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Office of the Vice President
(Columbus, Ohio)

PRESS CONFERENCE OF THE VICE PRESIDENT
AT COLUMBUS SHERATON
TAFT ROOM
COLUMBUS, OHIO

(AT 4:30 P.M. EDT)

THE VICE PRESIDENT: Thank you very much, Kent. The distinguished Governor of Ohio, my good friend Jim Rhodes, ladies and gentlemen, I am delighted to be here and delighted to be with my friends and to be back in a State which from my point of view is very nostalgic as well as a State for which I have a tremendous respect and admiration, with the Governor whose devotion to the service of the people of the State has been outstanding and who is now tackling the most difficult and important problem of all, which is jobs.

I am delighted to answer any questions, if I can.

QUESTION: Mr. Rockefeller, right now New York City is having a financial crunch and you said they need aid. Do you expect that aid to be coming?

THE VICE PRESIDENT: I have to be perfectly frank. I did not say they need aid. I said that if they balanced their budget, and the city, under the State legislation, has to present today to this new board a balanced budget, the board has five days, until the 20th of October, to review that budget that is proposed in the light of the revenue estimate which the board gave the city, and if they approve it, then it must be adopted.

If they don't, then the board has to come up with a budget which they give to the city. And then, if the city adopts that budget, then I said the city would be in a situation where during the period from the time they have adopted the new budget and the period 1978 when they will have a balanced budget, they have got about 3.2 billion in notes to roll over which they won't be able to do without some assistance in the form of either a guarantee or a purchase.

I think the Congress of the United States -- this is what I called for -- should as a body study this situation, understand its implications, and take whatever action in their judgment is necessary to help bridge the city over this period after they have restored fiscal integrity and before the buyers' of bonds confidence has been re-established.

QUESTION: Overall, what is a good time to sell bonds in municipalities or States?

THE VICE PRESIDENT: I don't quite understand what your point is.

QUESTION: In view of Governor Rhodes' intention

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to incur several billion dollars of bond indebtedness in Ohio, do you think the New York experience will have any impact one way or the other?

THE VICE PRESIDENT: Not in the slightest. There is no relation at all. You have good management out here, efficient, economic management, that is looking for the opportunity to create employment in the State.

What happened in New York City was that you had a long period of overestimating revenue, underestimating expenditures in their budget which had to be balanced, and then using bonds for capital construction to pay operating expenses.

This is what is very simply known as unsound fiscal management. And the result of this was an accumulated 3.2 float, which was the deficits that were accumulated.

There is no comparison at all between the constructive program of bond issues for capital programs which the Governor is so wisely proposing and the tragic mismanagement which has led to the situation that exists in New York.

QUESTION: Mr. Rockefeller, you have always said that you are but a staff assistant to the President.

THE VICE PRESIDENT: That is correct.

QUESTION: You do what he tells you to do.

THE VICE PRESIDENT: That is correct.

QUESTION: Yet your call for Congressional action or for Congress to enact legislation to help New York City, goes far beyond what the President has ever said. What happened?

THE VICE PRESIDENT: Nothing. I just analyzed the problem as I saw it. I still do exactly what he asks me. If he has a project he wants me to undertake, I undertake it.

QUESTION: Do you believe, though, your position is slightly contrary to that of the President?

THE VICE PRESIDENT: Well, the President has been talking about the restoration of fiscal integrity of the city and not bailing out New York. I was talking about after New York City has taken the measures necessary to restore fiscal integrity, that there would be a period there of three years where there would be some need to help in establishing a bridge before they could get back into the market in an important way and in order to avoid catastrophe.

QUESTION: But is there a difference between what you are proposing and what the President has said?

THE VICE PRESIDENT: Minimal.

QUESTION: That is what the President said? He said it is a minimal difference?

THE VICE PRESIDENT: That is what I said. We both agree. That shows we are together.

QUESTION: But that minimal difference is new to what you have done in the past. In the past you have always gone right along with the President rather than even a minimal difference.

THE VICE PRESIDENT: Well, that is really not exactly an analysis as I would give it. I have been advocating, for instance, as you know, because you reported it, a major program to finance the energy independence of this country through a \$100 billion Federal program. There were those in the Administration who opposed it. There were others who supported it.

