

FOR IMMEDIATE RELEASE

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Office of the Vice President
(Roanoke, Virginia)

PRESS CONFERENCE OF THE VICE PRESIDENT
AT HOTEL ROANOKE
PINE ROOM
ROANOKE, VIRGINIA

(AT 4:45 P.M. EDT)

THE VICE PRESIDENT: I would just like to say that there is no question that Congressman Butler is right. And the irony of the whole thing was after running the Congress for four months and actually getting confirmed and having had 500 FBI agents investigate me for six months, then I was asked to be Chairman of the President's Committee on Privacy.

(Laughter.)

THE VICE PRESIDENT: That really got me. I didn't even know what the word meant anymore.

But I am honored to be here and appreciated so much the Governor's coming out to greet me. I had the chance to visit with him. I am also very grateful to the Lieutenant Governor, Governor Dalton; and, of course, I am also Lieutenant Governor of the United States so I have a feeling of kinship with him, except he has more responsibility than I have.

(Laughter.)

THE VICE PRESIDENT: I am sort of a staff assistant to the President. But I am honored and privileged to serve him and through him the Nation. I am delighted to be here in Virginia, which is now firmly established as a two-party State, and I happen to believe in the two-party system.

I just think this area right here where you have got Congressman Butler and Congressman Wampler, both of them from the Republican Party representing the great State of Virginia, and of course we have that distinguished former Governor here, and I am always glad to be with him anywhere on any occasion.

I would like to thank him and some important party leaders, your State Republican Chairman, George McMath. I would just like to say what a pleasure it is for me to be here with them all and answer any questions anyone may have.

QUESTION: Mr. Vice President, you are in a State in which the Republican Party tends to be rather conservative. I don't think there is any secret that there has been some disenchantment with your background of what these people believe to be liberal politics.

What are you doing or what do you think you can

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do to change that image, or do you wish to change that image in any way?

THE VICE PRESIDENT: Well, I will tell you, I happen to be one of those public officials who believes very deeply that the responsibility is to look at the facts of a situation where there is a problem and to try and find out what is the sound solution.

I am not one of those people who say, "Don't confuse me with the facts; my mind is already made up." My position has nothing to do with ideology on any situation. It has to do with our political ideology. It has to do with what are the facts of the problems that affect people's interests and their well-being and their opportunities and to try to deal with them intelligently, constructively, within the framework of the basic concepts on which this country was founded: respect for human dignity, quality of opportunity, and the dignity of work, and fiscal integrity. Those are your fundamental principles I think we all believe in.

So when you describe me, I would have to say that perhaps the closest description you could give me would be your former Governor Holton. I don't think you would be able to put a wedge between us.

QUESTION: Mr. Vice President, to follow up on that question, last week at a press conference the present Governor was asked about his feelings toward you as a Vice Presidential nominee. He said there certainly had been differences in the past, but he said you are talking much more sensibly now.

THE VICE PRESIDENT: Even Ronnie Reagan said that.

QUESTION: The question is, have you changed?

THE VICE PRESIDENT: No, I haven't changed. Conditions have changed. Circumstances have changed. Just like a family, you can't spend more money than you have in income and stay solvent very long. A city can't spend more money, or a State or Nation.

I am deeply concerned that the government should serve the people in the best possible way. Our tradition is we want to do for the people those things which they can't do for themselves. That is the responsibility of the government. I have tried to follow those precepts, but to do it soundly.

QUESTION: Mr. Vice President, Governor Godwin and the Department of Health, Education, and Welfare have been having a pretty good running battle over college desegregation. The Governor is saying the State has complied with all the guidelines and the Department saying no, they have not complied with all the guidelines and saying, "We will cut off your funding if you don't do it."

A two-part question. First of all, who has the final say-so? Would it have to end up in court for final resolution? How much power does the Department of

Health, Education, and Welfare have in telling the State what to do?

THE VICE PRESIDENT: They only have the power the Congress gives them. The Congress of the United States passes the laws. The departments and agencies of government are supposed to live within those laws.

If there is a dispute as to whether they are living within them properly or properly interpreting the law, then that is what the courts are for. We have the three branches of government and three levels of the government. I think if there is a dispute, then it goes to the courts.

QUESTION: The second part of my question is how much of a strangle hold can the Department have as far as purse strings are concerned in saying, "We will cut off all the aid"? How much of a Federal hold can they have on the States?

