

FOR IMMEDIATE RELEASE

AUGUST 29, 1974

OFFICE OF THE WHITE HOUSE PRESS SECRETARY

THE WHITE HOUSE

PRESS CONFERENCE

OF

CHARLES F. KURFESS,

IMMEDIATE PAST PRESIDENT, NATIONAL LEGISLATIVE CONFERENCE;

MARTIN O. SABO,

PRESIDENT-ELECT, NATIONAL LEGISLATIVE CONFERENCE;

TOM JENSEN,

VICE PRESIDENT, NATIONAL LEGISLATIVE CONFERENCE;

AND

JAMES CAVANAUGH, DEPUTY DIRECTOR,

DOMESTIC COUNCIL

THE BRIEFING ROOM

AT 4:20 P.M. EDT

MR. HUSHEN: Before we get into the briefing, let me just make a brief announcement. At the conclusion of this briefing I will come back up here and make a few more announcements that haven't been attended to and maybe take a question or two.

We have two State legislators, from the group that met with the President a short while ago, to brief you on their meeting. This meeting was the fourth in a series the President has had with State and locally elected officials, including Governors, Mayors, county officials and today State legislators.

Representative Charles Kurfess is the Minority Leader of the Ohio House of Representatives and former Speaker of the House, and is immediate past president of the National Legislative Conference. He is from Perrysburg, Ohio, and he is a Republican.

Representative Martin Sabo is Speaker of the House of Representatives of the State of Minnesota and the recently-elected president of the National Legislative Conference. He is from Minneapolis, Minnesota, and he is a Democrat.

Mr. Kurfess is from Perrysburg, Ohio, and he is a Republican.

The third member of the group is Jim Cavanaugh who is the Deputy Director of the Domestic Council who will give you a brief scenario of the meeting, and then you can question the two legislative leaders.

MR. CAVANAUGH: Thank you, Jack. The meeting with the President lasted approximately 40 minutes. The President told the legislative leaders that he had supported the concept of general revenue sharing while

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he was a Member of Congress and while he was Vice President, and that they could count on his full and complete support to continue the general revenue sharing program, and to seek an extension of that program.

He also indicated that it was his desire to see a strong role for the States to be continued in the general revenue sharing program.

The President indicated that he wanted this group's involvement in the pre-summit meetings that will be going on in early September. He thought that the States had to have an active role in the pre-summit meetings and that in fact State governments could play a role in the fight against the inflation.

The President also indicated that he wanted this group to be involved in the review of the FY 76 budget and would provide a mechanism for their involvement throughout the fall period during the preparation of the budget.

I believe the Speaker and the Representative would be happy to take your questions now.

Q Did you find that the President was generally welcoming some State participation genuinely, or how did you find this reception?

MR. KURFESS: I don't think there is any question that it was a very genuine reception. We have been involved as State legislators in discussions with White House personnel before in terms of our interest in Federal matters, Administrative as well as Legislative.

I would say that never before have I been directly involved with the President himself. I think that very fact, that he himself invited us here, was a genuine invitation and every indication is that the attitude is going to continue.

Q What was your reaction to his thoughts on revenue sharing and that you, all local officials, become a part of the pre-economic summit?

MR. SABO: I think very welcome.

In case you wonder which is which here, I am Sabo and this is Kurfess.

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I thought his comments were very well taken. I think uniformly throughout the country, you will find that the Governors and the legislators would feel very strongly that there should continue to be a State role in general revenue sharing, and that some of those funds should go to State government.

As it relates to the evolving Federal budget, where we are going to find a new role and new beginning involvement, I think that again is a welcome addition to the Federal system in this country.

Like everything, it will not proceed perfectly with perfect understanding on our part, but I think its a real giant step forward in terms of improving relations between the Federal Government and State government in this country.

Q That is the Democratic reaction. Can we get the Republican reaction, or is yours the same?

MR. KURFESS: I think essentially on this subject it is the same. I would say throughout the effort by State and local government for revenue sharing, as I recall it was in the Congress, partisanship was not involved. It is a very bipartisan approach and remains so.

Q Can you tell us whether the President indicated whether he has any ideas in mind for changes or alterations in the formula for revenue sharing?

MR. KURFESS: None were discussed.

Q Did you bring them up?

