

FOR IMMEDIATE RELEASE

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Office of the Vice President  
(Tampa, Florida)

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PRESS CONFERENCE OF THE VICE PRESIDENT  
AT THE TAMPA CONVENTION CENTER  
TAMPA, FLORIDA

(AT 1:20 P.M. EST)

**THE VICE PRESIDENT:** Ladies and gentlemen, I am just delighted to be here, and I am sorry the press conference is late. This meeting was most interesting and useful this morning, very successful.

We got a wide range of points of view expressed, and I think, as I mentioned just at the end of the conference, that one of the things that comes out most clearly is the extraordinary interdependence of the various phases and facets of our life as a Nation, to say nothing about internationally.

There is for all of us the need to hear each other so that we can, in understanding our own problems, reconcile them, adjust them with the problems and needs and opportunities which are faced by other segments of the society.

Basically, of course, the economic productivity of this society is essential in terms of jobs and essential in terms of revenue for various levels of government. Eighty-five percent of all of the taxes that are collected by government at all levels comes directly or indirectly from private enterprise.

So that a growing economy provides jobs, goods, and services, economic strength, and the revenues for our government. And government in turn can then do those things which are needed by individuals who can't do for themselves.

Now with that as a backdrop, I want to thank you for your hospitality here to all of us who came down from Washington and to all of those who came to the conference, whether as private citizens or officials. It has been very interesting, very helpful, and I am delighted to answer any questions.

**QUESTION:** Mr. Vice President, you have just been on the phone to Washington. Can you tell us whether that call had anything to do with the President's speech today on New York City?

**THE VICE PRESIDENT:** No, sir, it did not. I talked to Secretary Kissinger.

**QUESTION:** The President in his speech today said he would veto any bill in Congress whose purpose was to bail out New York City. He is sending legislation to Congress to reform the bankruptcy laws. Where does that put your position on New York City with the President?

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THE VICE PRESIDENT: I did not see the speech, but I have shared very strongly with him the feeling that the Federal Government could not bail out New York. That is something that we all know. It is essential for New York to put its own house in order.

Secondly, while it hasn't been publicly discussed very much, everybody has been aware of the fact that the bankruptcy laws that exist, Federal laws, cover primarily corporate bankruptcy and not municipal bankruptcy. Therefore, there is a total lack of effective procedure to deal with any tragic contingency that might arise, and because of the fear, I think on the part of many, that to discuss the changes in the law might imply that the city was going to go bankrupt, or other cities were.

I think it has not been discussed. So I think this was a very healthy thing to have a discussion of that law and the need for its change and its modification and its flexibility to permit orderly and effective action to preserve services and to deal fairly with all parties concerned.

QUESTION: Mr. Vice President, why is it the President said in his speech that he did not think that the default of New York would cause a financial crisis? This seems to be about 180 degrees from what you have been saying lately.

THE VICE PRESIDENT: As I said before, this is a value judgment, and like so many things in life, there are different points of view and different appraisals of a similar situation, even after the fact.

Often in an accident you have various witnesses who are attending the same situation and each has a different impression as to what happened. So that it is very understandable that an appraisal of what can result from a bankruptcy by a great city like New York, this is something that has never happened and therefore nobody really knows.

Some people say it will be much more grave than others. The President has a broad range of advisers on this subject.

QUESTION: Do you agree that the Federal Government should step in for police and fire protection if New York does default?

THE VICE PRESIDENT: I haven't seen the speech. I don't know what he said. But I do know that the services of a great city must be continued, and there are various ways of approaching this problem.

Each person, based on their own careful study -- and he, of course, is the President of the United States and has access to all of the facts. He was in the Congress. He knows what the attitude of Congress is. Therefore, he is in the best position to make an appraisal of what is realistically doable in terms of meeting this very difficult situation.

QUESTION: Mr. Vice President, why is it the Federal Government can bail out corporations and not cities?

THE VICE PRESIDENT: To begin with, there are no laws that cover cities as far as the Federal Government is concerned. This is something that is overlooked. The President has no power to do anything. The Congress therefore is the only one that has the capacity to meet a situation of the kind that we have been watching develop in New York City.

