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Office of the Vice President  
(Erie, Pennsylvania)

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PRESS CONFERENCE OF THE VICE PRESIDENT  
AT THE HOLIDAY INN  
ERIE, PENNSYLVANIA

(AT 9:07 A.M. EDT)

THE VICE PRESIDENT: Good morning, ladies and gentlemen. Where is Dick? Our leader, Dick Frame, and John and Teresa Heinz and Marc Marks, and to all of you good friends, I would just like to say what a pleasure it is to be back in Erie County, Pennsylvania, next to Erie County is New York.

I feel very close to home. Just in opening, before going into any questions, I think I would like to elaborate a little bit on a headline that was in the paper this morning to the effect that if it hadn't been for Watergate, would I have run for President.

This was a question asked me last night. I hadn't thought of it. What was left out in the sequence is I ought to add, namely, if it hadn't been for Watergate President Ford wouldn't have been President and he wouldn't have asked me to be Vice President. But my loyalty is totally to President Ford.

It is not due to Watergate in that sense that I was running. I wouldn't run against the President. I think he is the man for the country, right now. I am totally in his corner supporting him.

I think he is going to win and I think he is going to win not only from the top of the ticket, but I think you are going to see some very major Republican victories in this country. I think two of them are sitting right here.

You are going to have a new Senator, John Heinz. I think that the kind of bright, attractive, individual men and women with records of ability such as John Heinz are going to be the new leaders in the Republican Party.

I think Pennsylvania is going to be very fortunate to have him heading the delegation. He is a wonderful Congressman. Congressman Marcs is going to be an outstanding leader in the House and the President needs this kind of bipartisan balance in the legislative bodies.

Of course, Dick Frame, he is just an institution. We count on him. We are delighted to answer any questions.

QUESTION: Mr. Vice President, why is Gerald Ford the best man for the United States?

THE VICE PRESIDENT: Because of two reasons; one, his proven record during probably two of the most difficult years this country has ever been through where we had finished with Viet Nam, torn the country apart, then Watergate. Then we were going into a period of inflation due to the OPEC countries

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and the shortage of food in the world. Then a recession, then a depression, then unemployment, the end of the Viet Nam war and the loss of prestige, the United States was suffering throughout the world.

In two short years he has turned the situation around, restored confidence in government, respect in the White House. The inflation has been cut in half. The economy started to roll. Four million new jobs, or just under four million in the last 18, 16 months, which is an absolute record; the highest employment in the history of the country, 88 million. True, we have still too much unemployment and a great many people are suffering.

But inflation he put number one. Number two, employment, the economy is moving and if it keeps at the present rate, then the unemployment rate will drop down to below five percent.

So that I think that that is a fantastic record of achievement, not just words. Plus the fact that the prestige of the United States has been restored throughout the world. So that we have a record there.

I think when people get in the booth, they are just going to say, we want someone we trust, in whom we have confidence, who has experience to deal with whatever comes up in the next four years, domestically or internationally.

QUESTION: Mr. Vice President, the environment has not fared all that well under this administration. In your own State you banned eating fish in Lake Ontario and long stretches of the Hudson, offshore in the Atlantic, off New York State, and the EPA still is talking about 1980 deadlines for cleaning up the mess.

THE VICE PRESIDENT: That statement that you have just made is a very interesting one. But I have got to say to you that I don't think that is a total reflection of the facts. I think this country has made extraordinary progress.

Lake Erie, everybody thought was a dead lake. It is now coming back as you know. The shad roe in the Hudson, the fishing, shad roe is back on the market again. The Hudson is in better shape than it has been in a long time.

The waters of the country are making great progress. There are a tremendous number of projects in New York -- you mentioned New York, so I have to use it -- that have been waiting for funding.

We had a prefinancing arrangement which the Congress then knocked out. We were going ahead. The State had the money to match the programs. We were going ahead and financing it ourselves. We built up to about a billion three that the Federal Government owed us.

That got to be rather attractive to Congress. Let's face it. They found themselves instead of financing new projects, they were paying off ones New York had already built because we had two billion-dollar bond issues to try to do that job ourselves.

Under the present administration, they banned certain fishing. Whether that was absolutely essential or whether that

was a dramatic gesture to focus public attention on ecology is a question that I wouldn't know because I am not there anymore. But I think this country has totally accepted the necessity for improving and restoring our environment, air, water, sound pollution, and I think it is happening.

I don't think any other country in history has ever done anything like it. I think we have to have growth, we have to have energy in order to do it because to stop pollution you need to do it.

