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Office of the Vice President
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REMARKS OF THE VICE PRESIDENT
AT THE GOLDEN CIRCLE CLUB LUNCHEON, OAK ROOM,
ST. FRANCIS HOTEL
SAN FRANCISCO, CALIFORNIA

AT 1:00 P.M. PDT

THE VICE PRESIDENT: I am just delighted to be here with young and old friends, people whom I admire greatly. Milt Marks, who did a tremendous job for me a while back in the '60s with my good friend Barry, I must say, he and I have come closer and closer in our positions on international affairs and on domestic affairs. I think one could say we are two loyal Republicans who love this country and believe in this country. And I think that is what makes up a democracy.

The exciting thing is that we have never been afraid of having disagreements within our party, but that is the vitality of the system, to say nothing of disagreements between the parties.

Then I had the pleasure this morning of being in a press conference with Bram and Jim. We need them in the Congress of the United States. I want to tell you, ladies and gentlemen, this is the kind of experienced people we need in Congress, with business background, government, local government knowledge and understanding. And, of course, there is no use having two Buxtons there because one is in the pocket of the other one. So you might as well have one. That is bad enough. I think we just better get Bram down there and have some real representation.

John Miskimen is running for the Assembly. As one who has been in local state politics for a long time, I know how important it is to have knowledgeable, courageous, dedicated Senators and Assemblymen in the Legislature, people who care about the country and who have the courage to stand up on the issues. He certainly is one of those.

I also cannot help saying what a pleasure it is to be here with Cap Weinberger, who has done so much for this country and served with such dedication and courage in facing probably the most difficult area that we face and in one of the most important periods. I was in that department as Under Secretary about 20 years ago and that was when it was a small department. Now it has become a huge department. And he did a fabulous job in having the courage to rethink a lot of the concepts that grew out of the New Deal and which have just been perpetuated and just been multiplied. We have been through this period of over-promising and under-delivering to a point where the public has lost confidence in government. And he had the courage to rethink these problems and to try and come up with new, sound solutions, which is what this country needs.

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Another gentleman whom I have had the pleasure of associating with the last two years, and to whom I am very grateful-- also from here -- also a very good friend, Jack Venneman, who is with me, as a former legislator and great friend of mine, and who was Under Secretary of HEW.

We have all experienced the problems which this country has to face. But that is the great thing about a democracy, that we have that capacity to rethink, that we have the flexibility, we try things. It has become an instant society. Whatever the thing of the moment is, we want to do it yesterday, which, of course, is impossible. It takes about five or ten years to do anything important. But this is the tendency of today.

However, we do have the capacity to come up and admit the fact we made mistakes and then to rethink it. I think this is going to be the exciting significance of the next four years, to try and get back on course, to take the inhibiting factors and rethink them.

I had a very interesting experience. I conducted hearings all over the country for the President on the Domestic Council on policies and programs relating to this country. The one thing that came out -- whether it was a welfare recipient, a governor of a state, whether it was the president of a corporation, a labor union, whatever it was -- they just said, "Look, just get off our backs from Washington." The bureaucratic red tape has now come into everybody's lives to a point where you really cannot plan intelligently for the future because you don't know what the rules of the game are going to be, not only the legislative rules, but the administrative rules. Of course, if you think back, this is exactly why, or at least one of the motivating factors, for the Founding Fathers, when they broke away from England. You had to go to London to find out what you could do. We have to get away from the position where you have got to go to Washington. It isn't enough to read the law. You have got to go down and see what the new regulation is and then you can't find out who made the regulation.

Dan Evans told us in his testimony of two perfect illustrations. One, they had worked for months for a project, for education to apply for a grant. When they had completed all the forms, two or three volumes of material, they got word back, "Sorry, the regulations have been changed since you filled out the form and you will have to do it over."

Then he had another one where he worked out a system of saving a million and a half dollars on a Federal program. He sent that in, carefully worked out, and got back word, "Sorry, there is no provision in our regulations for saving, so we cannot allow it."

When you get to that point, we really get to an absurdity. I think this is at the heart of it. But the most important part of it, to me, is not only from the local and state government point of view, but from the business point of view. If we are going to take a risk -- and people have gotten so they don't think much of risk, they want to get a riskless society -- of course,

to begin with, we wouldn't have come here if we wanted to avoid a risk because there was a risk in crossing the ocean, and we wouldn't have gone west. So risks are an essential part of a capitalist system where it is profit and loss. When somebody has an idea and they make an investment and they think the chances are good, they will get a return.

But when they are up against regulations, which are changing, then you cannot make your calculations. I think this is the danger, that we are going to shackle ourselves. This is not what I was going to say.

I have made a very important press release in support of the President, some of which I would like to cover here with you because I think it is important. I would just like to say what a thrill it is to be back in San Francisco. Next to New York City, this is my favorite city. And you are in better shape than we are.

