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NEWS CONFERENCE

AT THE WHITE HOUSE

WITH RON NESSEN

AT 12:00 NOON

OCTOBER 10, 1974

THURSDAY

MR. NESSEN: The President was up early this morning for a 7:15 breakfast meeting with Secretary of Defense Schlesinger. This was a routine meeting on departmental matters that the President holds from time to time with members of his Cabinet.

The President came to the Oval Office after the breakfast meeting at about 9:00 and met with several staff members, including Rumsfeld, Hartmann, Marsh, Scowcroft, Timmons, and myself.

At 11:00, the President began a series of Congressional hour meetings with Members of Congress who had requested appointments with the President. I think this is a total list, but we can check it for you to make sure we have everybody.

Would you like to do this by last names only or by first names, too, or what?

Q Just list them.

MR. NESSEN: Representative Dellenback of Oregon, Representative Lamar Baker of Tennessee, Representative Rinaldo of New Jersey, Representative Bell of California, Representative Melcher of Montana, and Representative Ketchum of California, Chappell of Florida, Hunt of New Jersey, Williams of Pennsylvania, Sonny Montgomery of Mississippi, Senator Magnuson, Congressman Moorhead of Pennsylvania, Congressman Erlenborn of Illinois, and Senator Long of Louisiana.

Q Ron, I don't understand. Is this a group, or individually, or what?

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MR. NESSEN: Those were people who had requested appointments with him one at a time, and he set aside a portion of each week, an hour or so, to meet with these people individually. They each came in for a few minutes with him.

Q An hour a piece?

MR. NESSEN: Apparently, if he saw that many people in an hour or so -- it is called a Congressional hour. I think it lasted more than an hour -- an hour and a half -- five or ten minutes with each one.

Q Was his meeting with Schlesinger all the way from 7:15 until 9:00? Was it at the Pentagon or here?

MR. NESSEN: It was here. They had breakfast together.

Q Was it an hour and 45 minutes?

MR. NESSEN: I don't know precisely how long the breakfast lasted. He could have done some other things after the breakfast before he came to the office -- whatever people do in the morning before they come to the office.

Q Following the meetings with the Congressional Members -- which is still going on, incidentally -- the President is probably going to go to Bethesda to visit Mrs. Ford, and there will be a protective pool going along, maybe in 25 minutes or so. We will keep you posted on that.

We anticipate that Mrs. Ford will be coming back to the White House sometime tomorrow, probably in the afternoon. I think you have seen the morning statements from the doctors that Bill has put out. We will try to get you a firmer time on that tomorrow.

After the President comes back, he is going to meet at 2:30 with a group of Members of Congress from the Midwestern States to discuss agricultural problems. The meeting was requested by the Members who include Congressman Thomson of Wisconsin, Wylie Mayne of Iowa, Charles Stone of Nebraska, Mark Andrews of North Dakota, Gene Taylor of Missouri, and Bill Scherle of Iowa.

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At about 2:45, the President will meet With Zach Fisher of Texas and Congressman Price of Texas to discuss agricultural problems also -- a separate meeting.

The President will depart the White House on his way to Detroit for the Michigan Republican Salute-the-President dinner this evening. You have a press schedule, I think.

The President, after reviewing the transcript of yesterday's news conference, asked me to state more precisely his position on the oil depletion allowance.

As long as the price of oil continues to be controlled, the President believes the elimination of the percentage depletion on domestic oil production would be a mistake.

Q On domestic oil?

MR. NESSEN: Yes, domestic oil production.

The President feels that oil should be sold on a free market basis, and he thinks that many oil producers would be glad to trade percentage depletion in order to achieve the important result of a free market for oil.

As for the foreign oil depletion allowance, the President believes that should be phased out immediately and finally.

I have two announcements relating to Mrs. Ford's staff in the East Wing.

Sheila Rabb Weidenfeld will serve as the Press Secretary to Mrs. Ford, and Nancy Lammerding will serve as Social Secretary.

Do you have these biographies yet?

Q No.

MR. NESSEN: They will succeed Helen Smith and Lucy Winchester. Mrs. Ford has asked me to express her deep appreciation to Helen and Lucy for remaining on during the transition period, and is pleased that they have agreed to remain for a brief period to assist their successors. Mrs. Ford believes that Helen and Lucy performed their duties both for Mrs. Nixon and for her in a highly professional manner, and expresses her warmest thanks to them for their fine work.

