The original documents are located in Box 130, folder "Feb. 27, 1974 - Speech, 1974 Legislative Conference, National Association of Cities" of the Gerald R. Ford Vice Presidential Papers at the Gerald R. Ford Presidential Library.

Copyright Notice

The copyright law of the United States (Title 17, United States Code) governs the making of photocopies or other reproductions of copyrighted material. Gerald Ford donated to the United States of America his copyrights in all of his unpublished writings in National Archives collections. Works prepared by U.S. Government employees as part of their official duties are in the public domain. The copyrights to materials written by other individuals or organizations are presumed to remain with them. If you think any of the information displayed in the PDF is subject to a valid copyright claim, please contact the Gerald R. Ford Presidential Library.

Digitized from Box 130 of the Gerald R. Ford Vice Presidential Papers at the Gerald R. Ford Presidential Library

THE WHITE HOUSE

TO:

Milton Friedman

FROM: KEN COLE

FYI
COMMENT
Per your request.

REMARKS OF HON. KENNETH R. COLE JR.

Assistant to the President for Domestic Affairs

National Association of Counties, Washington, 27 Feb 1974

It's a great pleasure for me to be here this afternoon.

Because I think that people like you and organizations

Like yours are the ones that really make America work.

Because it's right there with you in the counties

AND OTHER LOCA L UNITS OF GOVERNMENT THAT THE RUBBER

OF THE PRESIDENT'S NEW FEDERALISM REALLY HITS THE

SO YOU ARE VERY IMPORTANT TO WHAT THE PRESIDENT IS

TRYING TO ACCOMPLISH I JUST LEFT HIS OFFICE AND HE

ASKED ME TO TELL YOU THAT TODAY HE ASKED ME TO THANK

YOU FOR YOUR SUPPORT IN THE PAST AND TO REMIND YOU

THAT SOME OF THE MOST IMPORTANT AND TOUGHEST BATTLES

STILL LIE AHEAD.

ROAD IN AMERICA

I'D LIKE TO TAKE JUST A FEW MINUTES TO GIVE YOU A SHORT PROGRESS REPORT ON THE PRESIDENT'S DOMESTIC POLICY

IN HIS STATE OF THE UNION MESSAGE/BACK IN 1971/
PRESIDENT NIXON OUTLINED/WHAT HE CALLED THE 'NEW
FEDERALISM" AND SET OUT SOME GOALS FOR IT



THE "OLD" FEDERALISM WAS THAT UNIQUE SEPARATION AND
DIFFERENTIATION OF POWERS DEVISED BY THE FOUNDING
FATHERS TO MAKE SURE THAT THE CENTRAL GOVERNMENT DIDN'T
GET TOO BIG AND TO MAKE SURE THAT INDIVIDUALS HAD
AS MUCH OF A HAND AND AS MUCH OF A VOICE AS POSSIBLE
IN RUNNING THEIR OWN LIVES AND SOLVING THEIR OWN
PROBLEMS

THAT WORKED FOR AMERICA FOR A CENTURY AND MORE. IT

MADE AMERICA GROW AND IT MADE AMERICA GREAT IT MADE

AMERICA THE RICHEST AND MOST POWERFUL NATION IN THE

WORLD AND IT MADE AMERICANS FAMOUS FOR THEIR

SELF-RELIANCE AND INDEPENDENCE.

THEN ABOUT FORTY YEARS AGO WE BEGAN TO TINKER AROUND WITH THAT FEDERALISM. A LOT OF WHAT WAS DONE WAS NECESSARY AND IMPORTANT BUT A LOT OF IT WAS TRIAL AND ERROR EXPERIMENTATION.

THE WORST THING WAS THAT IT BEGAN TO CREATE A PSYCHOLOGY

OF DEPENDENCE AND AN ATMOSPHERE OF EXPECTATION WHICH

MADE PEOPLE LOOK TO THE FEDERAL GOVERNMENT FOR SOLUTIONS

TO THEIR PROBLEMS.