QUESTION: But the Administration has recommended against financial help for New York City and not against financial help for some corporations. Why?

THE VICE PRESIDENT: Well, I have to say that I have not read the President's speech and therefore I have a little question as to how your statement is reconciled by the statement previously made that he recommended action that would assure the continuation of police, fire, sanitation, and so forth.

Somebody is going to have to do something to keep that going. So I am not clear as to what the details are.

QUESTION: How do you feel about the general philosophy of providing whatever revenues New York City has left over to go to those services instead of to the bondholders, the people who hold the paper, as in a corporate bankruptcy? Don't you think this will undermine the entire municipal bond market?

THE VICE PRESIDENT: I don't know whether this is an opinion of yours. You are asking how do I feel about something. Is this an assumption you are making?

QUESTION: No. It has been one of the proposals that whatever revenues the city has going through the Federal Court --

THE VICE PRESIDENT: Is there a proposal made by the President?

QUESTION: Generally.

THE VICE PRESIDENT: I didn't see it so I am a little hesitant on the strength of what you just said to try to make a generalized philosophical comment.

I do feel very strongly that the services have got to continue. Obviously, there has got to be this, whether this is through the very difficult process of getting its fiscal budget back in balance and restoring fiscal integrity of the city, whether that is done by the very difficult process of paring down expenditures and services and other financial obligations, or whether it is done through a bankruptcy.

But really, if I understand that law, and the section they have in mind amending, it relates to a voluntary reorganization which is really not a bankruptcy but it is a voluntary readjustment of the structure.

QUESTION: But the municipal bondholders still do not get any money from whatever revenues New York City has left over.

THE VICE PRESIDENT: I just have to say, sir, I can't believe anybody has proposed a plan which solely meets one facet of the life of a city.

QUESTION: Eight southern Governors were invited to this conference: six Democrats and two Republicans. None of the Governors attended. Two Lieutenant Governors did. Others were represented by designated representatives. Do you regard the absence of any of the southern Governors at this conference as any kind of a snub?

THE VICE PRESIDENT: No, sir, I don't. Each one was talked to. Each one had a previous engagement. This whole program has been organized in the last three weeks. Therefore, notice was very short. If you want to try and get on the schedule of a busy Governor, you have to give him ample warning.

QUESTION: Mr. Vice President, is there a decision near yet by the White House to name a new Federal Research Center and is Cape Canaveral still under consideration?

THE VICE PRESIDENT: That is a subject I really am not familiar with. I didn't know there was to be a new Research Center. I didn't know there was a consideration of Cape Canaveral in relation to a center I hadn't heard about.

QUESTION: Mr. Vice President, in the event that Governor Wallace ends up on the Democratic ticket, would you care to speculate as to what effect it would have on the GOP hopes in the South? Do you foresee any future for John Connally in the Republican Party?

THE VICE PRESIDENT: Well, I will tell you, I happen to be Vice President and, fortunately, am not a commentator or columnist and, therefore, I don't have to speculate on all these subjects.

(Laughter.)

THE VICE PRESIDENT: I think they are all iffy questions and to me, frankly, right now the most important thing in connection with my responsibility is to concentrate in helping on the solution of problems that lead to the revitalization of our economy, employment, the control of inflation, and not speculate about either my former colleague George Wallace or John Connally, both of whom are Governors and both of whom I had the pleasure of working with.

QUESTION: Do you feel if you would be dropped from the '76 ticket that you could support President Ford and any new Vice Presidential candidate?

THE VICE PRESIDENT: As you know, I have said for the last nine months, however long I have been there, that I felt that the President, when he was nominated, should

then and not before pick his candidate, and that I refused to say -- because I am not a candidate -- I refused to say whether I would even be available in 1976. So that is the position that I have taken for nine months.

So I have no problem with this and I don't want in any way and have not wanted at any time to put any emotional pressure on the President regarding his freedom of choice a year from now when he is nominated, because I think he then should determine what is in the best interest of the country.

