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OFFICE OF THE VICE PRESIDENT
(Indianapolis, Indiana)

REMARKS OF THE VICE PRESIDENT
AT
THE INDIANA REPUBLICAN STATE COMMITTEE
LUNCHEON
INDIANA CONVENTION/EXPOSITION CENTER
INDIANAPOLIS, INDIANA

(12:55 P.M. EST)

First, I would like to thank the Secretary for that beautiful invocation in which I thought he very sensitively and very accurately portrayed the situation of today and invoked the blessings of our Creator. I am grateful to him.

To you, Governor, I would like to thank you for those generous words, beautifully expressed, and say what a pleasure and an honor it is to be here, and to be with you and to receive this gavel -- and to say that I will open the session of the Senate of the United States next week with it.

(Applause)

Of course, I have to say they don't let me talk without unanimous consent, but at least I can pound the gavel. This is a bigger one than the one they have got. I am very grateful. Its historic significance is very meaningful.

To His Honor, the Mayor, Dick Lugar, just as in the case of your great Governor, two of the outstanding public servants of this country, men of dedication --

(Applause)

-- dedication and skill in government, dedication to the fundamental principles, plus an element that is so significant and important today. That is, the ability to articulate the basic concepts, the fundamental values, to then apply them to the problems of today and to keep in communication with the people during this period of transition.

So, I am very honored and deeply grateful to have the privilege of being here in the presence of two such outstanding leaders, as well as your great Lieutenant Governor, Bob Orr, who I have had the pleasure of knowing on previous occasions, and who is cut from the same cloth.

I would like to say that I am sorry that Bill Hudnut couldn't be here today. I am just counting the days. I know everybody in this room is waiting for November 4 and his great thrill and opportunity to succeed in the very big footsteps of this great Mayor on that date.

(Applause)

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But no effective government and democracy, particularly in our country, can function and can pick the candidates, the men and women of integrity and quality and capacity, and crystalize and present to the public the issues of the day and to communicate to the public without a strong party mechanism. You are indeed fortunate to have that kind of leader.

It is not only Tom Milligan, but you have generally and widely the finest, the ablest Republican organization throughout your State of any State in the Union.

(Applause)

That goes for Betty, too, because she is the other one.

(Applause)

For me to say that, coming from New York, is going a long way, because we have a very good organization, at least we think we have. I have to say what I feel.

Also to John Hart and Maggie Hill, I would like to express my appreciation to them for their dedication to the national leadership and the strength of the national organization.

I have heard a lot about them, both past opportunities of acquaintances and also through our good friend George Hinman, who is here today.

To all of you fellow Republicans and to those discerning Democrats who may have slipped in to join us, I would like to say thank you and express my appreciation for your invitation to be with you on this wonderful occasion.

To all of you who are here to support the party by your presence, let's face it, the best organization in the world without the tools to do the work cannot be effective. That is only possible, particularly with the cost today of political life, due to the support of loyal citizens who, as the Governor said, is our tradition, who have given of themselves or treasure the preservation of the greatest democracy in the history of mankind.

I am delighted to be here. I am also very happy to know that an old friend of mine from many years back when I was in Washington, the first time Senator Homer Capehart is out of the hospital. I know it is a source of great pleasure and satisfaction for all of us.

(Applause)

Whether it was His Honor, the Mayor, or the Governor, I guess it was the Governor, said that at crucial moments in history in this country we have always been blessed by the fact that people have arisen to lead. We are fortunate as a nation that we had a Constitution with the flexibility of our Constitution so that despite the fact we went through the traumatic experiences both at Vietnam and Watergate, our Constitution was strong and firm.

We were able on an orderly basis, with the world watching as they would have in no other country in the history of civilized man, a transition which took place within the framework of the Constitution.

We now have as our President under the Twenty-fifth Amendment, a man with extraordinary integrity and dedication to this country, its basic tradition, its structure, its concepts, its values, with deep concern to find what in this difficult period are the right courses of action. After having made up his mind what is the right thing to do, listening to all sides, he is a man who has the courage to take the stand which reflects the best long term interests of the people in this country, regardless of the short term political advantages which might have been achieved had some other course been followed.

That is the kind of leadership America needs today and that is the kind of leadership we have. I am proud to serve both.

(Applause)

I would like to just try to briefly put into some perspective the problems we face today in terms of the circumstances with which we are trying to deal with. First, I think perhaps the most significant phenomena of our times is the accelerating speed of change. Change is very difficult for anybody to cope with, whether it's in family or whether it's in business, or whether it's in government.

