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OFFICE OF THE VICE PRESIDENT
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PRESS CONFERENCE
AT THE
PFISTER HOTEL
MILWAUKEE, WISCONSIN

(AT 3:30 P.M. CDT)

Ladies and gentlemen, it is my great pleasure and honor to be here, looking forward this evening to the United Negro College Dinner.

I had the pleasure of some meetings. I am going to have some more. I would be glad to answer any questions on any subject that you have.

QUESTION: Mr. Vice President, you say that the City of New York is going to need some help in bridging the gap, of about three years between the time it balances its budget under State mandate and the time investor confidence is likely to be restored. You mean, help by the Congress? What kind of help do you mean and how does that differ from the kind of bail out you say New York City ought not to have by the Congress?

THE VICE PRESIDENT: The President has made very clear that a city which is spending beyond its means, if the Federal Government should step in to pick up that deficit, that it would encourage other cities to do the same.

The first thing you know you have cities looking for the Federal Government to pick up the deficits. Therefore, it would set a precedent that is a very dangerous one for the country.

He has taken a strong position that the Federal Government cannot bail out the city. I totally agree with him. However, if the city and the State working together as they have been, and the State stepped in -- of course, the cities are creatures of the State. They are incorporated by the State. If under this Board that was created, the city takes the steps that are necessary to reestablish its fiscal integrity and to restore the balanced budget, they are going to have a very difficult period in selling their bonds because there isn't a market for New York City bonds.

That will be between now and 1978. It may well be that there is going to be need for some assistance in making that bridge, bridging that gap.

The President has no authority to meet this situation should it arise and should it be necessary. The Congress, therefore, has got to study this. My reason for saying what I have said is, I think this is a very serious problem that could have catastrophic implications in default; although this is a subject of debate in various circles and that the Congress should be close to the situation and ready to take whatever action is in the best national interest as well as the people of the City of New York.

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I think it is worth mentioning that what New York City has been doing is really what Congress has been doing. They have been spending beyond their means. Congress is in a position where they can print the money. But the United States Federal Government has a deficit running between \$60 and \$70 billion.

The more money you print, the more the forces of inflation are fed. I think we are seeing here a situation which may well be a very useful lesson to the United States as a whole and to all levels of Government, that there are limits on what we can do and we have got to relate our expenditures to our income.

QUESTION: Mr. Vice President, one area that you haven't discussed in the time that you have been here is your Energy Independence Agency. Could you talk a little bit, please, about how you anticipate this agency functioning and what you think the chances are of getting a \$120 billion appropriation for it?

THE VICE PRESIDENT: The situation that exists in this country is we are now importing an increasing percentage of the oil that is consumed. We are up to 40 percent. We are spending now close to \$30 billion a year.

We are totally vulnerable to another boycott or even to blackmail. This is a matter of deep, national concern as far as the security of this country is concerned.

The President, in his State of the Union Message, called for a policy of self-sufficiency to be achieved by 1985. He proposed to Congress, legislation -- about 500-some pages of legislation which would meet this situation. Today the Congress has not acted on that. The situation is getting worse.

We are running short of gas for homes and for industry. We are in very serious danger this winter of having to curtail industrial consumption and increasing unemployment. In view of the fact that regulations, State and local, are such that whether it is atomic power plants or whether it is coal gasification plants for the generation of new gas or additional gas, that this is not being done today in this country.

Therefore, we are coming to a very serious situation. Therefore, the President has proposed to the Congress that in order to get the economy off dead center and get our energy policy towards self-sufficiency rolling, that the Congress authorize a corporation or a Federal authority which in many ways would be similar to the RFC and its conceptual structure with an equity capital of \$25 billion, and borrowing capacity of \$75 billion to do the following under the following circumstances:

Any project which cannot be financed by private enterprise for a series of different reasons, that is going to contribute towards self-sufficiency and which could have participation by private enterprise, this corporation would be empowered to undertake either for direct production of energy or those facilities that are related to it; namely, transportation.

If you produce coal in the West, low sulfur coal under ecologically acceptable conditions and you want to ship that to the East so that you can substitute coal for oil in the generation of electricity in power plants in the East, you have got to ship it by rail or at least that is the easiest way.

But the railroad beds are in such bad shape that coal cars now are having to travel in many areas at 10 miles an hour. This is an impossible situation. Therefore, this corporation could either loan, advance, purchase preferred stock or whatever might be the proper arrangement with a railroad in order to provide money to fix up its road bed.

