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Stetson

THE WHITE HOUSE
WASHINGTON

September 2, 1976

MEMORANDUM FOR:

JIM CANNON

SCM

FROM:

STEVE McCONAHEY

SUBJECT:

Meeting with Republican Mayors
Friday, September 10, 1976

Next Friday the Executive Committee of the Republican Mayors Association will be meeting in Washington to discuss their role in the upcoming campaign, and to meet with various Administration officials on a variety of topics the most important of which is the Administration's handling of the Public Works/Countercyclical Legislation. I have agreed to meet with the Republican Mayors and have present representatives from OMB, Domestic Council, Treasury and Commerce. I think it would be appropriate for you to participate as well. If you agree, I request that we reserve the Roosevelt Room for this meeting.

✓

In the afternoon the Republican Mayors would like to meet with Representatives of the PFC to discuss their role in the campaign. Prior to that time I hope to meet with Jim Baker and/or Ellie Peterson to clarify the relationship of our committee of elected officials for the President with the PFC. I have indicated that I will attend that meeting, and you have an open invitation to attend as well.

Good

Please give me guidance on your interest in participating in these two discussions.

OK



THE WHITE HOUSE
WASHINGTON

CC : to McConahay
and file
in Zavala County



16

SPORTS
ANAL
F

Sept. 5 1976

THE SUNDAY
EXPRESS-NEWS

America's fastest growing Sunday newspaper.

**State Crystal probe
threatens big grant**

Atty Gen

THE WHITE HOUSE
WASHINGTON

September 7, 1976



MEMORANDUM FOR:

JIM CANNON

FROM:

STEVE McCONAHEY *SM*

SUBJECT:

Resolutions of the 42nd Annual
Southern Governors' Conference
August 28 - September 1, 1976

Attached is a copy of Resolution 20, Fiscal Responsibility, passed at the recent meeting of the Southern Governors' Conference in Williamsburg. This was the most controversial one submitted, but was approved by a 2/3's majority vote. Complete sets of the twenty-seven resolutions approved have been given to Art Quern and Paul O'Neill.

Attachment

*Steve - could cripple
Such an Amendment that the country's
The ability to fight
a war.
Juni*

690544

THE WHITE HOUSE
WASHINGTON

Date

9-7

TO:

Jim Cannon

FROM: DAVID LISSY

FYI

For Appropriate Action

COMMENTS

090802

THE WHITE HOUSE
WASHINGTON

September 7, 1976

10
David -
FVI
Runde

Record of Incoming Telephone Call

From: Sandy Spence 785-9577
National Association of Counties

To: Judith Richards Hope

Message:

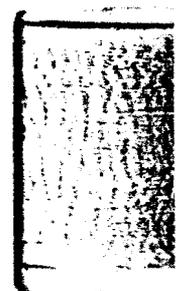
Will be out of the office through September 20,
however, wanted to keep you up to date.

She has been receiving calls from Marty Carr of
Los Angeles County. He is under the impression
that something is ready to go to the President
regarding 13(c). He is also under the impression
that "negative declaration" is left out of the
package. He is against the President signing
anything on the 13(c) matter that doesn't
include "negative declaration." Ms. Spence
said that NAC might agree with him.

He has been in contact with Senator Tower of
Texas and Congressman McCollister of Nebraska
urging them to call Mr. Cannon.

He wants NAC to have another meeting with the
Domestic Council regarding this matter before
anything goes to the President.

See



Rle

THE WHITE HOUSE

WASHINGTON

September 8, 1976

MEMORANDUM FOR: JIM BAKER

FROM: JIM CANNON

JMC, cd

You might be interested in this report from the Southern Governors.

attachment



THE WHITE HOUSE

WASHINGTON

September 2, 1976

MEMORANDUM FOR:

JIM CANNON

FROM:

STEVE McCONAHEY *SM*

SUBJECT:

Campaign Organization
in Southern States



As I indicated to you on the telephone, there was a clear message that came from the Southern Governors' Conference in regard to the President's prospects in the South.

1. It was clear that even amongst Democratic Governors there was a feeling that the President has pulled to within a very close position with Carter, and that particularly within the border states the President has great potential.
2. Clear, visible and near term actions must be taken to overcome the initial impression left in any people's minds that the President has "written off" the South. Perhaps the initial statement attributed to Rog Morton was incorrect; however, that impression is in the minds of many people and it is important that we take steps very soon to allay fears on this neglect.
3. That the best approach to the south will be to force people to understand what the Democratic platform says, and then force Carter to defend it. Without the initiative of the Republican Campaign, many people will support Carter strictly because of his southern heritage. It will be our initiative that will be necessary to force people's consideration of the Democratic platform and of Carter's position on specific issues.
4. Concern was expressed to me both by Governor Edwards of South Carolina and Governor Holshouser of North Carolina that indications to date show that the campaign and advance people are still not doing a "professional" job in organizing campaign activities and ensuring that they are coordinated with the existing Republican Party structure.

I have no way to verify these complaints other than to pass them along to you.

I think these are interesting observations you should be aware of and perhaps relay to Rog Morton and Jim Baker.



ATTENDEES AT SOUTHERN GOVERNORS' CONFERENCE

REPUBLICAN GOVERNORS

Governor Holshouser of North Carolina
Governor Edwards of South Carolina
Governor Bond of Missouri
Governor Godwin of Virginia
Governor Moore of West Virginia

GOVERNORS

Governor Pryor of Arkansas
Governor Carroll of Kentucky
Governor Blanton of Tennessee
Governor Askew of Florida
Governor Busbee of Georgia
Governor Finch of Mississippi
Governor Tribbitt of Delaware
Governor Mandel of Maryland
Governor Boren of Oklahoma
Governor Briscoe of Texas
Governor King of Virgin Islands



NACO Conference
Speech in Boston,
September 15, 1976

FEDERALISM AND COUNTY GOVERNMENT



THIS BICENTENNIAL YEAR IS AN APPROPRIATE TIME TO REVIEW OUR FEDERAL SYSTEM OF GOVERNMENT AND THE ROLE OF COUNTY GOVERNMENTS WITHIN THAT SYSTEM. THIS IS NO SMALL TASK; AS THE DEMANDS OF SOCIETY HAVE INCREASED, COUNTY JURISDICTIONS HAVE ASSUMED MORE IMPORTANT FUNCTIONS AND HAVE BECOME KEY CENTERS OF GOVERNMENTAL POWERS, AUTHORITY AND RESPONSIBILITY.

A. THE FEDERAL CONCEPT OF SHARED SOVEREIGNTY

THE INCREASED IMPORTANCE OF COUNTIES IS IN KEEPING WITH OUR FEDERAL SYSTEM WHICH IS STRUCTURED AROUND THE CONCEPT OF SHARED SOVEREIGNTY AND SHARED POWER WHICH AT ALL TIMES MUST BE RESPONSIVE TO THE NEEDS AND WILL OF THE PEOPLE. THIS SYSTEM DICTATES THAT THE TASK OF GOVERNMENT RESIDES IN STATE, COUNTY, AND LOCAL UNITS, UNLESS OTHERWISE CLEARLY DELEGATED TO THE FEDERAL GOVERNMENT.

IN THEORY, THIS CONCEPT PLACES RESPONSIBILITY FOR MEETING A HUMAN NEED AT THE LEVEL WHERE THE MOST EFFECTIVE SERVICE MAY BE PROVIDED FOR THAT PARTICULAR NEED, DEPENDING UPON POLITICAL AND FINANCIAL REALITIES. MOREOVER, THIS SYSTEM WAS DESIGNED TO SOLVE PROBLEMS WHEN AND WHERE THEY FIRST ARISE. IF LOCAL SOLUTIONS ARE NOT FORTHCOMING, THEN INTERVENTION BY THE FEDERAL GOVERNMENT IS STILL POSSIBLE, BUT ONLY AS A LAST RESORT.

IN PRACTICE, HOWEVER, DURING THE PAST 40 YEARS, THE FLOW OF SOVEREIGNTY, OF POWER, OF PROGRAMS AND OF POLICIES HAS BEEN HEAVILY AND CONSTANTLY TOWARD THE FEDERAL GOVERNMENT. THIS FEDERAL BIAS IS REFLECTED IN CATEGORICAL PROGRAMS AND TARGETED FINANCIAL AID, IN THE FORMS WE ALL FILL OUT AND THE RULES AND REGULATIONS WE FOLLOW.

B. REASSESSMENT OF THE ROLES OF DIFFERENTS LEVELS OF GOVERNMENT

THE AMERICAN PEOPLE'S PATIENCE WITH THIS BIAS HAS WORN THIN. CITIZENS ARE FED UP WITH FEDERAL CONCENTRATION OF AUTHORITY, THE IMMENSITY OF THE BUREAUCRACY, THE HUGE MORASS OF RED TAPE, AND THE INSENSITIVE AND OVERLAPPING REGULATORY SYSTEM. THEIR CRITICISM HAS PROMPTED A REVIEW OF THE RESPECTIVE RESPONSIBILITIES OF FEDERAL, STATE AND LOCAL JURISDICTIONS. TODAY, MANY SERIOUS STUDENTS OF GOVERNMENT ARE REASSESSING WHO DOES WHAT, AT WHICH LEVEL, AND HOW VARIOUS RESPONSIBILITIES CAN BE PLANNED, FINANCED, AND ADMINISTERED MOST EFFICIENTLY.

