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THE WHITE HOUSE

REMARKS OF THE PRESIDENT  
AT THE  
ANNUAL CONGRESSIONAL CITY CONFERENCE  
OF THE U.S. CONFERENCE OF MAYORS  
AND  
THE NATIONAL LEAGUE OF CITIES  
  
THE WASHINGTON HILTON HOTEL

11:09 A.M. EST

Moon, and Hans, and my good friend L. H. Fountain, other Members of Congress, distinguished mayors, ladies and gentlemen:

Obviously, I am very honored by the invitation to speak at this very important conference on general revenue sharing.

We are joined today in a single cause, a cause that is as old as our Republic and as new as today's legislative calendar. The cause of which I speak and to which we are fully committed is the cause of responsible, responsive and representative Government in the United States of America.

Your purpose in coming to Washington, a purpose to which I heartily concur, is to urge the Congress of the United States to do what experience and common sense in America's most fundamental concept of Government demand that it do -- it is very simple -- extend the proven general revenue sharing program, which expires December 31, 1976.

The Federal Government, like cities that you represent, was chartered by the States. The framers of the Constitution did not intend to create a monolithic, autocratic, omnipotent central Government. Instead, they carefully constructed a system in which authority and responsibility and accountability were to be shared by different levels of Government, as well as by the three Federal branches of the Government.

That system of Government established by the Constitutional Convention two centuries ago can be effectively reaffirmed by the 94th Congress this year, and it must do it.

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For too long the reins of Government in this country have been gathered tighter and tighter in the hands of the Federal Government. For too long programs of narrow categorical aid multiplied at great and growing expense to the Federal Government, to the Federal budget and to the American taxpayers.

In 1972 there were over 1,000 of these programs, each in limited scope, restrictive in operation and equipped with its own bureaucracy, chipping steadily away at the Founding Father's system of shared responsibility and local control.

With the enactment of the general revenue sharing program in 1972, the Congress made an important and historic break with this unwise and unhealthy trend. I was a leader, among many others, in this effort, and I know what the intent of the Congress was then.

In the four years since the revenue sharing program began, State and local Governments have proved beyond any doubt whatsoever the merit of local control over local concerns, and I congratulate you.

To date, more than \$23 billion 500 million in general revenue sharing funds have been returned to the 50 States, and some 39,000 local units of Government. In fiscal year 1975 alone, more than \$7 billion 100 million were well spent on a wide range of vital public services and facilities, and done very well.

Nearly 25 percent of these funds were spent on public safety, almost 22 percent was spent on education, 13 percent on public transportation, more than 7 percent on environmental protection, and about the same percentages on health services.

These are programs that help people, and in case after case they are programs you could not have afforded had it not been for general revenue sharing. When you were put in charge, you proved -- as I knew you would -- that you know a lot more about what your cities need than the Washington bureaucracy does.

That bureaucracy has been held at an absolute minimum in the operation of revenue sharing. Only about twelve one-hundredths of 1 percent authorized for general revenue sharing in the past four years has been spent in Washington in handling the programs.

That is an amazing statistic, and it is a very encouraging sign that bureaucratic overhead need not rob the taxpayer blind or bind your cities and States in a maze of red tape in order for Federally-funded programs to succeed. In thousands of cities and counties, and in all 50 States, revenue sharing has spelled success. If there was ever a program that has earned its keep, revenue sharing is that program.

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Last year I proposed a five-year nine-month extension of the general revenue sharing program. This proposal represented an increase in funding of almost \$1 billion for a total of \$39,850,000,000, and called for changes to improve the effectiveness of the program.

Eleven months ago I urged the Congress to take prompt action on this proposal. I did not ask the Congress for rubber stamp approval of this important and substantial program. It deserved careful study, but it also deserved immediate attention.

The Congress obviously did not share my sense of urgency. It is becoming increasingly apparent that the Congress fails to understand the importance of this program to the people of the cities and counties and States of our Nation.

After 11 months -- I know the pressure that L. H. Fountain has been under -- a House Subcommittee has begun to mark up a general revenue sharing bill. While I am delighted to see the movement that has taken place, I am concerned with their initial decisions in some instances regarding the level of funding and prospective formula changes.

Behind all of the rhetoric associated with the growing Congressional debate over the renewal of this program is a very fundamental issue -- whether or not to continue providing cities, counties and States with effective Federal assistance now authorized by this program. It is just too important to your cities; it is just too important to your States; it is just too important to the United States of America.