Believe me, we have change going on throughout this world on an accelerated basis, which is horrendous. It is worldwide and it is in all areas.

Secondly, we find ourselves in a situation of growing interdependence in our own nations and among our own countries, whether it is governments or government and private. We are increasingly interdependent which makes it much more difficult.

We feel as citizens that we are not controlling our own destiny. I don't believe that free citizens can't control their own destiny, but I know that feeling exists.

Change, of course, creates frustrations. It creates bitterness and it is extremely difficult to cope with.

Then we have to face also the fact that the world is divided ideologically between those who believe in the citizen as being a spiritual human being and those who believe that people are just cogs in a machine to be dominated by the state and to lose all capacity for independent thought.

I couldn't help thinking as His Honor, the Mayor, Dick Lugar, was talking about the excitement of living in a free society where somebody can get up and express themselves on fundamental values, issues, with the kind of freedom that we just take for granted. Perhaps sometimes we take too much for granted, the fact that we enjoy this

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freedom and that we have to keep rewinning that freedom or reestablishing it if we want to preserve it.

To illustrate the impact of these three areas and what is happening in the world, we can take a few subjects. First, perhaps the most significant impact was what happened in the field of energy. It was closely tied to, also, the political interdependence in international affairs.

This country was no longer, in the mid-sixties, a major exporter of energy. Therefore, we became a net importer. Gradually we became a major importer. At that point the countries came together and raised the price. Therefore, they couldn't be controlled in the United States, which would have been the dominant factor in holding down the cost of energy.

Then the Middle East war took place and because many of the OPEC nations were involved on both sides, there then became the boycott. Then we had a totally new situation to deal with, both economic and political and international.

This has been one of the extraordinary phenomenon. It was bad enough to have the thing happen. Then came the impact on our country in terms of the price structure. When you couple that with the situation of the food and population, where population growth in areas of the world is so rapid that their food production can't keep up and, therefore, is dependent on the United States, then you couple that with the phenomenon that took place in the production of food with the Soviet Union -- which has again happened now where the climate was such that their crops failed on a large scale.

Therefore, they moved into U.S. markets, really in a very astute manner. One has to hand it to them, because they can talk about purchasing a few hundred million dollars worth of grain. In the discussions in Moscow that were being carried on in the SALT talks, it didn't seem to be a very big thing. They hadn't said much. Our information wasn't too complete about what was happening.

It was suggested to come to Washington to talk about \$300 million worth of grain. Then they talked to three grain companies each individually. Each thought they were going to carry out the \$300 million purchase. They didn't tell the other ones because that is the way things are handled.

It ended up all three sold \$300 million to them, plus the government. We found ourselves in the situation where in 50 years prices doubled, feed prices went up, food prices went up. You combine that with the energy price and we find ourselves in the situation we are in now where we went through a period of rapid inflation, then dislocation, then recession, then unemployment.

This is the international aspect of the situation. But it isn't only international. The interesting thing is we have at the same time concurrent problems going on on the domestic side again, interdependence.

We have a situation where the Federal Government has been spending more money than it has been taking in in

revenues, progressively to a point where we have now up to a deficit which is going to run between sixty and seventy billion dollars. Hopefully, it will be held at that price, but which also feeds inflation.

There has been a lot of talk about New York City these days. They have got problems. I won't get into the details of how they got into the situation. But I have to say to you that I feel very much as Dick Lugar spoke, that we have got to live within our means.

The price of not living within our means is getting us into trouble.

The President has been absolutely right when he says that the United States cannot bail out New York City. That is absolutely right.

(Applause)

Of course, cities are the creatures of the State. A lot of people have forgotten that and a lot of cities forget that, too, and try to get to Washington and get their feet in the trough.

But the truth of the matter is the States are responsible for the cities. I am glad to say that New York State has acted to help meet the situation. The only thing that I have tried to point out is after New York City takes the very tough measures that they do to put their budget back in balance, it will take them three years, that during that three-year period there is going to be a transition before the investors in this country will regain their confidence and be willing to purchase the securities of the city.

At that point, after they have shown their good faith, then the Congress -- because the President has no power in this situation at all -- the Congress may find it convenient and necessary to take some action to help them bridge over that short three-year period.

This, I think, is going to be a fundamental thing because this could spread. This is where the professionals, the economists and the financial experts, and the governmental experts differ as to what the impact of a bankruptcy proceeding would be, if that occurred in New York, around the rest of the country.