THE REASSESSMENT HAS RESULTED IN SEVERAL DEVELOPMENTS. AMONG THE MOST IMPORTANT OF THESE ARE:

1. AUTHORITY AND RESPONSIBILITY ARE GRADUALLY BEING RESTORED TO STATE AND LOCAL GOVERNMENT. GENERAL REVENUE SHARING, TOGETHER WITH CURRENT AND PROPOSED BLOCK GRANTS, INDICATE THE TREND TOWARD INCREASED FLEXIBILITY AND DECISION-MAKING AUTHORITY AT THE LOCAL LEVEL.

2. THE RECOGNITION OF FINANCIAL CONSTRAINTS HAS HIGH-LIGHTED THE NECESSITY OF SPREADING FINANCIAL BURDENS AMONG JURISDICTIONS. 1975 MAY APPROPRIATELY BE TERMED THE YEAR OF THE BUDGET. WHEN CONFRONTED BY LIMITED FINANCIAL RESOURCES, ALL LEVELS OF GOVERNMENT BECAME INCREASINGLY AWARE OF THE NEED FOR FINANCIAL STRINGENCY. THE RECENT TREND TOWARD BUDGETARY RESTRAINT HAS REQUIRED A MORE EQUITABLE DISTRIBUTION OF THE FINANCIAL BURDEN AMONG JURISDICTIONS.



3. JURISDICTIONAL BOUNDARIES ARE BEING REEXAMINED. JURISDICTIONS ARE DISCOVERING THE ADVANTAGES OF (A) REDUCING OVERLAPPING BOUNDARIES TO PROMOTE EFFECTIVE DECISION-MAKING, (B) CONSOLIDATING DISTRICTS TO DELIVER BETTER SERVICE, AND (C) RESTRUCTURING BORDERS TO MEET SPECIFIC NEEDS, SUCH AS LAND USE PLANNING.

4. TAXPAYING VOTERS ARE BEING GIVEN MORE OPPORTUNITY TO CHOOSE BETWEEN TAX HIKES AND SPENDING LIMITATIONS. BECAUSE OF THE REQUIREMENT OF BALANCED BUDGETS, SPENDING INTERESTS ARE INCREASINGLY FORCED TO ARGUE THEIR CASE BEFORE THE PUBLIC AT LARGE. DECISIONS BY REFERENDUM HAVE INCREASED PUBLIC AWARENESS OF THE HARD FISCAL CHOICES THAT ARE DICTATED BY LIMITED RESOURCES.

5. THE PROBLEMS OF SUBURBANIZATION AND OUT-MIGRATION ARE BEING RECOGNIZED. SHIFTS OF POPULATION AND ECONOMIC ACTIVITY IMPACT HEAVILY ON THE REGIONS INVOLVED, PARTICULARLY IN THE CASE OF MOVEMENT FROM OLDER NORTHEASTERN METROPOLITAN AREAS TO THE "SUN-BELT." ON THE LOCAL LEVEL, TRANSITIONS FROM THE URBAN CORE TO SUBURBS HAVE OBLIGATED GOVERNMENTAL UNITS TO CONSIDER NEW AND MORE EQUITABLE MEANS OF SHARING TAX BASES.

C. IMPACT ON COUNTIES

THESE DEVELOPMENTS ALLOW COUNTIES TO PRESENT AN INCREASINGLY ATTRACTIVE ECONOMIC AND POLITICAL BASE FOR LOCAL GOVERNMENT SERVICES. AS A RESULT, MORE OPERATIONAL RESPONSIBILITY AND FINANCIAL BURDENS WILL FALL TO COUNTY OR AREA-WIDE METROPOLITAN GOVERNMENTS. LET ME MENTION SOME SPECIFIC AREAS IN WHICH COUNTIES WILL PLAY AN EXPANDING ROLE.

1. WELFARE

NO PERMANENT AND AUTOMATIC POLICY HAS EVER BEEN DEVISED TO GIVE MONEY TO THE POOR. COUNTIES HAVE ASSUMED AN INCREASED RESPONSIBILITY FOR THE CARE OF THE NEEDY AND SHOULD BE COMMENDED FOR THEIR ACHIEVEMENTS IN THIS AREA. THIS RESPONSIBILITY WILL CONTINUE UNTIL WE HAVE A NATIONAL CONSENSUS ON WHAT CAN AND SHOULD BE DONE ABOUT THIS COMPLEX LOCAL AND NATIONAL PROBLEM.

2. TRANSPORTATION

THE NEED FOR PUBLIC TRANSPORTATION IS GROWING IN BOTH RURAL AND URBAN AREAS. COUNTIES WILL ASSUME ADDED RESPONSIBILITY FOR PLANNING, OPERATING AND FINANCING PUBLIC TRANSIT.

3. WASTE WATER TREATMENT

THE AREA-WIDE PROBLEM OF WASTE WATER TREATMENT WILL REQUIRE INNOVATION AND MODERNIZATION. JURISDICTIONS WILL HAVE TO EXPERIMENT WITH CONSOLIDATION TO PERFORM TREATMENT AND RELATED FUNCTIONS SUCH AS LAND FILL.

4. ENVIRONMENTAL CONTROL

SMOG IGNORES BOUNDARIES. COOPERATION AMONG JURISDICTIONS IS NECESSARY TO CONTROL SMOG AND IMPROVE THE QUALITY OF OUR AIR.

5. LAND USE PLANNING

LAND USE PLANNING MUST TRANSCEND THE INTERESTS OF INDIVIDUAL JURISDICTIONS. INTERGOVERNMENTAL COOPERATION WILL BE NECESSARY IN ORDER TO ACHIEVE AN AREA-WIDE PERSPECTIVE THAT PREVAILS OVER PAROCHIAL CONCERNS.



D. SELECTED PROBLEMS RESULTING FROM INCREASED RESPONSIBILITY

1. GOVERNMENTAL STRUCTURES

HOW SHOULD A COUNTY ORGANIZE TO PERFORM ITS WIDENING ROLE? WHAT ORGANIZATIONAL STRUCTURE WILL FOSTER COOPERATION AMONG STATE, COUNTY AND LOCAL GOVERNMENTS? THERE ARE SEVERAL AVAILABLE OPTIONS:

- A. CONSOLIDATED JURISDICTIONS;
- B. REGIONAL STRUCTURES, SUCH AS THE
MINNEAPOLIS-ST. PAUL AREA PLAN;
- C. SEPARATE JURISDICTIONS WITH INCREASED
INTERJURISDICTIONAL COOPERATION;
- D. SPECIAL PURPOSE DISTRICTS.

EACH OF THESE OPTIONS IS SUITED TO DIFFERENT POLITICAL AND ECONOMIC CIRCUMSTANCES; ALL HAVE BEEN IMPLEMENTED SUCCESSFULLY IN VARIOUS JURISDICTIONS. WHEN CHOOSING AMONG THESE OPTIONS, LOCAL DECISION MAKERS MUST REALIZE THAT ALL OF THEM REQUIRE STRONG LEADERSHIP TO OVERCOME VESTED, PAROCHIAL INTEREST IN RETAINING EXISTING JURISDICTIONAL DIVISIONS AND STRUCTURES.



2. PUBLIC SERVICES

LIKE ALL LEVELS OF GOVERNMENT, COUNTIES HAVE REALIZED THE NECESSITY OF CHECKING INCREASES IN THEIR BUDGETS. NOBODY LIKES SPENDING RESTRAINTS. WITHOUT THEM, HOWEVER, THE PUBLIC SECTOR COMPOUNDS ITS PROBLEMS BY IGNORING THE REALITY OF LIMITED RESOURCES AND THE FACT THAT DEMANDS FOR PUBLIC SERVICES CAN OUTFRAN A COUNTY'S CAPACITY FOR FUNDING.

A POLICY OF FINANCIAL REALISM REQUIRES A SETTING OF PRIORITIES. IN SOME CASES, COUNTIES HAVE EAGERLY ASSUMED MORE OPERATIONAL RESPONSIBILITY FOR SERVICES, PARTICULARLY IN ECONOMIC GROWTH AREAS. BUT FINANCIAL CONSTRAINTS MANDATE A REVIEW OF COUNTY SERVICES AND, IN SOME CASES, A REDUCTION IN SERVICES OR A REFUSAL TO PROVIDE NEW SERVICES.

