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REMARKS OF THE VICE PRESIDENT  
AT THE PRESIDENT'S COMMISSION ON PERSONNEL INTERCHANGE DINNER  
THE JOHN F. KENNEDY CENTER  
FOR THE PERFORMING ARTS  
WASHINGTON, D. C.

AT 8:33 P.M. EST

Monsignor O'Connor, thank you for that beautiful invocation. The thoughts were inspiring to all of us.

And to you, Chairman Smith, we appreciate your presence, your leadership and what you have done for International Paper.

(Laughter)

And to all of the distinguished members of the President's Commission on Personnel Interchange, and to you who are the friends and recipients, beneficiaries and participants of this program, I have to say that in representing the President here tonight, this is a great honor for me.

The Monsignor was very generous in talking about the great responsibilities of the President and Vice President. You could delete that second designation there. The major achievement that I have had in the year and a half I have been Vice President is to get the wings of the eagle on the Vice President's seal up.

(Laughter)

I am thrilled to be here because, as one who came to Washington in an age that some of you -- Well, some of you are close to the age. I came down here at the age of 32. I say that is the age to come to Washington. You can adjust to the mores and the tribal customs of this great city, our National Capital. They are distinctive and they have their purposes, and if you come at an early enough age, you get used to them and you can accept them and understand them. Then you can become part of it and then you don't get frustrated or you are less frustrated. You find out how to swing and sway. Some of you are too young to remember Sammy Kaye.

(Laughter)

This is a great city. It is our Nation's Capital, and it is the greatest Nation of the world. We have got to keep it that way.

One of the most encouraging things to me is that all of you are here, that business corporations in America are aware enough of the growing interdependence and inter-relationship between government and the American enterprise system to recognize that we need this interchange. We need to understand each other.

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Some of us have come in and out of government for a long time. So I understand what you are doing. I deeply appreciate what you are doing. I admire what you are doing. I think it is tremendously important for the future of the country. For those young executives who are coming here from private enterprise, it is a tremendous experience. And for those young executives in government who are going into private enterprise, it is also an extremely significant experience.

And then as each of you come back at later points in your lives into important positions as sub-Cabinet, Cabinet officers -- Who knows? Maybe one of these ladies is going to be the first woman President of the United States who is here this evening. You never can tell. You will be prepared and you will understand the totality of our system and not just some facet of it.

I have an excellent prepared speech, so I shouldn't be talking. I have released it to the press, too. They won't print it, but never mind, I have released it.

(Laughter)

It is very interesting because, with this period of specialization in which we live and with knowing so much about such tremendous detail, we have gotten to a point where really the generalists, those who can reconcile all these details and make a decision that affects the future of the country, are becoming fewer and fewer. That is why I feel that out of this experience that all of you are sharing in --

There used to be a period when only the law firms would allow their partners to come down to Washington. The corporations would not do so, because the young executive would come down here, and when he came back, nobody would remember his name. The desk was gone, his room was gone, his job was gone.

(Laughter)

So I am very grateful to the distinguished persons in private enterprise who are here for this awareness and sensitivity and receptivity to the importance of understanding each other. Because let us not forget, as that distinguished young lady, Mary Wells Lawrence, said in her testimony before the President's Economic Commission when he was having those reports two years ago, business, private enterprise, produces 85 percent of the revenue directly and indirectly of all levels of government. And government sometimes forgets that they -- I don't want to put it the wrong way. I don't want to say they live off of you, but you help support us.

(Laughter)

Therefore, your prosperity, your success not only in producing goods and services to meet the needs of the people, but employing people and giving them opportunities and steady jobs, and your taxes and the taxes of those who get your dividends and the taxes of those who work for you are what makes it possible for government to carry out its responsibilities and functions.

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So I am delighted to be here to represent the President, to thank you all. And now I had better make reference to my speech. These are just random reminiscences that I was inspired by this occasion to say.

This is the second year I have had the privilege of being here, and I am grateful. I think during this year that has gone by -- and this has been a pretty tough year for everybody -- the necessity for government to have a better understanding of the American enterprise system has become increasingly clear.