QUESTION: Mr. Vice President, aside from the matter such as illness which would keep you from being on the ticket in 1976 --

THE VICE PRESIDENT: My health is excellent.

QUESTION: What in your own mind would prevent you from being on the ticket?

THE VICE PRESIDENT: A question of whether I would decide whether I would be available.

QUESTION: What would go into that decision?

THE VICE PRESIDENT: Value judgment on my part.

QUESTION: Can you be more specific?

THE VICE PRESIDENT: No, sir.

QUESTION: Mr. Vice President, in the speech today President Ford proposed permitting the Federal Court to control New York City's finances if it defaults. Do you think that would be fair to the people of New York City to have all their finances dealt with by a Federal Court?

THE VICE PRESIDENT: The people of New York City have now got their finances dealt with by a Board which was created by the Legislature. I don't know whether a court or a board -- you know, if you are in trouble, you are looking for help. I guess you are glad to get it from any source, whether it is a board or court.

I assume that you are talking about legislation which would be enacted by the Congress relating to Article, what, 11 or 13, or Section 11 or 13, of the Bankruptcy Act, which involves a voluntary reorganization. This is the one that they are talking about.

Everybody has been talking about this except the public. So that whatever the provisions the Congress wrote into the Act would be, they are the provisions which would apply in the event of a situation which is now being discussed at this meeting.

QUESTION: Mr. Vice President, since you were Governor of New York for so long --

THE VICE PRESIDENT: That is correct.

(Laughter.)

QUESTION: How much responsibility is yours for what has happened to New York City, considering how much revenue that city gave to the State during your Governorship?

THE VICE PRESIDENT: That is quite the contrary. I kept them from getting into this trouble for 15 years. So they should be very grateful for the period I was there.

(Laughter.)

THE VICE PRESIDENT: We took aid to New York City from \$385 million a year to \$2 billion 600 million. Then we helped them get more aid from the Federal Government, including revenue sharing, so they are up to about \$3 billion 4 million from the Federal Government.

If you go down the line, 62 cents of every tax dollar we collected -- and I increased taxes, or requested the Legislature and they did, five times while I was Governor -- 62 cents of all that money went back to local government.

A very interesting point in relation to your question is when I became Governor, New York City was paying much more percentagewise of total State revenues than it was getting back in aid from the State.

When I left, New York City was getting a much higher percentage in return in the form of aid than it was paying out to the State in the form of taxes. So that they very substantially improved their position.

Another interesting fact is during those 15 years the percentage of people living in New York to the total of the State went way down.

QUESTION: You would have changed nothing in your fiscal policies toward New York City then?

THE VICE PRESIDENT: Oh, I made recommendations the last four years of my administration. I made recommendations to the Legislature every year, including State takeover of the courts, they take over the City University, the State management of the welfare of New York, and all of these were turned down by the Legislature, on the opposition of the city.

I did get through in 1971 a provision for the Comptroller of the State to audit the books of New York City. That had been fought for years by the city. Then we gave them, despite the State was that year in very serious fiscal problems and we had to raise a billion dollars of new taxes in one year, we gave \$1 million to the Comptroller so that he could audit the books of New York. They had never been audited by the State before.

What happened was each year we used to have a meeting in Albany. First we would be picketed for about a week or two with, say, 20,000 people bussed up from New York on closing down the schools, cutting down on the police, and so forth, unless they got these huge increases. It was a ritual. It was like a tribal dance.

Then the Mayor would come up and we would have the City Council, the Board of Estimates, the Governor, the Lieutenant Governor, and Comptroller, and the Attorney General, and we would meet for three days and two nights at the mansion.

We would work out the budget and the problems. We would try and get it down to a manageable proportion. Unfortunately, even with our best information, they somehow would overestimate their income and underestimate their expenditures so they would end up with what you would call a float of about \$300 million at the end of each year, which was a deficit. Then they would sell short-term notes.

It is that deficit which accumulated to \$3 billion 200 million, which is really what got them into the trouble. Finally they couldn't sell notes to keep rolling that over. That is when the problem began.