CONGRESSMAN HEINZ: I might add to that. You asked about banning of fishing in the Hudson. Part of the problem is Congress has failed to pass -- it only passed in the House in the last week or so, toxic substances legislation. There are many uncontrolled substances, such as PCB's and others that have not been accurately or fully controlled.

The fault lies, in my judgement, not with the Executive Branch, but with the Congress for not having acted swifter or sooner. I am a co-sponsor to the bill. We reported it out of our Health and Environment Subcommittee, not weeks ago, but several months ago. It only came to the floor of the House last week.

I am afraid it is going to die in Conference because of the lack of leadership shown in the House and Senate. I hope, of course, to have something to do with the leadership in the Senate next year.

THE VICE PRESIDENT: Now you are talking. That is why you need John Heinz down in the Senate, a man that really understands the problems, knows the facts and can speak right up. I think one of the reasons some of these bans have been made is just exactly for the reason that John explained, to try to dramatize to Congress the need for action.

QUESTION: Mr. Vice President, in recent weeks, the Ford Administration has been compared with the Hoover Administration by Carter forces.

THE VICE PRESIDENT: Surprising.

QUESTION: In that they handled similar economic problems in a similar way. Do you agree with that analogy?

THE VICE PRESIDENT: Of course I don't. It is absurd. If you take the legislation and Congressman Heinz has just given an example, there is more important legislation sitting in the Congress that was sent up by President Ford. Just take the field of energy. He has got four major bills up there that he can't even get hearings on because there is this competitive situation.

Naturally, we are coming into an election year. So that they would like to create the record of inaction. But the record of inaction is the lack of cooperation of a two-to-one Democrat Congress with the President's programs. So that he has been unable to take effective action on the positive side, just as the Congressman pointed out in connection with toxic substances relating to fish. The Energy Conservation Program, which he has put up with incentives for the cutting down of the waste of energy in all of the other areas, Congress just hasn't acted on.

QUESTION: Mr. Vice President, I have two questions on fiscal matters. Do you think Mr. Ford will take up Hubert Humphrey on his offer to debate the Humphrey-Hawkins bill? And I wonder what tax loopholes you think should be closed if you are going to get the economy back on the road.

THE VICE PRESIDENT: Let's take the Humphrey-Hawkins bill. I was not aware that Mr. Humphrey suggested that the President debate him on the bill. But I think it would be interesting first to find out and even more important as far as the American people are concerned, whether Mr. Carter supports the Humphrey-Hawkins bill which he said he did, or whether he is going to balance the budget by 1980 and postpone the action on items that would come up under the bill.

I think we ought to at least know first where the opposition candidates stand on this issue. That didn't come out in the debate the other day. Perhaps we were getting to it when the sound went off, but who knows.

But that is one question which is very important. The President has a very clear and very simple understanding and position on that issue, namely, that inflation is the most dangerous and insidious force that affects everybody in this country, particularly those who are least able to cope with it, those on fixed incomes, retired people, et cetera.

The bill involves expenditures of at least \$100 billion of additional deficit spending. The President has been opposed to this. I think it is very important to know what Mr. Carter's position is on that.

On the second half of your question, give me that last part again.

QUESTION: What tax loopholes you think should be closed.

THE VICE PRESIDENT: Oh, yes. Tax loopholes, as you know, are all established originally by Congress in order to create stimuli to achieve certain objectives. Then sooner or later, after people forget the objective, they start calling them loopholes. The Congress has just finished an extensive debate and discussion of the tax structure.

All of the tax code has been written for the past 22 years by Democrat-controlled Congresses. It is very interesting to me when Mr. Carter talks about these terribly complex tax structures we have and what we do. He is talking about tax structures that have been written by his own party because the Republican input, important as it is, is not the controlling input in a Congress which has that kind of Democrat majority control.

In my opinion, they have got a new tax law now. I don't think that tax loopholes, so-called, as you have described them, are going to be the things which are going to be the stimulus to the economy. I think they are important to the economy and I think there are new incentives that we need, incentives for environmental control, for instance which has been mentioned already.

When they put in smoke-stack emission standards on the foundries of this country, half of the foundries went bankrupt.

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Maybe the government needs to consider having input in all business because they can't afford to do it, or should the government help them to finance this. I chaired a commission for the Congress on the Water Quality Act of 1972. In connection with those studies it involved that in 1977 -- and the 82 standards are applied to the electroplating industry. For instance, there are 70,000 companies in the industry, 35,000 of them would go bankrupt.

They are all small ones because they can't afford to put capital investment in for the water quality controls. So, we talk about loopholes or talk about incentives. I think we have got to reexamine in relation to our objectives what we do.

