

FOR IMMEDIATE RELEASE

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THE WHITE HOUSE  
PRESS CONFERENCE  
OF  
ROBERT P. GRIFFIN  
SENATOR FROM THE STATE OF MICHIGAN  
HUGH SCOTT  
SENATOR FROM THE STATE OF PENNSYLVANIA  
GARRY BROWN  
REPRESENTATIVE FROM THE STATE OF MICHIGAN  
AND  
JOHN B. ANDERSON  
REPRESENTATIVE FROM THE STATE OF ILLINOIS

THE BRIEFING ROOM

9:26 A.M. EST

MR. NESSEN: The President met this morning with the Republican Congressional leaders, as you know.

There may have been some misunderstanding. I read some overnighter suggesting he was going to discuss intelligence reforms with them. He did not. There was nothing at all about intelligence discussed there. I may have something for you a little later in the morning that will give you some guidance on where that stands.

The purpose of the meeting this morning with the Congressional leaders really was primarily to discuss the veto of the public works bill, and I think you know the President's reasons for that veto. He laid them out in the veto message.

There was also some discussion of an alternate bill that has been advocated by some of the Members on the Hill and to answer your questions and talk to you about that, we have Senator Bob Griffin and Congressman Brown to discuss that alternate bill, and we also have the Senate Republican leader, Senator Scott, and representing the House Republican leadership, Congressman Anderson.

SENATOR SCOTT: Ladies and gentlemen: I will discuss very briefly the public works bill. We have the two co-authors of the alternative bill here, and Congressman Anderson will discuss the briefing we had on the defense budget today.

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The President, as you know, is vetoing the public works bill and he sent a message giving his reasons, and we pointed out that the alternative bill is \$780 million and has more immediate and effective job impact since the public works bill will defer its major impact until 1977 and even until 1978 and does not create many real jobs at the point where they are needed; whereas the alternative bill is directed to the areas of greatest unemployment, those communities with unemployment in excess of 8 percent in some cases, and the program would be in effect only as long as national unemployment exceeds 7 percent. I won't go into any further details on that.

I will turn the defense budget briefing first over to Congressman Anderson and then we will ask Congressman Brown and Senator Griffin to say something.

CONGRESSMAN ANDERSON: The Secretary of Defense briefed the Republican leadership on the Administration's fiscal 1977 defense budget which calls for \$112.7 billion in new obligational authority and about \$102 billion in actual outlays during the coming fiscal year, and explained that that represents, when you take into consideration the anticipated inflation factor, about a 5 percent increase in real defense spending during the coming year, and that given the fact that the defense spending today for the past year has been only about 24 percent of the total Federal budget, which puts it back at the lowest level since before Pearl Harbor, that the kind of increases in real spending that are called for in the new budget are absolutely essential and, in that regard, anyone who has paid any attention at all to recent reports of increased force levels as far as the Soviet Union is concerned--increased spending by the Soviet Union for not only strategic arms but tanks and artillery and conventional weapons generally--realizes that if the United States is to maintain its present level of defense, which is one of sufficiency, of rough equivalency with the Soviet Union, this budget is a pragmatic answer to what otherwise would be a tendency on the part of the United States to fall behind and to come into second place as far as defense posture is concerned.

SENATOR SCOTT: I ask Senator Griffin and Congressman Brown to discuss the alternative bill.

SENATOR GRIFFIN: I will just add a word that since the gigantic \$6 billion so-called jobs bill passed the Senate last July with 28 votes against it there has been a good deal of change in the economy and in the situation that faces the country.

Needless to say, the President's economic policies are proving to be working. The latest unemployment figures were very encouraging and it is the feeling of Congressman Brown and I that the \$6 billion jobs bill, if it ever was relevant, is no longer relevant, and what we now need is a smaller, more precise bill that is directed and aimed right at the areas of high unemployment.

