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Office of the Vice President
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REMARKS OF THE VICE PRESIDENT
AT THE FEDERAL CITY COUNCIL
MADISON HOTEL
WASHINGTON, D. C.

(AT 1:32 P.M. EDT)

I guess first off I should explain to you that Saul and I are very good friends, in case you didn't get that. We share some of the mutual admiration. I have a great deal of affection for Saul and the greatest respect for Saul and his devotion to those matters of community and civic concern.

I don't think there is anymore public spirited person in this country. I am delighted to be here with him. I am grateful for the kind words he says, although remember they are colored by his feeling of friendship for me, so that I say that first.

I also have the most tremendous feeling for this great city, having started here, as Saul said, in 1940, and having lived here off and on, working for six Presidents, and having watched this city grow and watched it come to its own and sort of emerge from, well, a small town into a big city.

It has been a very exciting and rewarding experience for me. And the only contribution that I can take in relation to the city is saving EOB, the Executive Office Building. During the Eisenhower Administration they wanted to tear it down and I persuaded the President not to. That may be somewhere on the other side of the issue.

I believe in history and tradition and that some of these great old monuments are very important. That to me is one of them. I have now got my sixth office in there in the last thirty-six years. So I have a very nostalgic feeling.

To the Attorney General I would like to say what a pleasure it is to be on this platform with him. He is a man of great distinction and integrity and brilliance, who is bringing to this government the kind of strength in the field which he represents that we all admire and are grateful for.

Earl Butz, who has got to be one of the most delightful and amusing and controversial and courageous characters I know.

(Laughter.)

It is always a pleasure to be with him anywhere as long as he is not on the other side.

(Laughter.)

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And to Dave Matthews, who is the new Secretary of HEW, this is very exciting. I don't know him very well. I have had some visits with him. I have tremendous respect for him. He is one of the new young generation coming along who loves and believes in this country and who is willing to take a fresh look at old problems; not old problems in the sense that they are old and we don't have them still with us, but they are old in the sense that we have been trying to deal with them.

I think this is the kind of youth and enthusiasm and relaxed confidence that we need in this country. So I would just like to say what a pleasure it is to be with him and how much I admire him taking this on.

He had a comfortable position, ladies and gentlemen, where he was. He needed this like a hole in the head.

(Laughter.)

But he had the courage to come here, and I think it is wonderful.

George White and Steve and Sterling Tucker, all of you play such an important part here in this group, and to the members of the Federal City Council, believe me, I appreciate this invitation, and I would like to say I endorse everything that Saul said. I would like to just sit down on the strength of his statement because I agree with everything. But I will say a few words.

But I followed with great interest what you did say, Saul. And what is interesting to me really is that what Saul said about Washington applies to almost every city in the country. We are all facing the same problems.

I spent the weekend up in the New York area, and let's face it, they have got the same, only more so, in the way of problems. But I am fascinated by the fact that the solutions that Saul outlines here are solutions which apply to all cities, both in terms of population, in terms of the attracting of expansion, in terms of business, in terms of municipal productivity, in terms of the Federal Government's role, and in terms of the regional relationships.

So I would like to perhaps elaborate just a little bit along some of these lines that Saul has spoken on. But I don't disagree or deviate with what he has said. He and I have been two humble workers in the vineyard for a long time, both in New York and here in Washington.

But as I said when I started, I love this city as well as loving Saul. And I have to say that the city in terms of its aspect as a capital has gone through some major changes.

Mr. de Tocville, who was one of the early commentators in this country and probably the most

perceptive, certainly one of the most perceptive in the early days, was astounded by this tremendous pride and initiative, the individual initiative.

When somebody, as he said, saw a problem, they went across the street, talked to the neighbor, and they got together and then they set up a committee, as he said, but totally unrelating to bureaucracy. We hadn't heard of bureaucracy then. We are only now beginning to understand it fully.

This citizen responsibility, citizen concern, citizen initiative to me is tremendous. The Kennedy Center, the Southwest Washington Redevelopment Subway, are all problems that included government action but are all programs that were started by individuals.

I am sorry that His Honor the Mayor is not here because now you have had nine months as a full-fledged city, and he has been a wonderful Mayor. He has a City Council. So you are off on your own as a city.

I would like to say next that this Administration shares very much your commitment to the capital city, so that that is an important thing, because if the capital city, which is closely related to the Capitol, were out of step or out of tune with the Administration, it might have some adverse effect. But it isn't. And the very presence of so many members of the Cabinet here and such distinguished members is an important symbol.

The relationships between, in this case the Executive and Legislative, with the city are very important, and I think they are being developed. I think the fact that the President asked Secretary Coleman to see how the Federal Government could find a way of implementing the subway system is an interesting illustration.

I have to say to you, if you excuse the personal reference, but I had been accused while I was Governor of the State of New York of having an edifice complex which I pleaded guilty to.

(Laughter.)

We did have a thing called the South Mall. Unfortunately, it ran over its expenditures. You could well imagine that one of the opposition to the party would have raised that during the hearings. Of course, they did.