The President is not looking just for yes men or women. He wants people who have ideas and who have the courage to express those ideas. Now, that doesn't mean that I won't take an assignment. I always take whatever assignment he asks me to.

QUESTION: Did you clear this speech with the President?

THE VICE PRESIDENT: I never cleared any speeches with him. I have to make two today and four tomorrow, or five. He has never asked me what I was going to say. He has never asked me to say anything specific, nor have I ever been given any instructions or anyone raised any questions about what I was going to say.

QUESTION: In view of the recent assassination attempts against the President, do you feel it is necessary for complete revamping of the Secret Service?

Secondly, do you think the President in view of the recent attempts should restrict his travel?

THE VICE PRESIDENT: No, I don't.

But I do think that we ought to ask this gentleman to come over here and not stand in front of the ladies, or the men; excuse me, not stand in front of persons. Thank you.

On the answer to your question, I think that we have the outstanding service in the Secret Service of anywhere to be found in this country or anywhere else. I think that their capacity, their knowledge, their ability, is extraordinary, and that they have done and are doing and I am sure will continue to do the outstanding job of protecting those whose responsibility it is for them to protect.

My feeling is that in a democracy, those who want to serve their country have got to run certain risks. This is part of life. If you are drafted in the Army or you volunteer in the Army or the Navy or Air Force and

are sent abroad and there is a war, you run a risk as far as your life is concerned. But you are serving your country. So I think one has to take this philosophically.

QUESTION: Mr. Vice President, can you tell us if in your meeting with the President today you discussed the New York City situation at all?

THE VICE PRESIDENT: Yes, sir.

QUESTION: If so, what was discussed?

THE VICE PRESIDENT: We did.

QUESTION: Can you tell us anything about the nature of that discussion?

THE VICE PRESIDENT: I never repeat conversations with the President. Anything he has to say about conversations I have with him, it is up to him to say.

As I said, I am just a staff assistant. So I wouldn't want to repeat. But I have already stated, as he stated, that the differences in our position about the city was minimal.

QUESTION: Mr. Vice President, would you say that this difference of opinion in any way affects your relationship with the President?

THE VICE PRESIDENT: Not the slightest.

QUESTION: Mr. Vice President, if you were still Governor of New York, would you choose this time to be asking the people to approve new bond issue proposals or would you be going to the bond market at this time?

THE VICE PRESIDENT: Well, if I were still Governor of New York at this time, they wouldn't have the situation which they have got. That is the first simple fact. Because when you have a Governor with experience and efficiency in management, just as you have in Governor Rhodes, and you advocate bond issues, and it is voted by the people, you spend the bond issue for the purposes for which it was voted, and you preserve the fiscal integrity of the State.

Unfortunately, there was a transition from one Governor to another Governor, and during that period there were certain situations which developed which sort of fell between the stools. But there was no reason to have the situation develop that developed. It was a tragedy, but it was totally unnecessary. A plan had been worked out for the Urban Development Corporation to meet its short-term cash needs. That plan was not carried out.

So the answer to your first part was I think that if there was need for bonds to be sold to meet capital construction functions which would promote the best interests of the State, employment in the State, the future well-being of the people in the State, by all means it ought to be done.

QUESTION: Is there any discrepancy between the Ford Administration's budget slashing and tax cutting measures and your support today for measures of Governor Rhodes which involve tax increases?

THE VICE PRESIDENT: No. If you would take a look at the Federal budget, you would find they have a \$60 billion deficit. I dare say that Governor Rhodes does not have a deficit.

Is that correct, Governor Rhodes?

GOVERNOR RHODES: Correct.

THE VICE PRESIDENT: There is the difference. President Ford has got the courage to face up to the reality that you can't continue to spend beyond your means indefinitely without having a very serious financial crisis, witness New York City.

QUESTION: Mr. Vice President, that is reporting tax cuts on the Federal level and tax increases on the State level.

THE VICE PRESIDENT: Tax cuts on the Federal level and the expenditure cuts on the Federal level. The President's objective is and his statement is very clear that we have too many taxes at the Federal level and too much expenditure.

QUESTION: Mr. Vice President, as former Governor of New York, do you feel you share any responsibility at all for the financial troubles of New York City?