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There still are high areas of unemployment and Detroit, of course, is one of them. Actually, on a short-term basis, the alternative bill that Congressman Brown and I have -- he introduced it last week, I will introduce it today -- we believe will have more immediate impact in terms of providing jobs -- and they will be jobs in the private sector rather than the public sector -- than in the case of the gigantic bill.

I will just say as the Whip that we feel that there is a good chance that President Ford's veto of that bill can be sustained in the Senate if it is not sustained in the House.

Q Senator, before you leave could you give us really a real quick rundown of the elements of the alternative bill?

SENATOR GRIFFIN: Let me turn you over to the expert right here.

CONGRESSMAN BROWN: Thank you, Bob.

The elements of the alternative are that, first of all, it is a supplemental program to the Community Development Program and it is keyed to high unemployment areas and it directly tracks in assistance the high unemployment. There are no other factors. The money is distributed on the basis of the community's unemployment as compared with national unemployment whereas 5247, the public works bill, has other factors in it so that everybody gets a little something.

I think probably the strongest selling point of the bill is that because it uses the Community Development Program as the mechanism for funding, the conduit for funding, those things are already in place. Adoption of the alternative could mean that funds would be flowing into communities of high unemployment by April 1.

Q How many jobs and how many dollars?

CONGRESSMAN BROWN: It would anticipate that there would be within the first or second quarter probably around 26,000 jobs, which is many more jobs than would be available under 5247. As you recall, 5247, Title II of the Countercyclical Program involves new regulations, the promulgation of regulations for distribution so that it would appear that money would not be flowing under that bill until, say, three to six months at the earliest after enactment.

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Q Congressman, if your bill cuts off at 7 percent, which would be one of the highest unemployment levels since World War II with the exception of the period we have just gone through, does this mean that the Government is despairing in ever getting it below that level?

CONGRESSMAN BROWN: No. I think that you have to look upon this program as a program of immediate assistance. There would be funds flowing for at least three quarters and probably four quarters. In the sense that the program is based upon the next preceding quarter, it means that funds would be flowing even after unemployment reached a level below 7 percent because the funds are distributed to communities having greater than 8 percent any time that the unemployment in the next preceding quarter has exceeded 7 percent.

Q My point was, what is the magic to 7 percent which used to be considered intolerably high unemployment?

CONGRESSMAN BROWN: Well, I think the public works bill tracks at 6 percent. I would have to remind you that if the President's proposals with respect to accelerated depreciation in high unemployment areas, if all of the EPA funds that are in the pipeline for construction are put to work that this is a supplement to those things which would be measures to alleviate unemployment in the ongoing period.

What we need to have is something that takes care of high unemployment areas now, which I respectfully suggest the public works bill does not do.

Q Congressman, if the Congress buys your concept of how to set this up, how flexible are you on the figures -- the dollar amounts, the number of jobs in the 7 percent?

CONGRESSMAN BROWN: Obviously, the figures that are in my bill are the figures that I think are appropriate for the present time, and I think that these are the figures that should be adopted at the present time. If in the future it appears you want to continue a program of this nature, of course there could be a sliding down of that figure. I would not recommend it at this time.

Q What is the figure on those programs?

CONGRESSMAN BROWN: The program triggers in at 7 percent; it triggers out at 7 percent. So long as the national unemployment is above 7 percent, funds would flow into communities having unemployment greater than 8 percent and would continue to flow to those communities so long as the national unemployment did not exceed 7 percent.

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Q I am sorry, my question was wrong.

How much money do you envision is being used in this program?

CONGRESSMAN BROWN: It would start on a funding level at \$900 million, of which \$225 million is in the first quarter and then, since it tracks unemployment, it would be reduced as we go along over the calendar year or five quarters so that the total amount that I asked in my bill to be authorized and appropriated would be \$780 million, which is an estimate of the unemployment reduction over the next year.