I would like to say for those of you who have read what has been said in Congress about New York City-- not always the kindest words -- that what happened in New York City, in over-spending and going way beyond their income, is exactly what Congress has done, subject to pressure groups, spending, only Congress has done it in spades. They have a sixty, or seventy billion dollar deficit with a two-to-one Democratic Congress and New York City just had three and a half billion dollars. The Congress can print the money, so they were all right, but New York City can't.

That is just an aside.

I said last night, in introducing the President, we are very grateful to him in New York because he said no federal aid to New York City until they put their house in order. That was tough and it was very badly received at the time, but it was an evidence of leadership and his courage. He does what he thinks is right for the long-term best interests of our country; and that, to me, is what I admire about him. He has this extraordinary patience in listening to all sides, making up his mind, and then saying, "Okay, this is what I think is right and in the best interests, even though for the short-term political gain, it is very unpopular." Now, that takes a lot of guts to do.

Let me just say what a pleasure it is to be back here. I spent three months in a year at the United Nations as Assistant Secretary of State, and it was truly the happiest, most exciting, interesting months I ever spent in my life. You all were wonderful hosts and hostesses to visitors coming from outside. I have been back many times since, and I love your city. I am thrilled to be here today.

I would like to say a few words about some of your candidates. You have a candidate for the Senate, Sam Hayakawa, who has come up from behind and who grabbed the nomination and who is now doing such an extraordinary job. I think it is a very exciting development. He is a no-nonsense guy. I think he is going to bring a new kind of background to the United States Senate.

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I preside over that august body, although I am not allowed to speak without unanimous consent. The only time I got unanimous consent was to apologize twice for things I said about the Senate.

I think he is going to be a very refreshing figure down there and that he is going to add to the strength of the Republican Party. The President needs him, and the country needs him.

In the Congressional race, we have already talked about some of the candidates. I didn't mention Pete McCloskey, who is a strong environmentalist. And that is one of the areas that this country has done such an extraordinary job in. All of a sudden this country woke up to the fact that they were polluting our areas, the land and air and water, like no other place in the world. We tried to curb pollution of the water, air, and land. It has been very difficult, and rather expensive, but we are doing it and it is terribly important, and it is the kind of thing that shows the quality of the democracy. Pete has been out in front on that. We need him. He is a man of total integrity and total independence, and a great strength to the Republican Party.

That is true for Bert Talcott, also. He has been one of the staunchest supporters of a strong America in the Congress. And, believe me, when we followed the details of what the Soviet had been doing on all fronts in the military, it is really fascinating. I have a tremendous respect for them and for this Admiral Gorshkov, who for 18 years has been head of the Navy. They have now gone from virtually no navy, or just a local defensive navy, to a total world-wide naval power.

One thing we have got to think more about in this country is freedom of the seas. The press complains that we don't talk enough about the issues. Of course, I think the real trouble is they pick up the little incidences that happen and some of us have gotten into some problems of our own.

They seem to get blown out of proportion. I am not just very careful in giving the "V" for Victory sign.

This freedom of the seas has got to be one of the major issues for the future, because we are getting very close to a point where to preserve that freedom for ourselves and for the other free nations is problematical, if somebody else wanted to challenge it or to destroy it.

These are issues which are there and which, when somebody talks about cutting the defense budget blithely and say, "We will take the fat out" -- I have heard that so long it is a standard politician's statement -- we have got to recognize what we are up against and what we want to preserve and how we have to go about it.

When you take Japan, who, under the Treaty with us, has no right to develop military capabilities, and are totally dependent on us, then you have got to ask yourselves, how long will the Japanese feel that they can

count on us to protect their freedom of the seas? If they feel we can't, then what is Japan going to do? Well, they are obviously going to have to make a deal with either the Chinese or the Russians.

These are major world factors which are exciting and important and need to be considered.

While it is very important to get forgiven, and think about things in your mind, and so forth, I think we have got to give consideration to what we do that is positive to preserve the values of this great country. We need men and women in the Congress of the United States who will support those basic beliefs and who are aware of the fact that you cannot spend more money than you produce and earn. As was pointed out, 85 percent of the revenue of all government comes from the American enterprise system, directly, or through wages, taxes on wages, or taxes on dividends. Therefore, this system is the strength and vitality of our country. It is what brought us to what we have today.

And yet very few people really understand how it works, and what it takes. What it takes is a framework of laws within which there is freedom, and the rules are clear, and they don't get changed in the middle of the game. Those are simple thoughts.

We just need more people who have that understanding. I know that Bob Jones and Bram Fanning are going to be the kind of Congressmen we need down there.

