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Office of the White House Press Secretary

THE WHITE HOUSE

Text of the remarks by the President
to the National Governors' Conference

I am delighted to greet you all at this historic Bicentennial winter meeting of the National Governors' Conference. This is a memorable year in which to give new balance and meaning to relations between the Federal and state governments. I eagerly anticipate working with you to achieve better government, at all levels, for all of our people.

It has been said by some that Federal-state relations are the most deadly boring of all political issues. I do not agree. I feel a sense of excitement and eager anticipation at the progress we are making to restore to you and to your states more say on decisions affecting the daily lives of all citizens.

This process does not bore me. It really turns me on--especially the prospect of working more closely with all 50 states to restore, during this National Bicentennial, the balance among us that was first conceived by our founding fathers 200 years ago. George Washington warned against the danger of the monolithic, centralized power of the Federal government. In recent years, state and local authority has eroded as the Federal establishment has grown.

This trend--of categorical grants and decision-making by the bureaus and agencies of the Federal government--has not made life easier for the beneficiary, nor has it made government more responsive. The Federal government now employs more people than the entire combined population of the 13 original states when our founders reserved to state governments and to the people all power not bestowed upon the national government.

When your state constitutions were adopted, great care was taken to preserve the basic principles of self-government. Americans have always wanted the decisions affecting their daily lives made at home--in their local communities and their own states.

But freedom is now misinterpreted by too many individuals to mean freedom from personal responsibility and instant gratification of all desires by the rich Uncle Sam in Washington. In pursuit of that quest--and that fantasy--the Federal bureaucracy has grown and grown. Power is drained away from your states, your counties, your cities, and your towns to an increasingly centralized national government--always bigger, always more meddlesome--but not always more efficient nor more responsive to local needs.

This process has undermined individual pride and resourcefulness. It threatens our economic prosperity and dims our vision of a future in which every citizen can help determine his or her fate. You and I must make some hard decisions this year.

It is all too easy to offer unrealistic suggestions in the heat of an election year. But a President, or a Governor in office, has to provide accountable and realistic leadership--with honest answers to all constituents.

I will never irresponsibly transfer serious problems from the Federal government to state governments without regard for human needs and fiscal realities. I am determined to preserve a constructive partnership with the states on all mutual concerns through cooperation--and not through treatment that is worse than the disease.

Let us cooperate to move the decision-making process back to the states and to the people. Let us work to assure that we really help the needy--not the greedy. We must clarify and simplify the complex, frustrating, and inefficient regulations and categorical grant rigidity that invite abuses and rip-offs. Those sworn to protect the public interest must assure that every tax dollar is used honestly and effectively.

In the campaign for General Revenue Sharing, I have worked longer and harder for that legislation than any other. You are well aware of how this 30.2 billion dollar, five-year program is now administered at the Federal level at a cost of a twelfth of a penny for every dollar spent. You know how our states are now making state decisions on the local use of their Federal taxes. I am now seeking to extend this excellent program for five and three-quarter additional years.

It was last April--almost a year ago--when I asked the Congress to renew revenue sharing so that you could make timely plans for your fiscal 1977 state budgets. The Congress did not share my sense of urgency. It has failed to act. The nation needs your help and I am pleased by your response.

I have seen your warning of higher taxes or drastic curtailment of public services if Federal revenue sharing is discontinued. You are right in saying that our present economic recovery would be endangered if the Congress were to end revenue sharing. It could force the states to fire workers, to increase state taxes, and even to institute new taxation. You know and I know that we must join forces to keep revenue sharing alive.

I ask you today, as the chief executives of your states, to join me in moving the mountain which we know as Capitol Hill. The whole concept of balanced Federal-state relations is at stake. You are more aware than any one of the new realities in your states. If we fail this year to assure continued movement toward General Revenue Sharing, there will be a new escalation in the categorical programs of an increasingly centralized government.

I am determined to shake-up and shape-up, with your help, the worthwhile and proven programs we now have rather than permit a proliferation of new and untried programs. Categorical grants and categorical expectations have created more problems than they have solved.