QUESTION: Mr. Rockefeller, several local officials have granted these public forums as a public relations ploy. If you had a series of people urging the Administration to increase Federal spending or some other program that was contrary to the Ford Administration policy, what effect would that have?

THE VICE PRESIDENT: There are lots of people that are urging increased Federal spending and, of course, they have been successful. That is why we have a \$60 billion to \$70 billion deficit this year.

I would like to say to you, sir, that there is very little difference between what the Congress of the United States does in deficit spending and what New York City did. The only difference is the Congress can print money and New York City can't.

The effect of pressure groups on Congress is the same as the effect of pressure groups on New York City. The expenditures by Congress in terms of the amount of available revenues they had and the amount they spent is very similar. So that there is a very real analogy there between the two.

Therefore, members of Congress who are pointing the finger at New York ought to take a look at their finger and see if they are pointing in the right direction.

QUESTION: Do you think Congress should take action to allow the Federal Government to collect interest on tax monies placed in commercial bank accounts and perhaps offset some of the Federal spending?

THE VICE PRESIDENT: I couldn't hear.

QUESTION: That Congress should pass legislation allowing the Federal Government to collect interest on tax monies placed in commercial bank accounts and perhaps offset some of the Federal spending.

THE VICE PRESIDENT: Do you mean provide money for the Federal spending? I didn't know they weren't allowed to do that.

QUESTION: I thought they had in the past.

THE VICE PRESIDENT: I know in the State you can make deposits and that you get interest on your deposits. I was not aware of the fact that the Federal Government had deposits on which they didn't get interest.

I have to raise this question just for my knowledge. The Federal Government is constantly selling short-term notes to get money to pay for the programs. So that I doubt whether they have very substantial amounts of money in banks they haven't used, because they are always borrowing.

But I certainly think if they don't have the right to get interest on money, they certainly should have it. But I don't know anything about it.

QUESTION: Mr. Rockefeller, there is legislation being considered in Congress on Proxmire's bill which would guarantee New York City's loan of about \$4 billion worth. The President said he would veto any legislation that would involve bailing out New York City. Is that the kind of legislation he is talking about, do you know?

THE VICE PRESIDENT: Is that the kind he was talking about or I was?

QUESTION: Well, both.

THE VICE PRESIDENT: I don't know, because I didn't read his speech. But I think that it is very simple that New York City has to take the steps to bring its budget into balance. They can do it. It is going to take about three years.

I don't know what the provisions of the Proxmire legislation are in relation to that action. I do know this Board was set up, the city has to present the budget, the Board estimates the income, they give it to the city, the city prepares a budget, and the Board had some comments on it.

I assume that there was an agreement as to the amount of expenditure. Now, then, the city has to actually take the action to adopt the budget. I don't know whether that has been done or not.

After that is done, and let's say it leads to a balanced budget, then there is going to be this period which I discussed before of three years between the time that they balance their budget, or have taken the initial action to balance it, and the time when it is estimated that investor credit will be confident.

QUESTION: Today the President said that he would veto any legislation which would bail out New York City.

THE VICE PRESIDENT: You see, the minute you say bail out, I agree with him. So that I don't think anybody is going to bail out New York City. Because if any city can spend beyond their means and get bailed out by the Federal



Government, what is going to stop all the other cities in the country from doing it? This is the problem.

There is a very symbolic question which I have discussed before. That is that New York City by choice has a major university and there is no tuition in the university and they pay their professors the highest wages of any professors in the United States and they have open enrollment so anybody can go whether he has graduated from high school or not. He just has to enter.

So that this is a wonderful thing if you can afford it. Now, the question is, and this is where I understand the President's point of view, the question is if a community can afford to do that, it is great.

New York State has a program which provides up to \$600 for tuition to any student who needs it financially, his family, he or she, providing they go to a university where tuition is charged.

All New York City has to do is put in a \$600 tuition and they get the money from the State for those who need it. I think there are people who say well, you know, there is a program where I can see maybe Mr. Carey wouldn't push this because it would cost about \$160 million, so the Governor may not be pushing it.