And I was prepared, and I said, "That is right. It did run over," a little over 100 percent. But I said, "There is a situation which you sponsored here in the Congress, and that is the subway system. Have you looked at the recent figures of your costs on the subway?" That ended that line of inquiry.

(Laughter.)

So I think we just have to say we have been through a period of inflation. It is a tough one. It has

hit everybody who is trying to do something constructive in the fiscal realm.

New York City under a similar Administration was trying to expand the subway system, and they procrastinated and people didn't vote the bond issue and now, of course, the costs have gone out of sight, so we are having up there quite a bit of trouble, or they are having quite a bit of trouble, in carrying out the 12 subway projects. The only one going is the one under our apartment house there.

(Laughter.)

But if you think we have problems, they built on what now is Franklin Delano Roosevelt Island a very wonderful housing project, all related to the completion of the subway under the island. They have got the subway under the island but it isn't connected at either end. So there is a little problem for the housing project. They now have a ski lift that connects the island with Manhattan.

(Laughter.)

But these are all details that have no relation to your problems here. They haven't rented many apartments.

I don't want you to think Washington, D. C., has got the only problems in the country. They are tough. I agree with that. I am not trying to in any way do anything but put them in proper perspective with the rest of the Nation.

The Domestic Council staff, of course, is working very closely with the Mayor, which is I think another important sign. Saul mentioned housing, business, climate, welfare, regionalism, all of them are the key issues.

On the question of productivity, as some of you are fully aware, I am a staff assistant to the President. I am presiding over the Senate, which is an honor I cherish because my grandfather was in the Senate for 32 years. This is my grandfather on my mother's side, in case you thought my other grandfather was moonlighting.

(Laughter.)

He was a leader of the Senate for 17 years. So for me it is very nostalgic to be there and to be with these distinguished 100 representatives of the 50 States, and I enjoy that.

But the rest of the time I am a staff assistant to the President, and one of the assignments he has given me is being Chairman of the Productivity Council which was created by the Congress and is now being changed to -- it is not an office. They have some new name. But the bill has not passed yet so we will get that into sharp focus when it does.

But anyhow, they are creating a permanent organization on productivity. The Productivity Council, which was formerly under the chairmanship of the now Secretary of Labor, has been working with the municipalities to increase productivity in municipalities.

I think that it is illustrated by the fact that in New York City, the handling of the Sanitation Department's activities, if done under contract, would cut the cost in half, because a lot of the work is done by contract for private groups.

And that really I use as an illustration because those of us who work in government, at whatever level it may be, as was pointed out by Saul, the revenue structure with the ambitious programs we have wanted to carry out, because we all want to do the things that people need and we know as never before what people do need, we find that the revenues to support those programs just are not growing as rapidly as the cost of the programs or the new programs that are being added.

Therefore, productivity by government at all levels must increase if we are going to deliver the services within the framework of the revenues that are possible. So I share very strongly with Saul this question of productivity, that just because one is in a political structure as distinct from a private enterprise structure is no reason that they should not have the same dedication, the same concern, to produce eight hours, or whatever the number of hours, work for that pay.

That is incumbent upon the individuals who accept the position. So that has got to be a major factor in meeting needs of people in any community.

Now we come down to the question of the revenues, and that ties in very closely with the private enterprise sector. One of the speeches made at those series of summit meetings, or whatever they were called, the President held a year ago on the economy and on energy was on the subject of the percentage of government revenue at all three levels that came directly or indirectly from private enterprise.

It turns out it is 85 percent. Eighty-five percent of the revenue of government at all levels comes directly or indirectly from private enterprise and industry through the taxes they pay or through the taxes on the dividends or through the earnings of the employees.

Therefore, the revenue of a community in its ability to meet the people's needs is dependent on the private enterprise in the community. I like very much what Saul said on that. He is absolutely right.

This is not only true of cities, but it is also true of States and it is also true of the Federal Government. For some reason, and perhaps it is because of the separation between private enterprise and the government that has been our tradition and the freedom of the

individual, we have taken for granted that revenue from taxes was sort of an unlimited resource, that we could just put on more taxes, or we expect growth.

We now have found that that is not true, and the greatest city in the Nation is in trouble. And the Federal Government is faced with a deficit minimum of \$60 billion and running on up to seventy, possibly higher than that.

Therefore, we have got to stop and take a hard look. That would be bad enough for this year, if we didn't see the rate of growth of expenditures by local, State, and Federal Government growing more rapidly in terms of its percent of GNP than the growth in the GNP itself; that while we have problems now, going the way we are now, we are going to have much worse problems.

So this gives us some very hard thoughts. It says two things, both of which Saul has already said. One is we have to get greater productivity for the dollar that is spent on social programs or municipal programs; and, secondly, we have got to encourage the growth of the system.

We are in a very interesting period. This is a little apart, but it relates to the expansion of private enterprise. We have had a tradition in this country of regulation of industries who were considered monopolistic or, now, industries which affect our environment, whether it is water or air, industries which affect safety of the individual, industries which affect -- and that is everybody -- equality of opportunity, not only from a religious ethnic background but now male or female. And these objectives which are of the highest order from a social point of view are delicate and complicated.