WASHINGTON D.C. COULD SOLVE A LOCAL PROBLEM BETTER

WHEN RICHARD NIXON BECAME PRESIDENT JUST FIVE YEARS

AGO, HE HAD PROMISED TO REVERSE THIS FOUR DECADE

TREND TOWARDS BIG GOVERNMENT, AND TO START MOVING

POWER OUT OF WASHINGTON AND BET IT BACK TO THE PEOPLE

WHERE THEY LIVE AND WORK AND EARN THEIR LIVING AND

PAY THEIR TAXES

HIS SOLUTION WAS A NEW KIND OF FEDERALISM THE NEW
FEDERALISM WOULD TAKE INTO ACCOUNT THE NECESSARY FEDERAL
FUNCTIONS WHICH ARE DICTATED BY COMPASSION AND COMMON
SENSE FOR A NATION OF 211 MILLION PEOPLE.

BUT JUST LIKE THE FOUNDERS' FEDERALISM PRESIDENT

NIXON'S NEW FEDERALISM AIMED AT LETTING THE AMERICAN

PEOPLE CHOOSE THEIR OWN PRIORITIES AND HAVE A HAND IN

SOLVING THEIR OWN PROBLEMS

TURNING AROUND FORTY YEARS OF BIG GOVERNMENT ISN'T

SOMETHING YOU CAN ACCOMPLISH OVER NIGHT THE

STRUCTURAL PROBLEMS ARE AS BIG AS THE POLITICAL ONES.

AND BELIEVE ME, THE POLITICAL ONES AREN'T SMALL.

BUT WORKING WITH THE CONGRESS AND LARGELY THANKS TO

YOUR SUPPORT WE ACHIEVED THE PASSAGE OF GENERAL

REVENUE SHARING I HAPPEN TO THINK THAT THIS WILL GO

DOWN AS ONE OF THE HALF DOZEN MAJOR DOMESTIC

PRESIDENTIAL LEGACIES IN OUR HISTORY

GENERAL REVENUE SHARING HAS ALREADY PUT \$11 BILLION

OF NEW MONEY TO WORK IN OUR 38,000 UNITS OF STATE

AND LOCAL GOVERNMENT

THIS YEAR OUR COMMITMENT OF FEDERAL AID TO STATE AND LOCAL GOVERNMENT WILL RISE TO \$52 BILLION. THIS REPRESENTS ONE OUT OF EVERY SIX DOLLARS THAT WILL BE SPENT IT IS A \$3 BILLION INCREASE OVER LAST YEAR AND IT IS PART OF AN AVERAGE ANNUAL INCREASE OF 17% FOR THE PAST FIVE YEARS

WE'RE VERY PROUD OF THIS RECORD, BECAUSE WE THINK THAT

IT REALLY MEANS SOMETHING



IN MANY RESPECTS THE NEW FEDERALISM IS AS MUCH A

MATTER OF PSYCHOLOGY A WAY OF LOOKING AT THINGS.

AND A WAY OF GOING ABOUT SOLVING PROBLEMS AS IT

IS A MATTER OF SPECIFIC LEGISLATION OR SPECIFIC DOLLAR

AMOUNTS

BECAUSE IF WE CAN REALLY RESTORE AND REVITALIZE THE INSTITUTIONS OF LOCAL GOVERNMENT ALL ACROSS THIS COUNTRY AND IF WE CAN GET PEOPLE IN THE HABIT OF SOLVING THEIR OWN PROBLEMS ONCE AGAIN THEN THE FEDERAL LEGISLATION WON'T LAG LONG BEHIND

I'M NOT SAYING THAT THE LEGISLATION WOULDN'T BE USEFUL!

BUT IN FACT, IF YOU TAKE A LONG VIEW OF WHERE WE ARE

AND WHERE WE WERE, I THINK THAT WE HAVE COME A LONG

WAY TOWARDS MAKING THE NEW FEDERALISM A REALITY.

FOR EXAMPLE, WE WORKED WITH THE CONGRESS AND NOW WE HAVE A MANPOWER TRAINING ACT WHICH EMBODIES ALL THE IMPORTANT POINTS AND PHILOSOPHY ABOUT PUTTING THE POWER OF DECISION-MAKING BASED ON LOCAL CONDITIONS AND LOCAL PRIORITIES INTO THE HANDS OF PEOPLE AT THE LOCAL LEVEL