3. FINANCING

CLOSELY RELATED TO SETTING PRIORITIES FOR PUBLIC SERVICES IS THE QUESTION OF FINANCING. UNLIKE THE FEDERAL GOVERNMENT, COUNTY GOVERNMENTS ARE PROHIBITED BY THEIR STATE CONSTITUTIONS FROM INCURRING BUDGET DEFICITS. IF COSTS OF SERVICE DELIVERY INCREASE, COUNTIES WILL PROBABLY HAVE TO RAISE TAXES TO CLOSE THE BUDGET GAP. BUT A COUNTY'S ABILITY TO RAISE TAXES IS LIMITED BY SEVERAL FACTORS: MAXIMUM STATE LEVELS, THE REGRESSIVE CHARACTERISTICS OF CERTAIN TAXES, TAXPAYER RESISTANCE AND CAPITAL SHORTAGES.



IN ORDER TO EXPAND LOCAL REVENUE RAISING CAPACITY, STATE, COUNTY AND LOCAL GOVERNMENTS MAY NEED TO CONSIDER SEVERAL ALTERNATIVES:

- A REVIEW AND RESTRUCTURING OF THEIR TAX SYSTEM, PARTICULARLY WHERE THERE ARE NO INCOME TAXES;
- PLANS FOR TAX BASE SHARING AMONG JURISDICTIONS, SUCH AS THE MINNEAPOLIS/ST. PAUL PLAN;
- PARTNERSHIPS WITH THE PRIVATE SECTOR TO TAKE ADVANTAGE OF ECONOMIES OF SCALE AND MANAGEMENT EXPERTISE.

THE FINANCING QUESTION ENCOMPASSES OTHER CRITICAL ISSUES:

1. HOW CAN STATE AND LOCAL BORROWING PRACTICES BE IMPROVED? ANSWERS TO THIS QUESTION ARE CRUCIAL TO THE EFFECTIVE FUNCTIONING OF STATE AND LOCAL GOVERNMENT -- ESPECIALLY IN THE AREA OF CAPITAL IMPROVEMENTS. CAN WE GUARANTEE "FULL DISCLOSURE" IN THE OFFERING OF STATE AND LOCAL GOVERNMENT SECURITIES? SHOULD GOVERNMENT MEET THE SAME STRICT REQUIREMENTS THAT GOVERN PRIVATE FINANCE? SHOULD GOVERNMENT "POLICE" ITSELF OR SHOULD ITS DEBT FINANCING BE SUPERVISED BY THE SAME FEDERAL AGENCY THAT SUPERVISES PRIVATE FINANCING? THESE ARE NOT EASY QUESTIONS. IT IS IN OUR COMMON INTEREST THAT THEY BE ANSWERED WISELY.

2. CAN THE COSTS OF MAJOR SERVICES BE CONTROLLED? MUST WELFARE COSTS, FOR EXAMPLE, CONTINUE TO ESCALATE? IS THERE NO END TO THE SPIRALLING COSTS OF PUBLIC SCHOOL EDUCATION? BUDGETARY RESTRAINT IS NECESSARY, DESPITE PRESSURES TO SPEND.

3. HOW CAN THE COST OF PUBLIC EMPLOYEE PENSIONS AND OTHER EMPLOYEE BENEFITS BE CONTROLLED? HOW CAN PENSIONS BE MORE SOUNDLY FINANCED? CONSTANTLY INCREASING PENSION COSTS ARE ONE OF THE PRIMARY FACTORS IN SPIRALLING PUBLIC EXPENDITURES. UNFORTUNATELY, IT IS EASY FOR TODAY'S EXECUTIVE OR LEGISLATIVE OFFICIALS TO EXPAND BENEFITS WHEN TOMORROW'S ELECTED OFFICIALS WILL HAVE TO RAISE THE TAXES TO PAY FOR THEM.

4. HOW CAN PUBLIC EMPLOYEE PRODUCTIVITY BE IMPROVED? THERE IS LITTLE TO SHOW FOR THE LARGE AMOUNT OF CONCERNED DISCUSSION WHICH HAS FOCUSED ON EMPLOYEE PRODUCTIVITY. IN MOST CASES, WE HAVEN'T EVEN LEARNED HOW TO MEASURE PRODUCTIVITY IN GOVERNMENT OFFICES, MUCH LESS HOW TO IMPROVE IT.



THESE ARE ONLY SOME OF THE MANY ISSUES WHICH COUNTIES AND OTHER LEVELS OF GOVERNMENT MUST FACE. OUR ATTENTION AND RESOURCES MUST BE DEVOTED TO FASHIONING WORKABLE AND EFFECTIVE SOLUTIONS.

E. ROLE OF FEDERAL GOVERNMENT

IN CLOSING, I WOULD LIKE TO SUGGEST FOUR PRINCIPLES WHICH SHOULD GUIDE FEDERAL ACTION RELATING TO STATE, COUNTY AND LOCAL GOVERNMENTS.

1. THE TAXPAYER'S MONEY SHOULD BE RETURNED TO STATE, COUNTY AND LOCAL JURISDICTIONS. NOTHING DURING THIS CENTURY HAS BENEFITED STATE, COUNTY AND LOCAL GOVERNMENT AS MUCH AS GENERAL REVENUE SHARING. OUR EXPERIENCE HAS DEMONSTRATED THAT THE PROGRAM CAN AND SHOULD BE IMPROVED. ITS EXTENSION IS VITAL.

2. AUTHORITY SHOULD BE RETURNED TO STATE, COUNTY, AND LOCAL JURISDICTIONS. THE BLOCK GRANT PROGRAM MUST BE COMPLETED; WITHOUT IT, FEDERAL GRANT FUNDS CANNOT BE USED EFFICIENTLY BY 50 STATES WHICH HAVE WIDELY VARYING NEEDS. FLEXIBILITY IS A NECESSITY IN ADAPTING PROGRAMS TO THE NEEDS OF INDIVIDUAL STATES.

3. REGULATIONS SHOULD BE SIMPLIFIED AND APPLIED CONSISTENTLY. WE HAVE BECOME SO ENMESHED IN RULES AND REGULATIONS THAT WE OFTEN LOSE SIGHT OF OUR OBJECTIVE -- WHICH IS TO SERVE THE PEOPLE. UNDER PRESIDENT FORD'S DIRECTION, WE HAVE STARTED A PROGRAM TO SIMPLIFY PAPER WORK AND ELIMINATE RED TAPE SO WE CAN DO THE JOB WE ARE SUPPOSED TO BE DOING.

CONGRESS AND THE COURTS MUST ALSO SUBSCRIBE TO THE PRINCIPLES OF SIMPLICITY AND CONSISTENCY. ONCE A RULE IS ESTABLISHED, IT MUST BE APPLIED CONSISTENTLY SO THAT ALL LEVELS OF GOVERNMENT WILL KNOW WHAT RULES THEY MUST FOLLOW. EFFECTIVE PLANNING IS IMPOSSIBLE WITHOUT THE CONSISTENT APPLICATION AND ENFORCEMENT OF RULES.

WE MUST IMPROVE THE MANAGEMENT OF BUSINESS AT ALL LEVELS OF GOVERNMENT. AT THE FEDERAL LEVEL, THIS MEANS TIGHTENING THE MANAGEMENT OF AGENCIES, CONTROLLING REGULATIONS AND PROCEDURES, SIMPLIFYING AUDITING AND EVALUATION PROCEDURES, AND ANALYZING THE IMPACT OF FEDERAL ACTIONS ON STATE, COUNTY, AND LOCAL GOVERNMENTS. WE ALL KNOW THAT BUREAUCRACY, EXCESSIVE REGULATIONS, AND INEFFICIENCIES ARE NOT UNIQUE TO WASHINGTON.



4. WE SHOULD PROVIDE FOR HEALTHY SOCIAL AND ECONOMIC GROWTH WITHOUT INFLATION. INFLATION HAS A DEVASTATING IMPACT ON GOVERNMENT FINANCE. AS DEAN CAMPBELL HAS POINTED OUT, BETWEEN 1972 AND 1974 INFLATION MORE THAN CANCELLED STATES' FEDERAL GENERAL REVENUE SHARING ENTITLEMENT. THE BEST WAY THE FEDERAL GOVERNMENT CAN AID STATE, COUNTY AND LOCAL JURISDICTIONS IS TO COMBAT INFLATION. A CONTINUED ECONOMIC RECOVERY, COUPLED WITH FEDERAL, STATE AND COUNTY DETERMINATION TO HOLD DOWN THE COST OF ESSENTIAL PUBLIC SERVICES, IS ESSENTIAL TO STRENGTHEN THE NATION'S FISCAL HEALTH.

F. CONCLUSION

I HAVE TRIED TO OUTLINE THE TRENDS AND CHALLENGES WHICH CONFRONT COUNTY GOVERNMENTS. AS A RESULT OF ASSUMING A MAJOR ROLE IN GOVERNMENT, THERE IS NO QUESTION THAT COUNTIES WILL FACE INCREASED AND ADDITIONAL PROBLEMS. SOLUTIONS WILL DEMAND LEADERSHIP, INTELLIGENCE, THE WILLINGNESS TO TRANSCEND PAROCHIAL INTERESTS AND THE ABILITY TO BRING ABOUT AN ORDERLY, RESPONSIVE AND EFFECTIVE SYSTEM OF INTERGOVERNMENTAL COOPERATION.

