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Office of the Vice President  
(Columbus, Ohio)

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REMARKS OF THE VICE PRESIDENT  
AT VIP RECEPTION  
COLUMBUS SHERATON HOTEL  
COLUMBUS, OHIO

(AT 8:37 P.M. EDT)

Reverend Ellsworth, I just want to thank you very much first for that very perceptive and understanding blessing which I think really gives us the kind of base we need to understand where we are and where we are going and what we have to be thankful for and to preserve.

I would like to say to all of you that Reverend Ellsworth's uncle was the pastor of our church in a little place called Cattaraugus, New York. I am delighted to be with him.

As for my good friend Jim Rhodes and Helen who is out in the audience, there are no two people I am more devoted to and for whom I have greater respect or with whom I have had more fun over the years. I am thrilled to be with both of them. I am delighted Helen is here and agreed to come.

All I have to do is listen to Jim to know what a pleasure I have had for eight years sitting next to him at the Governors' Conference. I couldn't wait to get to the conferences. The only problem was trying to concentrate on the subjects.

(Laughter.)

But it was delightful. Believe me, under all of the amusement and interesting twists he has got, he understands the fundamentals and he deals with them in the most effective way. We are a pretty good team together. So I am delighted to be here with him. And I can tell you that nothing gave me greater pleasure or satisfaction or meant more to the Republican Party than his re-election last year.

This is the kind of reaffirmation in a man who has dedicated his life to public service from his youth, who believes in this country, loves this country, believes in our system, and was ready to go back and to serve the people of his great State. So I am delighted to be here in honoring him on this occasion.

(Applause.)

Kent McGough, I want to say that if every one of the 50 States had a State Chairman with your dedication and ability, this Republican Party of ours would be stronger than it is, but it is on its way back. There is a tremendous surge, and you feel it all over the country. You feel it right here tonight.

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I would like to congratulate you, Jack, for what you have done, but I would also like to congratulate and thank the people who are here. You organized it, but they came and they are paying to come. Believe me, there is a ball game on, too, so don't think I am not aware of the contribution you are making and the sacrifice you are making in terms of our own pleasure.

(Laughter.)

I am well aware of this, and I am going to take my watch off so I can get to see at least the last inning, although we haven't had our first report yet.

Ohio is known for good government, has always believed the best politics was good government. I am delighted to be here with Ray Bliss. Not only here but throughout the country he is sort of Mr. Republican in terms of organization, responsibility, finance of the party organization, selection of candidates; and what Kent has done in following through and carrying forward into new terrain that tradition.

This is the inspirational dedication which all of you have, and this includes Martha Moore and the county chairman and the captains and workers who are here, the unsung heroes of the democratic system. You are the men who care enough about our country, believe in our country, to give of your time and energy to make this party what it is and to be part of a two-party system, which is the vitality and democracy.

The day we give that up, that day is when this system starts to go. So I would like to just express my gratitude to you.

And I would just like to also say to Mr. Timken, because we can go to all the corners of the world, but if there is no finance, then it is very hard to go anywhere. I would like to say to him that to me he symbolizes that sense of responsibility on the part of a successful citizen who is a leader in industry, who is young, who is coming but who is thinking about our country and his party and is willing to give of himself. I think he sets a wonderful example. I am just delighted to be here with him.

(Applause.)

His Honor the Mayor, I agree very much with what Kent said that if we are going to have a successful year next year, this is where the groundwork is going to be laid this year. So '75 is going to be the important year.

And I must say that the pleasure of meeting Tom Moody and to know him and to have heard what the Governor said about him, this is a kind of dedicated individual. I am convinced the Republican Party is going to keep this country alive and strong, at the level of government close to the people, which is where the strength of the party and the country is. So more power to you, Mr. Mayor. Best of luck.

(Applause.)

And to Russell Leach who is leading the work here as Republican Chairman in Franklin County, it is the county work, the precinct work, that builds up and that gives the strength. I am delighted to be with you, and the two distinguished Congressmen, Chalmers Wylie and Sam Devine.

Sam and I attend meetings in Washington pretty regularly. Chalmers is an early riser so we enjoy it, and it gets us off to a fast, early start. I would like to say thanks to both of these distinguished gentlemen.