Miss Lammerding will begin her duties in a few days and Mrs. Weidenfeld will start on November 1.

I also would like to announce today that the President and Mrs. Ford have asked Bradley H. Patterson, Jr., on whom you are about to get a biography, to join the First Lady's staff on a temporary basis as an Assistant for Staff Coordination.

Chancellor Helmut Schmidt of the Federal Republic of Germany has accepted an invitation from President Ford to pay an official visit to the United States. The Chancellor will visit Washington December 5 and 6. The meeting will provide an opportunity for the two leaders to discuss issues of mutual concern.

Foreign Minister Hans-Dietrich Genscher will accompany the Chancellor on the visit to the United States.

The President will meet tomorrow afternoon at 3:00 with the President of Somalia, Mohamed Siad Barre. He is also Chairman of the Organization of African Unity.

The meeting will give President Ford an opportunity to discuss with President Siad ways of strengthening American ties with Africa, as well as other general African issues and U.S.-Somalia bilateral matters.

Q Do you have a handout?

MR. NESSEN: Like what?

Q Like the one you just had?

MR. NESSEN: Not that I know of.

Q I am having a hard time keeping up with you, and I do need that.

MR. NESSEN: As you know, Secretary Kissinger is in Cairo today. He met with Egyptian President Sadat immediately after his arrival in Cairo last night, and will meet with President Sadat again today.

Secretary Kissinger delivered a letter from President Ford to President Sadat at the beginning of his meeting last night. Secretary Kissinger departs for Damascus tomorrow for talks with President Assad.

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I believe we passed around to you a copy of a memo sent by the President to the Cabinet Members asking for them to come up with cuts in their budget. Also, because we were somewhat ill prepared for the economic speech in terms of fact sheets, I thought perhaps if you wanted me to, I could go through some of the effects of the five percent surcharge that the President proposed.

He mentioned the \$42 figure in his news conference yesterday, and I have some other figures on some other levels of income, if you have any desire to hear that.

Q Can you clarify that \$42 because the fact sheet says it is \$128?

MR. NESSEN: The figures I am going to give you have been thoroughly checked, and these will be the accurate figures.

Q So the other one is wrong?

MR. NESSEN: I would not say wrong. Let me explain how the figure came up. The figures I am going to give you are based on the following circumstances: The income I give you will be adjusted gross income from wages.

Q Are these different from the fact sheet put out yesterday?

MR. NESSEN: I don't believe these figures were in the fact sheet we put out yesterday. The figures I am going to give you are adjusted gross income from wages, assuming either 17 percent worth of itemized deductions or standard deductions, whichever is most beneficial to the taxpayer.

Now the first figures I am going to give you are for a family of four people, a \$15,000 income, the present tax \$1,699, the surtax zero. A \$16,000 income, present tax \$1,882, surtax \$3. Income \$17,000, present tax \$2,064, surtax \$12. Income \$18,000, present tax \$2,247, surtax \$21. \$20,000 income, \$2,660 is the present tax, the surtax \$42.

Q Did you not have \$19,000, Ron?

MR. NESSEN: No, I don't. We don't really need it.

A \$25,000 income, gross adjusted income from wages, a \$25,000 income, the present tax is \$3,750, the surtax \$97. A \$30,000 income, present tax \$4,988, surcharge \$158. A \$40,000 income, present tax \$7,958, surtax \$307. \$50,000 income, present tax \$11,465, the surtax \$482.

I have comparable figures for comparable incomes for single people. Would you like to hear that?

Q Yes, sir.

Q The other one was for married couples with two children?

MR. NESSEN: It says four-person families. I assume it could be one parent and three children.

Now again we are talking about adjusted gross income from wages. We are talking about a calculation based on either 17 percent worth of itemized deductions or the standard deductions, whichever is best for the taxpayer.

Here we go now on income levels. \$7,500 a year for single people, the present tax is \$995, the surcharge would be zero. An income of \$8,000, the present tax \$1,087, the surcharge would be \$4. An income of \$9,000, present tax is \$1,283, surcharge would be \$14.

On an income of \$10,000 the present tax \$1,482, the surcharge \$24. An income of \$15,000, the present tax \$2,549, the surcharge \$78. An income of \$20,000, present tax \$3,783, surcharge \$139. Income of \$25,000, the present tax is \$5,230, the surtax would be \$212.

The income of \$30,000 presently pays a tax of \$6,850, the surcharge for those people would be \$293.

An income of \$40,000, the present tax is \$10,515, the surcharge would be \$476.