*file
Intergov.*

THE WHITE HOUSE

WASHINGTON

September 20, 1976



Dear Stanley:

I was very pleased to receive your letter of August 27. Your very active participation in Ohio in helping to get the President nominated and your continuing willingness to help is very much appreciated.

I know you're going to do a great job in the campaign.

Thank§ for all your help, and please stop by when you're in Washington.

Sincerely,

James A. Cannon
Assistant to the President
for Domestic Affairs

The Honorable Stanely A. Cmich
Mayor of the City of Canton
Canton, Ohio



STANLEY A. CMICH
MAYOR

City of Canton, Ohio



August 27, 1976

for
Ask with
Travis

Mr. James M. Cannon
Assistant to the President
The White House
Washington, D. C.

Dear Jim:

As a delegate, I was very pleased to play a small part in President Ford's victory in Kansas City.

I am confident that the President will carry the State of Ohio in November, and I will do everything possible to assist. If there is anything I can do in addition to my active participation in Ohio, please feel free to call, as I will be only too happy to help in whatever manner is necessary to ensure the Presidency for Gerald R. Ford.

With best regards.

Sincerely,

Stanley A. Cmich
Mayor



SAC/jkf

116 227 21 7 53

THE WHITE HOUSE
WASHINGTON

INFORMATION

September 21, 1976

MEMORANDUM FOR: JIM CANNON
FROM: STEVE McCONAHEY
SUBJECT: State/Local Officials
in the Campaign

In response to your request as to why we don't get Governor Longley in the CEOP, I have talked directly with him about this, and have extended an open invitation to join us. At first, he wanted to wait for the Vice Presidential selection. Now he is still a little hesitant to go public with his personal support. Governor Evans plans to talk with him this week. I'll keep you posted.

Good -
~~*What use for*~~
or come trying to help?
Keep trying I can help?
Any way
Jim



Steve McConahey

THE WHITE HOUSE
WASHINGTON

INFORMATION

September 13, 1976

MEMORANDUM FOR:

JIM CANNON

FROM:

STEVE McCONAHEY

SUBJECT:

State/Local Officials in
the Campaign

JCM

Yesterday I received word from Rogers Morton's Office that the Campaign Steering Committee will be expanded to include representatives of state, local and county officials per our request. As things stand now, Tom Jensen of the Tennessee State Legislature and Louis Mills of Orange County, New York will be invited to participate. These names are in addition to Mayor Perk, Mayor Cianci, Governor Evans and Governor Milliken.

In terms of the Committee of Elected Officials for the President, I have spoken with the principals (Evans, Wilson, Jensen and Mills) and all are moving to develop their organization on a state basis within the next week. By the end of ~~this~~ week, I hope to have that structure in place as well as a firm commitment from PFC in terms of staff contact and support.

extended on your invitation to
open on

John Perkins
type for Jim:



Asus
why don't
get GA
in the CEOP
Langley

I have talked directly with him about this. at first, he wanted to wait for the U.S. selection. Now he is still a little hesitant to go public with his personal support. I will come down to talk with him this week. See how you posted for

made by
J 1-69

THE WHITE HOUSE
WASHINGTON

September 21, 1976

Dear Governor Briscoe:

This is to acknowledge your letter of September 1, 1976, to the President, concerning a grant made to the Zavala County Economic Development Corporation by the Community Services Administration. This letter was a follow-up to your earlier telegram on the same subject which was answered by Mr. James T. Lynn on August 25.

Your communications, along with a number of other inquiries and comments regarding this grant, have come to the attention of the Domestic Council. Specifically, you and others have indicated that the grant was approved by the Community Services Administration without undergoing the normal review process required by OMB Circular A-95. It has been suggested that had these procedures been followed, CSA would have received information that may have affected the decision on this grant. The possibility of misuse of Federal funds has also been raised.

In view of the nature of these inquiries, I have requested the Director of the Community Services Administration, Mr. Samuel R. Martinez, to conduct a thorough review of this grant. The focus of this examination will include: (1) taking appropriate steps to obtain local and State government review and comment on the grant as outlined in the A-95 process; and (2) a review of the details of the grant, including the proposed grant projects and the application of the Federal funds toward the objective of these projects. I have asked for a preliminary report from Director Martinez within the next thirty days.



THE WHITE HOUSE

WASHINGTON

September 21, 1976

MEMORANDUM FOR: JIM CANNON

FROM: RAY HANZLIK *MA*

SUBJECT: Zavala County Economic Development Corporation Grant

The following is an up-date on the Zavala County CSA grant:

1. CSA is sending a team to make an on-site *te* investigation of the grantee's activities. This team will be headed by CSA Deputy Director Bob Chase. Chase may meet with Governor Briscoe and his staff on this matter during the trip.
2. Senator Tower has been provided a copy of your letter to CSA Director Sam Martinez, and is now providing us copies of any news stories on this matter as they appear. Tower's office is also considering possible visits for Bob Chase in the Corpus Christi area during Chase's trip.
3. I read your letter to Sam Martinez to Governor Briscoe's Executive Assistant, and asked him to consider delaying any legal action by the Texas Attorney General against CSA until this review process has been completed. Attached is a letter for your signature to Governor Briscoe responding to his latest letter to the President, and outlining our course of action. Although Briscoe's Aide asked for a copy of your letter to Martinez, Art Quern and I believe this is a more appropriate response.

072214

4. Also attached for your signature is a memo to Dave Gergen alerting him to this situation and providing him a copy of the latest editorial we have received on the Zavala County grant.

I will continue to keep you advised on this project.

Attachments

cc: Art Quern
Steve McConahey



STATE OF NEW YORK
EXECUTIVE CHAMBER
HUGH L. CAREY, GOVERNOR

James W. Vlasto, Press Secretary
518-474-8418
212-977-2716

*File Interpol
Northeastern
Governors*

FOR RELEASE:
IMMEDIATE, WEDNESDAY
SEPTEMBER 22, 1976



Governor Hugh L. Carey today briefed the regular monthly luncheon of the New York State Bipartisan Congressional Delegation on the activities and plans of the Coalition of Northeastern Governors. He is Chairman of the Coalition.

The Coalition, composed of the Governors of Connecticut, Massachusetts, New Jersey, New York, Pennsylvania, Rhode Island and Vermont, was formed in late June to spur economic development in the member states. As part of its guidelines accepted at the formation of the group, the Coalition said it would work to present "a united front in Congress and before the National Administration on specific economic issues."

Governor Carey told the Delegation that, since its founding, the Coalition had communicated with the President and Congress on a number of topics of particular interest to the Northeast, including the Public Works/Counter-Cyclical legislation and the Economic Development Act. He said the seven-member organization would continue to make its views known on issues involving the economic health of the region.

Citing the recent formation of the Northeast-Midwest Economic Advancement Coalition in the Congress, the Governor said the concept of regional economic parity was receiving wide acceptance and generating action. In addition, the Governor noted the recent resolution by the New York State convention of the AFL-CIO, "that the executive officers of the state labor organization support and cooperate with the newly created Coalition of Northeastern Governors in a joint effort to promote economic recovery in our region of the country, most hardly hit by recession and unemployment."

Governor Carey said he would meet with the other member-Governors in the next two weeks "to lay the groundwork for a mid-November conference on Northeast economic redevelopment." One hundred top leaders will be invited.

The Governor said the conference would assist the Coalition in developing an "Agenda for Action" to be presented to the Congress and the newly elected President. Topics to be discussed at the conference include energy and transportation issues, manpower development and unemployment, and federal grants and expenditures.

Governor Carey told the Delegation that the Coalition was preparing a "white paper" about the economic situation facing the Northeast. The paper will be distributed next month.



TWO HUNDRED PLUS TEN

File

A Symposium on the Future of County Government

September 15-17, 1976 • Copley Plaza Hotel • Boston, Mass.

September 24, 1976

Dear Symposium Participant:

Your task for the Symposium on the Future of County Government has been accomplished. You have helped to provide the National Association of Counties with literally hundreds of objectives towards which county government can strive in the next ten years. You and your fellow participants should be proud of the great number of quality ideas which resulted from your work in Boston.

The responsibility for the next step now rests with the NACo staff. We must now translate these objectives into action via the NACo policy-making process. The NACo staff members who served as group recorders for the Symposium are currently reviewing their notes and are submitting detailed reports on their groups' activities and discussions. As you can well imagine, the staff effort involved in this process is tremendous.

These reports will be published along with the papers commissioned for the Symposium and the critiques of those papers. The enclosed copy of County News carries several articles on the Boston Symposium, and we are furnishing it to you as the first of a number of follow-up mailings to Symposium participants.

As further materials become available, they will be sent to you. Again, our heartfelt thanks for your work in Boston. We at NACo will do our best to carry on in the spirit of your participation.

Sincerely,

Bernard F. Hillenbrand
Executive Director



THE WHITE HOUSE

WASHINGTON

September 24, 1976

MEMORANDUM FOR: FRED SLIGHT
FROM: STEVE McCONAHEY
SUBJECT: Mississippi Issues



The following are issues for Mississippi based on discussions with former Governor Waller and several state and local officials.