THE VICE PRESIDENT: They have just as much as Congress gives them. The question is in two parts. How much can they have? They will have what the Congress gives them. How much should they have? That is a different question. Maybe you were getting to that point.

I happen to believe very strongly in States' rights and States' responsibilities. I happen to feel that we have too much government at the Federal level in terms of programs. Categorical grants, there are 1,600 of them. They are all tied up in these legislative situations you are talking about.

I think the system needs to be simplified. We are getting in a position where there is so much bureaucracy and so much red tape that the ability to take initiative, which has been our strength, on the part of citizens, on the part of private enterprise, and on the part of local government, is being stifled, and I think seriously in terms of the best interests of the country.

QUESTION: Mr. Vice President, do you think it would be setting a bad precedent if Congress would bail out New York City?

THE VICE PRESIDENT: I have agreed with the President totally that the Federal Government cannot -- first, the President has no responsibility or authority to do anything. So let's get that straight. The Congress is the only one that has the power again to do anything in this situation.

I don't think the United States Government can "bail out" a city which is spending more than it has in income and has gotten itself in a very serious situation. Otherwise, all cities will just lay back and spend what they want and let Congress pick up the checks. Everybody is looking for that kind of situation. You don't have to go far to find that.

But after New York City has restored its fiscal integrity and good management, then it is going to have

a difficult period for about three years because they have run a deficit for quite a while and each year they sold short-term notes to cover that deficit. Then they kept rolling them over.

They have now accumulated about three billion two hundred million. Their problem was nobody would buy them anymore. So they got sort of caught in a bad situation.

Now, the State has really taken over the fiscal management of the city -- this is a very unusual situation -- through a board. This board has to approve the budget and the estimated revenue.

If they don't approve it, then the board will give the city a budget. After the city has adopted that budget, then they will get back into balance by 1978; and if they hold to it, investors' confidence will be re-established.

But in the meantime they have a very difficult time in selling those bonds. Therefore, it seems to me the Congress, and this is what I spoke on the other night, must now, without any further delay, fully familiarize themselves with this situation so that they have taken the actions necessary that would make it possible to help bridge that three-year gap in the transformation of those short-term notes into long-term bonds for that period to avoid a catastrophe.

QUESTION: What effect do you think default would have on the rest of the country if New York City defaulted?

THE VICE PRESIDENT: That is a subject on which you can find a wide range of opinion. I personally think it could be a catastrophe not only for the city and State but for other municipalities and States around the country. And the cost of borrowing money could be so high as to really have a very serious effect on our communities throughout the Nation.

So I think this is a very delicate situation, but that nobody can do anything until they put their own house in order. After they do that, then I think Congress is going to have to be ready to act very, very swiftly.

QUESTION: Since the Congress' decision is a political decision which will reflect the grassroots thinking back home, what would you say to the rank and file voter in this district or any typical district in the United States? Why should Virginia want to bail out New York? How do you get it down to a grassroots political answer?

THE VICE PRESIDENT: I have just thought I was saying I don't think Virginia should bail out New York. I don't think that anybody should bail out New York.

QUESTION: It will take money, won't it, sir?

THE VICE PRESIDENT: No. It will take the purchase or the underwriting of bonds which should be a good investment but which may not be saleable because of the destruction of investors' confidence in the city until the city has had two or three years to show that they really are serious about putting their house in order.

But it is not a bailout and I would not recommend, and the President has been stating this very simply. But I think in our enthusiasm for the position which you state, that we want to be careful that we don't get lost in that position and then not see that the city has, if they do, put their house in order, and that they are going to need this bridge to carry them over these three years while they are doing it, and by not acting, permit them to go into bankruptcy which could have a ripple effect which could be very, very serious for the Nation.

QUESTION: Aren't you in effect advocating a system whereby any community in the country, where it could not sell its bonds on the open market, the Federal Government would guarantee to buy them?

THE VICE PRESIDENT: I didn't realize I was. But if you think I did say that, then I better start again.

QUESTION: If you do it for New York City, why couldn't you do it for Roanoke?

THE VICE PRESIDENT: I don't know about Roanoke's financial position. But if Roanoke is in good shape, they don't need it. If Roanoke is in bad shape, they had better put their house in order.

When they have done that and if they have a problem after they put their house in order, while the public confidence is being re-established, then it may be necessary to have some form of transition.