THREE OF THE FOUR TITLES UNDER OUR WELFARE REFORM

PROPOSALS HAVE BEEN PASSED AND WE ARE NOW COMMITTED TO

WORK WITH THE CONGRESS ON THE THORNY REMAINING PROBLEMS

BUT THE PRESIDENT SPELLED OUT VERY CLEARLY IN HIS

ŜTATE OF THE UNION MESSAGE LAST MONTH THE NEW FEDERALIST

PRINCIPLES WHICH WILL UNDERLIE OUR APPROACHES TO THIS

CRUCIAL QUESTION OF WELFARE REFORM

HE SAID THAT ALL AMERICANS WHO CAN WORK AND WHO WANT
TO WORK SHOULD FIND WORK MORE REWARDING THAN THEY
FIND WELFARE

HE SAID THAT CASH ASSISTANCE IS WHAT LOW-INCOME PEOPLE

NEED MOST AND CERTAINLY WHAT THEY NEED MORE THAN SOMEBODY

IN WASHINGTON MAKING THEIR DECISIONS FOR THEM.

HE SAID THAT NO NEW WELFARE SYSTEM SHOULD IMPOSE ANY ADDITIONAL TAX BURDENS ON ANY AMERICAN

AND HE INSISTED THAT WHATEVER SYSTEM WE DEVISE BE
CHARACTERIZED BY A FAIR SIMPLICITY WHICH WILL MAKE IT
EASY TO UNDERSTAND AND WHICH WILL KEEP IT HONEST

WE HAVE SEEN THE PASSAGE OF LAW ENFORCEMENT BLOCK
GRANTS WHICH EMBODY THE PRINCIPLES OF LAW ENFORCEMENT
SPECIAL REVENUE SHARING

AND WE HAVE BEEN ABLE TO CRACK THE HIGHWAY TRUST FUND FOR THE FIRST TIME IN ITS HISTORY AND THIS MEANS THAT WE CAN GIVE LOCAL JURISDICTIONS THE IMPORTANT OPTION OF DECIDING ON HOW TRANSPORTATION MONEY CAN BE SPENT MOST PRODUCTIVELY FOR THEIR OWN LOCAL NEEDS.

HEALTH CARE, EDUCATION AND LINE COMMUNITY DEVELOPMENT

ARE GOING TO BE THE PRIME PRESIDENTIAL TARGETS FOR

THIS NEW SESSION OF CONGRESS

THE PRESIDENT'S NEW HEALTH CARE PROGRAM IS BASED UPON
HIS DETERMINATION TO PRESERVE THREE EQUALLY IMPORTANT
NEW FEDERALIST PRINCIPLES:

THE FIRST/IS THAT NO AMERICAN/SHOULD BE DENIED/THE BEST HEALTH CARE POSSIBLE JUST BECAUSE THEY CAN'T AFFORD IT

THE SECOND PRINCIPLE IS THAT INDIVIDUAL FREEDOM OF
CHOICE AND THE COMPETITION OF THE PRIVATE SECTOR ARE
EVEN MORE IMPORTANT WITH HEALTH CARE THAN IN MANY
OTHER AREAS.

AND THE THIRD PRINCIPLE IS THAT THIS CAN AND SHOULD BE ACCOMPLISHED WITHOUT INCREASING THE ALREADY GREAT BURDEN OF TAXES THAT AMERICANS ARE PAYING.

UNDER THE PRESIDENT'S HEALTH CARE PLAN EVERY

INDIVIDUAL WHO CAN AFFORD IT WILL PAY AT LEAST SOME

SMALL PART OF HIS HEALTH INSURANCE PREMIUM AND IN

EVERY CASE THE DOCTOR WILL BE WORKING FOR HIS PATIENT

AND NOT FOR THE FEDERAL GOVERNMENT

WHEN THE PRESIDENT'S BETTER SCHOOLS ACT AND BETTER

COMMUNITIES ACT ARE PASSED, THEY WILL FINALLY

TAKE THE FEDERAL GOVERNMENT OUT OF THE BUSINESS OF

BEING THE LOCAL SCHOOL BOARD AND THE LOCAL SLUM LANDLORD

AND LET THE AMERICAN PEOPLE GET BACK INTO THE ACT.