Q Ron, do you have any higher levels, specifically?

MR. NESSEN: I don't have higher levels above \$50,000 for the married and \$40,000 for the single.

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Q May I ask you one thing? Is the 17 percent figure you used an average of deductions for these income levels?

MR. NESSEN: I think that is about right, yes.

There is one other thing that perhaps because of our not being adequately prepared to give you the proper fact sheets when we should have, something that may not be understood clearly, and that is, you have seen what the surtax would be. I think one point the President would like to make -- and you may hear him talk about this himself in the future -- is that if the inflation rate can be reduced from its present level to a lower level, that sort of hidden inflation tax or the hidden tax that people pay through ever-increasing prices, it is at present greater than what these surcharges amount to.

What the president hopes is that by bringing down inflation, to save people paying some of that hidden tax in the form of higher prices.

Q Do you have anything specific on that, Ron, a comparison of the \$25,000 income with inflation at the present rate compared to what it would be at, say, 8 percent inflation?

MR. NESSEN: We asked to have it prepared and it is taking longer to get those kinds of figures because that is a complicated calculation. But I have asked for it, and as soon as I get it, I will past it along as I did these.

Q As far as the hidden tax is concerned, does the President expect corporations who will be paying a 5 percent surtax to absorb that without raising prices, or does he expect them to pass it along to the consumer?

MR. NESSEN: I did not ask him specifically that question.

Q Does the Administration have a policy on it?

MR. NESSEN: I will have to check that for you.

Q Ron, there has been considerable opposition expressed by Republican candidates, particularly two the President was with last night, on the surcharge. How does the President feel about that?

MR. NESSEN: I think the President addressed himself to that in both his news conference and in his speech announcing these -- that he knows that it is not very popular politically. He said that. But he feels that it is necessary, and he thinks that as he goes around the country explaining his proposals a little more and as hopefully I am able to get you more information than we had the very first day, that people will accept and understand this.

He also feels that Congressmen will be going home for their recess now and that they may find out that their constituents are more willing to accept this as a way of fighting inflation than their initial reaction has indicated they are, and the President hopes that by talking to their constituents and getting their views, that perhaps some of the Congressmen will change their minds.

Q Ron, why did the President change his mind on depletion?

MR. NESSEN: I don't know what you mean by "change his mind".

Q The question that was put to him in the press conference seemed to be pretty direct, and he gave a rather direct answer.

MR. NESSEN: When he reviewed the transcript, he realized that he had left some, perhaps, questions about what his position was. If you remember, the previous question had an expression in there talking about foreign oil depletion, and it sort of --

Q It referred to the bill.

MR. NESSEN: He has not changed his mind overnight, I can tell you that. What I was trying to do was sort of clarify what he meant.

Q Could I ask you to clarify the clarification, Ron? Does this mean in effect that he has given up on anything on domestic oil depletion because nobody that I know of thinks you are going to have a world free market in oil. Isn't the net effect of the clarification you read to us that he supports continuing depletion allowances in this country?

MR. NESSEN: I think what the President himself said yesterday and perhaps I have said it to you before, I don't remember, that the package the House Ways and Means Committee is considering has some things that the President is very much in favor of and some things which the President is not in favor of, but the President is a practical man and understands the legislative process very well.

He understands the legislative process very well, and he is not going to insist that the bill contain everything he wants and nothing he does not want. He feels that overall, even though it has some things that he does not like in it, that overall he could accept the bill.

Q He wants to trade decontrol for depletion, right? He says if we decontrol oil, then he would be against depletion. That is what he is saying, right?

MR. NESSEN: That is what he is saying.

Q What do the two have in common? Why should there be this trade-off? Why isn't depletion either a good tax policy or a bad tax policy without respect to whether there is control or not?

MR. NESSEN: Well, depletion is not entirely a tax policy. In a sense, the depletion allowance is a way of subsidizing lower gas prices, and it should not be looked upon as totally a tax policy, and that is the connection between depletion and a free market, that if there were a free market, prices presumably would come down, and this factor of subsidizing the customer through a depletion allowance and through the producers, it would substitute for that.

Q Ron, the free market price of oil is almost three times the domestic controlled price. Has the President assessed the impact of such an increase in oil prices on inflation?

MR. NESSEN: An increase in domestic prices
or --

Q Yes, up to the level of the free market,
which seems to be what he was talking about.

MR. NESSEN: I think what he was basically
talking about is increasing production to the point where
supply would bring down the price of oil.

