

FOR IMMEDIATE RELEASE

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Office of the Vice President  
(Denver, Colorado)

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PRESS CONFERENCE  
OF THE  
VICE PRESIDENT  
JUNIOR BALLROOM  
DENVER HILTON HOTEL  
DENVER, COLORADO

AT 12:55 P.M. MDT

THE VICE PRESIDENT: Ladies and Gentlemen, now that the official side of the program is over, I would like to say what a pleasure it is to be here in Denver with Happy.

Where is she? I was hoping she would come up. She is back there. I think you both ought to come up. Both of you can come up here together. Happy's mother was born in Colorado.

This was the first, as you know, of our Domestic Council meetings and I think from the point of view of the Federal Government that this is very useful and very helpful; and all the Cabinet Members; Jim Cannon, the Director of the Council; Jack Veneman, who has been working on this; all of us are most grateful for the cooperation that has been achieved and for the results.

I think it was extremely interesting and valuable. I just want to say that.

I am glad to answer any questions relating to this or anything else.

Sir?

QUESTION: Mr. Vice President, how much are these forums costing? Where is the money coming from? Is it being paid for by the taxpayers?

THE VICE PRESIDENT: It must be. It comes from the individual departments participating in the programs who are each doing their share of the planning and the work.

QUESTION: Do you have any idea of the cost?

THE VICE PRESIDENT: No. I don't. But we can get it.

QUESTION: Mr. Vice President, would you tell us what you think can be done for people like Francie O'Donnell, the little girl who talked; and Beatrice Villanueva, the welfare woman who both gave such sad stories today? What can you, as Vice President do, to help those people?

THE VICE PRESIDENT: First, I would have to say that I thought both of them were extremely articulate and made a very effective presentation which to me is important in this sense: That individuals who, because of circumstances beyond their control are welfare recipients, are finding that they can develop and be participants in our system.

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I don't know where you could find a more articulate child than that young lady was, who was eight. I think any one of us would be proud to have a child eight years old who could get up and speak as she did; stand there for 15, 20 minutes first, waiting, and then present her case as clearly and as effectively as she did. It shows that they are citizens of this country who are getting the benefits of the educational system and the support which is necessary from the government.

I am sure that anybody would like to live at a higher standard of living. This is true for those who are paying taxes as well as for those who are not. As was so eloquently expressed by Ezra Taft Benson, we can only get the benefits if we produce. Our society has got to step up its production. This is going to be one of the major factors, along with trying to hold down the rate of growth of expenditures and getting a balanced budget and stop inflation.

So that I think that Secretary Mathews, who is new on the job, but is going to get the benefit of listening to those who have spoken as well as a realization that his department is now by far the largest spender -- much bigger than the Defense Department -- in terms of welfare expenditures for this country.

QUESTION: Mr. Vice President, question about the fiscal situation in New York: Governor Carey said today that the Administration is reluctant to come to the aid of New York City which shows in his words that the White House is content to let the fate of the 17 million Americans twist slowly in the wind; that it is the ultimate immorality. I wonder what your comment is on that?

THE VICE PRESIDENT: That is a very unfair statement. I think President Ford has been absolutely right; that the people of this country cannot bail out New York City. I have taken the same position. However, if the State, as it has, takes action to restore fiscal integrity in New York, then I have pointed out -- and I see that Senator Byrd of Virginia spoke on this subject -- said that I had supported the bailout of New York. I have not. I have said that Congress should act so that after New York State and City have taken the action necessary to bring about a balanced budget in the City, that then during the three-year period which is a transition period prior to their restoring the full balance of their budget, that the notes which they have been selling, short-term notes -- each year they have been running a deficit of about \$300 million and they kept selling short-term notes and rolling those over until now they have about \$3.2 billion. That is really the basis of their trouble.

Before investor confidence is reestablished in New York City, after they have taken the action to restore a balanced budget, there is going to be a need for a bridge in my opinion. As I have said, Congress is going to have to take action to make it possible for them to pass over that bridge.

This is not a bailout. It is important that Congress understand this. I think that the whole situation was most dramatically illustrated at the first meeting between the Mayor

and the Governor and the President which I had the privilege of attending five-six months ago, ladies and gentlemen, when the Governor came and said you have got to bail us out. You have to save us.

He explained and I then took the liberty to say to the President: "Mr. President, the Governor having said you are the only one who can do it, I have to tell you that New York State has exactly the same capacity to do; to help New York City that the Federal Government would have."