1. Economic Condition:

Mississippi is a rural, agricultural state, with the lowest per capita income in the Nation. The dominating issue in the State is economic development. There is strong awareness of the economic disparity between Mississippi and the rest of the country, resulting in an attitude of determination in the State to accelerate its economic growth and upgrade the level of income. These existing economic conditions are primarily the result of the heavy emphasis on raw agricultural commodities and little production of finished, manufactured goods. Efforts are now focused on developing a more balanced State economy. These concerns seem to color the views on most other issues. Generally, employment has improved but per capita income remains very low vis-a-vis rest of the country.

2. Agricultural Policy:

In the agricultural sector, the approach now is to continue to maintain high production with wider sales efforts, especially in the international market. Soybeans are a major export crop, and no recent issue aroused greater negative response among the farmers than the soybean embargo. The Mississippi farmer wants a minimum of Federal intervention in the agricultural export program, and the President should indicate his commitment to support the farmer on this issue. The Grain embargo has also been opposed by most agricultural leaders in the State and has been a negative factor for the President.

3. Big Government:

Sentiment is strong with reduction of red tape, regulations, etc. President's position of restoring the "individual" and emphasis on the differences between the Democratic and Republican Platforms will be crucial.

4. Pascagoula Navy Shipyards

The Nation's most modern shipyard is in Pascagoula, Mississippi, where the assembly-line system for the production of naval ships was introduced. This shipyard is the largest industrial employer in the State, and the people of Mississippi take great pride in this facility.

There is currently litigation between the Navy and Litton Industries over payment for design changes on ships under construction at the shipyard, which has generated some concern over Litton's ability to stay in business.

Recognition of the shipyard as an example of industrial development in Mississippi and as a big contributor to our National defense would be well received.

5. Natchez-Trace Parkway

The Natchez-Trace Parkway is a 400 mile scenic road between Nashville, Tennessee and Natchez, Mississippi that has been under construction for over 40 years by the Department of Interior. There is strong interest within the State to see this project completed because of the tourism value and construction jobs the project provides. There are still a number of unfinished portions in the Parkway, one between Jackson and Clinton, where the President will visit. Mayor Whitaker of Tupelo has sought Park Service approval of their completion. FHWA has completed the engineering, but the Park Service has not yet funded it.



6. Tennessee-Tombigbee/Waterway Transportation:

This is a north/south waterway between Mobile, Alabama and the Tennessee River which goes through the upper half of Mississippi. The project was approved by the Nixon Administration and is being constructed by the Army Corps of Engineers. Construction is underway in the Alabama section with the Mississippi phase to begin in the near future.

This is a popular project in Mississippi for which the Administration has never received full credit.

There is also concern over the DOT proposals for waterway user charges. Given the heavy river traffic, large operators have greatly opposed DOT's concept of having them contribute to operating costs of locks, dams, etc.

7. Beef Import Policy

The Mississippi Cattlemen's Association is asking Presidential assistance on a beef import problem that they believe is undermining their industry. Australian and New Zealand beef is being processed through a free trade zone in Puerto Rico and shipped to the United States, circumventing the import quotas assigned to the countries of origin. The cattlemen want an Executive Order by the President that would give the Department of Agriculture authority to renegotiate the import quotas, thereby correcting this abuse.

8. Banker's Trust Default

The largest independent savings and loan company in Mississippi, with \$245 million in holdings (primarily from small investors) and uninsured by the Federal Government, recently went under and is now in receivership. The Ford Administration (through Secretary Simon) promptly moved in to stop this tide from impacting on other uninsured banks in the State. Many small investors, which numbered in the thousands, are deeply indebted to the President's prompt assistance. Reference to this action and re-statement of this commitment to protect the small investor in Mississippi would be well received.



9. Municipal Officials' Concerns

Mayor Whitaker of Tupelo - one of 16 Republican Mayors in Mississippi and active in state-wide municipal affairs - stated that fiscal stability is the number one problem facing local governments in the State. There is very strong support among the Mayors for General Revenue Sharing, which many would like to see expanded. The Mayors feel that their money has been wasted in grantsmanship and want more simplicity in the Federal assistance programs.

Many Mayors originally supported the President's veto of the Public Works bill, however, they now favor the President's approval of the appropriations.



GULFPORT, MISSISSIPPI

These items are the result of a telephone discussion with A. W. Lang, Jr., Mayor of Gulfport:

1. Federal Assistance and Activities:

Gulfport is extremely proud of a number of Federal projects and facilities currently in Gulfport or underway.

- Water and sewer project totaling \$15 million has been funded by EDA and other Federal grants.
- Community development grants have been used for insuring construction to improve streets, sidewalks, drainage, etc. The Mayor has indicated that the block grant approach is very useful form for Federal assistance.
- Airport construction - The local Council has recently approved a contract for upgrading the local airport facility. The Mayor expressed particular appreciation for the President's approval of the airport development legislation.
- New Post Office Facility - Major construction project has been completed for a new facility. However, the City has expressed concern that the location was moved from the downtown area to the out skirts of the City.
- National Oceanographic Center - Gulfport has been extremely pleased with the shift of this facility from Maryland. The move has been completed as a result of the recent court ruling and the transition has apparently gone very well.

- Naval Veteran Home - The major facility for retirees of the Navy has been moved from Philadelphia to Gulfport.
- Navy Construction Battalion - The Community has developed a very positive relationship with the Battalion stationed within the City limits. Apparently, this Battalion was extremely helpful in the recovery efforts after Hurricane Camille.

2. Economic Issues:

Generally, Gulfport is experiencing a positive condition. Unemployment is approximately 5-1/2%, however, expansion of job opportunities appears to be significant. DuPont is about to initiate a new plant facility in surrounding Harrison County which will provide an additional 800 new jobs. Sterling Drug Company is planning a \$5 million expansion which will also create additional opportunities. Imports are a major part of the local commerce with Gulfport priding itself as the World's largest import of bananas. Recognition of the steps taken by private industry and their cooperation with the local community would be well received.

3. General Revenue Sharing:

The Mayor indicated that General Revenue Sharing has been an essential part of their fiscal ability. For the most part, these funds have been used for police and fire protection, social service and beautification activities. The President could mention his key role in the renewal of this legislation and its importance in leaving the decision-making to the local level.

4. "Quality of Life":

Recent University of Mississippi survey ranked Gulfport as the number one city in that region (of over 25,000 in population) in terms of quality of life.

BILOXI, MISSISSIPPI

1. Economic Conditions:

Biloxi is suffering from substantial unemployment with the overall City rate reaching 8.8%. The unemployment problem appears to be the number one issue from the standpoint of local leaders. While there is support for the concept of less Federal government, there is concern that current programs have not addressed the real problems of unemployment.

A particular economic problem is faced by the "fish farmer". Seafood industry has not developed as effectively as other agricultural industries in terms of benefits for the farmer. Members of the seafood agricultural community in this area are facing extreme problems, but it appears that State action will be the key to future improvements.

2. Community Development Activities:

Biloxi has been faced over the years with substantial deterioration of use of the downtown area. To a large extent, urban renewal and development money has been used for capital improvements, e.g., library, cultural centers, drainage projects and special renewal of impacted areas. The downtown area has been upgraded into a commercial mall with improved traffic flow and strong code enforcement. Special efforts have been made to support minority enterprises through the use of loans and grants, however these loans have been of limited success. The President should be prepared to discuss his proposals to restore the vitality of small, as well as large urban areas.

3. General Revenue Sharing:

This source of Federal funds has become an essential part of the local budget. The major use of these funds is for the maintenance of operating salaries, rather than initiation of special projects.



4. Public Works/Countercyclical:

The local officials of Biloxi are extremely supportive of this legislation and are hopeful that the President will sign the Appropriations Bill. They feel they have useful capital projects that can be initiated in the short term and that will contribute to overall economic employment.

5. Political Leanings of Local Officials:

From my discussion with the Mayor and the City Attorney, my sense is that they are working vigorously for the election of Jimmy Carter.

PASCAGOULA, MISSISSIPPI

1. Community Development Activities:

The local officials are proud of their efforts to revitalize the downtown area, particularly a new shopping center which the President will pass by on his way into the City. Community development activities have focused on low income areas and attempted to develop the capital facilities of water, sewer, streets, etc. Despite some procedural red tape, there is general support of the community development block grant concept and the President could use it as an example of returning decision-making to the local level.

2. Economic Conditions:

The employment rate in the Jackson County area is less than 3%, the lowest in the State of Mississippi. The area has been known for its stable private sector employment. One of the largest employers in the area is the Pascagoula Shipyard which employs approximately 23,000 people. Currently, this shipyard is under contract for thirty Navy destroyers.

3. Sewage Treatment Program:

The City is currently underway with a massive sewage treatment program in order to meet Federal standards and matching requirements. The Mayor did express concern over what he believes to be excessive Federal requirements and procedures. This reaction to Federal bureaucracy is rather common among the local officials of this area, and the President could productively respond by emphasizing programs he has proposed to reduce requirement procedures and give decision-making to local officials.