The relation of government's actions to the continued dynamism of our economy and the American enterprise system is rightly a matter of growing concern, and coming under increasing scrutiny. It relates to our economic recovery, the continued creation of new jobs.

I had the privilege of speaking at the Club of Rome the other evening last week in Philadelphia. This whole question of growth came up, which I happen to believe in, which is the basis of America's strength and vitality. Without growth we are not going to have jobs, and without jobs people don't have opportunities. And it is the people at the bottom of the ladder who are looking for the opportunities, and the young people coming out of school and college.

We are blessed with the financial resources and human resources which make that possible.

I have to point out something, which as most of you know, is a thing that concerns me. That is our growing vulnerability to the possible disruption of our dependence on imported gas and oil.

We should never forget that over 80 percent of the government's revenues, as I mentioned, come from private enterprise. The strength and vitality and growth of our enterprise system is the strength of America, the basis of our ability to meet the needs of the American people at home and our responsibilities abroad, as well as the basis of government's revenues.

Consequently, at no time has this interchange of top talent between the public and private sectors been more important or more useful than it is today. Through this program we literally have the best of both worlds -- tomorrow's leaders in government and tomorrow's leaders in business -- I have to say that I find some of today's leaders in business as well as government, so I have to amend my text -- finding out what each other's world is all about.

I compliment all of you. Your selection for this program is the highest tribute to your talents. And I applaud you leaders of industry and government whose sponsorship of the interchange program demonstrates your grasp of the inseparability of government policies from our economy's growth.

Tonight I would like to say a few words about the relationships and suggest ways in which perhaps those relationships can be improved. This is the Bicentennial

year, so it is appropriate to make a reference. The American Revolution was fought not just for individual freedom but for economic and religious freedom as well. I think we sometimes forget that.

The American enterprise system has provided the creative, productive force that has given the American people unparalleled opportunity, and the United States its strength and ability to defend freedom at home and abroad.

But government has also always played a critical role in our economic life. And I mention this because some people sort of feel that private enterprise, the free economy should be just left alone and let them take care of it; that the government ought to stay out of it.

I think they are not real students of history, frankly, because if you look back and think of such activities as agriculture, railroads, automotive industry, aviation and all of those, the government has played key roles in one way or another.

If it hadn't been for research and development and the production of military planes, we wouldn't have the greatest civilian aviation industry in the world. If it hadn't been for the billions of dollars on the highways at all levels, we wouldn't have the automotive industry. If it hadn't been for the right-of-ways and the line grants the government gave to railroads, we wouldn't have inter-continental railroads.

So the government and industry historically have displayed a very intimate relationship. And this country has never been afraid to do things as a government that would reflect the best interests of the American people and encourage and give incentive to private enterprise or the American enterprise system to take the actions which would result in efforts that reflect our national best interests. We need look only to these to recognize that the actions of government were inseparable from those of the best interests of the free enterprise system.

Historically, government has always done what was necessary to provide the incentives for creative, imaginative individuals and the American enterprise system to accomplish those things which best served our long-term national interests.

Yet increasingly we have seen government's role evolve into that of a regulator for social objectives, sometimes forgetting the economic objectives, sometimes with not too clear an appreciation of the deterrent impact on the dynamism and vitality of American enterprise.

Therefore, as you spend this year, as men and women from government in business or from business in government, I would like to leave a few specific thoughts in your minds as to things that might be done to make the relationship between the two more effective, in building the strength of our Nation and the well-being of our people, so essential to the preservation of freedom and peace in the world.

Most fundamental is increased productivity in America. This effects the cost of production and consequently our competitive position in the world, the ability of workers to earn more money, and the basic strength of the United States.

Management, labor, government, science and technology, all need to work together more closely and consciously to achieve this objective of increased productivity in the various areas and remove the obstacles imposed by each.

To this end, I recommend:

(1) Steps to improve labor-management relations by updating working conditions and obsolete work rules.

(2) Revision of the tax laws to channel a larger percentage of our Gross National Product and savings into capital investment for modernization of our industrial plant and equipment.