Q Ron, does he have the power to decontrol
oil himself?

MR. NESSEN: I would have to check that.

Q He did not suggest decontrolling oil
in his economic message. Why the change?

MR. NESSEN: As I say, I don't think it is a
change. There are several things he did not talk
about specifically in the message, and somebody --

Q He talked specifically about decontrolling
the secondary and tertiary recovery oil.

MR. NESSEN: Somebody asked him, for instance,
why didn't he mention mass transit in his economic
speech. He did not mention everything he is in favor
of in that speech, but he did say he favored the bill
that was in the Ways and Means Committee, even though it
contained some things he does not like.

Q How many complaints from oil state Members
of Congress did he get after yesterday's press conference?

MR. NESSEN: I don't know. I am not sure that I
would call them complaints. I think some people called
up to find out what he actually said or meant.

Q Ron, on another thing, when he read over
the transcript, did he have any second thoughts on the answer
he gave on the Boston school question?

MR. NESSEN: The Boston school question -- I
certainly do not think he had any second thoughts on that
answer. What is it that you felt he might have some
second thoughts about?

Q I wanted to know if he had any second
thoughts. I don't want to give you my second thoughts.

MR. NESSEN: I read the answer over myself, and
it seemed to me he came down rather --

Q Specifically, did he take into consideration before he gave that statement the fact that this is a very sensitive situation where a statement from the President giving a certain amount of moral support to those opposing busing might inflame the situation and cause someone to be hurt?

MR. NESSEN: That is a giant leap there.

Q It is a charge made by Roy Wilkins.

MR. NESSEN: Let me tell you there are no second thoughts about this statement. I read over the statement myself, and it seemed to me that he was -- he pointed out that it was really sort of a philosophical difference he had, and he has made no secret for a long time that he is opposed to forced busing as the best remedy for educational deficiencies.

I think if you read it, you will see he said, "I think it is of maximum importance that the citizens of Boston respect the law." He said that at least once and several other times, I think.

After the news conference, there were some actions in Boston yesterday, and the President believes that the judge acted correctly in rejecting the mayor's request to have additional marshals brought in to help control the disturbances.

As you may know, the judge ordered the mayor to bring in additional police from other cities in the state to supplement the Boston police force. The Governor also is assigning state policemen to the area. It is the policy of this Administration not to authorize Federal intervention in State law enforcement unless and until the resources available at the local and State levels are fully used and the President, as you noticed, indicated that he does not believe that Federal involvement will be needed in the Boston situation.

Q Why did the President moderate his remarks against the Democrats in his speech in Philadelphia last night?

MR. NESSEN: Obviously, any advance text of a speech we put out, the President stands by the words in that speech. I think some of you who know the President realize that especially at political occasions he rarely sticks to the prepared text. He likes to say it his own way, and that is what he did last night.

Q He just did not modify the words. He left out two or three very hard hitting paragraphs about what he thought would happen if more Democrats were elected.

MR. NESSEN: As I say, whatever was in the printed transcript, he stands by those statements, as always. It was just in the delivering of it, as he always does at political speeches, he said it in the words and in the way he wanted to say it at that time, but he is not disowning the transcript, the prepared text.

Bob?

Q Another subject. As I am sure you are aware, quite a controversy has arisen in Japan over reports that American naval vessels have been carrying in Japanese harbors nuclear weapons. The President of the United States is planning to visit Japan, and this is a very explosive issue in that country. I wonder if he is aware of the feelings of the Japanese on this matter and whether in fact he has looked into it to find out if it is true, that American vessels are carrying nuclear weapons?

MR. NESSEN: The United States is living up to the agreements it has with the Japanese Government on that issue.

Q Does that mean that they are in fact carrying nuclear weapons under a secret deal with the Japanese Government?

MR. NESSEN: I don't know of any secret deals, Bob. I do know --

Q That is the charge, Ron.

MR. NESSEN: I am saying that I know that the United States is living up to its agreements with the Japanese.

Q What are the agreements, Ron?

MR. NESSEN: I will have to get that for you. Have you asked this of the Pentagon?

Q This has been asked at the Pentagon and the State Department, and it has not been clarified.

MR. NESSEN: I thought Dr. Kissinger was asked that question the other day. Wasn't Dr. Kissinger asked that question?

Q No.

MR. NESSEN: I thought he was.

Q Ron, for the record, I think it is important for you to spell out for us if you would not mind what those agreements are.