4. General Revenue Sharing:

These funds have been a major part of the city-wide effort to upgrade major equipment items. The President has received favorable press on his support of General Revenue Sharing and this should be exploited during the trip.



5. Local Political Profile:

There are only two elected Republican officials in the surrounding area. One is Jim Etting and the other is E. C. "Bubba" Harris, who is a current member of the City Council. Nonetheless, these gentlemen indicated that the President's position of restricting the growth of Federal government will be received favorably among Democrats and Independents in this area.

THE WHITE HOUSE

WASHINGTON

September 24, 1976

MEMORANDUM FOR: FRED SLIGHT
FROM: STEVE McCONAHEY *SM*
SUBJECT: Louisiana Issues

The following are issues for Louisiana based on discussions with State and local officials:

1. General Revenue Sharing:

This is perhaps one of the most popular and important Federal programs to many Louisiana cities and parishes. The President's support for this program has been well received throughout the State, and he can properly take credit for the progress made to date in its re-enactment. The President might also mention the role that Senator Long has played in helping move this legislation through the Congress.

2. Energy Policy:

Louisiana is particularly conscious of its oil and gas supplies. There is strong sentiment for deregulation of interstate natural gas. Louisiana citizens are somewhat protective of their natural gas resources and feel that the regulation of these supplies for use in other states has forced their own energy costs to limit the development of new reserves.



3. Sugar Prices:

The President's action to increase the tariff on imported sugar has received broad support in Louisiana. However, there is still some concern among sugar beet farmers that their operations will not be economically viable in the long term. The President should express his recognition of their problem and indicate his willingness to act when appropriate.

4. Grain Inspection:

Although the controversy has died down in recent weeks, the Port of New Orleans has been the focal point of numerous investigations and indictments in the grain inspection procedures. The President should be prepared to state his position vis-a-vis new legislation to increase the Federal regulation of grain inspection procedures.

5. North-South Highway:

Negotiations have been underway for several years to construct a major highway running north-south in Louisiana. This project has been pushed very strongly by Congressman Joe Waggoner. With the passage of the new Federal Highway Assistance Act and the possibility of an interstate transfer involving I-410 near New Orleans, it appears that this project is nearing a decision point. If asked about this project, the President should indicate that he supports maximum flexibility in use of Federal funds, but that he believes the specific matter of highway alignment is a local decision to be resolved between the State and local governments involved.

6. Waterway Transportation:

New Orleans is said to be the third largest port in the World, and river and port activity has begun to exceed capacity of existing facilities. Proposals are under consideration to develop a new access to the New Orleans port. However, this proposal is embroiled in local disputes over alternate sites and the corresponding impact on black residents and on currently undeveloped land. The Corps of Engineers is heavily involved in evaluating the alternatives, and the President should be aware that this issue is receiving considerable attention in the New Orleans area.

7. Mass Transit:

Steps are being taken at the State and local level to move toward a metropolitan transit authority for the New Orleans area. This step will require the divestiture by a local utility company of the current transit operation. While this is a local issue that the President should avoid in terms of specifics, he should be prepared to take credit for the Urban Mass Transportation Assistance Act of 1974, which provides substantial capital and operating assistance to local transit operations.

8. Right to Work Laws:

The "Right to Work" issue is a politically "hot" one in Louisiana. The Louisiana Legislature has been very strong in its support of Right to Work Laws. The President could state strongly his opposition to the Democratic Platform which calls for the repeal of 14-b of the Taft-Hartley Law.

9. Local Tax Burden:

In New Orleans, there is currently strong opposition to proposed tax increases for the purpose of public elementary and secondary education. At the same time, there is growing uneasiness among teachers and operating staff about pay scales and working conditions. This is an example of how individual taxpayers are becoming increasingly opposed to increased burdens, both at the local and State, as well as the Federal levels.

10. Tourism/City Heritage:

New Orleans has prided itself in preserving the heritage of that city, particularly in the French Quarter. This, along with an increased interest in attracting foreign tourist to New Orleans, has caused some local officials to suggest a more coordinated and more aggressive State/Federal role in historical preservation and in tourism. The President might be asked about his policies in both of these areas.



11. Unemployment:

New Orleans has not been hit as hard by the recent recession as other large cities. However, its unemployment rate equals the national level and is considerably higher in certain areas of the center city. The President should expect questions about his policies for stimulating employment and recognizing the concentration of economic problems in the urban areas - e.g., approval of Public Works Bill.

12. Local New Orleans Elections:

The President will be visiting New Orleans in the middle of local Council elections. Five District and two-at-large Council seats are up for election.

13. Red River Project:

Local officials throughout Louisiana have expressed support for a project to make the Red River navigable up to Shreveport and into Texas. The Corps of Engineers is currently evaluating this proposal and local officials are hopeful that Federal support will be available.

14. Lutcher/Vacherie/Reserve/Destrehan:

These communities which the President will visit are heavily dependent upon river transportation and on petrochemical/refinery operations along the Mississippi River. These communities are very sensitive, therefore, to energy policy and its impact on processing plants and on the continued growth of waterway transportation. Only Lutcher is incorporated. The others are operated largely through their sounding parishes. General Revenue Sharing should not be overemphasized because only Lutcher receives it directly. However, the President could emphasize the importance of local community preservation and decision-making. The City of Lutcher is headed by Mayor Valfred J. Amato (Democrat). The highest ranking official for the other communities are as follows:

Vacherie

Paul Keller
President, Police Jury
St. James Parrish

Reserve

Brent Tregre
President, Police Jury
St. John the Baptist Parrish

Destrehan

Leonard Ledous
President, Police Jury
St. Charles' Parrish



THE WHITE HOUSE

WASHINGTON

September 24, 1976

MEMORANDUM FOR: FRED SLIGHT
FROM: STEVE McCONAHEY *SEM*
SUBJECT: Alabama Issues

In reviewing the earlier draft of Alabama issues, I find them to be reasonably up to date. Therefore, I have not submitted a complete list of issues as I have done for the other states included in this trip. However, I have listed below issues that are particularly relevant to Mobile, Alabama:

1. General Revenue Sharing:

As in other cities visited by the President, General Revenue Sharing is highly regarded as the type of Federal assistance that is most helpful and least burdensome. The President's role in revenue sharing and his proposals for block grants should be emphasized and should be considered a political plus.

2. Tennessee/Tombigee Waterway:

This project is particularly important to Mobile because of its location as the southern most port of this proposed waterway. If and when completed, this project will be an enormous economic stimulus for Mobile, but will require significant expansion of port facilities. The President can expect questions about his continuing support of this project and the availability of Federal funds for it.



3. Community Development/Restoration:

Mobile has placed a high priority on renovation of the older section of the City. There has been a specific effort to restore historical buildings and to maintain the sense of heritage. Local officials are extremely interested in community development and other kinds of Federal assistance that will allow for a variety of development and restoration activities. The President could mention his full support for this kind of effort not only in utilizing existing facilities and returning decision-making to the local level, but also in maintaining local community identity.

4. Big Government:

The question of growth in Federal expenditures and program activities is particularly relevant to this State and this community. Supporters of the President suggest that he make a clear distinction between the Republican and Democratic Platforms in order to overcome the initial inclination to support a southerner. References to reducing tax burdens and Federal deficits, as well as relying on the private sector, are all very acceptable themes for the President.

INFORMATION

1-9 ✓

THE WHITE HOUSE
WASHINGTON

Steve

976 001 PM 4 20

September 29, 1976

Mark

SGM

Jim

MEMORANDUM TO: JIM CANNON
FROM: STEVE McCONAHEY
SUBJECT: Editorial in Shreveport Journal

Attached is an interesting editorial which appeared on the front page of the Shreveport Journal on September 20, a few days prior to the President's visit to Louisiana.

It appears to be more aggressive than the usual "we must fight big government" articles. The editor prescribes civil disobedience as a means to thwart the system, particularly the "bureaucrats." He also solicits examples of abuses found by readers for further investigation by the newspaper.

According to the Editor:

"There is no balance of power to balance the power of the bureaucrats. Their domain seemingly transcends the authority of the Congress, of the President and the Courts of the land.

"Rebellion has ripened in these harvest days of bureaucratic excess. . . and the bureaucrats move with impunity, striking fear into the hearts of those they touch. . . suddenly all of these forces are camped at Shreveport, and . . . we as a people must respond. Silence gives consent, and our silence has consented too much in recent years here.

"The choice of this city in recent days has been defiance -- righteous defiance That voice has become a chorus of nos."



101213

In Defiance of Tyranny

"A little rebellion now and then. . . is a medicine necessary for the sound health of government."

—Thomas Jefferson/Letter to Madison

Rebellion has ripened in these harvest days of bureaucratic excess in Shreveport.

Seldom have the people been so abused by their government as they have been here, in this place, at this time.

Tolerance of the bureaucratic abuse has been extraordinary. Anger has been slow in flourishing, but it has grown full now in the falling leaves of this Bicentennial autumn.