Either they ought to help these small businesses or they ought to give them some kind of an opportunity to be able to stay in business because the whole antitrust concept in this country is to encourage small business to grow.

What we are doing by the ecological legislation is we are putting all little small business to the wall. These are some of the interesting things that happen as by-products of an effort to accomplish a social objective in a hurry, without fully understanding what the implications are.

QUESTION: But Mr. Carter has said that he would do some extensive revamping of the whole tax structure.

THE VICE PRESIDENT: That is right, he did. I don't know how he is going to do it when the Congress writes the tax structure. But I was interested. He said he also was going to reorganize the government and cut 1,800 departments and agencies down to 300, as he did in Georgia.

There is some difference between Georgia -- and I have great respect for Governors of States because I was one myself. But let's face it, Georgia isn't the United States. I was Chairman for President Eisenhower on his Government Organization Committee for seven years. We had 13 reorganizations through.

It was at a point when the Congress had a Reorganization Act. So that the Executive could come up with a plan that if it wasn't disapproved by either House within 90 days it became law. That is no longer in existence.

It has lapsed. When he talks about doing this reorganization, Congress has got a whole plethora of committees and subcommittees. Each of those have got a vested interest in that area. He is going to have to go through all those committees. Then it is going to mean abolishing the committees and all the groups associated with them and then the agencies.

I have got to tell you that this is not going to be the kind of magic wand waving operation that he gave the impression in the debate the other night it is going to be. It is going to be a very long slow process. I frankly don't think with the tremendous interest that exists in this country, that you can abolish departments or agencies that are related to special problems and put them all under one top because I just don't think it will work.

QUESTION: You don't think progress along those lines would be smoother with a Democratic President and Congress?

THE VICE PRESIDENT: No, I think progress is desirable. I don't think it is possible to go the distance you are talking of. I think the lack of understanding of how Washington works is something that worries me.

QUESTION: Does a regional accent hurt or help a President?

THE VICE PRESIDENT: I have a combination of Brooklyn and Maine. Frankly, I don't think regionalism in this country is what it used to be. I don't think it is a problem.

QUESTION: Mr. Vice President, the public has never been so apathetic about a Presidential election as they have on this one. Do you care to comment on why that is true? In light of Governor Carter's Playboy interview and President Ford's golfing trips, do you think the least tactful mistakes made between now and then will be the determining factor?

THE VICE PRESIDENT: You said that, I didn't. On the first one, I think that it is importantly a leftover of the real turnoff that took place during the Viet Nam war and then Watergate.

I was very interested in Congressman Heinz' conversation he had on the campus, talking to some students which he talked about last night. He went into their dining hall and sat down at the table and talked to them about whether they were interested in what is going on.

They said, "Look, we are too busy. We are in the middle of our work, involved in a lot of things. It is just a new orientation."

It is a serious problem. I don't think from what -- I shouldn't quote anybody else, but I don't think it was a lack of interest. It was a lack of focus. Well, it is a lack of interest.

Their interest was on what they were doing and they were not as aware. I think this is partly due to what I said, Viet Nam and Watergate and partly due to the complexity of the problems, the growing interdependence in the world among nations and the speed of change.

Things are changing so rapidly it is very difficult to keep up with it. Therefore, it gets so complicated that people sort of throw up their hands.

QUESTION: Mr. Vice President, you said at the beginning that if it hadn't been for Watergate, President Ford wouldn't have been President; you wouldn't have been Vice President and your loyalty is totally to President Ford. Do you feel that given the structure of the Republican Party, which came within a hair's breath of nominating Ronald Reagan that you could have had a shot at the Presidential nomination?

THE VICE PRESIDENT: That is the second question. The first question was would I have been a candidate.

QUESTION: Right, okay.

THE VICE PRESIDENT: I say that is an interesting point. I hadn't thought of it that way. I said maybe it is true. Then you get back to what would have happened. It was really the north, the northeast that primarily nominated President Ford.

It is the progressive part of the Republican Party. The south and the west, to oversimplify, the Sunbelt is what largely nominated or was supporting Governor Reagan. You are raising a point, one that is a speculation that is pretty hard to answer because conditions are not what they would have been had there been no Watergate.

Therefore, it is hard to know what the atmosphere would have been at the time. But that doesn't mean I might not have made a race.

QUESTION: Mr. Vice President, you were quoted as saying recently at a Washington dinner party that Jack Kennedy was assassinated by Castro. Did you mean that?