MR. NESSEN: Would you get me that piece of paper that --

Q Ron, while he is getting that, I have a question dealing with Ways and Means, if I may. It deals with the fact that the chairman of Ways and Means has been absent since early Monday morning. I talked to his Bishop, the Methodist Bishop of Arkansas --

MR. NESSEN: May I interrupt you for a moment? Is it a question that the White House can provide some information on?

Q Yes, sir. I think you can, yes. The Bishop said they are in total shock over this police report. The Southern Baptist Convention President suggests it is evidence of degeneracy. What is the President's viewpoint?

MR. NESSEN: Next question.

Q Could I get back to the oil thing? It seems to me that rather a major change has been made in position here. You say the President did not spell everything out in his message. He did talk about deregulation of natural gas. Wouldn't the deregulation of domestic oil prices have more of an impact on energy than the deregulation of natural gas? It seems like a huge change in policy.

MR. NESSEN: Well, it is not my understanding that it is a huge change in policy. In fact, Secretary Simon testified at the Ways and Means Committee yesterday, as some of you may know, and this is precisely along the lines that he testified.

Q Ron, the basis of the question yesterday was why his message conflicted with what Secretary Simon said, and I gather what you are saying is that if there is any question of difference here, that he is deferring to Secretary Simon's testimony?

MR. NESSEN: No, what I am saying is that you are looking for something that is not really there, that there has been no basic change in the Administration's position on this.

The President perhaps was imprecise in his answer yesterday on the basis that there had been a previous question in which foreign oil depletion was mentioned and when he was asked a flat question, gave a short answer. It was not perhaps as clear as it should have been, and that is what I tried to do.

But I am not saying there has been a change in position because there has not been. I think the President's answer was not as clear and that is why I volunteered the clarification today.

Q Would you clarify -- he said he would support the bill, right, the bill that is in the Ways and Means Committee, as it is now --

MR. NESSEN: Even though it contains things he is not particularly happy about.

Q Even though he does not like that particular element in it, if it came down to him with that in, he would sign it. Now is that --

MR. NESSEN: I think that is going a little far.

Q You are saying he would support it?

MR. NESSEN: I am saying he does support it even though it contains things he does not like, but it is a long way from its final form, and a long way from getting to the White House for signature. And I think, like every bill that comes out of the Congress, he waits until it gets here in its final form and reads it before deciding what to do.

Q He is saying to the oil industry, "If you will call off your dogs on depletion on this bill, we will decontrol oil."

MR. NESSEN: I don't know about the calling off the dogs part.

Q Opposition.

MR. NESSEN: I am not entirely clear on the thrust of your question. I have said he believes that the free market system is better --

Q It looks like a trade.

MR. NESSEN: Whatever it looks like to you.

Q Ron, I wonder if I could get a clarification on the Boston busing thing, and maybe you have spelled it out clearly, but I did not understand it. I think you said -- and I may misquote you -- I think you said the President has always been opposed to racial -- to busing as the best means of arriving at racial balance.

I was just thinking it over. Does this mean the President feels that in Boston they have not exhausted other remedies first? And if so, specifically what remedies have not been exhausted?

I am not trying to nit pick. I am trying to figure out the answer. You used the word "best". That is a very interesting word always. Either you put best in or you leave it out. There are two different positions.

MR. NESSEN: I made my choice, didn't I?

Q That is right.

Q Do you want to put it in, or do you want to leave it out?

MR. NESSEN: Well, I think maybe the word I should have used is primary or first remedy for education.

Q Didn't the President use "best"?

MR. NESSEN: Did he use "best" in his answer? Let me see. "I have consistently opposed forced busing to achieve racial balance as a solution to quality education and therefore I respectfully disagree with the Judge's order" is the way the President put it, and perhaps I ought to stick to the President's words and not put words in his mouth.

I think that is a very clear statement of the President's views on that and I would really like to stick with that if I may.

Q Ron, I asked a question the other day about the report that the President intended to replace Secretary Schlesinger with Don Rumsfeld in six months or so.

MR. NESSEN: Did I answer it? I did answer it, I think.

Q I'll read the transcript here.

MR. NESSEN: Yes, I did.

Q Has the President discussed that answer with you and suggested that you change it in any way?

MR. NESSEN: No, Aldo.

Q Ron, can you tell me what the Administration's position is on the question of deserters returning and accepting the undesirable discharge and then forsaking any other service? Some of the organizations representing these deserters have argued that the Justice Department might be ready to leap at these people who come back.