They have the same problem and the same capacity and the Governor was concerned and said the constitution did not permit it. I explained to him that there was a first instance appropriation procedure that is part of the law of New York State and that they were able to advance money to New York City.

That was one point. The second point is that the President said to the Mayor of New York City, "Mr. Mayor, I understand you have a city university and that you have free tuition and open enrollment." He said, "In Lansing, Michigan we don't have free tuition. I have got to ask you why should the people of the United States in other communities who don't have free tuition support that kind -- nobody is criticizing you having free tuition, if you want it. If you have the money to do it, that is a wonderful thing. But why should you do that? Why should we and the rest of the United States support that free tuition in New York when nobody else gets it in any other community?"

I think these are the basic questions that have to be asked. This is what New York has to face.

QUESTION: Mr. Rockefeller, along the same lines we see an intense factional debate taking place among bankers and industrialists, people like the spokesman, Clancy Smith of the First National Bank of Chicago and James Ingersoll of International Harvester. Mr. Bates' proposals surround expanded East-West trade, capital intensive agricultural development and even admitting the possibility of debt moratorium for Third World countries.

What do you think of those proposals and what is your reaction to the kind of intense criticism that is beginning to come out even through the press for your Administration's policies of austerity and limited growth?

THE VICE PRESIDENT: You have said a lot. But I am not quite clear what you are saying because I don't know exactly what these men said that you are quoting. I don't know quite how it relates to New York City. But I do understand that last sentence you gave which is "my Administration", which is not mine-- it is President Ford's Administration -- of limited growth. President Ford, quite to the contrary, wants to encourage growth in this country, but he wants to do it without inflation because inflation is the most corrosive, destructive force in the lives of all of the 216 million Americans; their savings; their earnings; and so forth.

The Secretary of Labor pointed out that there has been a net decrease in buying power of labor. Why? Because of inflation. President Ford wants to stop inflation.

One of the causes of inflation as was pointed out by the discussions here this morning is the fact that the Federal Government is running huge deficits. You could make a very interesting analogy between the fact that New York City has been running a deficit every year, but they can't print money and the Federal has been running a deficit every year and they can print money.

There is a certain interesting analogy there. I think we have got to get back to the fact that all of us -- whether it is the home as I said, or the city or a State or the Federal Government -- somehow has got to live within the productive capacity of that entity, whichever one it happens to be.

I think the President is absolutely right. Until New York City does take the steps and I don't know when the Governor speaks as you quoted him this morning -- I would like to know whether -- and yesterday was the day -- the budget has been approved by this board which was created by the Legislature in New York which would be a balanced budget by 1978.

If it has, then what I said about Congress' responsibility is there. But the President -- very few people seem to realize this and it is extraordinary that the present Governor of New York doesn't realize it because he was in the Congress of the United States -- the President of the United States has no power to act in this present situation. Only Congress in its wisdom can act and in my opinion only should do so after New York City has taken the steps.

QUESTION: Yesterday you said you were confident that Congress would act. Why did you say that?

THE VICE PRESIDENT: Because I think they will.

QUESTION: Why do you believe that? What indications do you have?

THE VICE PRESIDENT: What indications? Logic; the merits of the case, after the City and the State have taken the action.

QUESTION: Do you believe that the President also agrees with that kind of logic then?

THE VICE PRESIDENT: I haven't discussed it with him. As I said before, as the President said, our differences are minimal on this thing. I am talking about what will happen after New York City and New York State take the action to bring about that balanced budget.

The President has been talking about bailing them out as they are now prior to the action. Those are two totally different situations and circumstances.

QUESTION: But if it seems so logical, why doesn't the President see it?

THE VICE PRESIDENT: Because the President is talking about the present situation which is prior to the action. I am talking about afterwards. I think that his concern is that if there is general talk about assistance that maybe the necessary action might not be taken by the City of New York and the State in which case then he stands and I stand with him. It shouldn't be a bailout.

QUESTION: Mr. Vice President, this is an eight-State meeting and all eight Governors were invited. Only two showed up and one of those is the host Governor.

THE VICE PRESIDENT: There were three here.

QUESTION: Governor Link is right here.

QUESTION: Pardon me; three.

THE VICE PRESIDENT: Two Lieutenant Governors.

QUESTION: Do you consider that as a snub that five of the eight Governors did not come?