(3) Encouragement through government incentives of greater emphasis on education and research, science and technology, and the investment of risk capital in new developments that may well determine our future leadership in the world.

(4) Systematic review, one by one, of our national objectives as they relate to the various government regulations and regulatory bodies -- some of which have been in existence for more than a century. These reviews should involve not only both branches of government, but labor, management and the consuming public as well, with the idea of clearly defining the objectives and understanding the collateral effects on investment policy, productivity, cost and employment. With these clearly in mind, it will be possible to simplify and clarify both the laws and the administrative regulations in the interest of the basic objectives while at the same time remove a great deal of uncertainty and unfortunate side effects.

(5) This Nation can and must achieve effective energy independence in the interest of our national security and the well-being of our people. Our imports of oil are rising at an alarming rate as our domestic production goes down. A few weeks ago we reached a new peak -- importing 50 percent of our domestic consumption from abroad. This year our total payments for foreign oil will reach \$30 billion. If this \$30 billion were spent on domestic energy production, we would employ this year 1,200,000 Americans here at home.

At present another boycott or interdiction of shipping lanes would result in economic and social chaos in many parts of the country -- particularly on the east coast, which depends on imports for 75 percent of its energy. I urge passage at this session of President Ford's Energy Independence Authority.

(Applause)

It is a \$100 billion Federal investment bank to get this country off dead center on domestic energy production and to get our economy rolling again.

I will mention here again for those who have been skeptical about this as government intervention, this is our national policy as declared by the President. It takes \$600 to \$800 billion of investments by private enterprise to become independent. There are certain very high risks which private enterprise is reluctant to take, and wisely so in many cases. It seems to me that this is the responsibility of government in view of the fact that it is national policy. I think it can be done. And we are so blessed that we have the resources within our country and we have the human resources, the scientific, technological abilities to accomplish this and to make ourselves once again independent from outside blackmail and boycott.

(6) We have got to learn how to make our great cities once again the most desirable and efficient places to do business, to live and to work. This will take some radical changes in concepts, but it can be done.

I came back from a trip on which I visited Singapore, which under the leadership of Lee Kuan Yew has just done this exact thing in 12 years. Prime Minister Lee has taken his island state from one of the lowest to the third highest standards of living in Asia in 12 years, due to his ability and due to his determination and his success in making it the most attractive place in the world for multinational corporations to do business. That was his goal. He set out to do it, and he has achieved the results.

While I was there, I invited him to come here and spend a year in New York with us.

(Laughter)

(7) Housing is a major factor in revitalizing our cities. The whole housing industry of the country is still in the doldrums -- with the highest unemployment rates. We must once again make it attractive for private capital to invest in this vital human and economic element of our society. We have proven that it cannot be done by government capital. Let's face it, lots of buildings have been built by private enterprise, private capital, but they are no longer in the field.

Therefore, I recommend that a portion of the tremendous funds now lodged in America's pension system, which are growing at the rate of \$8 billion to \$9 billion a year, be utilized for housing. This will involve government action to create the necessary incentives and penalties, plus insurance for protection of the pensions, to channel funds into housing on a sound basis to meet America's needs.

And now in conclusion -- you have all been very patient -- let me say that we have the human as well as the material and natural resources to do the job. Given these assets, given the scientific and technological lead

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we possess, given the creative force that flows naturally among a free people, there is no problem that we cannot overcome if we set our minds to it as a Nation. This is an exciting moment in history, and I am optimistic about the future.

Those of you participating in this exchange program have an unrivaled opportunity to understand these complex issues and to help realize our vast potential as a nation of free people. Those of you loaned from business to government will come away with a far better understanding that government can be either a spur or an anchor to economic growth. And you will be better equipped to help make it more of the former and less of the latter. Those of you loaned from government to the private sector will return with a far greater appreciation of what it is that makes the American enterprise system function.

Out of both your experiences, the chief beneficiaries will be the American people who will continue to enjoy freedom and well-being, because their leaders, public and private, have learned to become better partners.

Thank you, ladies and gentlemen.

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(AT 8:55 P.M. EST)