ONE OF THE IMPORTANT INNOVATIONS IN THE PRESIDENT'S BETTER SCHOOLS ACT/WILL MEAN A GREAT DEAL TO YOU MEN AND WOMEN IN COUNTY GOVERNMENT | THAT IS FORWARD FUNDING", WHICH, AS YOU KNOW, MEANS THAT YOU WILL KNOW AT THE BEGINNING OF EACH SCHOOL YEAR EXACTLY HOW MUCH MONEY YOUR SCHOOL BOARDS CAN COUNT ON THE OLD CATCH-AS-CATCH-CAN SYSTEM OF WAITING UNTIL THE END OF THE SCHOOL SESSION TO FIND OUT WHETHER CLASSES WILL HAVE TO BE CURTAILED OR CUT OR CANCELLED IS INTOLERABLE AND UNFAIR AND THE PRESIDENT'S PLAN WILL PUT AN END TO IT

ALSO, IN THE PRESIDENT'S BETTER COMMUNITIES ACT FOR THE FIRST TIME, URBAN COUNTIES WOULD BE INCLUDED AS PROGRAM BENEFICIARIES FINALLY RECOGNIZING YOUR TRUE ROLE AS DELIVERERS OF COMMUNITY SERVICES

I DON'T HAVE TO TELL YOU HOW MUCH DIFFERENCE YOUR

CONTINUED SUPPORT FOR THESE BILLS IS GOING TO MAKE

BETWEEN GETTING THEM PASSED AND NOT GETTING THEM PASSED.

THE IMPORTANT THING IS TO KEEP YOUR EYE ON THE BALL

AND NOT GET BOGGED DOWN WITH SEMANTICS WHEN THE

IMPORTANT THINGS ARE THE PRINCIPLES AND THE PHILOSOPHY

OF WHAT YOU'RE DOING.

OUR PRINCIPLE AND PHILOSOPHY IS THAT THE PRESIDENT BELIEVES
IN AMERICANS AND HE BELIEVES THAT AMERICANS SHOULD HAVE
THE POWER TO DECIDE WHERE TO SPEND THE MONEY THEY EARN
AND WHERE TO LIVE AND WHERE TO SEND THEIR KIDS TO SCHOOL

WE BELIEVE THAT ANYBODY WHO WANTS TO EXPAND THE

FEDERAL GOVERNMENT SHOULD HAVE TO EXPLAIN TO THE FEDERAL

TAXPAYER WHY HE OR SHE SHOULD FOOT A BIGGER BILL

THAN THEY ALREADY DO BECAUSE THAT IS WHAT BIGGER

FEDERAL GOVERNMENT MEANS PLAIN AND SIMPLE

WE BELIEVE THAT IT IS MEN AND WOMEN LIKE YOU

REGARDLESS OF YOUR POLITICAL PARTY WORKING AT THE

LOCAL LEVEL AT THE COUNTY LEVEL ALL ACROSS THIS

COUNTRY WHO MAKE OUR AMERICAN WAY OF GOVERNMENT

SOMETHING VERY SPECIAL

THE PRESIDENT BELIEVES IN YOU, AND HE BELIEVES THAT

YOU SHOULD HAVE THE MEANS AND THE CLOUT TO REALLY MAKE

LOCAL GOVERNMENT MAKE A REAL DIFFERENCE YOU MIGHT

SAY THAT WITH THE NEW FEDERALISM THE PRESIDENT IS

PUTTING HIS PHILOSOPHICAL EGGS IN YOUR LOCAL GOVERNMENT

BASKETS

I WANT TO ASSURE YOU THAT GOVERNMENT IS ALIVE AND WELL IN WASHINGTON, AND THAT WE ARE SPENDING OUR TIME AND EFFORTS TRYING TO MAKE GOVERNMENT EVEN MORE ALIVE AND EVEN BETTER OUT ALL ACROSS THIS COUNTRY.

IN A VERY SMALL NUTSHELL, THAT'S WHERE WE'VE BEEN WHERE WE'RE AT AND WHERE WE WANT TO BE

AND WE WANT YOU RIGHT THERE WITH US WE'RE COUNTING

ON YOU BECAUSE YOU ARE THE PEOPLE WHO WILL ULTIMATELY

PROVE WHETHER WE'RE RIGHT AND WHETHER THE NEW FEDERALISM

CAN WORK OR NOT.

You haven't let us down in the past, and I know that
when President Nixon leaves office in 1977 on the
200th anniversary of this great Nation that thanks
to your help we shall be able to pass on to our
successors, and to our children, a revitalized version
of the Federalism that the Founding Fathers gave us
and that has played such a basic part in making America
the great and good nation that it is

THANK YOU VERY MUCH.



