q What is delaying that?

MR. NESSEN: It is complicated, and it involves some consultation with Congress.

Q At least based on what you have already said about the question of food aid, are you not now in a position to say that the decision has been made as to the dollar amount but not as to the allocation and that the remaining work to be done is on the question of which country gets how much?

MR. NESSEN: I think there is still not a firm dollar decision, although the area, as we said the other day, the decision has been made to go toward the high side on the dollars. As you say, the allocation by country is one of the elements that is holding up the decision. There is Congressional legislation that is involved, and that is why consultations are going on with Congress.

Q How does the President weigh the relative concerns that have been expressed by Dr. Kissinger and others? Does he think military strategy and diplomatic strategy are vital in food aid decisions and maybe heavier in balance than the humanitarian concerns that others are expressing?

MR. NESSEN: I think what I would rather do is wait and see how he explains his decision after he has made it.

Q I wanted to ask a question about the duration of the recession again. You mentioned that the estimate is it will begin to turn around about mid-summer.

MR. NESSEN: Midyear.

Q Midyear. The President yesterday was asked about unemployment, and he indicated that the unemployment figures may not turn around until the third or fourth quarter.

MR. NESSEN: That is the second half of the year. The third quarter begins the second half of the year.

Q The third would be late summer, and the fourth would be in the winter?

MR. NESSEN: Yes.

Q What I am getting at is, since unemployment is a major indicator of recession, is that an estimate by the White House that the recession may last until the fall or winter?

MR. NESSEN: No, Tom. I don't think so. I think really if you look back you will see that this particular forecast has not really changed in any way. It has always been said that the recession would bottom out and would begin to turn around in the middle of the year.

As I understand it, that is a generally accepted forecast by economists outside of the government as well as inside the government.

As some of you know, I do have a weekly session with Alan Greenspan, as well as other meetings, and in all the times we have been doing this that forecast has never changed.

Q The President spoke yesterday of a jump in unemployment for January and a lot of people are talking about that jump going to 8 percent. Has he been told that that will be the figure for January?

MR. NESSEN: No, he has not, and it is not expected to be.

Q Ron, you mentioned earlier about the President fearing that South Vietnam and Cambodia might "not be able to avert military defeat." Is he saying, in other words, and does he believe that if this additional money is not sent to South Vietnam that they will be conquered by the Communists?

MR. NESSEN: There is that possibility.

Q When does he think they will run out of ammunition? I understand that that is a problem in Cambodia even more than in South Vietnam.

MR. NESSEN: Yes. I would rather have you check with military people. I have heard some dates and so forth kicked around, but I think probably in order to get a more accurate estimate you ought to talk to the Pentagon about that.

Q On that subject, has the President been advised that there are indications of a possibly major oil discovery in South Vietnam, that that is an additional reason for hanging on there for a few more years?

MR. NESSEN: Let me just start an answer without any reference to what you said, because I think all the assumptions you make are wrong.

The President knows that there is a possibility, at least, of some oil there and his feeling is that this would be an opportunity for South Vietnam to have a stable and prosperous economy. It is in that sense that he knows about the oil there. But in any of the terms you mention, it has not come up.

Q What can you tell us about the size of that?

MR. NESSEN: I have zero knowledge of it except that there is the possibility that it is there.

Q Now that things have taken such a turn for the worst, is there any reconsideration of the President feeling that maybe he may have to ask Congress for something in addition to financial aid?

MR. NESSEN: No. No, the President and Secretary Kissinger both told the Congressional leaders the other morning just what he said publicly, which is that he cannot foresee any involvement by American forces.

Q I didn't mean that. I just meant advisers.

MR. NESSEN: I think that falls in the same category, Bob.

Q Ron, at his news conference the President said something which some people took to be ambiguous about after this \$300 million, that would be the end of it, this \$300 million for this year. Some people here in the White House thought that is what he meant, but based on what you said yesterday, I gather that this \$300 million supplemental is not the end of the road, that we do expect another two or three years' request.

MR. NESSEN: I think Dr. Kissinger spoke about the possible future help to South Vietnam the other day at his news conference. I think it is fairly clear.

Let me tell you about recissions, deferrals and VA insurance. Let's go to the VA insurance first.

Let's back up on the Korean one and strike out what I said about this being their first payment. This is not the first dividend payment for Korean veterans. It is the first payment for Korean veterans who have one form of insurance, called Veterans Special Life Insurance.

In case some of you are curious about why the amount is small for Korean veterans, the dividend amount depends on the kind of policy, the amount of the policy, the age of the insured person, how long the policy has been in force and so forth.

I was incorrect when I said this is the first payment for Korean veterans. I should have said this is the first payment for Korean veterans who have the Veterans Special Life Insurance.

Q Is there any Vietnam veteran coverage involved in this?

MR. NESSEN: That is my assumption, but let's just see.

Q Ron, I think I can clear it up for you.

MR. NESSEN: If you have been getting the checks all these years, you should be an expert on it.

Q Either that or go to jail. (Laughter)

The NSLI insurance was brought about in World War II and was continued until I believe 1951, at which time it was terminated and all of the people who had enlisted or had been drafted prior to that date -- and I believe it was in 1951 -- retained their insurance and then a new insurance program was instituted, which is the one you are talking about, which continued, I understand, through the Vietnam war.

MR. NESSEN: I am sure the VA will be able to help you with a lot of details in case you have a lot of additional questions.

For Dick and the others, a rescission means that when the President proposes a rescission in the budget, both houses of Congress, by a simple majority, must approve it in order for the money to be rescinded. The funds are held up for 45 days while waiting for Congress to act.

