

Just one more question.

Q. Mr. President, are you willing to trade off your scrapping of 30 water projects or even some of them in exchange for a tax rebate package?

THE PRESIDENT. Well, I am not much of a trader. That is one of my political defects for which I have been criticized a great deal. We will be receiving the report on the analysis of water projects about April 15. I am not sure if that exact date will be met. And I'll assess each one of those projects on its own merits. And I would hope that the \$50 tax refund will also be assessed on its own merits.

I know enough about politics to realize that we will lose some votes perhaps within the Congress because of water projects that we don't advocate. I also realize that there might be water projects that would be completed, I think ill-advisedly, against my inclinations. I don't have the final say-so about it. So there will have to be some interrelationship there. I wish and hope there is little, if any. But I can't prevent that.

But I am not inclined at all to trade a water project that's not needed or my approval of it in return for a vote on the tax refund which I think is needed for every Member of Congress and the people that look to that Congress Member for leadership.

Q. What's your forecast on the passage of the tax rebate?

THE PRESIDENT. I don't know yet. Majority Leader Byrd and Senator Cranston, Senator Humphrey, and others had a meeting I believe on Tuesday. They had additional meetings yesterday.

They are working very hard on this vote. I talked to Senator Byrd this morning, and he gave me a report on the progress that he thought we were making. And also the Vice President and I are contacting some of the Members of the Senate to let them know about our arguments on why the tax refund should be given back to the American people.

This morning I drafted about a 1½ page summary of the arguments<sup>2</sup> in favor of the tax refund to the American people, including the shortfall in spending and the over-collection of taxes which is a recent development. I think that prospects still look good.

Thank you very much.

REPORTER. Thank you, Mr. President.

NOTE: The President spoke at 11:20 a.m. in the Briefing Room at the White House.

<sup>2</sup> Later in the day, the White House Press Office released the summary to which the President referred and announced that it had been sent to Democratic Senators and to those Republican Senators whose position on the rebate portion of the economic stimulus package had not been determined.

The text of the summary follows:

#### ARGUMENTS SUPPORTING THE CONTINUING NEED FOR THE REBATE

1. *Rebate will help those most in need. It will provide added purchasing power for low and middle income persons. Over 60%*

## Nuclear Power Policy

### *Statement by the President on His Decisions Following a Review of U.S. Policy. April 7, 1977*

There is no dilemma today more difficult to resolve than that connected with the use of nuclear power. Many countries see nuclear power as the only real opportunity, at least in this century, to reduce the dependence of their economic well-being on foreign oil—an energy source of uncertain availability, growing price, and ultimate exhaustion. The U.S., by contrast, has a major domestic energy source—coal—but its use is not without penalties, and our plans also call for the use of nuclear power as a share in our energy production.

The benefits of nuclear power are thus very real and practical. But a serious risk accompanies worldwide use of nuclear power—the risk that components of the nuclear power process will be turned to providing atomic weapons.

will go to families earning less than \$15,000 and another 23% to those between \$15,000–\$20,000. A working family of four will get \$200. The program also covers senior citizens and working families who have no tax liability. For a family of four earning \$10,000 this will mean a 30% reduction in their tax liability. Combined with our proposal to increase the standard deduction, their tax liability would be reduced by 50%.

2. *The economy still needs fiscal stimulus to maintain strong growth rate and keep unemployment moving down steadily over the rest of this year.*

(a) Recent pickup in economic activity partly reflects natural rebound from the depressing effects of the cold weather and business rebuilding inventories. These influences on the economy will be temporary.

(b) To date the Federal Government has unexpectedly spent less and collected more than we anticipated, to the tune of about \$10 billion. This will certainly slow down the recovery unless we do something about it. The \$11 billion tax rebate is the *only* way we can offset this economic drag *now*. It is the *only* fair way to do so for the American taxpayer.

3. Continued growth and reduction in unemployment depends on strong consumer spending. *In the absence of the rebate, consumer spending could weaken in 1977.* Added fuel bills and rising food prices will siphon off some consumer purchasing power.

4. *The rebate will work.* It is a tested method for stimulating consumer spending.

(a) About 60% of the 1975 rebate was spent. The proportion could be higher in 1977 because consumer confidence is stronger now.

(b) *The rebate will affect the economy quickly.* The jobs and public works programs we have recommended will take some time to get underway.

5. *The rebate means 250,000 more jobs and \$15 billion in added GNP by the end of the year. Without the rebate, we will lose these jobs and the added income.*

6. *The rebate preserves options for the future.*

(a) For permanent tax reform.

(b) For expansion of other needed programs.

(c) For balanced budget by fiscal year 1981.