You have the finest, strongest, the most dynamic delegation of the Republican Party in the Congress of the United States. We are proud of you. We are grateful to you.

(Applause.)

Chief Justice, I am honored he is here this evening and honored to be here with him. I would like to say also that a very good friend of mine from way back, John Galbreath, is here. I am an admirer and friend of his. He has been a constructive person not only in the party but in the social and economic life of our country.

(Applause.)

Jim was talking about the problems we face and the leaders and their attitude towards the problems. I agree totally with Jim that the problems of government, the problems of our economy, the problems of social life, both domestically and internationally, are becoming more complex.

We are in a period of rapid change. The character of the leaders, the capacity of the leaders, is all more important. We are deeply fortunate and it is proof of the vitality of our system that there should have been, through a series of tragic situations, a man who emerged out of the 25th Amendment by a process that was adopted only 8 or 10 years ago, a really great leader, a man of tremendous integrity which to me is basic.

They talk about legislative honesty, legislative morality. The best thing to do is pick people of integrity. Then you don't have to worry about legislative. That is the only way you can do it.

(Applause.)

We have a man of integrity and openness. I like what Jim said about that because democracy is dependent on openness, a feeling of confidence. People have been alienated from government. They want to feel they can trust their leaders, they can trust government, and they know what they are.

This man has re-established that sense of confidence in this government. He has a deep belief in the fundamental values on the basis of which this country in 200 short years has grown to be the greatest country in the history of civilized man.

We are deeply fortunate. He is a tireless worker. He has the courage when he has come to the conclusion as to what is the right solution, that he has no hesitation of making the decision and taking the stand, regardless of the short term political implications.

This is the moment in history. It is a crucial history of our Bicentennial, but it is a crucial moment in the terms of the event that there is a man who looks to the best interests of our people for the future and not the short term interests of himself or his party at the immediate moment.

This is the kind of leadership America needs, deserves, and has, ladies and gentlemen, at the moment.

(Applause.)

Now if we go to what Jim was talking about, taking sort of a little look at where we are at this particular moment in the world and what we are up against, and I think if you wanted to characterize the situation in two simple thoughts, one is an accelerating period of change, and change is a very difficult thing to cope with for everybody. It creates instability. It creates uncertainty. It creates fear, and that creates bitterness.

So in a period of change the important thing is the ability to make that change so it serves our interests and doesn't overwhelm us. That is number one.

Number two is growing interdependence; interdependence internationally between nations and interdependence within our own country: Federal, State, and local government; business, labor, the professions, science, technology.

We feel each one of us that we alone cannot make the decisions that affect, as we thought we could in the past, our own lives. But I have to say these situations, while they are complex, they also can lead us to far greater achievements than we have ever achieved before.

So this is a period in which we have problems, but, ladies and gentlemen, we have opportunity and we can rise to new heights in the next 200 years far beyond anything we have dreamt of or achieved in the past 200 years.

That is the spirit I think in which the President faces the situation and that I feel we have in this country. If you want to take examples of these two things, accelerating change and the growth of interdependence, which are both international and domestic, all we have to do is take two or three simple illustrations.

Energy is perhaps the most dramatic. The United States, because it was an energy exporter up into the early sixties, had dominated and stabilized the world energy situation and the price. Then we became an importer; then a net importer; and then a larger importer; and the OPEC countries joined and then they raised the prices a little bit; and then they raised them some more; and

then they found they could do it. Then there was the Middle East War so they had a political reason. And they added the political reason plus the economic benefits which they would receive, and they put a boycott on and then they put on in two years a 500 percent increase in energy prices.

This has got to be a totally new situation in the world affecting us, affecting the other industrial nations, and affecting the developing world -- if you combine that with the political situation, the instability that exists in the world, that is divided ideologically.

We were talking in the press conference about Secretary Kissinger and his role, and I have got to say, ladies and gentlemen, that I think this Nation is so fortunate in this moment in history to have a man of his brilliance, his precision and integrity and drive that we have just got to be grateful that that man is there.

(Applause.)

So he has dealt with this Middle East situation. Now here we are where we are importing about 40 percent of our energy, close to \$30 billion a year of exported dollars for foreign exchange.