The general revenue sharing bill must pass clearly this year. You know that failure to renew this program would weaken the fiscal stability of your cities. You know that expiration of this program or a reduction of the payments you now receive would mean cutbacks in essential services, increased public and related private sector unemployment, or the imposition of more taxes. Maybe this is what some partisans want, but I don't. Let me make very clear on that point.

I deeply share your concern and I stand firm in my commitment to secure an extension of general revenue sharing, which should no longer be a partisan political issue, and I hope it won't be in the months ahead. If you will work with me we can meet that commitment and we can do even more good with revenue sharing in the future.

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Now another legislative matter of urgent importance is the passage of a \$1.7 billion supplemental appropriation bill to continue funding of public service jobs under the Comprehensive Education and Employment Training Act. Many of your cities face the imminent prospect of firing thousands of workers because the Congress has not provided the funds that you need to pay them.

I know that many of you wanted more than this \$1.7 billion program. I know that a \$6 billion public works program sounds good, especially if you don't have to borrow the money to pay for it. I respect your position, even while respectfully disagreeing with it.

The Federal Government could not afford that program. Even if it could, it would have taken months to put the program into place. By that time, given the pace and the strength of our current economic recovery, that \$6 billion bill would very likely have done more to feed inflation than to fight unemployment.

But one thing is clear: The Congress was prepared to spend \$6 billion to initiate a program of dubious value. It should be willing to spend \$1.7 billion to continue the CETA program for public service jobs already underway.

I do promise you to do all that I can to secure the passage of this bill and to get you the money you need to operate this program.

Another program of proven value to your cities is the community development block grant program we began last year. Success stories abound, and let me cite several examples.

In Muskegon, Michigan, the city combined community development funds with local funds to finally complete a downtown urban renewal project that had been underway for seven years, and I suspect as I look around the audience we can find many other examples quite comparable to that one.

In Salt Lake City, local officials used block grant funds to match other Federal funds and establish a park in a low income area of the city.

Using community development funds the City of Winston-Salem, North Carolina is stimulating renovation of the old neighborhoods by offering a cash payment of some \$2,000 to people willing to move into the area and to renovate the homes. There have been many, many others, good examples of innovation and progress in cities throughout the country.

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Because there has been so much success with this program, I have proposed a \$446 million increase for community development in my fiscal year 1977 budget, bringing the total to \$3 billion 200 million. I think this is the way to attack some of these problems that were logjammed, roadblocked, stymied by the old seven categorical grant programs, and I think we have made a lot of headway in this direction.

Let me cite one or two examples. One of the best success stories of all in the community development field is this: Federal intervention and control has been drastically reduced, with very favorable results. Federal regulations governing program activities have been reduced-- incidentally, on my orders--from the 2,600 pages required for categorical aid to 25 pages for the block grant approach.

A community has to file only one application consisting of 50 pages rather than the previous average of five applications consisting of 1,400 pages. Processing and approval of community development block grant averages 49 days. Listen to this: Under the categorical urban renewal program, processing took more than two years.

I don't blame you for being frustrated, and we are going to do better than the 49 days, if we possibly can. The success of the community block grant program, like the success of the general revenue sharing program, points to one central fact -- you know what to do to improve your cities and you know how to do it, and with the proper tools and the necessary resources, you can do the job that needs to be done.

I have faith in you, and I think your constituents have faith in you. But today, no single man, no single level of Government can be expected to transform America's cities overnight all alone. The cooperation of Federal, State and local Governments, of Presidents and Congressmen, of Governors and mayors and councilmen, is essential to the success of the long-term effort.

Our goal is to improve the quality of life in America's cities. The monuments we hope to raise are monuments not of stone and steel, but of the human spirit. We can make America's cities the thriving, forward looking cities of commerce and culture that they ought to be.

We can make the streets safer and the traffic flow better and the air and water cleaner. We can revitalize city neighborhoods and improve city schools and other services. The Administration is fully prepared to join with you in these great enterprises, and more.

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In fact, we have already begun. This conference can help to insure the continued success of one program, one sign of hope and progress, we have already struggled for and won. Let's get general revenue sharing extended and go on from there and make our cities gleam again with the flow of new life and the brilliance of a hopeful future for the United States of America.

Thank you very, very much.

END (AT 11:32 A.M. EST)