

FOR IMMEDIATE RELEASE

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Office of the Vice President  
(Denver, Colorado)

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REMARKS OF THE VICE PRESIDENT  
AT THE  
PUBLIC FORUM ON DOMESTIC POLICY  
GRAND BALLROOM, DENVER-HILTON HOTEL  
DENVER, COLORADO

AT 9:08 A.M. MDT

Thank you very much, indeed, Sam. Thanks very much indeed, Sam Martinez, for opening this first session here of the Domestic Council's review of the domestic policy and program on behalf of the President.

I would like to say how deeply grateful I am to Governor Lamm for his presence and his welcome; and to his honored Mayor, Mayor McNichols, for his welcome and warm reception.

I would like to say we also have here Governor Calvin Rampton of Utah who is the Dean of the Governors. As he said when I resigned, he became the Dean. So he is now past chairman of the National Governors' Conference and one of the outstanding Governors in the country.

We also have Governor Link here of North Dakota and former Governor Ray Shafer of Pennsylvania. So we have a pretty broad spectrum of Governors represented.

I would like to thank each and every one of you who have come because this is a very interesting experiment and I think we can tell better at the end of the day what I have a feeling is going to be a very productive and very useful one.

I would like to introduce to all of you the members of the panel who have come out from Washington to participate in this program. On my right is Secretary of Health, Education and Welfare, David Mathews, who is the youngest and newest member of the Cabinet. I would say the handsomest, but he objects to that.

On my left is Secretary of Labor, John Dunlop, who is Dean of the School of Economics at Harvard and Dean of Faculty at Harvard.

I did not mention Lieutenant Governor Smith of Kansas. I would like to welcome him, too. Excuse me.

Then I go on to the Administrator of the Federal Energy Administration, Frank Zarb, who is sitting on my right. I would like to say that there is nobody in this country today that knows more about this problem. Some question whether there is a crisis and I think that is going to be one of the subjects to be discussed; whether there is actually an energy crisis and how can there be a crisis when there seems to be plenty of gas or at least gasoline.

So that is one of the subjects that will come up. But Frank is the man who is the key man in Washington on this subject.

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Then Under Secretary-Designate of the Department of the Interior, Ken Frizzell, and particularly for this part of the country, this region, there is no department that is more important than the Department of the Interior because of the fact of the Government's role in terms of the resources which belong to the Federal Government in terms of land on which are found many of our natural resources.

So that is an interesting subject and one which will be discussed at some length.

Assistant Secretary of Commerce for Economic Development Mr. Mizell, is here on my left from North Carolina who has been a businessman and has had a long period in Congress and has a broad background of experience.

Then Jim Cannon, who is the Executive Director of the Domestic Council and Special Assistant to the President. It is under his auspices and the Council's auspices that these hearings are being held.

So that is the group that is here present this morning.

If I may, I would like to just say a few words to explain the President's concerns and his interests and the reason for these conferences and say a few words of background. Then I will start the discussion.

First, though, I would like to say how deeply grateful I am on his behalf that so many distinguished public officials, community leaders, interested citizens, not only from Colorado, but from neighboring States of Utah, Wyoming, Montana, North Dakota, South Dakota, Nebraska and Kansas are here. We are very grateful to all of you. I don't have to explain to this group the importance of the Rocky Mountain Plains Region to our Nation -- its people, its natural resources, its agriculture, its mineral and energy resources -- are well known to the Nation as a whole.

As we look to our future needs, this part of the country will become even more significant to the Nation as a whole.

We therefore thank you for taking the time to share with us your concerns and your opinions on where we should be headed as a Nation as we begin our third century. Last month President Ford directed the Domestic Council to conduct a broad examination of our Federal Government's domestic programs and policies. He called for this review because of the state of our economy; because of the unemployment that exists in this country; because of the high cost of living which is brought on by inflation and its cruel impact on our senior citizens and most American families; because of the rapid growth of the Federal expenditures and the size of the budget deficit -- the Federal budget deficit.

The President is concerned whether our social programs are truly meeting human needs and the social objectives for which they were designed. He is concerned about the proliferation of Federal regulations in all areas of activity and whether they are encouraging a healthy, self-reliant citizenry -- or increasingly dominating the daily lives of individual citizens or shackling the dynamism of the free enterprise system

President Ford is concerned that we are more dependent today on foreign supplies for energy than at any time since the Arab embargo -- and that we must proceed to achieve greater energy production here at home if we are to meet our urgent energy needs. He is concerned about our environment and how we can enhance the quality of life for all Americans today -- and assure a healthful tomorrow for our children and the generations to come. Because of these concerns which are shared by most Americans, the President asked me as Vice Chairman of the Domestic Council to conduct these public forums throughout the country as part of the policy review process.

The President recognizes that decisions that affect the destiny of every American cannot be confined to the limited perspective of Washington -- for Washington has no monopoly on ideas or wisdom. The President wants to tap the common sense, the wisdom, the practical experience and the imagination of the people of every part of this country.

This forum today is the first of six that will be held throughout the country during the next eight weeks. Three major areas will be discussed during today's meetings: economic development and job opportunity; resource development and the environment; social policy and the quality of life.

Before calling upon our witnesses I would like to comment briefly on the needs to review Federal policy in these particular areas. A healthy, growing economy is required if our Nation is to prosper and if all Americans are to have the opportunity to achieve on a basis of equality an improved standard of living.

We have been going through a difficult period of readjustment -- a period of strain and difficulty for all.

