

The original documents are located in Box 130, folder “Laitin, Joseph” of the Ron Nessen Papers at the Gerald R. Ford Presidential Library.

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EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

October 17, 1974

MEMORANDUM FOR HON. RON NESSON

FROM: Joseph Laitin

As you know, business-economics writers from New York and elsewhere are gathering in Room 450 on Thursday, October 24 for an all-day briefing by Administration offices (including Roy Ash). I think it would be most appropriate -- and I don't believe its been done before -- for the President's press secretary to personally welcome them. It sure would be worth five minutes of your time.

PL
10 am - 5 pm
9-2-10 am 10:30 am
10/24/74



ASSISTANT TO DIRECTOR, PUBLIC AFFAIRS
OFFICE OF MANAGEMENT AND BUDGET

From: Joe Laitin ~~SM~~ (act) Jan. 31/75

Ron:

The attached note was written on yellow pad paper the night before you-all left for Vail.

I mentioned it to Bart Rowen (Wash. Post) who like like to photograph the original and run it in the Post on Tuesday with the Budget story.

I recommend we do--it shows a lot of warmth and understanding on part of the President and would do wonders for morale of the men and women in the O.M.B.

 OK to reproduce original

 OK to use text but not
 reproduce handwriting.

 Talk to me.

~~X~~ Do not use at all.

Dear Roy /
etc

Get well!

You & the DMB
group have done a superb job.
I am most grateful. Give them
all my very best.

I approve of test on Tab B,
altho none on happy choices.

Look forward to seeing drafts
that make everything sound so
easy.

Thanks again & I mean you
& the others.

Jay Ford



ASSISTANT TO DIRECTOR, PUBLIC AFFAIRS
OFFICE OF MANAGEMENT AND BUDGET

From: Joe Lahti *jl* Jan. 31/75

Ron:

Re President's visit Saturday to open Budget briefing. I usually announce ground rules a minute or two before 10 a.m. How do you want announcement of ground rules handled insofar as President is concerned? I can include it in my opening remarks, quoting you as saying that the ~~new~~ Monday 12 noon embargo does not apply to President's remarks, or still & movie film taken while he is there, which is for immediate use.

~~Handle as you suggest above.~~

~~You handle your own ground rules on embargo and I'll handle ground rules on President in some other way.~~

~~See Me.~~





EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

January 6, 1975

MEMORANDUM FOR RON NESSEN

FROM: Joseph Laitin *(initials)*
SUBJECT: Response to Governor Shapp on Federal Funds

Attached is Roy Ash's response to televised remarks (Today Show) by Governor Shapp alleging that Pennsylvania's share of Federal funds has suffered since the advent of revenue sharing. With it are memoranda which resulted in the Ash reply.

Note that approval includes a recommendation that you release the response, or the substance thereof.

I suggest that alternatives be considered. You would get bogged down in figures if presented at a daily briefing before a generally disinterested press. More mileage could be achieved by passing the story along separately to a couple of the Washington bureaus of Pennsylvania papers or the regional wires. This could be done by the White House press office or OMB Public Affairs *(what shanaken)*

We have held the original reply to duplicate copies for the indicated members of Congress. It will be mailed when we hear from you.

1. Handle separately?

Agree Disagree

2. If agree

By White House By OMB

Enclosures

*Ret. to Joe
1/10/75*

Honorable Milton Shapp
Governor of Pennsylvania
Harrisburg, Pennsylvania 17105

Dear Governor Shapp:

In a recent interview on the Today Show, you expressed the opinion that Pennsylvania has suffered because Federal categorical grants were cut after the enactment of General Revenue Sharing.

The record does not support this assertion, as the enclosed table shows. Total Federal grants to Pennsylvania rose from \$1,621 million in 1972 to \$2,358 million in 1973, and an estimated \$2,470 million in 1974. These figures represent annual increases of 17 percent for 1971-72, 45 percent for 1972-73, and 4.7 percent for 1973-74. Though the increase for 1973-74 may not have met expectations, continued increases in the range of the 1971-73 increases would be unreasonable. The percentage increases for Pennsylvania in 1973-74 is, nonetheless, still higher than the percentage increase for total Federal aid to all states.

If we subtract Pennsylvania's 1973 and 1974 General Revenue Sharing payments of \$347 million and \$318 million from the State's total Federal aid, it received \$2,011 million and \$2,152 million in those two years. Under this assumption, annual increases for Federal aid to Pennsylvania were 17 percent for 1971-72, 24 percent for 1972-73, and 7.1 percent for 1973-74.

These figures, however, are somewhat distorted by unusually high payments in 1973 and 1974 for Federal disaster relief as a result of the storm Agnes. Thus, the relevant base is Federal aid to Pennsylvania net of both General Revenue Sharing and Federal disaster relief.

Subtracting both General Revenue Sharing and Federal disaster relief gives Pennsylvania \$1,621 million in 1972, \$1,813 million in 1973, and an estimated \$2,045 million in 1974. If these figures represent the programs you were discussing, they increased 17 percent in 1971-72, 12 percent in 1972-73, and an estimated 13 percent in 1973-74.

I am respectfully aware of your concern as Governor of one of our most populous and diversified states, and I trust this summary will clarify Pennsylvania's situation with regard to the distribution of Federal funds.