Can you tell us what the position is on that? If they come back and take their undesirable, will they be further prosecuted?

MR. NESSEN: Well, the amnesty program was -- that particular option for returning deserters is in the amnesty program. If they choose to take it.

Q They would not be prosecuted further? There has been some question about that.

MR. NESSEN: It is my understanding that this is the amnesty program.

Q Ron, for people who do not choose --

MR. NESSEN: As I understand that particular section of the amnesty program, it is that they can come back to the country and get a dishonorable discharge. Then, if they want to, they can go on and take the period of service and then turn that in for a clemency discharge.

Now, if they want to stop at an earlier stage and not go all the way through and get their clemency discharge, as I understand it, the rules permit them to do that.

Phil?

Q Is the President going to sign the campaign finance reform bill?

MR. NESSEN: I am glad you asked me that. The bill, as I understand it has passed the -- I should say the Senate has approved the conference report. The House will probably take it up today, take up the conference report, so the bill would come to the White House in the next few days.

I simply have to say no final decision has been made by the President on whether he will sign it or not.

Q Ron, can I follow that up and ask --

MR. NESSEN: Yes, we are going to have a follow-up question allowed here, too, it worked so well yesterday. (Laughter)

Q Ron, will you tell us what there is in the conference report that the President would object to?

MR. NESSEN: Well, let me answer more generally that some of the major objections he originally had have either been removed or softened, and I would say that that having been done, it improves the chances that the President will sign the bill.

Q He was reported by one Congressional source as disliking the public financing of the Presidential elections. Is that true?

MR. NESSEN: I thought it was public financing of primaries that was the main issue. But let's wait and see what the bill looks like when it gets here before --

Q Ron, can I ask you to be a little more precise on the oil depletion allowance question?

MR. NESSEN: In what sense?

Q Are you saying the President misspoke himself yesterday?

MR. NESSEN: I am not, Peter. I am saying that the President asked me to do that because he thought it needed clarification.

Q On the busing thing, again, you said that the President had no second thoughts on what he said about busing?

MR. NESSEN: Yes.

Q Yet, you volunteered the opinion he respectfully agrees with the judge's latest decision where as he respectfully disagreed yesterday. Is he aware of the criticism that has come from Senator Kennedy and Senator Brooks and others on this?

MR. NESSEN: He is aware of a lot of things, but the specific answer to your question is he could not volunteer any information about the judge's subsequent ruling because it took place after the news conference.

Q How is he keeping up with this? Who is informing him?

MR. NESSEN: He gets informed of a lot of things that go on everywhere, and this is one of the things he is informed about.

Q Is he concerned about what the people are criticizing -- Kennedy and Brook are criticizing him for helping, giving aid and comfort to those who had defied the law?

MR. NESSEN: If you read his answer, "At the outset, I wish to make it very, very direct. I deplore the violence that I have read about and seen on television," which tells you in part where he is getting his information. I think it is most unfortunate -- I don't see how you read that as encouragement of violence.

Q It is not how I read it. It is what Senator Brook and Senator Kennedy said, that he is giving aid and comfort to those who are defying the law, saying in effect that they are right in their defiance of the law.

MR. NESSEN: When he deplores it, and thinks it is unfortunate?

Q By disagreeing with the judge's decision at this sort of critical time. I think that is Kennedy's --

MR. NESSEN: I think we will leave the President's answer to that as it was yesterday.

Q Ron, back to the oil depletion allowance, if I understand you correctly, you are saying the President supports phase-out of domestic oil depletion allowance only if it is accompanied by a decontrol of the price of domestic oil.

MR. NESSEN: What I am saying is that the President favors decontrol as opposed to phasing out the domestic depletion allowance, but --

Q In other words, decontrol and depletion allowance?

MR. NESSEN: Just a second. I am saying if he could have it precisely as he wanted it, he would rather have the decontrols instead of -- he would rather have oil decontrolled -- . Let me stop myself for a moment to make sure I know what the hell I'm talking about. The answer to your question is that what he would prefer would be no controls and no oil depletion allowance.

Q Is it your understanding that it requires legislation to decontrol oil?

MR. NESSEN: I said earlier I would have to check that.

Q Yesterday in Philadelphia he said that there were several -- I think 14 -- pieces of legislation that the Administration had set up to deal with the oil problem. Then he refers later to 13 amendments to the Clean Air Act.

Are the 13 amendments on clean air contained in the 17 pieces of legislation that have not been enacted, or are there others?