While I expected some criticism of my State of the Union and Budget messages, I regret the revival of the old knee-jerk response--that I failed to propose enough new Federal programs. We already have more than enough programs--what we need is quality, not quantity. My messages contain proposals that not only improve quality--but also reduce quantity.

I am encouraged by the way states and localities are responding to the challenge of balanced Federalism. Behind the block grant concept is the conviction that you can do a better job in many ways than the Federal government. Under one such block grant, the Community Development Program: --Federal regulations which a community must follow have decreased from 2,600 pages under the categorical programs to 25 pages for the block grant program; --a community need only file one application, consisting of 50 pages, rather than the previous average of five applications consisting of 1,400 pages; --processing and approval of a community development block grant application averaged 49 days, although under the categorical urban renewal program, processing took over two years.

Due to the success we have had in simplifying the community development program, I am recommending that we use this approach in other Federal programs involving social services, health, education and child nutrition.

Therefore, today I am asking the Congress to enact the Community Services Act. It will significantly increase the flexibility of states in delivering social services to low income families. I refer to such programs as day-care, foster care and home-maker services. Many of the responsibilities now placed by law in the hands of Federal bureaucrats will be passed back to elected officials. The basic responsibility on how to best meet the needs of a state's low income families will be returned to each state. This determination can best be made through an open process of local planning that directly involves its citizens.

Later this week, I will transmit proposals consolidating medicaid and 15 other categorical health programs into a single 10 billion dollar block grant. With it is a commitment to each of you that your state will receive more Federal funds from this single new program in FY 1977, than your state received in 1976 from the 16 existing programs.

The hard choices of how best to meet the health needs of your state will no longer be defined by a complicated and categorical tangle of Federal regulations. They will be for you and your citizens to determine in an open and locally responsive process.

I will very soon submit to the Congress an education block grant proposal recognizing national concerns that call for special emphasis. It will give states maximum flexibility in using Federal dollars to meet educational needs. I know that you have been in the forefront of such issues as school finance reform and the education of the handicapped. In the last decade, you have demonstrated the ability and the willingness to tackle education problems. There is no reason whatsoever for the Federal government to treat you as if we doubted your commitment to goals shared by all Americans.

My proposals will reduce the administrative burdens on state and local governments while assuring a Federal commitment to elementary and secondary education. No state will receive less Federal money under my proposal than it did in fiscal year 1976 under all the programs to be consolidated.

In offering these proposals, I do not suggest a retreat from national concerns nor the wholesale elimination of Federal funding. I intend to make Federal dollars available to you for your states. But I will also minimize or eliminate the requirement that state financial resources be used to qualify for Federal matching funds.

My Administration will not dismantle programs that really work--that reach the people and meet their needs. I will not retreat from my commitment to wise Federal spending to meet local needs. But we intend to improve these programs and, wherever appropriate, to return decision-making power to the state and local level. My actions have shown my willingness to work with you. Indeed, I have made it a point to confer personally with every one of the 50 Governors since I assumed the Presidency. As a Congressman, I listened to the warnings of President Eisenhower. He said that unless we preserve the traditional power and basic responsibilities of state government, we would not retain the kind of America previously known. We would have, instead, quite another kind of America. The pendulum has swung very far in the direction that President Eisenhower feared. But I am confident that the will of the people, voiced all across America, is beginning to bring the pendulum of power back to a balanced center.

(More)

The preservation of the 50 states as vigorous units of government is vital. We must make sure that each level of government performs its proper function--no more and no less. We must do this to preserve our system and to draw new energy from the source of all government power--the people.

I believe in the vitality of America.

I reaffirm my faith in the unique value of a governmental system of shared responsibility. I believe in our capacity to foster diversity within unity, to encourage innovation and creativity, both privately as well as publicly, and to achieve a proper balance between government and the governed.

The vision of 200 years ago remains valid. It is a vision of states united into a nation--the United States--where the government serves and the people rule. It is a challenge to those of us entrusted with the high honor of governing. It is a challenge that will be met.

Thank you.

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