Or if more oil is to be brought in from Alaska, or gas and additional pipelines are needed and it is impossible to get the financing immediately from private sources, this corporation could finance the pipeline or participate in the financing of it.

So, you have got electric power plants that could be built under a lease purchase arrangement with the power company. When the energy comes on stream or on line, then the company would take over the plant and start paying back the Federal Government or they could build coal gasification plants. In both cases they cost about \$1 billion a piece.

The President's goal is 200 atomic power plants by 1985 and the doubling of the number of coal mines. And also, we need between 18 and 24 coal gasification plants. Then there is another area, if you forgive me for taking a moment longer, we have fantastic reserves of oil in shale.

But to mine the shale and to cook it so you get the oil out, you end up with what I call talcum powder, a large volume of shale that has been cooked and it gets into this very powdery form.

This is largely in the Colorado area, where there is very little water. Therefore, the problem ecologically is what do you do with this stuff? It is very serious. You have mountains of it blown all over the place which would be unacceptable ecologically.

There is suggested a possibility of what is known as the In-Situ process drilling down into the shale oil, setting off an explosion, setting it on fire, having a pipe go down. The oil will be heated and gasified by the fire. You draw the gas off, bring it to the surface and condense it, and you have oil.

The question is -- and we have four times as much oil in shale in this country as the Arab countries or the Middle East has in all the known oil reserves in the Middle East, which is fantastic -- the question is what is the cost of this? The investment to do the commercial operation would be \$200 million.

There are those who think that could be done for \$7.00 or \$8.00 a barrel. If that were true, we would have a bonanza for our country. On the other hand, others say \$25 a barrel. Therefore, it would not be competitive. This risk is too great for private enterprise to take.

I say here is the case for government, just like they did in synthetic rubber during the war. They set up a corporation contract for somebody to go through this process and see whether it can be done and what the costs would be on a commercial basis. The same is true for deep coal veins in the East, which are high sulfur.

You could drill down and set off an explosion, set it on fire, take off the gas and you would have the same process of gasification of coal underground that you have on the surface.

Under present methods, again, nobody knows what the price would be of the product. The cost of undertaking commercial experiments is about \$200 million. This is the kind of thing that can be done. I have to say with the high unemployment this country is faced with, which is of deep concern to the President, if we can produce the energy in the United States, the money we are spending to import it would give one million jobs a year additionally in this country for this production and it would supply the energy which we need for a growing economy and for further employment.

I think it has got all the elements. It is self-liquidating. The concept of a 10-year limitation simply to get us off dead center in a transition from a free world market to a domestic market, as far as energy is concerned, is good.

Thank you for being so patient.

QUESTION: Sir, on this 30th anniversary of the United Nations, do you see anything meaningful or valuable for the United States today to be in the United Nations or in the future?

THE VICE PRESIDENT: Yes, I do. I happened to be the Assistant Secretary 30 years ago. At that time there were high hopes. At that time there were only 40 nations. Now we have got 130 or so. It really is a forum. It is an opportunity for people to come together and express themselves.

I think that is part of what we consider as a democratic process, at least part of the process. It is hard to make final agreements there. But I think that it is a center for discussion and it has many operating subsidiaries, you might say, or agencies which are carrying out very important services.

I think it is better to find out what the differences are in the world and to get them out in the open and have the discussions, than it is to have us pull back and then run the risk of having confrontations leading to war.

So, on balance I would say that while it has not fulfilled the hopes which we had, the dreams which we had, I think it is a useful instrument. We ought to keep it.

QUESTION: You have been talking about your position concerning New York City in Indianapolis and Decatur. Every time you say to an audience the Federal

Government should not bail out New York City, you get thunderous applause. Then when you get into your Congressional party where you suggest that the Congress should help out, there is very little reaction. Would you say that the public reaction to the position you are now advocating is not very great?

THE VICE PRESIDENT: I don't say what I am saying for public reaction. I say it because it is my analysis of the problem. Your analysis is a reaction of the public to my analysis.

QUESTION: Would you say you have public support for the position?

THE VICE PRESIDENT: I really haven't been trying to get support. I have been trying to analyze the problem. I think the real answer to what your question is, is people think, generally, that if New York City goes into bankruptcy it is not going to affect them. That is New York City's problem. It is too bad and, so be it.