Briefly, we are living in a period of rapidly accelerating change. We have never seen anything like it, whether it is in our personal lives, in business, in government, in international relations. We are living in a period of increased interdependence between nations and within our Nation, Federal, State, local government, private enterprise, across the board.

We are living in a period where the world is divided between two basically conflicting ideologies -- those who believe that people are spiritual human beings, who believe in the brotherhood of man under the fatherhood of God; and on the other hand those who believe that human beings are just cogs in a machine to be disciplined and dominated by the state to a point where they lose all capacity for individual thought and action.

This really in a sense is the setting and if you take from the international point of view illustrations of the impact of these three basic areas, you see the situation in energy where we became finally a net importing country. The exporting countries, which are the OPEC countries, the Arab countries principally, finally got together, started little by little to raise the price. Then the Middle East War broke out and because of the conflict there and the involvement of the Soviet Union and the United States, finally the Arab countries put on the boycott and we realized that for the first time we were not self-sufficient in energy. Then they raised the price of energy 500 percent -- totally new situation in the world that never happened this way before.

The same kind of situation is happening in food. The population growths in many areas of the world far outstrip their capacity to produce food.

The United States, Australia and Canada -- but principally the United States -- are the only major exporting countries left. The farmers of America with the unique system that has been developed of the family farm, highly mechanized and industrialized, has become the major source of food for the rest of the world. But with the population growth and then the failure due to climatic conditions of crops principally in the Soviet Union--we saw what happened two years ago when they moved into the market and doubled the price of grain; then of feed; then of food; and we saw the rippling effect.

So between energy and food we started on inflation; then recession; dislocations; then unemployment.

That is the situation which we are dealing with now. But it is international as well as domestic. We have got to rebuild our economic strength -- to provide jobs; to meet peoples' needs at home; to meet our responsibilities in the world and to provide -- let's face it, ladies and gentlemen -- revenue for government; private enterprise; those who are working and who are employed; dividends paid by private enterprise produce 85 percent of the revenue of the government. So they are closely related. Therefore, in any of these subjects we can't discuss one without the other.

The result of all of these developments and the growth of Federal spending -- in 1961 the budget was \$100 billion. The President of the United States today, President Ford, is desperately trying to keep the budget for 1977 under \$400 billion. That is 15 years, from \$100 billion to \$400 billion.

State budgets, local budgets are moving; taxation has increased welfare and aid programs -- the Governors well know and the Secretary knows very well that there are now 1,006 categorical grants in aid programs to State and local governments from the Federal Government. Each of these requires that the State or the local government enrich and improve their programs whether they need to or not from their point of view. They are tied up in the regulations.

So we are getting increasingly into a situation where nobody has the capacity at any level of government to be responsive to his or her constituency that elected them and the ability to control the programs; very serious situation; Federal regulations, private enterprise, inability to make decisions for the security; that the rules of the game are not going to be changed next week, next month, next year.

So there is an increasing hesitancy to make investment bureaucracy has grown with the growth of the programs. With bureaucracy grows red tape, with both grows a slowdown in ability to get decisions.

The result is the impact on the individual citizen, loss of his or her freedom to act, to make his own decisions, Private enterprise and economic growth are slowed down and State and local governments find themselves with less ability to make the decisions and to carry out the concept, the original concept

of our Nation; namely, Federal system where government closest to the people is the best government.

The President's objective, put simply, is to control inflation; to achieve energy independence as the basis for the growth of our economy; jobs and the growth of the economy with the protection of our environment. He is convinced they can be done together --the restoration of the environment and the protection of the environment.

He wants to see tax cuts; hold down government spending; give the people more control over their own earnings and more opportunity to use their own initiative which has been the vitality and strength of the Nation.

He wants to simplify the aid and the regulatory programs and reduce the bureaucracy and the red tape.

I think that one could say this is a very tough period and it is. But I have got to say to you -- and I know this is very strongly the President's feeling -- that one has to be optimistic about the future despite all of this. I am optimistic because I have faith in America. I have faith in the American people because I believe that we are the greatest free people in the world; and that free enterprise is the most productive system the world has ever developed.

So to conclude, let me say what we need to do is to get back where we can renew our faith in ourselves and in our system and in our country . I can summarize it by saying there is nothing wrong with America that Americans can't right.

This morning we will hear from an impressive list of witnesses who have been asked to be present to make brief statements, give their views and their recommendations and then we will go to discussion after each series of witnesses.

The Governors have been asked to limit their remarks to ten minutes. The others have been asked to limit their remarks to five minutes. I know that is totally inadequate for any politician and I am sure for most citizens. (Laughter) But we have got a time factor here and, therefore, we are supplementing this with written statements that any of the speakers or anyone in the audience would like to comment later by sending in their statements, if they don't get a chance to express their views now so that we will have the benefit of their thoughts. We can put that into the reports.

Following the presentation of the various individuals there will be discussion. The members of the group here will ask the witnesses questions.

So that is the procedure. And this afternoon the group will break up into smaller groups where there can be more intimate discussion.

Secretary Dunlop, Assistant Secretary Mizell, Secretary Mathews, and Under Secretary Frizzell will chair the meetings to further discuss the morning issues. We invite all of you to attend those meetings this afternoon.

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So we now will go to the start of the program. You have been very patient in letting me sort of give the backdrop.

I would like to call on Mr. Frank Zarb to open the first session of the discussion which is on the subject of the importance of energy development and the protection of the environment.

He, as I have said already, is the Administrator of the Federal Energy Administration. So I will turn the meeting over to Frank.

Mr. Frank Zarb.

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(AT 9:28 A.M. MDT)