THE VICE PRESIDENT: No, sir.

QUESTION: It all developed since you left the office of Governor?

THE VICE PRESIDENT: No, that is not correct. It developed over a long period of time, following practices which a sovereign body in the City of New York had the ability to do without control of the Governor.

I put in my last four messages to the Legislature statements about what was happening and what should be done and made recommendations how it should be dealt with. I set up a Charter Revision Commission which has been working to come up with a charter revision.

I got legislation passed in 1971 to enable the State Comptroller to -- excuse me, sir, I am trying to answer your question -- to set up the State Comptroller so that he would have power to audit the books of New York City, and gave a million dollars even though that year the State was in a fiscal crisis.

But we produced the extra million dollars to put in auditors, and that Comptroller is there now. He was there when I came. The Mayor of New York City was

Budget Director under Mayor Wagner. He was Comptroller under Mayor Lindsay. He is now Mayor of New York City. He has been there 30-some years. He knows the city backwards and forwards.

As far as aid to the city, they have many serious problems and they have tried to meet those problems. So let's look at the realities there.

I am not finished. They have many serious problems there, and there was a period when we heard from Washington that we lived in an affluent society and that by fiat you could solve all of these social problems.

This was the spirit in which New York City got into a lot of these situations. New York State, during my administration, took aid to New York City from \$383 million to \$2 billion 600 million annually. So we have done everything to try and help New York City.

Now, every year I had the Mayor and the Chairman of the City Council and minority leaders of the City Council and the Board of Estimates in Albany with the leaders of the Legislature and for three days and two nights, each year, we would work out finally a city budget and we would get heads knocked together and get them to do something that would be viable.

The trouble was that that procedure has not been carried out any longer and therefore there wasn't anybody to keep them on a solid track.

QUESTION: Former Treasury Secretary Connally mentioned on Face the Nation Sunday that he looked forward to a Reagan-Ford race as good for the party; and Senator Tower of Texas, on the other hand, felt that many people in his home State felt a Reagan candidacy would be divisive. What are your comments?

THE VICE PRESIDENT: I didn't see the show. It was a good show. As I read it, what he was saying was that a good Reagan race and perhaps a stalemate between Reagan and Ford might cause there to be a demand, and that his deep devotion to public service would cause him to respond to that demand and that he would have to step in as the Presidential candidate between the two. That was the way I read the statement.

Now, as far as being divisive, I have to say I do not feel, if one studies the history of this country, that there has been traditionally a very effective challenge to an incumbent President. Therefore, I really don't take this challenge very seriously.

QUESTION: Could you clarify your comments over the weekend about the U.S. Intelligence Agency?

THE VICE PRESIDENT: Which one?

QUESTION: The headlines, "Are Counterintelligence Agencies Being Destroyed by Headlines?" What exactly are

you looking for? No more hearings?

THE VICE PRESIDENT: You are asking me two questions. First you are asking me to clarify a statement. Then you are asking do I want no more hearings. So I have to go back to the first part of your question.

I stated that the Soviet Union -- this was at the launching of the new Eisenhower carrier -- that the Soviet Union had developed the most comprehensive, effective intelligence system in the history of the world. And I said while they are doing this, we are running the risk of destroying our own by headlines.

Now, an intelligence system to be effective depends importantly on secrecy. You have got agents abroad, and if the agents' names and occupations are divulged, their usefulness is gone and, as a matter of fact, in many cases their lives are taken.

I think that the Commission the President appointed to analyze the CIA's activities in the United States and analyze where there had been violations of domestic statutes was very useful. I was asked to be Chairman. I was. We made recommendations. We found violations -- not massive violations, but violations -- and we made recommendations.

I think that investigations of anything are part of democracy. But I just hope that in the interest of national security we don't destroy a major agency function of government which is essential to our national security.

QUESTION: Speaking of secrecy, Dr. Kissinger is being criticized for being less than candid with Congress. Today he was asked to produce certain memos. He did not.

THE VICE PRESIDENT: Maybe they were secret memos and he shouldn't have.

QUESTION: Should Congress have a right to this information?

THE VICE PRESIDENT: I think Congress should have a right to the information. But I think they have also got to have their responsibility of preserving secret information that affects our national security on a secrecy basis.