My personal position has been -- well, you can get any position you want. You can find anybody, but that I always like to be ready so that you have some kind of an insurance program in case you need it, in case your house gets on fire, that you have an insurance program.

Therefore, Congress needs to face up to this thing so that if that situation arises where they have done their bit and where there is need in helping with the bridging, then that is the sound period. We will see. Time goes by. This is a tough situation.

I don't think we ought to think that this is totally apart from, and isolated from the rest of the

country or from the rest of the world, for that matter, because we do have this interdependence I spoke of earlier. That is something we have to recognize.

I would also like to say -- this may be a little rough -- but in a strange way the tremendous spending programs of the Congress of the United States which the President with extraordinary courage has been vetoing, and which have been very popular programs, just as you said, very popular programs -- ones which all of us want to do.

We all want to help those who need help and we want to do more. We have to recognize we can destroy our capacity to help them. We can destroy not only our ability to help those who need help but to destroy the whole country if we go beyond the country's capacity. This is the worry the President has.

As I started to say, there really isn't too much difference between what the Congress is doing and what New York City is doing, except they can print money and New York City can't. One might think of that analogy.

(Applause)

The difficulty of printing money is that when you print money you debase the value of the currency. It becomes less and less valuable and you encourage and feed the fire and the flames of inflation.

Inflation is the most insidious tax that was ever developed by anyone to affect everybody, the 214 million people of this country, because it destroys their savings, their pensions, and cuts the value of their wages.

The President has made number one the stopping of inflation in this country-- He has had the courage to do the things that were essential. He also feels very strongly that people ought to have more control over their earnings, that government is taking too much money and that government is spending too much money.

That is why he recommended the Congress give a \$28 billion tax cut and a \$28 billion expenditure cut.

(Applause)

These are problems that we have at home that I am talking about. They affect all of us. What Washington does affects us.

Also, we have this problem that I have been very worried about, or was as a Governor, and am now as a staff assistant to the President -- because, let's not kid ourselves, ladies and gentlemen. The Vice President has no function under the Constitution except to preside over the Senate. I already told you I can't talk there.

My real function is a staff assistant to the President. I am honored to have that function. I told it as a joke but it is a fact.

(Laughter)

Let me get into this question. We now have 1,006 categorical aid programs. These are programs designed by the Congress with the specific purpose of aiding a special -- I was going to say special interest. Let's say a special group within our society that wants help, needs help. If a State or local community wants to get the benefit of that program they have to enrich and improve their programs in the same field, whether they are already spending too much in that or not. That has got nothing to do with it.

Then you are tied up with the legislative restrictions, plus the administrative restrictions. You have 1,006 of these programs. The bureaucracy and the red tape have become so great and the duplication, that we have really gotten ourselves in a situation where this is time to take stock. All of this was done because we wanted to help people.

As I think the Governor mentioned, of course, it is some little temptation on the part of politicians to support enthusiastically a program without fully considering where the money is coming from, or how it is going to be carried out.

We have overloaded the structure of government to a point where we don't have the capacity to administer these programs.

I know in the case of one State out West, where in connection I happen to be chairman of the Commission on Water Quality reviewing this 1972 legislation, where they have two staffs: One staff working on cleaning up the water in the State and the other staff handling the paper work, with Washington answering the questions and filling out the forms. This is what is happening.

I want to say this President sees this, understands this, and he has asked the Domestic Council, of which I have the honor of being Vice Chairman, to hold a series of hearings, to review with the American people -- get their thoughts and their reactions.

I will be back here in this very building in a few weeks for one of the hearings to see how we can now, after 45 years of developing all these programs, help people to see how we can simplify them. So we better accomplish the basic objectives, but do it with far less bureaucracy and red tape and see to it that the money goes to those who need it and not to those who don't -- and have the programs tailored to our capacity to pay for them.

(Applause)

It isn't only State and local government that are affected, and they are inhibited. I have to say -- maybe I am speaking too frankly on this -- we have come to a situation. I felt this very strongly as Governor. This was one of the reasons I found the design and wanted to get in these questions on a national and international basis.

This was because today with this complexity of Federal, State and local involvement in all of these

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programs, the administrator of one of these programs reporting to an elected governor or mayor cannot be responsible to his constituents because he or she does not have the control. It lies in Washington, in the capital of the State and in the city.

Therefore, we have a situation where the responsiveness and the responsibility of elected officials to their constituents is very seriously impaired. I think we have to get that straightened out, too.