And on top of that situation arises a world food situation; population growths in areas of the world where food growth is not keeping pace; then food production which is hit by blight and drought.

And so two years ago we had a crisis in food. The Soviets moved in with a most ingenious, and one has to respect, ability. They sure made their way into our market and purchased grain, which was taken up first at the meeting in Moscow. It was to be just a little.

Well, they said, they wanted to purchase a couple or three hundred million dollars worth of grain, and that the summit conference there discussing SALT talks didn't seem important enough to take it up there. They sent a mission to Washington. While in Washington they talked to the three big grain companies, thinking they were going to make a deal that was going to be discussed in Washington. Each one of them sold \$300 million worth.

In Washington, that was a billion dollars, and grain prices doubled. Federal prices went up, food prices went up, and in that and the oil prices we found ourselves in a period of inflation, then a period of dislocation and a period of depression and then unemployment.

This is what President Ford inherited when he took office, not having sought the job or asked for it. These are the problems he has been wrestling with.

I have got to say that my respect for him is unlimited in the approach that he has used. Now, with this situation we have got another situation. When Jim said, and he put it I think the simplest way I have seen, jobs

or welfare, or welfare or jobs -- whichever way you put it -- really, this is about the most fundamental, simple way of approaching where we are and what we face. We have got this inflation, but we have also got a situation which is different than what I have just discussed.

I don't want to make it too complicated, but these are the realities. In 1962 our Federal budget was around \$100 billion. By 1970 it was \$200 billion. By 1975 it is \$300 billion. The way it is going, by 1977 the President is trying to hold it under \$400 billion.

This year we have got between a \$60 billion and \$70 billion deficit, and spending is growing far more rapidly, without any new programs, at \$50 billion a year. That is just present programs through their normal growth, and revenues are not growing at the same pace.

So that we have got a situation -- I don't want to say it is like New York City.

(Laughter.)

But we have got a situation which is too close to being like New York City to not take it very seriously, and that is why I admire the President so much. Jim said it himself before. He said he has the courage to recommend that we are taxing too much and we are spending too much. We have got to let the people have more say over the use of their own funds. This is fundamental.

(Applause.)

Now this has met a reversal of an old trend that has been 40, 45 years in the making. With communication what it is, and we have got to hand the press, the television, the radio, a tremendous compliment for the degree of information we all have, we all know what we could be doing, we all know what everybody else has, and therefore those of us who are trying to represent the people in the best interests of the people are saying, "Well, the government could help in this."

As Lincoln said, the government used to do those things for people which they couldn't do for themselves. Lincoln didn't have a concept of what was coming, but that is another question.

So what we have got today, we have 1,006 categorical grants which are Federal programs of aid for State and local government. That sounds great unless you are a Governor or a Mayor and you are trying to cope with these situations.

New ones are being spawned all the time. All of them are worthy and all have a very fine objective. But each one says you have to enrich and improve your program if you are a State or local government and you want to get the money. Then you must live within the legislative restrictions which are set on a national basis and may have no application to your State at all or to your city.

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Then on top of that you have administrators, bureaucrats, who are changing the regulations, so that you don't know what those regulations are going to be and you have to constantly have lawyers reading those books to be sure you are living within it.

And I want to tell you this situation has gotten so complicated that no longer at any level of government have you elected officials who can be responsive and responsible to the people who elected them because they don't raise all the money, nor do they have control over the programs. This is a serious situation.

Now, this situation the President is aware of. He wants to cut down on the bureaucracy. He wants to simplify the government and get rid of as much red tape as he can. This I think is one of the most important fundamental objectives.

He has asked the Domestic Council, and he has asked me to give them the oversight of the Domestic Council, to deal with a re-examination of our social and economic programs and policies. We are going to start next week with a series of hearings around the country to come up with recommendations of how do we simplify this structure to get the responsibility back into the hands of State and local government and to reduce the role and the red tape that is now taking really dominating control of State and local government from Washington.

This is not easy, but this is the moment to do it, because we can't go on at the rate we are going without getting into a situation which can be catastrophic. It takes courage to veto programs which are popular programs, which the President has been doing.