QUESTION: What exactly is national security?

THE VICE PRESIDENT: Well, it is the preservation of freedom in America. How do you define national security?

QUESTION: The prior Administration seemed to use national security as a blanket. Is that what the Ford Administration is doing?

THE VICE PRESIDENT: Of course they are not doing it, and you know it. We have got an open Administration with an outstanding President, and to try and draw that

analogy is totally false and totally misrepresentative.

QUESTION: What about Dr. Kissinger's candor?

THE VICE PRESIDENT: It is outstanding. He is one of the ablest, if not the ablest, Secretary of foreign affairs this country has ever had in the most difficult period in the world.

QUESTION: Is he in any danger of perhaps being replaced?

THE VICE PRESIDENT: I don't think there is anybody but you who has suggested that.

You seem to have a thing about Dr. Kissinger. I hope it is nothing personal.

QUESTION: Would you comment in a little greater detail on your apparent assessment of Ronald Reagan as not a very great threat to the President?

THE VICE PRESIDENT: I just quote the polls. I just take a look at the polls.

QUESTION: How would you assess Reagan's strength in the Midwest, in Ohio?

THE VICE PRESIDENT: Again I would look at the polls and the trend in the polls. That is the best bet you have got.

QUESTION: Do you regard him as a threat to the Vice Presidency?

THE VICE PRESIDENT: There is no threat to the Vice Presidency because there is no candidate for Vice President. I am not a candidate. I am not campaigning. I haven't even said whether I would be available.

I do not feel the President should be under any pressure to consider his Vice Presidential designee until after he is nominated. This is another American tradition. And then at that time he should pick whoever he feels will serve best the American people and the Republican Party.

QUESTION: Would you feel shunted if you weren't selected?

THE VICE PRESIDENT: Not in the slightest.

QUESTION: Mr. Vice President, presuming you are on the ticket in 1976, who would you prefer to run against among the Democrats?

THE VICE PRESIDENT: I am superstitious and I have never been willing to speculate about opponents. I think that is up to the opposition party to pick them and to run the campaign.

QUESTION: Mr. Vice President, getting back to Ronald Reagan again, in your own assessment, do you think

Ronald Reagan will be running against the President in the primaries in '76?

THE VICE PRESIDENT: Well, I really don't know. I was asked that question out in Oregon the other day and I said that I thought if he was really confident about it, he would have announced some time back. But I really don't know.

QUESTION: Mr. Vice President, do you intend to speak to Ohio Republican leaders today all about your own political situation and future?

THE VICE PRESIDENT: No, sir.

QUESTION: What will you be talking about?

THE VICE PRESIDENT: The President's programs and the vitality and strength of the Republican Party in Ohio and what a magnificent example it is to Republicans throughout the Nation.

QUESTION: You have been talking about returning to fundamental politics. How would bail out for New York City --

THE VICE PRESIDENT: The bail out I am against.

QUESTION: Any governmental support would not be a return to fundamental politics. Wouldn't that be a precedent and not a return?

THE VICE PRESIDENT: Pardon me? What was this about fundamental politics?

QUESTION: Government funding or a loan guarantee for New York City from the Federal Government would not be fundamental politics.

THE VICE PRESIDENT: I don't understand what you mean by fundamental politics. We are talking about a crisis, what could be a catastrophic situation if the city doesn't put its house in order.

Then there is a three-year period, a bridge, that has got to be established to make it possible for the city to survive until its credit is re-established. Now I am not sure what you mean by fundamental politics.

QUESTION: You have been quoted in the newspapers in recent papers as trying to go back to fundamental politics, to follow the conservative line.

THE VICE PRESIDENT: I have never in my life followed any ideological line. I don't believe in ideological lines.

I believe deeply that you analyze a problem on a non-political basis, find out what the facts are. "Don't confuse me with the facts; my mind is already made up," we get too much of that. I believe in getting the facts,

finding out what the sound answer is, and then it comes into the political arena for action.

QUESTION: I thought you would like to know, Secretary Kissinger, to answer his question, turned his memos in two hours after requested. He did turn them in, so he was in error.

THE VICE PRESIDENT: Thank you very much.