MR. NESSEN: That is a good question. Let me check that for you, Mort. I don't know the answer.

Q Can I get back to the figures --

MR. NESSEN: Let me get back to the Boston busing and then we will get back to the figures. I hope I have indicated to you firmly enough that the President does not consider his answer yesterday in any way giving aid and comfort to people who are disobeying the law, and I especially call your attention to the last part of his answer which said, "It is of maximum importance that the citizens of Boston respect the law."

I don't know where you see aid and comfort in that, but let me go ahead and --

Q How do you explain the difference between the figures we are given today and the figures the President used yesterday which is \$42 for a family of four making \$20,000, and the figures given the day before?

The figures given the day before, the ones which went out to the country via the press, at the briefing, which, if I recollect my reading of it correctly, were that for a family of four earning \$15,000, it would be \$128.

MR. NESSEN: The explanation is this, that the figures I have given you today are entirely based on a standard formula which is that the income in all of these figures is adjusted gross income from wages and that the tax calculation is based on the 17 percent of itemized deductions or the standard deduction.

I think those figures the other day were not based on that formula.

Q What were they based on? How do you explain the difference?

MR. NESSEN: Those were Treasury Department figures, and as I said yesterday, if you were not here --

Q These are too, are they not?

MR. NESSEN: They have been put together -- they have been gone over to make sure they were correct by others.

Q Excuse me. That does not answer the question that I think is in the minds of a lot of people out there who were told for the first 24 hours that a family of four earning \$15,000 was going to pay \$128.

MR. NESSEN: Right.

Q And when the --

MR. NESSEN: I don't have mine here, Bob.

Q The Treasury Department said the President was using adjusted gross income and it was using taxable income.

MR. NESSEN: I think that is the answer.

Q I don't know. I am just asking.

MR. NESSEN: I am glad for Jim's help with that, the Treasury Department's or anybody's help with anything. The Treasury figures, I am told -- and I think this is right, is it not -- were based on taxable income. In other words, it was \$20,000 worth of taxable income. The figures are \$20,000 of adjusted income from wages.

These figures are \$20,000 of adjusted gross income from wages.

Q Ron, is this new list now implying that this is the most likely taxload for individuals earning this income?

MR. NESSEN: Well, I think it was put together --

Q You can set up any kind of factors you want to and make it zero for \$50,000. The point is, is the median for families of four earning \$20,000 \$42 or is that going to be for a few people while most people in that family of four position pay a lot more? Namely, \$128?

MR. NESSEN: What this assumes is -- you have got four personal deductions of \$750 each which is normal. Then, you have this 17 percent deductions for personal expenses. Now, is that about right? I am told the 17 percent figure is used because it is an average of what the tax returns show people in these income groups would normally take for itemized expenses.

Q Ron, another question on the Boston thing.

MR. NESSEN: Do you want to say something about the taxes while we are on the subject?

Q This is a final question. When the President raises a question about a judge's decision, is that supportive of the law? I ask that question in the context of your saying that the President is telling the people in Boston they should respect the law but is this supportive of the law when you raise a question about a judge's decision or is a distinction being made here by the President?

MR. NESSEN: I am saying he was speaking philosophically and also, he was speaking consistent with what his position has been over the years.

Q But you did not respond. Is this supportive of the law?

MR. NESSEN: I think if you read the four paragraphs in which he addressed the question you will see where the weight of his answer is.

Q Ron, for six years, from 1954 to 1960, President Eisenhower refused to say whether he agreed with the Supreme Court decision in Brown versus Board of Education, the school desegregation decision. After he left the Presidency, he said the reason he refused to say it was because he did not want to create domestic discord or foster resistance to the law of the land or in any way lend the prestige of his office to comment on a court decision.

Does the President think that what he did was better than what the policy that former President Eisenhower followed or does he think -- the question here is the fact of when he said this and I am asking whether he thinks it is okay, in short, for the President to comment on court decisions at a time when they have produced a great deal of violence?

MR. NESSEN: Well, I don't have a specific answer to that question, Jim. Obviously, it requires asking the President that question and I did not ask him and neither did anybody yesterday, I guess.

Q Ron, the figure he quoted yesterday in the press conference, if I may ask this question, he said, when someone else asked about the \$850,000 in San Clemente, he said that, "This is in keeping with what has been given to other former Presidents." Could you tell us where the source of this is because the Senate Appropriations Committee says Lyndon Johnson got nowhere near this much for one year. Is there some other President, Ron?