The real question is, is it going to affect other communities? Is it going to cause a ripple effect which will make it more difficult for other communities to sell their securities? Are they going to have to pay higher rates of interest? Is it going to cost them more money? Is it going to affect New York City? Is it going to affect the Federal Government's capacity to sell securities?

When you have men like Helmut Schmidt, of Germany, who is a very able economist and now Prime Minister, saying publicly that he is concerned about this situation, a man who is that well informed isn't doing this just out of idle conversation. He is saying it because he is worried.

I have to say this is a serious situation. We don't know its dimensions. But when you are dealing with a serious situation, it is better to anticipate all possibilities and be prepared, than to take the rosiest picture and relax on the strength of that.

That is my only reason for it.

QUESTION: Mr. Vice President, I would like to follow up on that. Both the President and various people in the Congress have expressed doubts as to whether or not Congress is going to act. You paid very close attention to the situation. Is it your opinion that if the condition that you have talked about is met, of New York balancing its budget, that Congress will step in finally and pass some legislation that would do what you are talking about, tide the city over in this period until the investor confidence returns?

THE VICE PRESIDENT: There are two things the Congress is going to have to do, in my opinion. One is what we are talking about here. If they don't do that, then they are certainly going to have to amend the bankruptcy laws which really do not properly, adequately cover the problem of a big city going into bankruptcy.

They are largely federal laws that relate to corporations. Therefore, they should, and I think beforehand

in saying we want to help bridge this three-year period. If they don't want to do that, then they are going to have to say, "Well, at least we will amend the bankruptcy laws." So, if the result is bankruptcy the city can go through an orderly procedure and not chaos. These are the cold, analytical facts.

Congress has got this on their plate. There is nothing the President can do. He has no powers. I think the Congress of the United States has a tremendous responsibility as a body. It isn't any one group, but it is the whole group.

QUESTION: Do you expect Congress to act?

THE VICE PRESIDENT: I expect Congress to act. At what point, is the question.

QUESTION: Mr. Vice President, two days ago, Senator Stevenson said that he felt that if New York City was bailed out, it would mean the collapse of industrial production in the United States. He said the days of the Rockefeller "big stick" are over. What do you think of this sort of opposition to your policies? In addition, is it not true that if New York is bailed out, that according to State law priority, the stockholders and bondholders are paid off to investment of municipal services?

THE VICE PRESIDENT: I assume you just came into the room and didn't hear my conversation. I said I do not think New York should be bailed out. But if New York put their house in order, there should be help in the transition period before their securities gain confidence of the investors, again, which will take about three years.

QUESTION: Would you subscribe to the head of the First National Bank of Chicago's current trip to Romania, where he is discussing the transferrable ruble with the Romanian Government? Would you support that as a means of being able to expand industrial production?

THE VICE PRESIDENT: It sounds like Disneyland to me. I don't know what you are talking about. I have never heard of it. I have no idea. It sounds like Disneyland.

QUESTION: You have not heard of the transferrable ruble, that proposal?

THE VICE PRESIDENT: Never.

QUESTION: It is being discussed by the West German banks.

THE VICE PRESIDENT: He is not here. I don't know.

QUESTION: Mr. Rockefeller, you met with some leaders of labor, individuals in Milwaukee. Could you tell us what the subject of that meeting was, and what the picture looks like?

THE VICE PRESIDENT: The questions were very similar to the questions asked here. The question of the energy corporation or the energy authority, deregulation of gas, the

impact of the shortage of gas this winter, on employment in this country, as to whether, if we have a cold winter and because of the price regulation of gas and the fact that you can't get sufficient quantities of gas at present prices. Therefore, there will have to be an allocation. It would probably go to home owners. It would mean that hundreds of thousands of men and women will lose their jobs in industry because they wouldn't be able to get the gas.

There is another industry, the glass-tex industry. They have to have a certain amount of gas. It is a small amount in terms of their total expenditure. So, they are liable to buy up propane gas, which is bottled gas. If they do that then the farmer is going to have a terrible time, because if industry takes that amount away, the farmer won't be able to get the propane. He won't be able to dry his crops and heat his home. That is a very complicated situation.

So, I think the answer, myself is that we need to have increased production of gas. One of the ways is through the gasification of coal. That is expensive gas. Another way is drilling for gas, which can be done. But at the present time it is not profitable at the interstate prices.