THE VICE PRESIDENT: That was a totally false, phony quote. There was no basis for it whatsoever. I was chairman of a committee investigating the CIA for the President. We were asked to look into these alleged problems relating to assassination. We did.

We said there was insufficient information gained. We had no access to anything to warrant our making any comments because there was no solid information on which to make any conclusions. That is exactly the fact. That is what I told the public. I never said such a thing.

I think that if you check the sources of those who said so, you will find that they had no substance for it. There was no checking with me as to whether I had said it before it was published first in the New York Times and then in Newsweek.

QUESTION: Mr. Vice President, is it possible, in your opinion, is it possible for a President do you think feasibly to reduce the unemployment by three to four percent as Carter has claimed he will do? Is that possible to bring it down that low when it is so high now? I don't think it has ever been that low in history.

THE VICE PRESIDENT: No, not the way we count employment. You raise some very interesting questions because two months ago unemployment went up 300,000 in this country. But during that month, there were 400,000 more jobs. 700,000 people came into the labor market. This is a very interesting fact.

So, when you say during that period unemployment went up, this is the way our statistics are done. Actually, there were 400,000 more people employed, but 700,000 had registered as being available for the labor market.

The next interesting thing on that is the majority of them were women. Forty-five percent of the labor force today are women. This is a fascinating change in our whole structure. I think it is partly, therefore, statistics.

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If Mr. Carter means that by government expenditure he is going to see to it that the government is the employer of last appeal so that anybody can get a job with the government and if it is going to be leaf-raking, maybe you could.

But if it is going to be a public works program such as a bill the government vetoed, then it costs \$25,000 in capital investment per job.

So, you have tremendous expenditures. At this time I don't think the government is going to have the revenue to be able to make jobs for all of those people. Therefore, to me it is impossible and the President is on the right track which is to create the conditions of stability, confidence which will cause this country's growth to accelerate.

This is what he has been doing. That is where the four million jobs came from. What we need now is another four million jobs. Then we are going to get back to a normal growth rate which is between a million six, and two million jobs a year due to young people coming out of school and college, looking for work.

I agree with you. I don't see how it could be done. My reaction is the same as yours.

QUESTION: To make those four million jobs available Ford wants to do that through the private sector?

THE VICE PRESIDENT: That is right, through growth.

QUESTION: Like what you were talking about through the ecology system a little earlier, if the Federal Government funds the big agency it puts the small businesses out of business.

THE VICE PRESIDENT: Exactly. This is very interesting. We are beginning to understand and this is why the President proposed to the Congress the Energy Independence Authority which was a \$100 billion RFC type of corporation to help develop new sources of energy in the United States. We are now spending \$36 billion a year and it has gone up rapidly, importing oil.

That energy could be produced here in this country. \$36 billion would create about a million three hundred thousand jobs in the United States, permanent jobs so that the opportunities are there, but to do it on a sound basis and to meet our needs which is not beholdng to other countries or the freedom of the seas to assure energy as the basic source of the dynamism of our economy.

QUESTION: Mr. Vice President, concerning your own future, after you are no longer the Vice President, do you see any future if Ford and Dole are in the White House, for yourself as possible Secretary of State, if Henry Kissinger should resign?

THE VICE PRESIDENT: No. I see a future all right.

(Laughter.)

THE VICE PRESIDENT: When you said, do I see any future, I am not that pessimistic. I am very optimistic.

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I am confident they are going to be elected. The answer to the latter part of your question, no. I really don't. I want to get back where I can spend time with Happy and the two boys and catch up on my own family responsibilities and our family affairs.

QUESTION: Mr. Vice President, was being Vice President everything you thought it was going to be?

THE VICE PRESIDENT: No, it was better than I thought it was going to be because I have known all the Vice Presidents since Henry Wallace. He used to come out and play tennis at my house at 7:00 o'clock in the morning. He was so frustrated.

They all went down with the idea it was going to be a big deal. President Eisenhower, when he had Vice President Nixon, he wondered what job could he give him. We studied it through our commission for two or three months and came back with the conclusion that there was no job because the Constitution says the only job is presiding over the Senate and being there in case, God forbid, something happened to the President.

If he took from his powers given under the Constitution and created a responsibility for the Vice President of the United States of any major proportion, he then would have created two political centers in the government which can create a very serious loyalty problem and conflict between a President and Vice resident. That certainly is a very undesirable thing.

I am very grateful to all of you. I just would like to say you have a great leader here in John Heinz and Mr. Marks. We want to get these two gentlemen down there in Washington in the Senate and the House, and the President needs them and so does the country as well as Pennsylvania.

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(AT 9:35 A.M. EDT)