OFFICE OF THE VICE PRESIDENT

Date Feb. 28, 1974

0:	The Vice President
ROM:	Mr. Miltich
ACTI	OPRIATE HANDLING
	Friedman for your remarks before
	ational Association of Counties, her with Ken Cole's speech and
	material. Milt said Cole gave
the s	peech he was preparing for you.

REMARKS OF VICE PRESIDENT GERALD R. FORD 1974 LEGISLATIVE CONFERENCE, NATIONAL ASSN OF COUNTIES

as liaison with local governments. Will he take over where Agnew left off? (Agnew took active role that Counties want continued) Counties want definition of new Vice President's position on Domestic Council as it concerns them in their efforts to strengthen local governments. Has the President's concepts of links with counties changed during the transition?

Counties want Vice President to reaffirm interest in counties and clarify his new official status in dealing with them .

Want Vice President to recall previous efforts for Counties and work with John Brewer (introducing Mr. Ford). Recall enactment of revenue sharing.

Need to continue working together. Most recent victory on manpower legislation. Administration worked with Bernie Hildebrand and Counties' Washington staff to get bill through. Now working together on Community De velopment Bill. Hope for enactment this year

Your delegates now on Hill seeking action on manpower funding, community development, transit, and rural development funding.

Brenter - Reputation of Lexice in Congress.

Same Policy as V.P.

Gample I - Beneral Revenue Mining

New budget provides more dollars for counties in

Law enforcement

Manpower jobs

Transportation

Health



Stress movement away from categorical grants to block grants, more flexibility . Recall role as major floor sponsor of block grant in crime

Reassurance that Vice President will build on past record as minority leader with insight into County needs .

Vice President's attitude toward <u>pre-consultation</u>. Will he be accessible to Counties prior to announcement of Administration initiatives ?

(WARNING --- Conference is angry about tabling this week

of Land Use Policy Legislation . Consulted with Casselman and Domestic because

Council with prevailing view that Vice President avoid comment/of internal

Cong ressional nature of temporary impasse .)

NOTICE -- Ken Cole addressed Counties on Wednesday, stressing

President's New Federalism and Nixon role. Counties ask that Vice President

XXnot repeat. (Text attached).

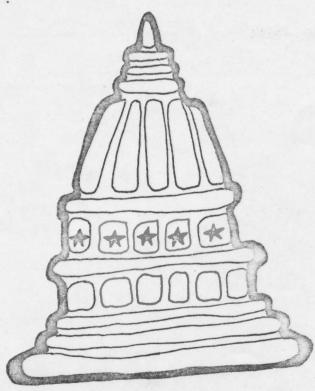
Also attached list of their legislative priorities with items they asked Vice President to comment on .

234-8440 Stingson

6272 Gannon

FORD

LEGISLATIVE PRIORITIES



Energy Legislation

The National Association of Counties is appalled by the federal government's lack of action on the worsening energy shortage. Congress and the Administration are continuing to squabble over emergency energy legislation. After eight months of attempts to reorganize federal agencies and formulate a consistant national program, there is still internal division and confusion.

It is now time to act. NACo believes the highest priority of the Congress has to be the enactment of comprehensive energy legislation. The time for further debate is over. The country cannot afford either congressional delays or threats of Presidential vetoes of this vital legislation.

General Revenue Sharing and Congressional Budget Reform

NACo urges the Congress to exempt future revenue sharing programs from the provisions of the Congressional Budget Reform bills and, therefore, the necessity of going through an annual appropriations process. The present versions of the Congressional Budget Reform bills, in both the House and Senate, would require that General Revenue Sharing go through an annual appropriations' process after 1977 just like any other federal grant program. Counties are trying desparately to move away from government by reaction and into government by planned action which requires a more stable and dependable financial base than presently exists.



V

Community Development Block Grants

As the Congress considers legislation consolidating various community development categorical programs into a single block program, NACo strongly recommends: that counties be eligible recipients of a guaranteed formula share of community development block grant funds; that the legislation authorize and provide financial incentive for multi-jurisdictional community development applications from units of general purpose local government; and that the Congress promptly enact community development block grant legislation at an adequate funding level.

