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THE WHITE HOUSE

STATEMENT BY THE PRESIDENT

THE BRIEFING ROOM

3:55 P.M. EST

Good afternoon. Please sit down.

I just came from a meeting with the Vice President, representatives of the Domestic Council, the Treasury Department and others discussing how the Administration can affirmatively promote the extension of the existing Revenue Sharing Act, general revenue sharing. This, of course, was enacted in 1972.

So far the Federal Government has distributed roughly \$23.5 billion to some 38,000 to 39,000 State and local units of government. The money has been spent in a broad range of local and State activities.

The interesting thing to me was that with the \$23.5 billion that has been expended by the Federal Government to State and local units of government, the overhead cost has been one-twelfth of one percent, which shows that you can take Federal money and redistribute it to State and local units of Government with a minimum of overhead.

The net result is the States have, and local units of government have gotten back virtually all of the money that was taken from them and they now and will in the future have this money for the necessary local services that they do perform.

One other point, the Congress was asked by me last year, I think in July, to immediately undertake the re-enactment or the extension of the existing general revenue sharing legislation. Thus far there has been no subcommittee action on this legislation. Time is running out.

Let me give you a concrete illustration. I met with some mayors last week -- three or four of them -- from the State of Ohio. They have to publish their budgets for the 12 months beginning January 1 by the middle of 1976. So unless this legislation is enacted or extended beyond January 1, any municipality in Ohio will have to show that there will be no general revenue sharing money coming, which means they will either have to show a reduction in services or they will have to show, if they want to extend the services, an additional State or local tax.

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Now this puts municipalities, this puts States in a very difficult situation unless we get some affirmative action from the Congress.

I have asked the Vice President, who spearheaded the drive for the enactment in the first instance in 1972 of general revenue sharing, to use his talents to convince the Congress that it must act promptly. I believe that he will work with Governors, with State officials, in general, with county officials and with city officials to convince the Congress that delay or a failure to act would be catastrophic in the meeting of local needs or State needs.

The Vice President knows how it was done in 1972. I am sure that he will be successful. But time is rapidly running out and Congress has an obligation to move now if we are to save cities, counties and States from a serious financial setback.

So, Mr. Vice President, would you tell them how you are going to do this?

END (AT 4:00 P.M. EST)