

FOR RELEASE
WEDNESDAY AM'S
APRIL 21, 1976

Office of the Vice President

TEXT OF REMARKS OF THE VICE PRESIDENT
AT THE
PRESIDENT'S COMMISSION ON PERSONNEL INTERCHANGE DINNER
KENNEDY CENTER
WASHINGTON, D. C.

APRIL 20, 1976

This is the second year in which I have had the pleasure of addressing the President's Personnel Interchange dinner. During that year, the necessity for government to have a better, more realistic understanding of the American enterprise system has been increasingly clear.

The relation of government's actions to the continued dynamism of our economy and the American enterprise system is rightly a matter of growing concern, and coming under increasing scrutiny. It relates to our economic recovery, the continued creation of new jobs, and our increasing vulnerability to a possible disruption of our growing oil and gas imports.

We should never forget that over 80 per cent of government revenue at all levels depends -- directly or indirectly -- on the taxes paid on the earnings and the wages of the American enterprise system. The vitality and growth of our enterprise system is the strength of America, the basis of our ability to meet the needs of the American people at home and our responsibilities abroad -- as well as the base of the government's revenues.

Consequently, at no time has this interchange of top talent between the public and private sectors been more important or more useful. Through this program we literally have the best of both worlds -- tomorrow's leaders in government and tomorrow's leaders in business finding out what each other's world is all about.

I compliment all of you. Your selection for this program is the highest tribute to your talents. And I applaud you leaders of industry and government whose sponsorship of the interchange program demonstrates your grasp of the inseparability of government policies from our economy's growth.

Tonight, I want to discuss that relationship and suggest ways in which it can perhaps be improved. The American Revolution was fought not just for individual freedom but economic and religious freedom as well.

The American enterprise system has provided the creative, productive force, that has given the American people unparalleled opportunity, and the United States its strength and ability to defend freedom at home and abroad.

(MORE)

But government also has always played a critical role in our economic life. We need look only to such economic activities as agriculture, railroads, the automotive industry and aviation to recognize that the actions of government were inseparable from their development.

Historically, government has always done what was necessary to provide the incentives for creative, imaginative individuals, and the American enterprise system to accomplish those things which best served our long-term national interest.

Yet, increasingly, we have seen government's role evolve into that of a regulator for social objectives, sometimes with not too clear an appreciation of the deterrent impact on the dynamism and vitality of American enterprise.

Therefore, as you spend this year, as men and women from government in business, or from business in government, I would like to leave a few specific thoughts in your mind as to things that might be done to make the relationship between the two more effective, in building the strength of our Nation and the well-being of our people, so essential to the preservation of freedom and peace in the world.

Most fundamental is increased productivity in America. This affects the cost of production and consequently our competitive position in the world, the ability of workers to earn more money, and the basic strength of the United States.

Management, labor, government, science and technology, all need to work together more closely and consciously, to achieve this objective of increased productivity in the various areas and remove the obstacles imposed by each.

To this end, I recommend:

(1) Steps to improve labor-management relations by updating working conditions and obsolete work rules.

(2) Revision of the tax laws to channel a larger percentage of our Gross National Product and savings into capital investment for modernization of our industrial plant and equipment.

(3) Encouragement through government incentives of greater emphasis on education and research, science and technology, and the investment of risk capital in new developments that may well determine our future leadership in the world.

(4) Systematic review, one by one, of our national objectives as they relate to the various government regulations and regulatory bodies -- some of which have been in existence for more than a century. These reviews should involve not only both branches of government, but labor, management and the consuming public as well, with the idea of clearly defining the objectives and understanding the collateral effects on investment policy, productivity, cost and employment. With these clearly in mind, it will be possible to simplify and clarify both the laws and the administrative regulations in the interest of the basic objectives while at the same time remove a great deal of uncertainty and unfortunate side effects.

(MORE)

(5) This Nation can and must achieve effective energy independence in the interest of our national security and the well-being of our people. Our imports of oil are rising at an alarming rate as our domestic production goes down. A few weeks ago, we reached a new peak -- importing 50 per cent of our domestic consumption from abroad. This year our total payments for foreign oil will reach \$30 billion. If this \$30 billion were spent on domestic energy production, we would employ 1,200,000 Americans here at home. At present, another boycott or interdiction of shipping lanes would result in economic and social chaos in many parts of the country -- particularly on the east coast, which depends on imports for 75 per cent of its energy. I urge passage at this session of President Ford's Energy Independence Authority, a \$100 billion Federal investment bank to get this country off dead center on domestic energy production and to get our economy rolling again.

(6) We have got to learn how to make our great cities once again the most desirable and efficient places to do business, to live and to work. This will take some radical changes in concepts, but it can be done. Singapore, under the leadership of Prime Minister Lee Kuan Yew, has just done this in 12 years. Prime Minister Lee has taken his island state from one of the lowest to the third highest standards of living in Asia.

(7) Housing is a major factor in revitalizing our cities. The whole housing industry of the country is still in the doldrums -- with the highest unemployment rates. We must once again make it attractive for private capital to invest in this vital human and economic element of our society. We have proven that it cannot be done by government capital. Therefore, I recommend that a portion of the tremendous funds now lodged in America's pension system, which are growing at the rate of \$8 billion or \$9 billion a year, be utilized for housing. This will involve government action to create the necessary incentives and penalties, plus insurance for protection of the pensions, to channel funds into housing on a sound basis to meet America's needs.

We have the material and natural resources. Given these assets, given the scientific and technological lead we possess, given the creative force that flows naturally among a free people -- there is no problem we face that we cannot overcome. This is an exciting moment in history and I'm optimistic about the future.

Those of you participating in this exchange program have an unrivalled opportunity to understand these complex issues and to help realize our vast potential. Those of you loaned from business to government will come away with a far better understanding that government can be either a spur or an anchor to economic growth. And you will be better equipped to help make it more of the former and less of the latter. Those of you loaned from government to the private sector will return with a far greater appreciation of what it is that makes the American enterprise system function.

Out of both your experiences, the chief beneficiaries will be the American people who will continue to enjoy freedom and well being, because their leaders, public and private, have learned to become better partners.

#