This same thing applies to private enterprise with the regulations that have been ascribed to the Federal Government, all of them in very fundamental social objectives. But any time when you pass regulations, whether it's for safety or whether it's to catch up with 200 years of abuse of our environment, you create bureaucracy. Then you get people instead of laws that guide the decision-making process.

We find ourselves today increasingly in a situation where free enterprise cannot make the decision because they don't know when the rules of the game are going to be changed -- maybe next week, maybe next year.

Therefore, what worries me very seriously is -- and I am chairman of another Commission to the President on Productivity -- is the fact that we are finding that investments are not being made by citizens or corporations because they can't tell if they invest the \$100 or \$100,000 whether they are going to be able to earn a profit on the investment. Therefore, the tendency is not to take the risk.

But unless we continue our expansion, our development, there are not going to be jobs, because it is the expansion of our private sector that has created the jobs and production of goods and services. These are inter-related.

This is what I was talking about: the domestic interdependence. The President, in addition, is reviewing the regulations to try and simplify those to make it possible for free citizens and a free society, and freely elected government closest to the people, to be able to be responsive, creative, dynamic, and to carry on in the next 200 years the tremendous period of growth and responsiveness to people's needs that we have had in the past 200 years.

(Applause)

I will just say one other thing: that is that the President has stated in his message to the Congress -- State of the Union message -- that energy independence is an essential for this country for the future. That it is essential for our national security. So we can't be blackmailed or have another boycott that will destroy the vitality of our economy.

As a matter of fact, we are now importing 40 percent of the oil in this country. We are spending close to \$30 billion a year. Yet, we have all of the ingenuity and the genius in this country, and all of the raw materials necessary to supply that energy right here at home if we

just apply them.

This would provide -- that close to \$30 billion that we are spending on imported oil -- would provide about a million jobs just to start with.

If we don't have energy, our economy can't grow, our homes can't be heated, and the farmers can't grow their crops.

We are running short of gas already. I went to a Midwestern Conference of Governors. Governor Exxon asked me if there really was an energy crisis. He said, "We got lots of oil around, gas. How can there be a crisis?"

I said, "Governor, you have already expressed it. You summarized it. There is lots of gas around because we are importing it. That is why there is a crisis. We are importing it."

We can be blackmailed. Therefore, the crisis is our vulnerability. We don't want to wait until the crisis is upon us. We want to take the steps now. This can be done and it has got to be done.

We can meet the energy needs while we protect our environment and the ecology. It can be done and must be done together. By doing it we are going to give the economic impetus to our economy which will get it rolling again and get the jobs in the private sector where people want them.

They want the opportunity to work on a good job where they can take care of their family and see that their family has an opportunity better than they had. That is growth. It can be done with the protection of our environment.

These are the basic things the President believes in. These are the things he is working for.

I have to say I think we are very fortunate that there is someone who cares as much about our country and who sees it as clearly as he does, and who is working on it.

I would like to say that the Congress could help him a little more if they would follow the example of some of the Governors. It is not just the Republican Governors now.

If you take the Governor of California or the Governor of Massachusetts, or even the Governor of New York, and what he is saying; they are all Democrats.

I was in Denver on Monday or Tuesday. He is also a Democrat. They are all saying the same thing: "We can't spend more money than we have." Washington has got to cut down this bureaucracy and red tape. We have got to get government back to the people. We have got to give initiative and incentive back to the people.

I think that message has to get back to the Democrats in Congress along with the Governors of these

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States. Then with the cooperation of the Congress, some legislation will be passed, which hasn't been forthcoming yet, which will permit the President to meet the problems. It is very interesting.

This is a slightly political gathering, but there are a lot of people. I have had this question in an interview yesterday which was pretty rough. It was more criticism about the President that he is not providing leadership.

The reason that people are saying that is because he can't get the Congress to pass the legislation that will let him do the things that the country needs in the way of leadership.

(Applause)

Let's not forget that it was only a few months ago when the Congress was boasting at the end of last year that they had 2 to 1 majority Democrats in this Congress. They were going to show America how Congress was going to show its leadership under the Constitution. Believe me, they have the chance now, and we are waiting.

I am thrilled to be with you. I would like to thank you for supporting the greatest State party in the United States, and to tell you what a thrill and a pleasure it is for me to be here, and what an honor it is to be associated with President Ford.

Thank you very much.

(Applause)

END

(AT 1:24 P.M. EST)