So, deregulation is a key subject and was discussed at this meeting, so was this energy corporation, so was New York City. Those, I think, were the principal subjects. This whole question of Government spending more money than it has income and the fact that the income of the Government comes from private enterprise and that is both directly and indirectly, 85 percent of your revenue, therefore, the growth of our economy is essential to both employment and the meaning of the needs of goods and services, our economic strength and our revenues at various levels of government.

These are all problems of economics and sociology and government which are tremendously important. Because of the crisis we are facing, I am very optimistic that we are going to settle down some hard discussions and face some hard realities and take some steps which are going to be very valuable.

I talked a little bit about these hearings I have been conducting. We started in Denver and we are going to be in Florida next week.

QUESTION: Mr. Vice President, I hate to get back to New York again.

THE VICE PRESIDENT: It is a great city.

QUESTION: The Administration, if I understand correctly, has said that if New York takes the correct steps, puts their house in order, Congress and the Administration will help them.

THE VICE PRESIDENT: No, they have not said that.

QUESTION: Are there any specific things New York would have to do, say, fire Mayor Beame or Governor Carey or put a limit on city spending? Is there anything specific

New York would have to do?

THE VICE PRESIDENT: New York State, as you know, passed legislative action that the Board has superseded the mayor on the powers both on the determination of the revenue estimates and on the nature of the expenditures. The mayor came up with a program to meet those conditions that were laid down. The Board had to review these. Then the Board had to come back with their recommendations, if they didn't agree with it.

I have been out of town. So, I have not caught up with the details of what has happened. If that happens, then they go through this three-year period of transition that I mentioned. Really, the responsibility is squarely in the lap of the Congress.

They are the only ones who can act. They represent all of the people of the United States. They have got to act in what they think is the best interest of this country as a whole. The real question is, does this situation -- is it limited to New York City alone or will it have impact on the rest of the country?

That determination is going to be very importantly influential in what Congress does, because if it is just New York, they probably won't act. If it is going to have an effect on the country, then they may have a different attitude. This is a situation where the stakes are very high.

QUESTION: Mr. Vice President, do you feel as you travel around the country that you have now managed to overcome the resistance of the conservative wing of your party, to your having a place on the ticket in 1976?

THE VICE PRESIDENT: I understand your question. The answer is that has not been my purpose. I am not a candidate. I haven't said whether I would be available in 1976. I have gone on these trips for two purposes. One is to help in fund raising for the Republican Party at the State and local level. The other has been and is now to conduct these hearings for the President, for the Domestic Council. I really haven't done the other.

That decision is entirely up to the President, after he is nominated. He has to make a decision as to who he wants to run with him on this ticket. He shouldn't make it until he gets there.

I have no concern about that. I love this country. I want to serve the country. There are lots of ways you can serve your country.

QUESTION: You have been traveling around raising funds. You are here to speak for the United Negro College Fund, small minority business. What sort of hope do you see for minorities, or are they being forgotten in the general economic problems of the nation?

THE VICE PRESIDENT: No. I think in this current year, more money has gone out to small business than at any time in the history of the Small Business Administration. I saw the figures the other day. It is extraordinary. I think it is 40 percent of all the funds over the period of years

that have gone this past year.

I am Chairman of the Commission on Water Quality, reviewing legislation that was set up by the Congress, when the Air Quality Legislation Stack Commission was established and applied to the foundry industry. Fifty percent of the foundries were put into bankruptcy because they couldn't afford to put in control as in their stacks.

We had a report from the electroplating industry. There are about 90,000 companies. When the 1977 Water Quality standards are applied to the electroplating industry, it is going to bankrupt 35,000 small companies.

This raises some very interesting, difficult questions. Here is the government with its own regulations actually to achieve ecological objectives. But the achievement of the objectives is to bankrupt the small companies and to force more and more concentration into the large companies.

So, we find ourselves going into different directions at the same time as a government. These are some of the reconciliations we have to find answers to. I understand what you are saying. But with the regulations today on business and industry and the complexity of them, and also on government, local government, the cost of just keeping up with the changing regulations and having lawyers to fill out reports and people to handle the paperwork is becoming almost impossible for small business.

There was a hearing in Washington, where one small businessman and his two employees -- which were his wife and son -- came in. They had a stack of books on the table which was about three and a half feet high, which were the regulations they were supposed to conform to. They said they just didn't have time to read them and run their business, much less to conform to them.

This is the form of a society that is getting as complex as ours. Everywhere I go on these discussions, people are just fed up with the complexity of the Federal Government, with the bureaucracy and the red tape. There is a growing feeling that instead of the Federal Government being there to help them, that the Federal Government is their problem, not the solution to their problem.