Q How is your bill different from the bill the Democrats want inasmuch as the President has been going around the country calling the Democrats' program a quick fix and a dead-end jobs and so on? Aren't you doing the same thing only on a smaller scale?

CONGRESSMAN BROWN: No, quite different, because the public works bill, if you project its formula you get above \$6 billion. It will include Title I and Title III. My proposal does track somewhat Title II except that it leaves out extraneous factors, it is tied to unemployment. The money goes where the unemployment is.

Q Would you call that a quick fix?

CONGRESSMAN BROWN: It is a quick fix certainly, but it is a fix that is much more sound than the public works bill since you tie in the Community Development Program. You don't establish a new bureaucracy, a new program, new administrative costs. This is a supplemental community development program where you can accelerate projects that are already planned because they are in the community's plans under community development and that is why I say funds could be flowing as of April 1 whereas under the public works bill you would be three to six months, if not nine months, down the road.

Q Could I ask Representative Anderson about the defense proposals? If the current negotiations in SALT, SALT II, do not come to fruition this year during the discussion of this budget, will this have to be raised?

CONGRESSMAN ANDERSON: Will the defense budget have to be raised if there is not a new SALT II agreement?

Q Yes.

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CONGRESSMAN ANDERSON: That specific point was not addressed, as I recall it, by the Secretary of Defense but, certainly, when you take into consideration that over the last five years alone we have had, I believe, about a \$35 billion decrease in the amount of spending that was recommended for strategic weapons systems, we would have to take into consideration, I think, the necessity because that possibility would be inherent if we could not come to an agreement.

I should point out, of course, that the great advantage of negotiating a SALT II agreement is that it would put a ceiling on the total number of delivery vehicles for strategic nuclear weapons. Without that the Soviet Union can continue to escalate the arms race. That ceiling, if it stays at 2,400, as was proposed at Vladivostok, would not in any way require a reduction on the part of the United States.

Q Were you given any guidance today on the latest state of the negotiations?

CONGRESSMAN ANDERSON: No, we did not go into the details of the negotiations.

Q Were you told anything about Ambassador Dobrynin's visit yesterday and what he came for?

CONGRESSMAN ANDERSON: No, we didn't discuss that.

Q And there is no fat in this at all? I think the average American reader reading about the alleged bribes abroad and so forth, cost overruns, is there any new move to monitor the costs more on the Pentagon?

CONGRESSMAN ANDERSON: I think the Secretary of Defense has every intention of doing just that, and, as a matter of fact, the briefing that he gave us this morning emphasized the fact that every effort would be made to eliminate any gold plating, any frills that are still in the budget.

I think the big misconception that some people have is that there is this great reservoir of money here that can be drained dry and that you are going to be left with as strong and healthy a defense structure as you had before, and his emphasis was on the fact that this is already a lean budget and one where the increases have been dictated by the fact that clearly the trends by the Soviet Union in defense spending have been going up while ours have been going down steadily.

Q And have taken a lot of new bombers and that kind of new weaponry?

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CONGRESSMAN ANDERSON: No, there is not a great deal in this new budget for new strategic systems.

Q Did any of you gentlemen register any difference in the presentation of the policy, the manner or the grasp or anything between Secretary Rumsfeld this morning and former Secretary Schlesinger's similar presentations in the past?

CONGRESSMAN ANDERSON: Well, I have had the opportunity over the last several years to attend defense briefings conducted by both gentlemen and I think they both demonstrate a thorough grasp and mastery of the details of the defense budget. I don't think there was any basic difference in the way they approached the problem, no.

Q Congressman, you have said a couple of times that there was some stress laid on the increase in Soviet spending. Is this going to be one of the Pentagon's arguments for this budget at this point? Is there going to be an emphasis on that?

CONGRESSMAN ANDERSON: Well, I think that we have already noted in unclassified stories coming out in the media and in the press the estimates not only by the Pentagon but by organizations like the Institute for Strategic Studies Abroad that there has been this tremendous upsurge in the real spending by the Soviet Union.