Therefore, the Congress has not been able to spell them out totally in law so that they have given administrative discretion to the agencies. Therefore, you have instead of the government of laws we now have a government increasingly of men and women, or of persons, who are constantly trying to reappraise or being sued and therefore rejudging, because the courts are now in the act and are both legislative and administrative bodies, because it is because of the failure of the legislative and executive bodies to carry out their function.

But there are growing uncertainties for that individual or corporate individual who wants to invest \$100 or \$100,000 or \$100 million in a project because they don't know how to figure what the earning is going to be on that and, therefore, the tendency is to not invest it.

That is what worries me more than anything else is this uncertainty in our system, which is a system that has been built on confidence, enthusiasm, faith in the future, and expansion.

Sure, we have done some things to our environment. We have done some things we shouldn't have done. But it has been a fantastic system. We have got to be careful we don't lose that tremendous driving force of a free society.

Now, there is a question of balance, and this is being studied. I have been very interested in this study that the President has initiated on regulation. And when you get back to the Productivity Commission's efforts, they break it down into three or four parts. First, the morale and the relationship between labor and management. Second, technology and capital formation, because those two are tremendously important. And third, government regulation. And government regulation has a serious impact on productivity. So that I raise this because these are all factors which relate to the city and the expansion.

And there is another factor, of course, in the cities as distinct from the suburbs, and that is the problem of acquiring space in order to develop, whether it is a building or an office or a factory or whatnot.

The time of getting assembly of the plot, getting the zoning variations, getting the building code variations, and then getting on with the project, it is up to about 7 years now, 11 years maybe at the worst.

That is just more than private enterprise can bear in terms of being a worthwhile investment, so they go outside or they can't condemn the property. So that maybe we are coming to a point not only in the whole field of social welfare but in the field of categorical grants which don't impinge so much on private enterprise except at the cost, but they do impinge tremendously on State and local government.

That is one of the reasons I resigned as Governor. After 15 years I found I was less and less able to be responsive to the constituency who I represented and who elected me. I couldn't make the decision, but there were needs in government, or everybody is contributing financially to every program. They are all involved in legislative regulations.

So therefore nobody as a citizen, you can't put the finger on anybody and say to that person, "You are not doing a good job," and the person saying, "Sorry. I can't because of Washington," or, "I can't because of some other level."

So that we have got ourselves a little bit complicated in all of these areas, and maybe because we are in this difficult situation right now, financially and in terms of services and in terms of the vitality, maybe this is a wonderful opportunity to review all of this, take a fresh look, simplify it, and get back some fundamental principles.

Let's face it; no system has been as great as our system in producing opportunity for people. Therefore, let's not spoil this system by trying to do more for people than we have the capacity to do faster than our system will allow in terms of its very basic vitality, creativity and imagination.

So I would just like to say -- and I didn't mention the Water Quality Commission. I am Chairman of

that one, too, although I was on that before I took this job, and that one is reviewing the whole water quality legislation, the same thing as productivity.

What is this legislation doing to municipal government, State Government, and private enterprise in terms of meeting water quality standards which say no pollutants by 1985? I will not get into details because I could get going too long on that.

But we have got a very real problem for our country. But I have to think that it is the greatest country, it is the greatest capital, and that with the kind of men and women who are assembled here in this room and with the good will that exists and with the flexibility of our free society, we have got the ability and the courage to re-examine these things, take the steps that are necessary, simplify them, straighten them out, and work out for our cities the kind of new role in our society which I deeply believe exists for our cities.

I happen to be a city boy myself. I love the cities and I don't see any reason why we cannot recreate new functions, new concepts, new roles for our cities which will give them the vitality which they have always enjoyed.

And if they want to live in the suburbs, fine. If they want to live in the rural areas, fine. But the cities are the heart of the life of America, and Washington, D. C., is the heart of the life of our Nation. And we want it to be the greatest city, the most dynamic city, one that offers more opportunity than any other. It can't be done without the vitality and dynamism of free enterprise. But that can't function unless it has a framework of laws within which there is freedom.

To me that is the secret. It is true for a family. The kids have got to have a framework of understanding of what the rules are, but they have to have freedom within that so they have security.

I think that for individuals to function or for corporations to function or for communities to function there has got to be a clear framework and then, within that, they know they have the freedom to create and to initiate, and that is the great strength and vitality of our wonderful Nation.

So I am just proud to be here in Washington, proud to be here on this platform with the distinguished members of the Cabinet on the invitation of my good friend, Saul, and be here with a group of citizens who care enough to be spending the time and energy working on this problem.

And believe me, we may think we have problems. But any person living anywhere else in the world would give their eye teeth to be living in America. So that when we get discouraged, let's just remember that, that we are in the greatest land in the world, we have the greatest

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history in the world, and we have got the greatest future, in my opinion, if we just have half a brain in our head to use it.

Thank you very much.

(Applause.)

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(AT 2:00 P.M. EDT)