7. With present levels of high unemployment and idle capacity, rebate should not add significantly to inflationary pressures.

8. Without the rebate, too large a proportion of the tax reduction would be going to businesses and not enough to consumers.

We took an important step in reducing the risk of expanding possession of atomic weapons through the Non-Proliferation Treaty, whereby more than 100 nations have agreed not to develop such explosives. But we must go further. The U.S. is deeply concerned about the consequences for all nations of a further spread of nuclear weapons or explosive capabilities. We believe that these risks would be vastly increased by the further spread of sensitive technologies which entail direct access to plutonium, highly enriched uranium, or other weapons usable material. The question I have had under review from my first day in office is how can that be accomplished without forgoing the tangible benefits of nuclear power.

We are now completing an extremely thorough review of all the issues that bear on the use of nuclear power. We have concluded that the serious consequences of proliferation and direct implications for peace and security—as well as strong scientific and economic evidence—require

- a major change in U.S. domestic nuclear energy policies and programs; and
- a concerted effort among all nations to find better answers to the problems and risks accompanying the increased use of nuclear power.

I am announcing today some of my decisions resulting from that review.

*First*, we will defer indefinitely the commercial reprocessing and recycling of the plutonium produced in the U.S. nuclear power programs. From our own experience, we have concluded that a viable and economic nuclear power program can be sustained without such reprocessing and recycling. The plant at Barnwell, South Carolina, will receive neither Federal encouragement nor funding for its completion as a reprocessing facility.

*Second*, we will restructure the U.S. breeder reactor program to give greater priority to alternative designs of the breeder and to defer the date when breeder reactors would be put into commercial use.

*Third*, we will redirect funding of U.S. nuclear research and development programs to accelerate our research into alternative nuclear fuel cycles which do not involve direct access to materials usable in nuclear weapons.

*Fourth*, we will increase U.S. production capacity for enriched uranium to provide adequate and timely supply of nuclear fuels for domestic and foreign needs.

*Fifth*, we will propose the necessary legislative steps to permit the U.S. to offer nuclear fuel supply contracts and guarantee delivery of such nuclear fuel to other countries.

*Sixth*, we will continue to embargo the export of equipment or technology that would permit uranium enrichment and chemical reprocessing.

*Seventh*, we will continue discussions with supplying and recipient countries alike, of a wide range of international approaches and frameworks that will permit all nations to achieve their energy objectives while reducing the spread of nuclear explosive capability. Among other

things, we will explore the establishment of an international nuclear fuel cycle evaluation program aimed at developing alternative fuel cycles and a variety of international and U.S. measures to assure access to nuclear fuel supplies and spent fuel storage for nations sharing common non-proliferation objectives.

We will continue to consult very closely with a number of governments regarding the most desirable multilateral and bilateral arrangements for assuring that nuclear energy is creatively harnessed for peaceful economic purposes. Our intent is to develop wider international cooperation in regard to this vital issue through systematic and thorough international consultations.

## United States Ambassador to Mexico

### *Announcement of Intention To Nominate Patrick J. Lucey. April 7, 1977*

The President today announced that he will nominate Patrick J. Lucey, of Madison, Wis., to be Ambassador Extraordinary and Plenipotentiary of the United States to Mexico. Lucey is Governor of the State of Wisconsin.

He was born on March 21, 1918, in La Crosse, Wis. He received a B.A. in philosophy from the University of Wisconsin in 1946. Until 1970, he was founder and president of a real estate firm in Madison, Wis.

Lucey was a member of the Wisconsin State Assembly from 1948 to 1950, and in 1950 he ran for the United States House of Representatives. In 1951 and 1952, he served as director of the Wisconsin Democratic Party, and he managed the Senatorial campaign of Thomas E. Fairchild against Senator Joseph McCarthy in 1952.

From 1957 to 1963, Lucey was chairman of the Wisconsin Democratic Party. In 1957, he also was head of Sen. William Proxmire's campaign committee and in 1960, he was a campaign aide in the Presidential campaign of John F. Kennedy.

Lucey was lieutenant governor of Wisconsin from 1964 to 1966, and in 1966 he was the Democratic candidate for Governor of Wisconsin. He has served as Governor since 1971.

Lucey has served as Chairman of the National Democratic Governors' Conference, the National Governors' Conference Committee on Executive Management and Fiscal Affairs, and the Great Lakes Governors' Caucus. He has been a member of the National Advisory Commission for Balanced Growth; the Public Sector Committee, National Commission on Productivity and Work Quality; the Committee of One Hundred for National Health Insurance; and the National Committee for Public Financing of Elections.