MR. NESSEN: We asked about that this morning. It is some figures that will take time to pull together.

Q Ron, if the President disagrees with the busing decision, what does he propose to do about it? Is he offering the prospect of a Constitutional amendment on busing or was this just a comment that he chose to make?

MR. NESSEN: I think, as I said before, he was speaking philosophically and he was not proposing an alternative to that.

Q Ron, I am still somewhat unclear in what the President wants the people of South Boston to do in respecting the law. Within the context of his answer yesterday and your conversation this morning, it is possible to draw the inference that he wants them to respect the law by not engaging in violence. Does he, in fact, want them to respect the law? Does he want the law respected by enforcement of the court's order that children be bused to overcome desegregation? Does he want that order enforced?

MR. NESSEN: The answer to your question is, as he said yesterday, that they must respect the law and in this case, the ruling of the judge is the law.

Q Do I take that, then, to be yes, he wants the order of the court to be enforced?

MR. NESSEN: Always. When would a President say he does not want an order of a court obeyed?

Q So the answer is yes?

MR. NESSEN: The answer is yes. I think he made that clear yesterday.

Q May I ask another question --

MR. NESSEN: Why don't we catch this lady here in the middle?

Q Could we pin down the source of the tax figures, if they are not Treasury, because these are going to go out and it could be confusing if we do not know precisely who gave these figures.

MR. NESSEN: These are Treasury Department figures.

Q The ones you just gave?

MR. NESSEN: Yes. Office of the Secretary of the Treasury and Office of Tax Analysis.

Q Ron, may I ask another question about a figure from the press conference?

MR. NESSEN: The President said early in the press conference that the surcharge, if enacted, would only affect 28 percent of American taxpayers.

MR. NESSEN: Right.

Q Whereas, Secretary Simon said it was 28 percent of tax returns and the Treasury now says it is only 23 percent of tax returns. Either way, 23 or 28 percent of tax returns translates to over half of taxpayers. Did the President misspeak himself? Either way, whether it is 23 percent of 28 percent of tax returns, that translates to over 50 percent of taxpayers, whereas, the President said it would only be 28 percent of taxpayers. Did he misspeak himself?

MR. NESSEN: I wanted to see what he said first before I accuse the President of misspeaking. Let's see --

Q Because a great many tax returns are joint returns involving two taxpayers.

MR. NESSEN: Was that in answer to the first question?

Q It is an early question, Ron.

Q I think he volunteered it.

MR. NESSEN: The first question was Dick Lerner's question.

All right. "At the same time it will help to dampen inflation by reducing the amounts of money of 28 percent of the taxpayers of this country."

Q That is what I am asking about. The Treasury said 28 percent of tax returns.

MR. NESSEN: Is there a difference between taxpayers and tax returns?

Q There surely is. Most tax returns involve two taxpayers, a husband and a wife.

MR. NESSEN: The answer is, it is 28 percent of the tax returns is correct.

Q Beg pardon?

MR. NESSEN: 28 percent of the tax returns.

Q Did you get the answer to the question about nuclear weapons? The question was, what are the agreements you say the American Government is living up to. Do you have that answer?

MR. NESSEN: We will get that for you.

Q Ron, I am unclear about whether the President is or is not going to meet this year with Secretary Brezhnev. Could you clarify that a little bit better than it was yesterday?

MR. NESSEN: Probably not. I think the President stated it as clearly as I could possibly state it. I would not add anything to it.

Q The President said he would not want the Congress to look on his economic package as a shopping list.

MR. NESSEN: I said that, I think, didn't I?

Q Whoever said it. You are speaking for him. Last night he said if Congress, if they do not like it, let them come up with something better. Has he backed off of that firm stand of not touching his package or is he ready to sign the bill they send down?

MR. NESSEN: If they approve everything he asked for he would be very happy. Obviously, he is not going to reject something that is better. By definition, if it is better, it would be better but he wants his package the way he sent it up there and he believes it is a package.

Q Would he veto something that was a major change in his package and they sent it back to him, do you feel right now he would veto the package?

MR. NESSEN: That is so far ahead. We don't know what we are talking about there, with "something."

Q Isn't eliminating the oil depletion allowance and decontrolling the price a double whammy o people who buy gasoline?

MR. NESSEN: As I said before, the whole aim of the thing is to increase production so that supply will bring prices down.

THE PRESS: Thank you, Ron.

END

(AT 1:02 P.M. EDT)
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