Now I would like to talk briefly about what, it seems to me, is the priority issue before the American people on this campaign. The issue is, which candidate will do the best job of continuing America's economic recovery. That seems simple, but it really is fundamental. I think the philosophy of the two parties and two candidates has never been more sharply distinguished than it is at the present time -- or differentiated, perhaps, is the word rather than distinguished, differentiated, than it is at the present time. It is because the strength of our economy is the basis for opportunity and well-being of individual Americans. Which candidate is going to stimulate the economy to create new jobs for our growth, our growing labor force -- and that is to put more Americans back to work? I don't mean neighborhood jobs by quickie work plans. I mean permanent programs in private industry, not make-work programs that are paid for by the taxpayers. Which candidate is going to do a better job of fighting inflation, to prevent it from eating away the people's income and drying up investment capital?

Of course, I have to say, friends, that the answer, to me, is very clear. The man who best understands the vitality and strength of the American enterprise system is the President of the United States, Gerry Ford. He has proven it and he did what, to me, is a miracle in terms of what the economists thought. He was able to cut inflation in half and at the same time get almost four million new jobs in the last 16 months. We've got more people employed than at any time in history. Sure,

unemployment is too high. There is no question about it. And it is serious and very tough on the people whose families are involved.

However, two months ago, when the statistics showed that unemployment was up, that month 400,000 new jobs were created, but 700,000 people came into the labor market, mostly women. This is a fascinating thing. So that, actually, employment was up, but the statistics showed that unemployment had grown. The reason was because people's confidence is coming back. Therefore, they move out and want to get out and take a job.

These are the things one has to understand. We don't have to take the President on the basis of faith, because he has been in office and he has a proven record. We can judge on the basis of the facts.

Gerry Ford was thrust into the Presidency not only in the midst of a constitutional crisis, not only with a war in Vietnam still creating dissension and division in America, but also during the most serious economic decline which this country had faced since the great Depression. That is only two years ago, and we tend to forget what the situation was then, as compared to what it is now. Yet look where we stand today, just two years later. More Americans are employed, as I said. 87,800,000 people are working. But, as I said, the unemployment is too high. Under President Ford the economy has grown by 3.7 million new jobs since the March 1975 recession low, an average gain since March of 1975 of 206,000 new jobs a month from industry. Inflation, as I said, has been cut from 12 percent to less than half. One indicator after another shows that the economic trend is up.

Look at these facts for the past year -- personal income, up 10.6 percent; industrial production, up 8.6 percent; retail sales, up 10.6 percent.

Also, orders for non-defense capital goods have risen 33 percent in the first seven months of this year. Business investment in plant equipment is expected to be at an annualized rate of \$127 billion for the last quarter of this year.

All right, so there has been a momentary leveling off, and that is being used by the opposition. I would just like to say that if it hadn't been for this, we would have had an overheated economy, because we were growing too fast for the capacity of the economy, and we would have gotten back into inflation. So, while it is being used politically and from an economic point of view, it has turned out to be a very fortunate thing, because it has prevented the inflation coming back.

The gross national product, which was in an actual decline during the first quarter of last year, has shown a 6.8 percent rise in real growth for the first half of this year.

The important question now is the question of how did Gerry Ford turn the economy around. He did it because he is a leader with guts. When you have an appropriation

bill in front of you, a spending bill backed by powerful special interest groups, the easiest thing for the President to do is to sign it. It is very interesting to me, to say parenthetically, that while Mr. Carter said he is not beholden to any special interest group, but just to the people, it is interesting that the AFL-CIO alone are contacting 25 million Americans on his behalf, either by phone or by mail. Maybe he will disregard that when he gets elected, if he is. But I have to think, ladies and gentlemen, that one could, without stretching the imagination too far, consider that that was a special interest group, too. I am not sure, maybe because of the size of their membership, he thinks it is just people.

My friends, when you have an appropriation bill, as I said, some group is always after more federal money. There is no end to worthy causes, but Gerry Ford understands the danger and has the intelligence and the sheer guts to say no. And he said no 61 times to excessive spending bills -- and they were all popular bills, too. And he said no by using his veto power, and this is very important, in the way our constitutional fathers intended-- people forget that -- to protect the interest of all the people against narrow interests of powerful special interest groups.

People have forgotten why the veto was written into the Constitution. As he said, Gerry Ford wants to get government out of your pockets and off your backs so that the natural dynamism of the American enterprise system can work freely and so that it can create more jobs for America's growing population.

As business leaders, you know that the future of our economy depends on sound economic policy. The President came forth with a comprehensive energy independence program to end this century's increasing and dangerous dependence on imported oil, a program including provisions for government assistance to enable the private sector to meet the enormous capital investment risks of new engineering investment. The Democratic majority in Congress never acted on his program. As a matter of fact, ladies and gentlemen, they said in advance they weren't going to.