Sincerely,

Roy L. Ash
Director

Enclosure

Table - Federal Aid to Pennsylvania

cc:

DO Records

Director's Chron

Director

Deputy Director

Mr. Modlin, BRD

Mr. Mohan, BRD

Mr. Laitin ←

Mr. Shoemaker

Mr. Bonitati ✓

DO/PA:CMohan/WShoemaker:dlc 12/27/74

Federal Aid to Pennsylvania
(millions of dollars; fiscal years)^{1/}

	1970	1971	1972	1973	1974	(prcl.)
Total Federal aid.....	\$1,343	\$1,391	\$1,621	\$2,358	\$2,470	
(percent change).....	--	(3.6)	(16.8)	(45.2)	(4.7)	
General Revenue Sharing....	--	--	--	347 ^{2/}	318	
Total Federal aid less General Revenue Sharing....	1,343	1,391	1,621	2,011	2,152	
(percent change).....	--	(3.6)	(16.8)	(24.1)	(7.1)	
Disaster relief.....	--	--	1	198	107	
Total Federal aid less General Revenue Sharing and Disaster Relief.....	1,343	1,391	1,620	1,813	2,045	
(percent change).....	--	(3.6)	(16.8)	(11.8)	(12.8)	

1/ Based on Department of the Treasury's Federal Aid to States. Note that 1974 figures are preliminary estimates.

2/ The 1973 General Revenue Sharing payment is larger than the 1974 payment because of Office of Revenue Sharing data base changes between 1973 and 1974, and because of the retroactive payment in 1973 for the 1972 entitlement.

THE WHITE HOUSE

WASHINGTON

December 16, 1974

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR: ROY L. ASH
FROM: JERRY H. JONES
SUBJECT: Governor Shapp's Television
Comments on General Revenue
Sharing

Your memorandum to the President of December 13 on the above subject has been reviewed and both recommendations approved with the following notation:

-- Also send copies to all members of Pennsylvania delegation (House and Senate).
Also all GOP members of House and Senate.

Please follow-up with the appropriate action.

Thank you.

cc: Don Rumsfeld

THE WHITE HOUSE
WASHINGTON

December 13, 1974

MEMORANDUM FOR:

THE PRESIDENT

FROM:

~~ROY L. ASH~~

SUBJECT:

Governor Shapp's Television
Comments on General Revenue
Sharing

Attached is the information you requested regarding Governor Shapp's recent interview on the Today Show. As the memo indicates, the record does not support the Governor.

Recommendation(s)

1. That I write a letter to Governor Shapp including the information in the attached memo.

APPROVE _____ DISAPPROVE _____

2. That the story and the information in the attached memo be released to the press by Ron Nessen.

APPROVE _____ DISAPPROVE _____

Attachment

Director

THE WHITE HOUSE
WASHINGTON

DEC 13 1974

INFORMATION

MEMORANDUM FOR: THE PRESIDENT
FROM: ROY L. ASH
SUBJECT: Governor Shapp's Television Comments on
General Revenue Sharing

In his recent interview on the Today Show, Governor Shapp expressed the opinion that Pennsylvania has suffered because Federal categorical grants were cut after the enactment of General Revenue Sharing.

The record does not support the Governor, as the attached table shows. Total Federal grants to Pennsylvania rose from \$1,621 million in 1972 to \$2,358 million in 1973, and an estimated \$2,470 million in 1974. These figures represent annual increases of 17% for 1971-72, 45% for 1972-73, and 4.7% for 1973-74. The Governor may be unhappy about the 4.7% increase in 1973-74, but continued increases in the range of the 1971-73 increases would be unreasonable. The percentage increase for Pennsylvania in 1973-74 is still higher than the percentage increase for total Federal aid to all States.

If we subtract Pennsylvania's 1973 and 1974 General Revenue Sharing payments of \$347 million and \$318 million from the State's total Federal aid, it received \$2,011 million and \$2,152 million in those two years. Under this assumption, annual increases for Federal aid to Pennsylvania were 17% for 1971-72, 24% for 1972-73, and 7.1% for 1973-74.

These figures, however, are somewhat distorted by unusually high payments in 1973 and 1974 for Federal disaster relief as a result of hurricane Agnes. Thus, the relevant base is Federal aid to Pennsylvania net of both General Revenue Sharing and Federal disaster relief. Subtracting out both General Revenue Sharing and Federal disaster relief gives Pennsylvania \$1,621 million in 1972, \$1,813 million in 1973, and an estimated \$2,045 million in 1974. If these figures represent the programs Governor Shapp was complaining about, they increased 17% in 1971-72, 12% in 1972-73, and an estimated 13% in 1973-74, and do not support his position.

Federal Aid to Pennsylvania
(millions of dollars; fiscal years)^{1/}

	1970	1971	1972	1973	1974 (prel.)
Total Federal aid.....	\$1,343	\$1,391	\$1,621	\$2,353	\$2,470
(percent change).....	--	(3.6)	(16.8)	(45.2)	(4.7)
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Total Federal aid less General Revenue Sharing....	1,343	1,391	1,621	2,011	2,152
(percent change)	(3.6)	(16.8)	(24.1)	(7.1)	
Disaster relief.....	--	--	1	198	107
Total Federal aid less General Revenue Sharing and Disaster Relief.....	1,343	1,391	1,621	1,813	2,045
(percent change).....	--	(3.6)	(16.8)	(11.8)	(12.8)

1/ Based on Department of the Treasury's Federal Aid to States. Note that 1974 figures are preliminary estimates.

2/ The 1973 General Revenue Sharing payment is larger than the 1974 payment because of Office of Revenue Sharing data base changes between 1973 and 1974, and because of the retroactive payment in 1973 for the 1972 entitlement.