But I pushed it. I thought it was the sound thing to do. I don't see why taxpayers of a city should pay for the children of the wealthy going free to college, to be perfectly honest. If they want to, that is one thing. But then if they come to the United States Government and say, "We want to continue this policy," I can see where people in Congress are going to say, "Look, my son can't get free education in Des Moines, Iowa," or wherever it is, "and therefore why should we in Des Moines, Iowa, tax our people to pay for these services in another community?"

This is not a simple proposition. It is a very difficult one with many complex aspects to it.

QUESTION: Mr. Vice President, you have consistently said a default of New York City would be a catastrophe. In his speech today, President Ford said those who say it would be a catastrophe use it as a scare tactic.

THE VICE PRESIDENT: This is a free country. It is a democracy. Everybody is entitled to their own opinion. What makes the strength and excitement and vitality of this country is this question of whose judgment is right. I am just hoping he is right on that.

QUESTION: To follow that up, President Ford has made his statement on New York City today. You have consistently supported guaranteeing loans through congressional legislation.

THE VICE PRESIDENT: Only after those actions were taken. This you have to keep emphasizing. I am opposed to a bail out. I said that there is a difficult period for a bridge after the action is taken.

QUESTION: This is what the President did not propose today. What does this tell you about what kind of influence you have on Administration policy?

THE VICE PRESIDENT: Obviously there is some honest difference of opinion, but it just happens he is the President of the United States and I am Vice President of the United States.

(Laughter.)

THE VICE PRESIDENT: Therefore, I will always, as I said on all occasions, give him the best advice or reactions I have. But when he makes the decision, that is it. He is the one who is the President of the United States.

Now, he has listened to all of the advice and he has made his decision. I don't know of any man who is more conscientious, more careful, who listens more attentively or who has got more courage to do what he thinks is right, even though it is unpopular.

QUESTION: Will you continue to push your position in advocating --

THE VICE PRESIDENT: I haven't pushed it. I simply made one statement at the Columbian Society dinner on this subject.

Now, as I say, it is a free country and everybody is entitled to have their point of view. This is very simple, and he said the differences were minimal, because we are talking basically about the same thing: How do you get this city back on a sound fiscal basis?

QUESTION: Mr. Vice President, if push comes to shove and the Federal Government finds it necessary to come to the aid of New York City, would you support punitive measures against the city to assure that in the future other cities wouldn't be tempted to come to the government?

THE VICE PRESIDENT: You have an inflated idea of a Vice President, if you will forgive me. The Vice President presides over the Senate of the United States. He is not allowed to speak without a unanimous consent of the Senate.

(Laughter.)

THE VICE PRESIDENT: Other than that, I have no function. That is my understanding under the Constitution. Other than that, I am a staff assistant to the President. As a staff assistant, you don't push. You certainly don't shove.

(Laughter.)

THE VICE PRESIDENT: You simply make your point of view on the subject and then the man who is responsible makes the decisions. This is a very simple thing.

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QUESTION: But as to your personal feelings, would you support in your personal feelings any punitive measures against New York City to make sure other cities don't come to the government?

THE VICE PRESIDENT: I don't know what punitive measures are.

QUESTION: To make conditions so harsh that other cities would not be tempted to ask for help.

THE VICE PRESIDENT: I don't know who suggested it. I saw it somewhere.

QUESTION: Both you and the President have spent a good deal of time traveling lately.

THE VICE PRESIDENT: Yes, sir.

QUESTION: Despite the traveling of the President, the latest Gallup polls show his standing has not increased substantially in terms of popularity.

THE VICE PRESIDENT: I don't think he traveled to try to increase his popularity. He traveled to try to help the Republican Party have fund-raising dinners to raise money.

QUESTION: In view of the Gallup poll findings, do you think there will be any change in the President's travel plans or yours as to frequency?

THE VICE PRESIDENT: No; because I just explained to you that he was traveling to help raise money for the party and it had nothing to do with his popularity in the polls.