Your good friend, the brother of our friend whom we mentioned a moment ago, who was head of the Caucus, told me at dinner two years ago, "Forget it if you think you are ever going to get any legislation. This is a hot issue. We want to keep that issue and we are not going to touch this program."

Now, I will have to be honest about it. I can say that for the time, I don't know if it is in the best interests of the country.

Instead of passing the comprehensive plan as the President proposed, they passed a few bits and pieces of it-- seven out of all the President's 23 proposals -- and 15 other Presidential energy proposals were allowed to wither on the Congressional vine. Among those 15 proposals which Congress failed to enact were deregulation of natural gas prices to spur production,

acceleration of safe nuclear power production, promotion of increased coal production, creation of an Energy Independence Authority to help finance expanded production, and a loan guarantee for synthetic fuel development.

Instead of enacting this much-needed legislation, the Congress chose instead to let the energy issue become a political football. And what the President's opponent is talking about -- if you can figure it out -- is no better.

His opponent has made his customary vague statements about divestiture and, once again, no one is sure what he means or what he might do as President.

I have got to say right there that I think this is going to be the thing that is going to be the decisive factor in this election, that the public, when they get in that booth, are going to say, "Whom do we trust, and in whom have we got confidence for the future to deal with the problems for the next four years in domestic and international affairs?" And they are going to be so confused as to where Mr. Carter stood, and which position he really meant, or, after he had studied it, what would he do after he had been in on-the-job training at the taxpayers' expense for a number of years, that I think they are just going to say, "Look, we are going to vote for Gerald R. Ford, because we know where he stands. He is a man we can trust and this country needs him."

I think that is what is going to be the outcome. I think it is going to be true here, and I think it is going to be true in New York State, and I hope it is going to be true in Texas. And if it is true in those three great States, then believe me, this is going to be a great year.

The President, while he has been championing energy independence, has also supported sound environmental programs. This is another tremendously important thing, particularly in this great state of California, where you have just had an interesting item on your ballot. The President has increased funds for fighting water pollution. He signed legislation banning toxic substances from waterways. He has promoted protection for critical wetlands, and, most significantly, he called for doubling America's heritage in national parks, recreation areas, wildlife refuges, and historic sites over the next ten years.

His approach to energy expansion and environmental protection he feels are totally interrelated because you cannot have environmental protection without energy, for to run these operations, it requires energy. Therefore, they not only can be, but they have to be, developed together.

These typify Gerald Ford's balanced approach and genuine understanding of the American economic system. We have a President who knows that our people cannot enjoy human dignity unless our system provides economic opportunity. It seems simple, but some don't seem to understand it.

Gerry Ford believes that the proper role of government in our society is to help people help themselves,

not to legislate, regulate and dominate every waking hour of our lives.

Let me tell you about the President's running mate, Bob Dole. He is a first-rate, able, dynamic candidate. Bob Dole knows what makes America tick, and his whole adult life has been spent in the service of his Nation. He is a wounded war hero. He is a man of deep compassion and who has championed the handicapped, worked hard for Civil Rights, co-sponsored the McGovern-Dole legislation to provide food stamps for the truly needy poor.

Let's face it, ladies and gentlemen, when a candidate for Vice President is chosen by a political party, it should also be with the knowledge that he may succeed to the Presidency. I can tell you from personal knowledge that Bob Dole has the strength, the intelligence, and the character necessary. He also has a brilliant and beautiful wife, who is a person in her own right. She is a member of the Federal Trade Commission. So you can get two for one.

In conclusion, ladies and gentlemen, this campaign is unusual for me, for I am not running for anything. But I am campaigning because of my deep concern about the future of America. Therefore, I want a President whose compassion is shown in actions for all our people and not just saccharin words, a President in power who does not need to pit one economic group against another, one section against another, but who unifies the nation in the best interests of all.

I want a President who sees not just the faults but the true greatness of America, a President who can not only encourage the dynamic growth of our free society at home, but command respect and friendship for us abroad.

We have such a man in President Ford. In a few weeks the American people will go to the polls to make the crucial decision. Let us, you and I, leave no stone unturned in getting before them the record, the capabilities, and the demonstrated leadership of President Ford and Bob Dole. If we do our part, we are going to get this job done and Gerry Ford is going to be elected President of the United States. And we can go on to an age of unprecedented achievement and fulfillment for America and all free peoples of the world and preserve the greatest system, political and economic, ever devised in the history of civilized nations.

Thank you very much.

(Standing ovation.)

I want to thank you very much, ladies and gentlemen. I apologize for speaking as long as I did, but I wanted to put these things in the record, as well as to give them to you.

I would like to take questions, but apparently I should have left ten minutes ago. I am going north to Oregon and Washington. I am just thrilled to be here and I thank you all for coming and having a chance to visit. Good luck.

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(AT 1:40 P.M. PDT)