QUESTION: Mr. Vice President, if during the course of your fund raising activities and the hearings you are going to be conducting you find response to you as favorable, what impact would it have on President Ford's decision if he is nominated?

THE VICE PRESIDENT: Maybe you ought to say, if he finds it is favorable. I have been going around this country now for about 40 years. It hasn't changed very much. I have got a lot of friends and make friends. I enjoy meeting people and discussing problems and issues with people.

So, there is no problem as far as I am concerned. But he should have the sole discretion in decision making. You are perfectly right in making that decision. He is bound to take into consideration questions such as the one you raised. But it is his analysis, not mine.

QUESTION: Who are the strong Democratic candidates?

THE VICE PRESIDENT: You ask me? I got to ask you. There are so many of them now that I can't tell you. I don't think, just as an observer, that any one person has emerged really above the others.

There are a great many. They are all patriotic citizens, dedicated to the well being of the country, as they see it. I don't think anybody yet has captured the imagination of the American people, in the sense they have swept the people off their feet.

QUESTION: Where do you think Wallace will fit in?

THE VICE PRESIDENT: Probably where he was before.

QUESTION: Mr. Vice President, apparently most of the budget cuts that the President is talking about would affect the cities, or human programs, you might say, and not areas such as Defense spending. Is that wise? Do the cities need more money or are they getting too much money as it is?

THE VICE PRESIDENT: Everybody needs more money. You can just start from that premise. There isn't a person, no matter what the situation is, who wouldn't like more money and couldn't spend more money. The real problem is, how much of this money is getting to the people who need it and how much of it is being lost in red tape bureaucracy, and how much abuse there is of these programs, how much fat there is in the Defense Department, how much can be reduced in the Defense Department budget? These are the questions.

The simple answer is that we are spending more than we have got. Therefore, we are feeding inflation. That is the most insidious force in the country. That hits everybody and taxes everybody and destroys their savings and their pensions and their buying power with their wages. That is what the President puts as number one in his considerations.

You can make a case for every program and its importance. You can say that if you had twice the amount of money, you could do a better job. We don't have twice the amount of money and we don't have the money that we are spending. We have got to come to grips with this situation.

What the President has asked me to do is go with the Domestic Council and try to come up with a restructuring of this whole approach, both program and regulation and policy to better meet the needs of people and do it more efficiently and with less complexity and less loss of freedom and more sense of dignity and worth on the part of the individual.

It is a moment, to me, of great opportunity for America. What Congress will do with this is another question, because they are under great pressures from the special interest groups who have well organized lobbies in every one of these 1,006 programs.

So, it is going to be very difficult. But this is part of a democracy. This is the excitement of it.

QUESTION: Would you like to see a cut in the Defense budget? If so, how much?

THE VICE PRESIDENT: I made a speech at the launching of the Eisenhower, which is the latest carrier that was finished, in which I analyzed what the Soviets have done in the last 20 years in their Navy. They have developed in 20 years, a Navy that is unparalleled in the history of naval operations; absolutely fantastic.

They are spending, and it has just come out, far more -- twice what we are in percentage of the GNP. They are emphasizing research, development, technology, new weapons systems right across the board.

They now have a navy that is operating worldwide, which is not a defensive navy. It is an offensive navy, with missiles coordinated totally. They had an exercise in April which involved three oceans, and five seas, totally coordinated with satellites, airplanes, submarines, nuclear submarines and 200 ships, 600 planes.

So, we are up against a tremendous challenge in the military field. Admiral Gorshkov, who is the one responsible for this, who has got to be one of the most brilliant military leaders, and a great writer on the subject, has said, and I quote, "The United States would soon be surpassed by the Soviet Union in its naval power."

He also said that "Whatever country controls the seas is the one that gets the world power." And that is their goal.

We take freedom of the seas for granted. We just don't even think about it. We just assume that. That isn't true anymore. We can't just assume that. So, my answer to you is that we are faced with a very formidable military and intelligence operation, worldwide, as well as a psychological and subversive operation worldwide, which threatens freedom in the world. You add to that the economic chaos we are in as a result of these price increases, inflation and unemployment, and you have to say can free people discipline themselves sufficiently to meet the challenge and to survive as free people?

That is putting it right straight out and very simply. But I think that is the challenge.