This man, you have got to know him. He has tremendous dedication to this country. He believes in the fundamental principles on which America grew to its greatness. He has the courage to do the things which he thinks are going to reflect the long-term interest of America and he does not concern himself with short-term personal popularity or political gain by it.

He is going to do what he thinks is right. I think America needs that kind of leadership in this period of transition and difficulty, somebody who has the courage to do what he thinks is right and not just what he thinks is popular.

QUESTION: Mr. Rockefeller, getting back to the forums for a moment, these are designed to test the pulse of America.

THE VICE PRESIDENT: No, sir. They are not designed -- excuse me. I didn't mean to react that way.

They are designed to get the thinking of the people about domestic policies and programs. I have conducted for 15 years town meetings, each fall, in anticipation of the legislative message, trying to get the reactions of

people to our programs and how they can be modified and improved. I think it is very sound. It is a democracy. Wisdom doesn't all exist in the capitals of the States or the capital of the United States. It is with the people.

These programs are supposed to help people. Some of them are causing a lot of trouble. The red tape and bureaucracy is very complex. The efficiency and effectiveness of State and local government, or their ability to make their own decisions, has been greatly impaired by a lot of these 1,006 programs. I think it is time we got out there and figured out how to change them.

QUESTION: My question would still be the same, even according to your definition. Wasn't that the basic design of the Critical Choices Program? Whatever became of that program?

THE VICE PRESIDENT: There is going to be about 10 volumes published. We just signed a contract with the publisher. So it will keep you busy all winter.

QUESTION: You mentioned you want to get people thinking.

THE VICE PRESIDENT: I didn't say I wanted to get people thinking. They are thinking all the time. I want to hear what they are thinking.

QUESTION: I want to know what you think. What have you learned out of this morning's forum?

THE VICE PRESIDENT: I have learned that the quality and character and integrity of American people just can't be beaten anywhere. I think that we found this morning in the suggestions that were made and the comments that were made a deep understanding of human values, of the dignity of the individual, and the factors that affect that dignity.

We saw the conflict between those who would like to see more money spent and those who would like to see the economy move forward with greater opportunity for jobs and the fact that that is essential if you are going to get the jobs, if you are going to have the taxes so that you can support the other programs.

I think it was a very useful thing, both to us from the Domestic Council, members of the Cabinet, and myself, plus I think it was useful to people who were there.

QUESTION: I would like to ask one other question. Recently President Ford received a White House study urging de-emphasis of enforcement of the marijuana laws. Do you think the country is ready for that?

THE VICE PRESIDENT: I don't know as I exactly describe that report the way you said it. It wasn't de-emphasis of marijuana laws. It was to put the primary emphasis on the hard drugs and the synthetics, which are the

most serious habit-forming drugs and which have the most detrimental effect on individuals. So I think it was taking resources which we have, the concept of the report, and putting the emphasis on the most serious facets of the problems rather than de-emphasis.

QUESTION: In other words, spend more money on enforcing the hard drugs laws.

THE VICE PRESIDENT: Yes. Money and effort on the drugs and the synthetics which really destroy lives. The average life of a hard drug addict, what is it, 35 years before they destroy their lives. So that is one of the great tragedies of our country.

I am very grateful to you.

QUESTION: One more question?

THE VICE PRESIDENT: One more question. That is the hardest working reporter I know.

QUESTION: The President said in his speech today the people of this country will not stampede and they will not panic when a few desperate officials and bankers try to scare New York's mortgage payments out of them. What is your reaction of that statement in light of your family's heavy involvement with banking?

THE VICE PRESIDENT: I think it is a very simple and direct, honest statement. I am quite impressed.

QUESTION: Do you agree with it?

THE VICE PRESIDENT: Yes. I don't think anybody ought to panic in government about anything. If they do, they shouldn't be in government. They shouldn't be leaders. I think this is a very fine statement of leadership. Don't panic when there is a crisis. Everyone be calm.

QUESTION: In relationship to your family, though, since it is heavily involved in banking.

THE VICE PRESIDENT: They don't panic either.

(Laughter.)

THE VICE PRESIDENT: Thank you very much.

END (AT 1:55 P.M. EST)