This is a simple factual situation. There is nothing emotional about it. Let's say we are coming back to Roanoke, or standing here in Roanoke. If the thing did blow in New York and Roanoke was about to sell some bonds and then found they couldn't sell them because investors had lost confidence in all municipals and Roanoke paid the price --

All I am saying is Virginia and all other States better follow this through the distinguished Representatives and Senators very carefully so that if there is need for some action, that those who have the capacity to act, which is the Congress of the United States, take the action, because the President has no capacity to meet this situation after the City of New York has re-established fiscal integrity in the city.

QUESTION: When the Federal Government starts giving money or support, it tends to imply Federal controls will soon follow. Do you think this support program for New York City you are talking about could open up Federal Government attempts to control finances

of that city or any other city?

THE VICE PRESIDENT: New York City gets three billion two hundred million now annually and two billion six hundred million from the State. So that adds up to what, close to \$6 billion they are already getting.

So that we are talking about a situation which has nothing to do with aid programs under these categorical grants or whatever it is, or welfare or Medicaid or food stamps and so forth. We are talking about the transformation of short-term notes that are now outstanding that are going to have to be paid off to long-term notes for this transition period; not additional aid as such.

QUESTION: But if the Federal Government says, "We are going to underwrite your notes," doesn't it next have the right to say, "In return for that favor, we have a right to supervise and to a degree control your operation"?

THE VICE PRESIDENT: Yes. The Federal Government can say anything they want. Again we get back to Congress.

I shouldn't be talking for Congress because there are two distinguished Representatives here. Congress has the power to do anything that is constitutional in terms of legislation.

They certainly could, and I am sure that they would, acting in a situation of this kind, make provisions which would protect the objectives for which the action is taken.

QUESTION: The Associated Press said you said earlier today Ronald Reagan would have a hard time beating the President for the GOP nomination next year. Could you tell us why?

THE VICE PRESIDENT: I was asked my opinion and I just expressed it. My reason for it is I read the polls the way I suppose everybody is. He has been dropping in the polls and President Ford has been going up in the polls.

I happen to believe the trend in polls is more important than a single poll taken at any one time. That is, if you are a politician, what you look for, those trends. That was the basis of my statement.

QUESTION: Do you think Ronald Reagan has a strong base here in Virginia and other southern States?

THE VICE PRESIDENT: Well, I haven't talked about it before. You could tell me better than I could. I am only looking at the polls, the national polls; and then, if you also add to that the tradition of this country, that an incumbent President usually gets re-nominated.

In this case he was not nominated. He was appointed under the 25th Amendment. So there is a special situation here. But I just expressed my personal opinion which was based on both tradition and the trends in the polls.

QUESTION: Last week when you were in Virginia you said that American intelligence gathering activities could be destroyed by headlines, and I am wondering could you elaborate on that? What specifically did you have in mind?

THE VICE PRESIDENT: I am not sure I used the word "destroyed" but maybe "jeopardized." But intelligence is gathered through various sources.

One, known as human intelligence, is from individuals who are either agents or informants who live in other countries and give you information that you are looking for. If the names of those individuals or the identification of those individuals become known to the country in which they reside, their lives may well be in jeopardy, and certainly their tendency to want to share information with our intelligence service is going to be lessened or maybe dry right up.

Therefore, all I am saying is the more information that is given out about the United States' intelligence system, interesting reading though it may be, the more adversely it affects the capacity of the intelligence agency to gather the essential information for national security.

QUESTION: Could I ask a follow-up? Along the same lines, yesterday in Williamsburg CIA Director Colby said it would be no great problem for him if the President replaced him as Director with somebody else.

THE VICE PRESIDENT: I should think he would be relieved.

QUESTION: Do you advocate that?

THE VICE PRESIDENT: No, sir. I am not taking a position one way or the other. I haven't been asked.

QUESTION: Mr. Vice President, how do you assess our military posture today as a Nation and how important is this military posture with the world situation being as it is?

THE VICE PRESIDENT: I would put it this way: Detente to me is a very important element of international diplomacy today to remove the danger of confrontation and possible war between the super powers, or the United States and the Soviet Union, because it permits exchange of views and understandings.

However, you can only have detente if you have strength. Otherwise you are dictated to by the country that has the strength. So that in order to seek peace, we need detente. In order to make detente effective, we have to have military strength.