Rural Development Funding

NACo urges the Congress to give top priority to appropriating the full annual amounts for the following grant programs authorized by the Rural Development Act of 1972: \$300 million for rural water and waste disposal grants; \$30 million for rural water and waste disposal planning grants; and \$10 million for rural comprehensive planning grants.

Manpower Funding

NACo congratulates the Congress for enacting the Comprehensive Employment and and Training Act of 1973. This legislation provides the basic vehicle to respond to the manpower needs of county residents. In view of rising unemployment in part due to the energy crisis, NACo urges Congress to promptly appropriate sufficient additional funds in the FY '74 supplemental appropriations for Title II. NACo also urges Congress to carefully review the level of unemployment in providing sufficient funds for the 1975 appropriations.

Transit Operating Funds

NACo urges Congress and the Administration to agree quickly on legislation giving counties and cities transit operating cost assistance. At least \$800 million per year is needed. In transit assistance and other local transportation decisions Congress should define local officials as ones locally elected, publicly accountable with capability to raise matching monies for federal funds.

Clean Water Funding

The National Association of Counties calls on the President to release the full \$18 billion appropriated by Congress for planning and construction of sewage treatment plants and sewage collection systems. NACo calls on the Environmental Protection Agency to speed up its funding and review process to provide local governments with the money now available.

Social Services Revenue Sharing

NACo supports the social services revenue sharing proposal (HR 3153) and urges the House Ways and Means Committee to conduct hearings as soon as possible so that the definitions and programmatic components of social services will be clearly identified. In the meantime, the status of the current regulations needs to be clarified by Congress so that services delivery will not be crippled by the absence of definitions.

Public Health Services

NACo supports continuation of public health services, planning and health manpower programs and urges the adoption of a federal-state-local cost-sharing program that reimburses states and counties for specified categories of public health services.

Land Use Policy Legislation

NACo urges the House and the Senate Appropriations Committees to recommend a substantial increase in Title IV-B to better match local resources. There is currently authorized \$226 million for Title IV-B child welfare services - those services guaranteeing protection and care to all children. The 1975 HEW budget request is \$46 million or only eight percent of total state, local and private agency spending (\$600 million).

NACo urges passage of the land use bill reported by the House Interior Committee (HR 10294) which contains NACo amendments strengthening local planning and reflects NACo's policy. NACo urges defeat of amendments to be offered on the House floor which would attempt to gut the thrust of the legislation. NACo urges the Senate to agree to all NACo amendments in the House-Senate Conference Committee.

Economic Development Act

NACo strongly recommends that the Congress assure continuation of the grant and loan program of the Public Works and Economic Development Act through FY '75 at a substantial level of funding. NACo reserves judgment at this time on the proposed "Economic Adjustment Assistance Program" until its details are made public.

Child Welfare Services Funding

Welfare Reform

NACo urges expeditious development of welfare reform legislation, including a national work security program to replace public assistance for employable persons. This program should provide income maintenance during periods of unemployment or training with an adequate minimum cash floor. This program should also provide support for individuals unable to work because of disability or the need to care for dependent children.

National Health Insurance

NACo endorses the principle of a single universal comprehensive health insurance system for all people. Comprehensive health benefits must be made available to all citizens regardless of socio-economic differences. The program should also cover expenditures related to public health and insure an adequate supply of manpower that will be needed to provide services covered under a national health insurance program.



Counties and the Congress A Partnership for Progress

County officials and Congress share the same goals in wanting to serve their constituents better, being responsive to their needs and working to improve government at all levels. It is a continuing, interdependent partnership.

The National Association of Counties (NACo) is the only national organization representing county government in the United States. Its membership spans the spectrum of urban, suburban and rural counties which have joined together for a common purpose of strengthening county government to meet the needs of all Americans.

NACo is governed by its member counties through a weighted voting system based on population. The counties elect a Board of Directors annually. Twelve policy steering committees meet several times a year to develop policy recommendations for the member counties. The organization's official policy positions are documented in the American County Platform.

NACo works closely with Members of Congress and Congressional Committees in gathering information on local needs and the views of county and local officials. This research is directed towards constituent services as much as legislation. In addition to the 70 staff members headquartered in Washington, D.C., NACo works closely with state associations of counties in 46 states. All total, there are 250 people ready to serve the Congress.

National Association of Counties 202/785-9577

1735 New York Avenue, N.W. Washington, D.C. 20006