But I have got to say that a lot of wonderful Republicans and some Democrats have supported those vetoes. They have had the courage to do it. They are doing it because they know that you can't spend more money than you have in revenue for very long, whether you are a family, a city, or a State, or the Federal Government, without going broke. We have got to face the hard realities, and he has got the courage to do it.

(Applause.)

In the area of economic growth, a lot of people forget that business and industry and the payrolls from business and industry and the dividends paid by business and industry provide 85 percent of the revenue of government. So that when government is talking about doing all of these things, it is business and industry and the workers of this country they depend on for the revenues to pay for the programs.

The regulatory programs which we have have become so restrictive, and again we go back to these regulations, and the change in the regulations, all for socially wonderful objectives, but they have now gotten to a point where productivity is being cut back because people can't tell if they are going to invest \$100 or \$100,000 or

\$1 million, whether the rules of the game are going to be changed after they made the investment and whether they are going to make the return on the investment.

There we are stifling the very system which has made the strength and dynamism of America what it is today.

This is a serious situation. Therefore, he is re-examining all of these programs and regulations to see how they can be simplified and how they can serve the country better and not stifle the system.

Basically then we come to this: Economic growth has been the source of jobs. That is what Jim was talking about. Fundamentally, economic growth in an industrial society is energy. We are totally vulnerable now to imports and therefore to foreign sources on our energy supply. Therefore, our national security is undermined. We have no knowledge that we might get into a situation where there will be another boycott.

The Eastern Seaboard of this country depends 80 or 90 percent on imported oil. We have the same situation with gas. Therefore, the President made as his basic address in the State of the Union message independence in energy production by 1985.

Now, this the Congress has not responded to yet and, therefore, he has come up with a new program to encourage the investment of the funds in new sources of energy, particularly those where there is high risk, in his energy independence authority with \$100 billion of capital.

This has been criticized by some on the grounds that it is an allocation of capital. When the President said we are going to have energy independence, that is going to cost this country in investments for energy \$600 billion to \$800 billion in the next 10 years.

If that is done by private enterprise, then there is no problem. Private enterprise can't tell whether it is going to be able to get a return on that investment. Therefore, the President is suggesting this program so that the high risk steps can be supported with private participation through private enterprise to get the economy rolling, to get this country back on the track again, to get jobs for people who want to work and don't want to be on welfare.

This is the basic drive in the economic field that the President has: energy independence, economic dynamism, jobs. And let's face it, ladies and gentlemen, this can be done without violating our ecology, but at the same time continuing to meet the ecological objectives which are our national objectives and to which we owe the young people so much.

So whether it is in the domestic social fields, in the domestic regulatory fields, or in the economic fields, he is wrestling with these complicated problems.



We come finally to the restoration of the Federal system and the responsibility of the powers of State government and local government which he deeply believes in and which I think are the strength of our country.

As I said before, the Domestic Council is going to work on these in these hearings to come up with alternative recommendations.

I have to say in conclusion that I have tremendous optimism about the future. Sure we have got problems. But we also have these tremendous opportunities. Science and technology has never moved as fast as it is moving. We have got to take advantage of it. We have got to give the incentive to private enterprise to use the new developments to open up new fields and to have the opportunities for employment which we have enjoyed in the past.

I think that we can do it. We have got the vitality, the creativity, the drive, the imagination of the greatest free people in the history of this world right here. We have got the natural resources. The good Lord has been good to us. We have them for energy and for the other essential raw materials.

I just think that we are going to do even more in the next 200 years than we did in the past 200 years. I think, frankly, to do it what we need at this particular moment is renewed faith in ourselves and our system. The system of free government and free enterprise, those are the two basic forces which have made America unique in its history, and we have got to preserve that.

It is going to take self-discipline and it is going to take hard work. But we are going to do it. And out of this hard work, in my opinion, is going to come a better Nation at home and a better world for all throughout this great hemisphere in which we live.

I would like to say thank you to all of you and say the Republican Party has been the party that solved problems, that had the courage to look at the tough ones and to tell it like it is. I am thrilled to be here with this group of Republicans who have proven in the great State of Ohio their vitality, their dynamism, their strength and faith in America.

Thank you very much.

(Applause.)

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(AT 9:03 P.M. EDT)