MR. KURFESS: No.

Q What about revenue sharing; did he mention any special plan such as an idea for running some of the welfare funds through special revenue sharing?

MR. KURFESS: No. We did not discuss special revenue sharing.

MR. SABO: I might add that I think those of us at the State level sometimes view with somewhat amusement the big idea or the big fuss over the general concept of revenue sharing between the Federal Government and the States.

You know, that is not new to us. We do it regularly year in and year out. We send funds back from the State to our local units of government not for a specific purpose.

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And that program has been going on for years and years and working well. Revenue sharing on the Federal level is really just simply an extension of that concept.

Q Would you discuss for us what you expect your participation will be in this pre-summit conference?

MR. SABO: There are two of them.

Q How would it work?

MR. SABO: I am not sure which one you mean.

Q Well, in any of them?

MR. SABO: There is an organization which we will call the new coalition.

Q The what?

MR. SABO: The new coalition, which is comprised of three Governors, three legislators, three mayors, and three county commissioners, which will be meeting in early September with the Federal budget officials reviewing the proposed Federal budget for the next fiscal year.

MR. KURFESS: This is a reflection of the fact that the Federal budget that we at the legislative angle see so readily. The Federal budget has a tremendous impact on our own State budgetary problems and concerns.

Much of our State approaches to programs is almost dictated by what the Congress does fiscally, as well as what the Administration does administratively, and this early input into the budget process at the Federal level is of immense value to us, and I might add that if the new -- and we commented on this with the President -- if the new budgetary process within the Congress actually works as it is laid out to work, it will again be a very tremendous help to the States in meeting their budget commitments.

Q Maybe I misunderstood, but I also thought you were going to be involved in the pre-summit on inflation?

MR. KURFESS: I understand that we will, yes.

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Q Will you discuss that, too, please?

MR. KURFESS: That was not discussed in detail. He invited us to have our people who will be representing the State legislators involve ourselves with the White House in that regard.

Q Will you go to any regional conference outside of Washington, or will you be coming here?

MR. KURFESS: Very honestly, I don't know what the structure is going to be.

Q Just what exactly is the input that you will have into the Federal budget-making process? Will you just be advisers, or respond?

MR. KURFESS: I think for the first time, to my knowledge for the very first time the Federal Administration is inviting a perusal and comment of the Federal budget by State and local officials, which is really the first time that there has been this acknowledgment in a very formal sense of the impact that the Federal budget has on State and local government, not just in terms of money that is sent to State and local government, whether it be revenue sharing, categorical grants or otherwise, but the process by which it comes.

The type of programs have a tremendous impact and I think we just very much appreciate that for the first time we have been invited to peruse it and comment.

Q Does this mean that you will be meeting with Roy Ash and officials of the Office of Management and Budget and telling them that you do need some of these local projects?

MR. KURFESS: Definitely. There is a specific day set aside for those meetings with Mr. Ash, and others involved. And before that, our people will be spending a day or two here in Washington going over the preliminary draft of the budgets in preparation for that meeting with the Federal officials.

Q Did the President indicate to either of you gentlemen where he might be thinking about making these budget cuts in the current budget; and secondly, did you discuss with him how he may handle the impoundment issue which is giving the Federal Government problems?

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MR. SABO: No, we did not discuss impoundment. The President indicated that he was considering a variety of options as it related to limiting the Federal budget and that those decisions had not been made.

We expressed our concern that when those decisions are made that we don't simply have the result of pushing back onto States additional expenditures for programs that must go on regardless of Federal action.

Q Did he indicate he might hold back or delay things like highway and other construction?

MR. KURFESS: He indicated that they have a target of some \$5 billion to hold the budget down under the \$300 billion mark. Obviously this reflects some withholding of spending.

He did not go into, as Representative Speaker Sabo has indicated when asked if those decisions had been firmed up yet, as to where those reductions will take place. The answer was no, that they had not been.

Q You mean he is considering a delay in State highway projects?

MR. KURFESS: I think in the very general discussion capital improvements projects were obviously mentioned.

Q Is there any talk at all about a 10 cent excise tax on gasoline?

MR. KURFESS: No.

Q Was there any talk about any general tax increases next year?

MR. KURFESS: No.

THE PRESS: Thank you.

END (4:30 P.M. EDT)