The Jeffersonian recognition of the value of rebellion has touched us, and it has rallied us to a defiance of the tyranny which has surrounded this city.

The United States Department of Justice has laid siege on Shreveport, and with its ally, the United States Department of Health, Education and Welfare, has imposed a state of government by the government on us.

What is happening here cannot be happening here—and yet it is.

The bureaucrats from the Justice Department tell us that some of our citizens may vote in an election, but that their votes will not count if they would make a difference in the outcome. They tell us that our fellow citizens from these questioned geographic areas of the city may not run for office.

What insanity!

This is America, and Americans cannot be denied their right to vote.

What of taxation without representation? Don't the scoundrels know about that?

And the nameless, faceless persons who stamp the bureaucratic dictums that run our schools and displace our children and conduct the social experiments that have failed so miserably now disrupt our educable mentally retarded in an 11th hour play of power.

They tell us to do that which is impossible to do and they do so with the awesome power which we have unwittingly given to them in this nation. These autocratic HEWites have run amok in America with an arrogance of power that is unparalleled.

There is no balance of power to balance the power of the bureaucrats. Their domain seemingly transcends the authority of the Congress, of the President and the courts of the land.

And the bureaucrats move with impunity, striking fear into the hearts of those they touch.

Suddenly all of these forces are camped at Shreveport, and suddenly we, as a people, must respond.

Silence gives consent, and our silence has consented to much in recent years here.

We have stoically paid for the sins of our past in a thousand ways and in obedience to the law of the land, in obedience to legal court interpretation of the law Shreveport has been pulled laboriously into the 20th Century, and we have done so splendidly in our own stiff-necked, stubborn and prideful fashion.

But we cannot give consent to this September tyranny and we can no longer keep silent.



We must draw a line in the dirt here and stand against the tyranny.

And we are.

The choice of this city in recent days has been defiance — righteous defiance and the echo of that voice has been a salve to the soul of our people.

That voice has become a chorus of nos.

It is the voice of Calhoun Allen saying no to the Justice Department: We will count the votes of our people, and we will allow ALL of the citizens of our city to run for office in defiance of the Justice Department dictates.

It is the voice of Harry Miley saying the demands of HEW cannot and will not be met.

And it is the voice of Judge Ben Dawkins saying he will not allow the Justice Department to tell him how to run his court. "Frankly I don't give a damn what the Department of Justice says, I'm interested in justice and I'll follow the dictates of my conscience."

Too, it is the growing voice of the people cheering this defiance, this rebellion against insanity.

And from this day it will be the voice of this newspaper speaking against the bureaucracy, exposing the senseless, crazy, often unconstitutional usurpation of power which is being seized by the bureaucrats.

We will begin what we hope will become a national crusade to end the abuses, and to restore the control of government to the people.

The Journal is urging Americans from throughout the nation to tell this newspaper of excesses of the bureaucracy wherever they exist, and we are urging the formation of a national lobby to make those excesses known to the Congress, to the President and to the courts.

A citizens lobby of persons throughout the nation can turn the tide, but it must begin now.

We stand defiant today, so that we may simply stand tomorrow.

This September rebellion is a serious thing.

It is not only our right — it is our duty.



9/29/76

Interger.

JMC

Birge Watkins called

Coalition of North East Governors is meeting in
Hartford on Friday, October 1 at 1PM

Seidman was going to go but he is with Simon in
Manila now

Jimmy Carter is going and Birge Wasnts to
know if you think you should go or who is anyone
else should go.

Seidman was going to go if Carter was going



File

SEP 28 11 10
THE WHITE HOUSE
WASHINGTON

September 28, 1976

MEMORANDUM FOR: JIM CANNON
ART QUERN

FROM: STEVE McCONAHEY *SM*

For your information this is the briefing material for the President's recent southern trip from the perspective of state and local officials.

Attachments

100108

File

THE WHITE HOUSE
WASHINGTON

1976 SEP 28 11 10

September 28, 1976

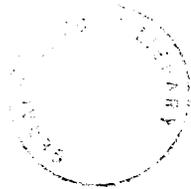
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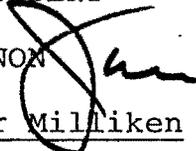
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THE WHITE HOUSE
WASHINGTON

INFORMATION

September 30, 1976

MEMORANDUM FOR THE PRESIDENT

FROM: JIM CANNON 
SUBJECT: Governor Milliken

Governor Milliken feels strongly that you should, on an appropriate occasion, make a strong public statement indicating your understanding of the problems of the cities.

Attached is Steve McConahey's memorandum of a visit with Governor Milliken, during which Milliken brought up this subject.

attachment

cc: Dick Cheney
Robert T. Hartmann



THE WHITE HOUSE

WASHINGTON

September 30, 1976 3 40

MEMORANDUM FOR:

JIM CANNON

FROM:

STEVE McCONAHEY *SM*

SUBJECT:

Visit with Governor Milliken

I had the opportunity to meet with Governor Milliken during my recent visit to Lansing, Michigan. We talked about a variety of topics; however, the Governor made a special effort to emphasize the need for the President to respond more effectively to the real problems of the major urban areas of this country. He indicates that the City of Detroit is the single, most important and time-consuming problem that he and his staff face. Detroit's problems are enormous, and the Governor is in constant communication and negotiation with the Mayor to reach solutions. While many of these problems must be resolved at the state and local level, it is Governor Milliken's feeling that the President must give a more visible sign of his understanding of the conditions facing our urban areas. He feels this is particularly important because the President must do well in Michigan and other midwestern and northeastern industrialized/urbanized states.

The Governor does not feel the President needs to come out with a whole new series of programs because at this time this could be viewed as a short term response for political purposes. However, he does feel that the President should at some appropriate speech express his understanding of the urban problems, outline what his assessment is on the importance of it and the future that they face, and state his commitment to working with the state, county and local officials of this country to come up with a positive federal strategy in partnership with local government.



THE WHITE HOUSE
WASHINGTON

11 09
September 30 1976

MEMORANDUM FOR: JIM CANNON
FROM: STEVE McCONAHEY
SUBJECT: Mass Transit System
in Detroit

During my recent visit to the State of Michigan, I had the opportunity to meet with Governor Milliken about a number of federal issues. In our conversation he made it clear that Secretary Coleman has made at least an informal commitment of financial support to Detroit for the construction of a mass transit system. I have attached copies of Milliken's letters to Coleman and his press releases on this subject.

The Urban Mass Transportation Administration has been reviewing the Detroit case for several months, and has not been satisfied to date with the validity of their estimates and the realism of their plans. Moreover, there currently does not appear to be sufficient funding available to make to Detroit. Despite these facts, there is an expectancy in Michigan that DOT will make a commitment. Such a commitment has clear political benefits for the President, but would likely require a commitment from OMB to approve a "new start" of a major rapid transit system.

I bring this to your attention because of the fact that we may be faced with pressure from Milliken in Detroit for our decision in the near future, and because it appears that our own transit agency has not concluded as yet that such a decision would be wise. Perhaps we should discuss this item with Secretary Coleman to avoid a misunderstanding between us and Governor Milliken.

Attachment

Subject
Steve -
pls follow closely.
SM
Jim



100107

ATLANTA, GEORGIA -- Gov. William G. Milliken said Wednesday that he is "confident that U.S. Transportation Secretary William T. Coleman, Jr., stands ready to make a major financial commitment to Southeastern Michigan if we can get our financing and transportation structure in order."

Milliken made the statement after a half-hour private meeting with Coleman at a Seminar on National Transportation Policy here.

"I feel more encouraged than I have ever felt before," Milliken said, citing a statement made by Coleman in a speech earlier in the day that "major support" for "major rapid transit systems" is needed for Southeastern Michigan.

Milliken and Coleman also discussed the use of discretionary federal funds for an emergency call box system on Detroit freeways and for security on Detroit buses.

The Secretary said that he would immediately review Milliken's request and report back to the Governor.

Coleman said earlier that the most pressing problem in society today is the revitalization of America's cities and that transportation is a major factor in that revitalization.

Milliken and the Transportation Secretary also discussed the rail needs of outstate Michigan, particularly in areas served by light density railroad lines. The Secretary said that the Department of Transportation would aid states such as Michigan in efforts to revitalize their rail networks.

Milliken also was briefed on successful revitalization efforts for downtown Atlanta by Central Atlanta Progress, a group of business leaders analogous to Detroit Renaissance.

Milliken called Atlanta a "very impressive city," and said he hoped that Detroit could be revitalized in a similar manner.

ATLANTA, GEORGIA -- Gov. William G. Milliken told Oakland County Executive Dan Murphy Wednesday that he is considering plans for State Police freeway patrol in cities throughout Michigan.

Milliken and Murphy, both of whom are attending Transportation Secretary William Coleman's Regional Transportation Forum, had a private meeting to discuss the review that Milliken has underway on the role of State Police.

Milliken, who recently ordered State Police to patrol state freeways within the City of Detroit, told Murphy that, as part of the review, he is considering a policy on state patrol within cities that would "apply uniformly throughout the state."