Yes, I think that will be one element in portraying to the country the necessity for a real increase in our spending this year.

Q Why is the Soviet Union upgrading its budget?

CONGRESSMAN ANDERSON: Hugh, did you want to add something?

SENATOR SCOTT: I think the Soviet Union is seeking something more than rough equivalence; they are seeking a superiority. The purpose of the SALT talks is to bring us back to rough equivalence.

It ought to be pointed out, as Secretary Rumsfeld did, that if we were spending the same percentage of our gross national product as the Soviets are spending, the defense budget this year would have to be in the neighborhood of \$200 billion.

Q Senator, did the Secretary say that the Soviets were increasing their weapons systems or only that we have discovered that their weapons systems are more expensive than we originally had thought?

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SENATOR SCOTT: The Secretary's presentation in detail showed with charts the increase of Soviet weapons systems in virtually every category.

Q In weapons or in cost?

SENATOR SCOTT: In weapons as well as cost, and a very substantial increase in weapons over the last decade and particularly over the last few years.

CONGRESSMAN ANDERSON: Perhaps two important additional points that were made by the Secretary that bear repeating, one of them would be that a simple non-action on our part with respect to these recommendations in the budget will mean that we will be making a decision -- a decision to let the Soviet Union go first and to become first in the defense area.

The second is that if we ignore the recommendations that have been made in this budget for increasing our conventional forces -- for beefing up our Navy, our tank forces, our artillery and so on -- if we do that, then clearly we raise the possibility that the threshold of nuclear terror will be lowered and we would face the possibility sooner than otherwise of having to rely on that nuclear deterrent. Those are very important considerations, I think, in favor of supporting the recommendations for increased spending.

Q Senator Scott, you said "bring us back to an equivalency." Are you saying the Soviet Union -- and out of this briefing this morning you were told the Soviet Union is now ahead of the United States militarily?

SENATOR SCOTT: We were told that the Soviet building programs are ahead of the United States in almost every category, that we have been seeking to maintain a rough equivalency but that the trend in the Soviet Union will move them ahead of us in, I believe, every category of major importance except helicopters.

Q Does that not make detente sort of a farce?

SENATOR SCOTT: I don't think so. I think the purpose of detente is that if an agreement is reached the Soviet Government agrees to reduce from 2,400 missile systems by 200, a reduction of 200, we do not have to reduce our missile systems. If there is no SALT agreement, it is open-ended and the Soviet Government can continue its present trend which, if continued at the present rate, would ultimately lead to massive superiority.

Q In your opinion, why should the Russians agree then since they are obviously out to surpass us?

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SENATOR SCOTT: Because they have certain considerations that we have -- the rise of consumer aspirations, the pressures on the domestic front, the desire to avoid nuclear confrontation and the necessity for some pursuit of internal tranquility as well as foreign tranquility.

Q Do any of you gentlemen question the validity of detente when once you were presented with these figures about the growing Soviet military capacity?

SENATOR SCOTT: I don't want to speak for anyone but myself, but I can say beyond that the President himself feels that detente is a desirable objective for the reasons I have just given you. I feel that way also and I think without detente you will have a spiraling arms race. The less conventional weaponry that the United States is allowed to build, the greater the risk of reliance upon the ultimate nuclear confrontation, not that the United States has any views or intentions in that regard, but that without conventional weapons we are left only with the nuclear type and we need the reduction in both, and I don't want to be misunderstood on that.

Q What is the long view on that? That means there is going to be an escalation every year in the defense spending, does it not?

SENATOR SCOTT: I cannot speak for any year but the present.

MR. NESSEN: Let me say that we hope to have an unclassified set of these charts that the Members were shown this morning here for you in a day or so from the Pentagon.

SENATOR SCOTT: Would you please excuse us?

THE PRESS: Thank you.

END (AT 9:47 A.M. EST)