THE VICE PRESIDENT: No. I don't at all. I just think we were so lucky and so fortunate that three came and two sent their Lieutenant Governors.

QUESTION: Mr. Vice President, taking your analogy one step further on deficit spending, who is going to bail out the Federal Government?

THE VICE PRESIDENT: You have got a good question. The Federal Government can print money.

QUESTION: Isn't that the cause of inflation, though?

THE VICE PRESIDENT: Yes. It is. That is exactly right. That is why this whole discussion centered around -- I think Secretary Mathews pointed out that you have Federal programs now growing at the rate of \$50 billion a year if Congress does nothing else; if they add no new programs, just the present programs.

We all know the things that we would like to see done for people and we have a tremendous, vast reservoir of knowledge in this country about what can be done in health, in welfare, in all of the fields of education and so forth. But we have to recognize that there are limitations on our productivity. I go back to what Secretary Benson said and I think he put it very well; that each one of these steps depends on the other. But it basically depends on productivity and work and incentive to work in our society. This is why we have had these incentives. This is why in 200 years this great democracy of ours with free enterprise, free citizens, has achieved the standard of living unparalleled in history and you can only keep it that way by preserving the system.

QUESTION: Mr. Rockefeller, this morning with few exceptions -- that being Francie O'Donnell, the little girl, and the welfare mother, most of the people were politicians. They were leaders of business and so on.

THE VICE PRESIDENT: I wouldn't call leaders of business and labor politicians. I happen to be a politician myself although I like to be thought of as a statesman. (Laughter)

QUESTION: Isn't it misleading to call it a public forum when most of the people are leaders in whatever their field is?

THE VICE PRESIDENT: Labor was represented, business was represented, Mayors were represented, legislators, Governors, agriculture; these are the important segments of our society.

The point you are making is that no welfare recipient was on the program officially to speak. I think that has a perfectly valid point, although we figured that inviting the people, inviting them to speak and giving them the opportunity, that just what happened, would happen.

So I would sum up by what you are saying is your real criticism was there wasn't a welfare recipient on the program as an official speaker which appeared to be a fair statement.

QUESTION: Mr. Rockefeller, what about the comment by Colorado's Governor Lamm that the past Federal officials have come out and made promises, left and never to be heard from again? Would you put this program in that same category? How does that differ?

THE VICE PRESIDENT: If I felt it, I wouldn't be here.

QUESTION: Would you elaborate on that?

THE VICE PRESIDENT: The President asked me to head up for him the work of the Domestic Council in this field to come up with alternate proposals gleaned from the experience, the reactions of people around the country as to how the domestic programs and policies might be revised more effectively both to meet peoples' needs and at the same time restore the strength and vitality of our economy. I think this is an extremely constructive approach. I think it shows that the President is a man of great integrity, deep concern for this country, a man with tremendous curiosity of mind, searching for the right answers and then most important of all he is a man of great courage. So when he finds what he thinks is the right answer, he is ready to stand for it as long as he feels it reflects the best long-term interests of the country and not short-term political expedience.

QUESTION: Mr. Vice President, could I ask you on this New York City affair, to get back to that; do you see any of the so-called domino theory if New York does go down the financial pipe? What is going to happen to Philadelphia, Detroit, Chicago Denver and the others?

THE VICE PRESIDENT: This is probably one of the most debated subjects in the country. You can get people who have judgments, who are sound people on both sides of this issue. There has never been such an experience before. My feeling is that -- this is why I made a speech a week ago Saturday on this subject -- that we can't afford to gamble on what might be the result after the city has taken the action and, therefore, I urge the Congress to come to a sharp focus on this issue immediately so that there would be standby legislation available to meet any contingency, but again after the city has taken action to balance its budget.

QUESTION: How much Federal control does President Ford plan on placing on the natural resources located here in Rocky Mountain West?

THE VICE PRESIDENT: I don't think he has any plans to place controls beyond what is there, although he has hoped to get a mining bill; a bill that would cover the ecological facets that he felt was viable that would both meet the environmental needs and energy needs of this country which

would be a framework within which the whole government could operate; that is, Federal, State and local. That has not been passed by the Congress. We have just got to wait and see what they do.

QUESTION: Thank you, Mr. Vice President.

THE VICE PRESIDENT: I appreciate very much the pleasure of being here with all of you and I thank you.

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(AT 1:15 P.M. MDT)