He also said he plans to submit to the Legislature a supplemental budget request that would restore cuts made by the Legislature, allow for resumption of the State Police recruit school, and fund an increase in the number of Troopers.

"I want to assure that in the long run there is no robbing of one area to supply Troopers for another," Milliken told Murphy, who had inquired about prospects and State Police patrol on the interstate system in Oakland County.

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STATE OF MICHIGAN
OFFICE OF THE GOVERNOR
LANSING

WILLIAM G. MILLIKEN
GOVERNOR

September 16, 1976

The Honorable William T. Coleman
Secretary of the Department of Transportation
400 Seventh Street, S.W.
Washington, D. C. 20590

Dear Secretary Coleman:

Following our discussions in Atlanta on September 15, I am respectfully requesting assistance from the Department of Transportation discretionary fund to implement the following:

Motorist Aid Call Box System for Detroit area
expressways, and

Inclusion of a police protection program on the
existing bus system in the high-crime areas
of Detroit.

I have asked the Michigan Department of State Highways and Transportation to work closely with your staff to develop and accomplish these projects.

I appreciate the time and attention you are giving to Michigan's transportation concerns.

Warm personal regards.

Sincerely,

Governor

cc: J. P. Woodford
J. C. Kellogg



STATE OF MICHIGAN

OFFICE OF THE GOVERNOR

LANSING

WILLIAM G. MILLIKEN
GOVERNOR

September 16, 1976

The Honorable William T. Coleman
Secretary of Transportation
400 Seventh Street, S.W.
Washington, D. C. 20590

Dear Secretary Coleman:

I very much appreciated the opportunity you gave me yesterday to discuss Michigan's transportation problems. Needless to say, I was delighted to hear your positive responses regarding our transit needs in Southeast Michigan.

Following up our discussion, I have asked Jim Kellogg to develop a revised proposal, jointly with SEMTA and the City of Detroit, and submit it to you as soon as possible. It would be helpful if you could designate someone on your staff whom he could work with in finalizing a proposal.

I am optimistic that we will have legislative action here in the next few weeks.

Again, thank you for your assistance, and I hope we can continue to stay in touch.

Warm personal regards.

Sincerely,

Governor



cc: James C. Kellogg
Gerald A. Geile
J. P. Woodford

ATLANTA, GEORGIA -- Michigan Gov. William G. Milliken told federal officials Wednesday that "this nation cannot have a single transportation policy without a single, unified transportation fund."

Milliken, testifying before the Regional Seminar on National Transportation Policy of U.S. Transportation Secretary William T. Coleman, Jr., said the Highway Act of 1956 has served the American people well in giving them the mobility they now enjoy.

Milliken, Vice Chairman of the Transportation, Commerce and Technology Committee of the National Governors' Conference, said that conditions have changed drastically since the act's creation in 1956.

He said:

"I believe the time is long past when we can afford to draw artificial lines separating construction and maintenance of freeways from...state and county roads...urban public transportation from rural transportation alternatives, or looking separately at the condition of the railroad, airline, intercity bus and shipping industries.

"These are interrelated topics...and must be addressed by a comprehensive federal transportation policy."

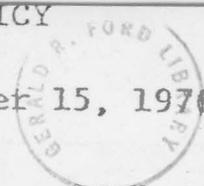
Modern transportation needs demand "the consolidation of all transportation funding into one unified source with a new formula of funding based on priorities of energy efficiency, social and economic benefits and the general welfare."

Milliken, who is to meet with Coleman later in the day to discuss transportation needs in general and the Southeastern Michigan Transportation Authority in particular, said also that federal policy toward lighter density railroads in outlying areas "could result in deterioration and loss of rail service to vast areas of this country. In Michigan, it would virtually wipe out service to two-thirds of the state and cripple economic development in the Upper Great Lakes Region."

A copy of Milliken's testimony is attached.

REGIONAL SEMINAR ON NATIONAL TRANSPORTATION POLICY
ATLANTA, GEORGIA

Scheduled for delivery at 10:00 a.m., Wednesday, September 15, 1976



As Governor of Michigan, I speak for a state that likes to identify itself as the Automotive Capital of the World. Michigan, as much as any other state, and more than most, has contributed to the development of a national transportation system that has provided the greatest citizen mobility the world has ever known.

I plan today to offer recommendations for certain modifications of the national transportation policy as developed by the federal Department of Transportation. You, Mr. Secretary, have provided outstanding direction by developing a national transportation policy. We know that you will listen to our concerns, discuss ways in which our problems can be solved and exercise good judgment in carrying out the administration's transportation program. These regional hearings represent the openness that you have always had toward arriving at the best policy, and we commend you for:

One of the most significant acts that helped fashion our national mobility was the federal-aid Highway Act of 1956, the single most important source of transportation funding. It has done the job well.

I am here today, however, to recommend as forcefully as I possibly can that federal mechanisms for financing transportation be revised to reflect today's conditions, which are drastically different than 1956.

I believe the time is long past when we can afford to draw artificial lines separating the construction and maintenance of freeways from construction and maintenance of state and county roads, or separating the improvement of urban public transportation from rural transportation alternatives, or look separately at the condition of the railroad, airline, intercity bus and shipping industries.

These are interrelated topics--they are but parts of the whole--and must be addressed by a comprehensive federal transportation funding policy. Such policy must cover all of these needs in direct relation to federal policies regarding energy, land use, economic development and the general welfare.

This nation cannot have a single transportation policy without a single unified transportation fund. Our transportation systems today are in an urgently critical state: some of our railroads and airlines face insolvency. Amtrak is burdened with problems; urban transit systems and rural public transportation, while beginning to show signs of health, still carry vestiges of anemia; and many of our great water ports are dormant for lack of development.

While I wish to make brief comments on specific modal policy, I wish to emphasize that the single, most important recommendation I can make here today is for the consolidation of all transportation funding into one unified source with a new formula of funding based on priorities of energy efficiency, social and economic benefits and the general welfare.

This single source for funding transportation, in addition to being based on priorities, should also have a uniform method for apportioning transportation funds. Rather than piecemeal apportionment to cities, counties or regional transportation authorities, federal funds should be administered by the states, in the same manner that federal highway funds have been apportioned so successfully for many years. Who is in a better position to implement a statewide, integrated transportation system than state governments?

Michigan is particularly concerned about the policy of the U.S. Department of Transportation towards railroads, especially lighter density railroads serving outlying areas.

This policy, Mr. Secretary, emerged in the USRA Preliminary System Plan and it is now carried forward in the "Preliminary Standards, Classification and Designation of Lines of Class I Railroads in the United States," issued on August 3 this year.

This latest report, establishing federal priorities for rail reinvestment could result in deterioration and loss of rail service to vast areas of this country. In Michigan, it would virtually wipe out service to two-thirds of the state and cripple economic development in the Upper Great Lakes Region.

I believe the commitment of the states to rail preservation is clearly demonstrated by our plans and programs. We should not, therefore, adopt a policy that encourages more abandonments in an era when we must be more cognizant of every energy efficient mode of transport.

Shipping is a vital link in the transportation system of the Great Lake states. Federal transportation policy should help to develop this national asset. The states need federal assistance to develop the many ports of call on the Great Lakes, which are gateways for foreign trade to much of the country. A federal policy on transportation should also call for a federal effort at winterizing Great Lakes ports and navigation for year around use.

I believe, Mr. Secretary, that the Department of Transportation also should adopt a more supportive approach towards intercity services. We would like to see some strong positive leadership to improve Amtrak's management and operations. We believe some of Amtrak's external problems can be countered by innovative measures aimed at increasing its operating efficiency without lowering service standards. For example, flexible fare structures, contracting with private food services, and experimental use of mixed train movements involving passenger cars with high priority freight cars might be undertaken.

We further believe, Mr. Secretary, that neither Amtrak nor the intercity bus industry should be burdened with the staggering fringe costs of local stations and security. We urge as a matter of national transportation policy that the Department establish a program of public construction, renovation, maintenance policing and ownership of municipal transportation terminals, combining bus and rail service where possible.

We are learning in Michigan that public transportation can play an important role in the revitalization of community life in the small cities and towns. We are encouraged by SB 662 and HR 5155, amending the National Mass Transportation Act to provide operating assistance for small communities and establishing rural and small city transportation. We encourage the Department to expand its efforts to develop adequate transportation alternatives in rural areas.

At the present time, Mr. Secretary, Michigan has adequate revenues to accomplish our approved highway construction program. We are vitally concerned, however, that the four-cent federal gasoline tax may not provide adequate funds by itself over the next several years as inflation and cost of materials continue to rise. If inflation continues, or if funds are reduced, Michigan will not have adequate funds--neither federal nor state--to accomplish our program.

Finally, Mr. Secretary, I wish to reiterate, and reemphasize, the states are demonstrating greater concern and action over broad transportation matters than ever before.

That is why we are here today.

That is why we so greatly appreciate your leadership and your willingness to listen to our concerns.

And that is why we look forward to working with you in the coming months.

Thank you.

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