If Congress does not act within 45 days, then the funds have to be released. If Congress acts positively by simple majority, each house, then the money is rescinded.

A defer al works the opposite. If Congress does not take any action within 45 days, then that particular expenditure is deferred. Congress has to act, in other words, to override a deferral and that can be done by a simple majority of only one chamber.

Does that make any sense?

Q Is there any time limit on that deferral or is that just an indefinite deferral?

MR. NESSEN: I don't know, Jim. I will check on that.

Q What does the \$2.6 billion reduction now bring down the Administration's estimates of expenditures for fiscal year to?

MR. NESSEN: For this one? I may not have that, Mort. It may be something that we have to get out of the budget on Saturday.

John, you didn't keep a running total, did you, of where the 1975 fiscal budget stands with these deferrals and rescissions?

MR. CARLSON: What this matches up to, you mean?

MR. NESSEN: I mean, if you take where we stand and subtract \$2.6 from it, what figure will we get right now?

Let John check it.

Q Is that also the size of the deficit?

Q Ron, can you give any more details on how the President learned of the possibility of an oil find in South Vietnam, who informed him and when?

MR. NESSEN: You know, somebody didn't come bursting in to his office and say, "Hey, guess what? They found oil in South Vietnam." He reads the newspapers, and aside from that, he does get reports on interesting and important events overseas.

There is no time limit on deferrals, whoever asked that question.

Q These reports circulated with -- I won't say frequency, but a couple of times, anyway -- about an oil find in the South China Sea or off the coast of Vietnam during the Nixon Administration. Are we talking about the same reports or do we have a new find?

MR. NESSEN: Jim, I don't have the vaguest notion of where the oil is or how much or how certain it is. I was asked the question. I said he was aware of reports that there was some possibility of oil. I hope that the tone of the questions or the questions don't indicate that anybody has the thought that the President is asking \$300 million for South Vietnam in order to protect an oil find because I think his reasons are spelled out clearly in his message to Congress. The questions led me to suspect that that may be a thought.

Q Ron, in order to preclude that possibility, could you tell us how it is that you know that the President is aware of this oil find, which has been reported over the years from time to time?

MR. NESSEN: As I said in response to another question, the President on the one occasion when I have heard him talk about this, it was in the context of, if there is this oil there, it would be a way for South Vietnam to have a stable and a prosperous economy.

Q Ron, what significance did the President see in the stock market fluctuation yesterday?

MR. NESSEN: I have decided that I am going to make a rule not to comment on the stock market.

Q Ron, has the President received any report yet from the FBI or anyone else about these bombings at the State Department, and at the Oakland, California Federal installation and the various scares and threats elsewhere?

I would like to know if he has received any kind of report on it yet or has he asked for one, and specifically if he has received any information about them, has he been told by the FBI or does he have any reason from other sources to believe that these bombings were done by the so-called Weathermen group or has he been given any information that would make him think that possibly they were done by someone else?

MR. NESSEN: These are being investigated by the appropriate people, and I am not aware that a report has reached the White House.

Q Has he asked for one?

MR. NESSEN: I will have to check. Since the appropriate people are investigating it, I don't know that there would be a need to request one.

Bill?

Q The President, in his remarks to the economic writers yesterday, said in regard to this \$250 to \$345 -- and then said that he was --

MR. NESSEN: I am going to take the occasion to say that there is no such \$345 figure.

Q He said he was irritated, to put it mildly, when he heard the news that morning and he came in immediately and asked about it and he didn't finish his remarks. Was he irritated with the press or was he irritated with his staff over this?

MR. NESSEN: He was irritated that a figure that nobody in the government believes is going to be reached somehow was treated as an upper limit of what the government thought would happen when I think both the original release of that figure a week ago today by the FEA and then what was described as the disclosure by the White House again on Monday or Tuesday was portrayed as something that could happen when on both of those occasions the people who released the figure said this will not happen.

Q Why did they postulate that figure in the first place?

MR. NESSEN: I asked Eric Zausner that question, and I think the President may have asked Eric that question. It was in response to a question, and there had been some public comment, I guess, by others on a ripple effect.

I think you really need to talk to Eric about the exact form of the question, but as I understand it, the question was something like, "If there were a ripple effect, what would the cost be?" He said, "Well, we figure it would be about \$345, but that is not going to happen," and the "that is not going to happen" I guess didn't get very widely disseminated.

Q Ron, just to clarify, in the end, did he blame the press for this?

MR. NESSEN: No, he didn't. He blamed me, as a matter of fact, if you must know the truth.

Q Are you declaring the \$345 inoperative?

MR. NESSEN: There is a large hole looming there, and I am going to step right around it.

Q Ron, on the oil in South Vietnam situation, are you aware and is the President aware that two Senators who came in to see him came outside and reported -- this is Senator Scott of Virginia and Senator Thurmond -- came outside and told us that one of the reasons the North Vietnamese were invading was apparently to seize that oil that had been discovered.

MR. NESSEN: I never heard that said by anybody.

Q I just wonder if they got that out of the Oval Office or if they got it somewhere else.

MR. NESSEN: I have never heard it at any of the meetings I have attended.

Q It is not a Presidential theory then or Administration theory?

MR. NESSEN: Not that I am aware of.

Bob has been trying desperately to get a question in.

Q Could you go into a little background on that meeting with Ullman yesterday? Did you ask for the meeting?

MR. NESSEN: My understanding is that Ullman asked for the meeting.

Q Did he ask for a White House car for transportation, too?

MR. NESSEN: I don't know that he had one.

THE PRESS: Thank you, Ron.

END (AT 12:50 P.M. EST)