The Soviet Union has done a fantastic job in the last 10 years, particularly in the building of their Navy, as well as their nuclear capability, and they have developed in 20 years under Admiral Gorshkov, the most extraordinary strength the world has ever seen developed in that period of time.

As their Navy has grown, we have cut ours in half. I think that that is one illustration. I spelled that out in some detail at this launching here in Virginia, in Norfolk, last week at the launching of the Eisenhower carrier.

I think it is a serious situation. This goes all the way from research and development through construction, development of new weapon systems and the fact that they had a naval operation last April in three oceans and four seas, with nuclear submarines, 200 surface ships, 400 airplanes, totally coordinated worldwide by a most sophisticated worldwide communication system, using satellites; and there has never been seen an operation of this kind before.

Their presence in all of these critical areas of the world, their naval presence, is not a defensive operation any longer. This becomes, to anyone who studies naval history, an offensive position.

If you read Admiral Gorshkov's writings, he points out the great nations, the great powers in history have all been naval powers. Any country that doesn't preserve its naval power will not have the position of leadership in the world. And he goes on to say that the time will come when the Soviet Union will surpass the United States. He spelled it out for us very clearly.

QUESTION: Mr. Rockefeller, you said that you haven't been asked about Mr. Colby or his position.

THE VICE PRESIDENT: Correct.

QUESTION: Haven't you discussed it perhaps with Dr. Kissinger about the effectiveness Colby would have as an Administrator of the CIA while he has to testify so often before the Hill on that kind of thing? How can he operate and control the agency?

THE VICE PRESIDENT: There are pros and cons of Mr. Colby's position from his point of view, or from the country's point of view, that you could make a very good case to remove him would be a sign of weakness, or you could make a good case that he not handle the testimony and do the other work, that there should be someone else. You can argue on both sides of this issue.

QUESTION: What school of thinking are you with?

THE VICE PRESIDENT: I am totally open-minded. It is not my decision.

QUESTION: Mr. Vice President, Treasury Secretary Simon said yesterday in Virginia that the people are tired of massive deflation and unemployment.

Do you think President Ford's proposed spending ceilings and tax cuts would be an effective measure in curbing this type of thing?

THE VICE PRESIDENT: I think so. It is very constructive and courageous.

QUESTION: Do you think it has a good chance of getting through the Congress?

THE VICE PRESIDENT: Well, that is another question. I think it dramatizes the situation and I think it depends upon the mood of the majority of the Congress, this two-to-one Democratic Congress, as to whether they recognize the fact that we are continuing to spend more than we have in the way of income and that our growth in expenditures under present legislation is now running at the rate of fifty billion, just growth out of existing legislation without any new programs, and that this is way beyond the growth of revenue. Therefore, we are headed for very serious troubles.

The President has signaled this. He has stated it. And it will be very interesting to see whether the Congress responds with the same kind of concern that seems to have been expressed by Democratic Governors. For instance, in California and Massachusetts and New York, they are all talking about this problem.

The Democratic Governors seem to have a slightly different point of view about expenditures than the Democratic Congressmen. Whether they fall into line here and join in the common position, if so, then I think the President's program has a very good chance of adoption.

QUESTION: Mr. Vice President, on your trip here and, as a matter of fact, nobody in the Administration has mentioned Watergate of late.

THE VICE PRESIDENT: It seems like a constructive approach.

(Laughter.)

QUESTION: The Federal prosecutor just put out another report. From your perspective now, having been around the country in serving the office the time you have, what effect do you think Watergate will have on November?

THE VICE PRESIDENT: I can best illustrate it by the fact that you are the first person who has mentioned it since I have been traveling, which I think is a very good illustration.

But the effect is extremely small. I think that we have men like Congressman Butler to thank on the Judiciary Committee who had the courage to take the clear stands and to make our constitutional system work in a very difficult moment in the history of this country.

I for one feel a great debt of gratitude to

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him and to the other members of that committee for their courage and integrity in dealing with an extremely difficult and delicate situation. I think it was a superb job. I think this country has come through. I think our constitutional system has proven its vitality and strength.

QUESTION: Thank you, Mr. Vice President.

THE VICE PRESIDENT: Thank you. It is a pleasure indeed. Nice to be here.

(Applause.)

END

(AT 5:12 P.M. EDT)