Did you get that?

(Laughter.)

QUESTION: Mr. Vice President, isn't it unusual for the Vice President to take a public position that is even minimally different from the President's?

THE VICE PRESIDENT: Well, I said after talking with the President, when I took this job, that my only constitutional function was presiding over the Senate. Beyond that I would be a staff assistant to the President and do whatever he asked me to do; that I would express my opinions to him, personally or in meetings, if he so desired; and that I would support his decisions, unless or until such time as I thought there was some fundamental issue or position that shouldn't be expressed; and that that was fine with him and there was no restriction on it.

QUESTION: This would be one of those fundamental things?

THE VICE PRESIDENT: It really wasn't that fundamental because I was analyzing a problem, and really what I was trying to do was focus attention on the fact that the President has no power to act in this situation if there is a crisis and that the only people who have power to act is the Congress of the United States, and time is running out.

If they don't pass legislation which gives enabling powers to the President to act, then there could be a very serious situation, and I think that one has to have a sharp focus on where the real responsibility lies.

QUESTION: Mr. Vice President, aside from the merits of Governor Rhodes' program --

THE VICE PRESIDENT: It is outstanding.

QUESTION: Do you think there is any difficulty in any governmental subdivision to market municipal bonds today?

THE VICE PRESIDENT: Do I think there would be difficulty? I think that when the New York City situation is straightened out, then this whole situation will have passed.

I personally think it is a very valuable lesson to everybody that you cannot, whether it is in a home or

a city or a State or a corporation or in the national government, you cannot spend for long more money than you have coming in or you just go bankrupt.

QUESTION: You say then you do think it would be difficult to market bonds at this time because of New York City?

THE VICE PRESIDENT: I said until the New York City situation is clarified. You haven't even voted the bonds yet. You can't sell them until you vote them. By that time I trust this other situation will be back on the track.

QUESTION: Is it reasonable to expect congressional passage of the President's tax and spending cut proposals this year?

THE VICE PRESIDENT: I think the tax cut is very liable to be passed, and I think that from the point of view of the Nation, unless they control expenditures, that we are going to be faced with an extremely serious situation.

Federal expenditures, if nobody does anything, they don't pass any more legislation, will go up \$50 billion next year. Now, we haven't got the income that goes with that.

QUESTION: So you are not anticipating Congress passing the spending cut proposals as well; is that right?

THE VICE PRESIDENT: No. I didn't say that. I said that the first was much easier because it is more popular. The second is much more difficult, but I think it is essential.

Therefore, that is going to be debated, and the form which it takes, I don't know. But I think sooner or later this Nation has got to stop the spending rate, the spending increase, or we are going down the road of some of these other Nations. We can't do this.

QUESTION: Mr. Vice President, did the President know you were going to take the position you did on New York City?

THE VICE PRESIDENT: No, ma'am.

QUESTION: He did not?

THE VICE PRESIDENT: No.

QUESTION: Did he encourage you to speak out publicly on your position on New York City?

THE VICE PRESIDENT: No, ma'am.

QUESTION: It was not a trial balloon on his behalf?

THE VICE PRESIDENT: No, ma'am.

QUESTION: And you just have minor differences. Can you just for one last time explain what the minor differences are?

THE VICE PRESIDENT: The minor differences relate to his concern that there should be no bail out of New York City, a concern which I share. My concern is that New York City must put its house in order. He feels the same way. So we are totally in agreement.

QUESTION: What are the minimal differences?

THE VICE PRESIDENT: Wait a minute. I am coming to that. We then get to the point where after New York City has taken the action to restore fiscal integrity, even then -- now here is where the differences lie in the estimates -- some people say when that is done, their credit will be restored. Other people say when that is done, they are still going to have trouble selling their bonds until that three-year period has been passed through.

I happen to be of the second school. Therefore, I wanted to call the attention of the Congress to the fact that if I am right, and the others happen to be wrong, that things will all then be hunky-dory, that they better have some legislation on the books so that we don't have a catastrophe, because that catastrophe could not only affect New York but could spread to other parts.

QUESTION: Has your relationship with the President changed in any way?

THE VICE PRESIDENT: Never been better.

Thank you.

END (AT 5:00 P.M. EDT)