QUESTION: That is the same thing Schlesinger told us. But you haven't answered the question. Should we reduce our defense budget? Schlesinger says we should increase it. He warned Congress the other day that they are going into a second rate position by the cuts they are making right now. But what are we going to do about next year?

THE VICE PRESIDENT: I think he is right. The question is, do we have the discipline and are we willing to face these tough realities or are we going to go the ways others have gone? I think this is the great challenge.

QUESTION: What impact does Bella Abzug's disclosures have on this?

THE VICE PRESIDENT: I don't know what her disclosures were.

QUESTION: She disclosed the National Security Agency monitoring of cablegrams.

THE VICE PRESIDENT: Is this separate from the opening of mail?

QUESTION: It is related to, but separate from it.

THE VICE PRESIDENT: I am not aware of what you are saying. So, I would have to have the facts to know what you are saying. But I would say to you, sir, that as was pointed out in our report on the Central Intelligence Committee's activities that the Soviets have now in place the most comprehensive system of monitoring all of the telephone conversations in this country in any area they want, recording them and computerizing them, and then extracting information they want so that when we talk about something being done here, whatever disclosure there might be would be a fraction of one percent of what the Soviet Union is doing.

But that doesn't seem to get very much attention.

QUESTION: Mr. Vice President, do you feel that your branch of government should exercise its prerogative to withhold funds from those school districts who refuse to obey the law requiring racial desegregation?

THE VICE PRESIDENT: That is the law.

QUESTION: Do you feel the Federal Government specifically, the Department of Health, Education and Welfare, should be more active in withholding funding for the school districts as an enforcement?

THE VICE PRESIDENT: They would have to do whatever the law passed by the Congress states. I couldn't give you the details of that law. But whatever the law says Congress must do, that is what they should do.

QUESTION: Mr. Vice President, just to follow up with that, that is an Executive prerogative. That is why I was addressing it to you, specifically.

THE VICE PRESIDENT: You mean the discretion under the law is left to the Executive Branch, under this law?

QUESTION: There may be something subject to court test, but at least it appears that Federal funds for school districts can be withheld by the Executive Department as an enforcement tool for school desegregation. It is something already mandated by Congress.

THE VICE PRESIDENT: The way school desegregation works is that the local or the State school board or the courts have to give a plan. Then I would assume what you are saying would be that if they don't carry out the plan, that is either imposed by the Board of Regents to the State or a court, then under the law -- I am taking this from what you are saying -- either it is mandatory that Congress withhold

funds or the Executive Department has the discretion to withhold funds to force the implementation of the desegregation. I am not in a position to know right now. I can find out whether this law says that funds must be withheld or whether it is discretionary.

If you say that it is subject to a court test, then that means that it is uncertain. That means it will have to be tested by the courts and the court will then say which it should be.

There is a lot of confusion because so many laws have been passed by the Congress that haven't been tested. There is so much that goes into what is known as legislative intent that there is a tremendous area of uncertainty, both in relation to State and local government and in relation to private enterprise.

I think we have got to cut down the areas of uncertainty because they are very debilitating on the citizens and on the institutions in our country in trying to meet the problems.

I really can't answer your question specifically, because I don't honestly know. But this is a question that can be easily determined by a call to the Department of Health, Education and Welfare.

QUESTION: Mr. Vice President, as the President heads for China next month, do you think there are any concessions he can offer the Chinese as far as Taiwan or military levels in Asia? And also, should he be listening to the Chinese advice on detente with the Soviet Union?

THE VICE PRESIDENT: Of course, you would have to ask the President. I don't know whether the Chinese have asked for concessions. I only know what I have read in the papers, that they are worried about the Soviets and the Soviet power and worried about detente.

My comment on detente would be that I think detente is a very important constructive approach in relations between the United States and the Soviet Union, in avoiding confrontation and war. But that is only meaningful if we have the military strength and the will as a nation, plus the intelligence to be able to negotiate from.

We have got to have that or otherwise, we are not negotiating from strength. If you don't negotiate from strength in detente, the first thing you know you slide into dictation by the opposition. So, the Chinese are very aware of this situation.

I think, probably the conversations the President is going to have over there will be very interesting, very useful to him in getting the point of view of the Chinese Government, the Mainland Chinese Government. They have been around for a good many centuries. They have a great deal of experience in relation to the Russians. So that this ought to be a very interesting conversation.

Thank you very much. You are all very patient. I am delighted to be here.