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CONGRESSMAN
GERALD R. FORD
HOUSE REPUBLICAN LEADER

**NEWS
RELEASE**

--FOR IMMEDIATE RELEASE--
February 4, 1971

Remarks by Rep. Gerald R. Ford on the floor of the House

MR. SPEAKER: The President has laid before the Congress a compelling case for general revenue sharing with the states and cities. His arguments are most cogent.

What the President is proposing is a new approach to government. In a sense it is not new. He is asking that we return to the time when the bulk of government decisions in America were made in town meetings across the land. He is, in effect, urging that we return to government by the people.

I realize these are strange words when addressed to the representatives of the people, which is what all members of the U.S. House of Representatives are. I am fond of calling this "the People's House." But the fact remains that because the Federal Government is the all-powerful tax collector in this land we have strayed grievously away from the principle that government should be as close as possible to the people.

General revenue sharing affords the Congress an opportunity to come closer to the people--to put the money and the responsibility where the problems are.

I believe that in endorsing general revenue sharing a member of Congress will be reaffirming his faith in the local political process--and that process is the foundation of free government, government by free men.

The alternative to general revenue sharing is the grafting of new growth onto old Federal programs.

I urge that we take to new paths--that we cut through the tangled undergrowth of the Federal bureaucracy with an approach that will usher in a new era of self-government for the American people.

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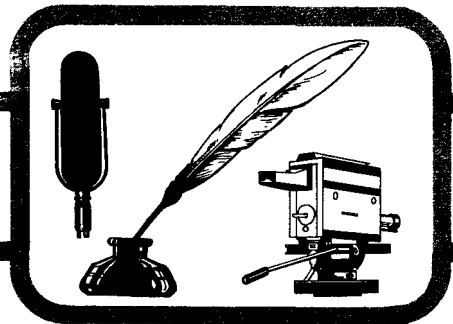
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--FOR IMMEDIATE RELEASE--

March 2, 1971

Remarks by Rep. Gerald R. Ford placed in the Congressional Record of March 2, 1971.

As President Nixon clearly spells out in his message received by the Congress today, there are vital and distinct ways in which special revenue sharing differs from block grants.

Special Revenue Sharing differs from block grants in that it would require no matching funds, no demonstration of maintenance of effort, and no prior project approval.

Special Revenue Sharing proposals are not a threat to the adoption of General Revenue Sharing. Special Revenue Sharing fits in with the same philosophy in which General Revenue Sharing is rooted--that no program or project strings will govern the use of revenue sharing funds.

Special Revenue Sharing funds would be spent under six broad headings--law enforcement, manpower training, urban development, rural development, transportation and education. State and local governments would enjoy great freedom and flexibility with the use of funds allocated for those general purposes.

The Nation has reached a critical juncture in the development of our federal system.

Revenue sharing--general and special--represents an historic opportunity to restore fiscal balance to the system and to markedly strengthen state and local government. It is an act of faith in the local political process. It is sorely needed.

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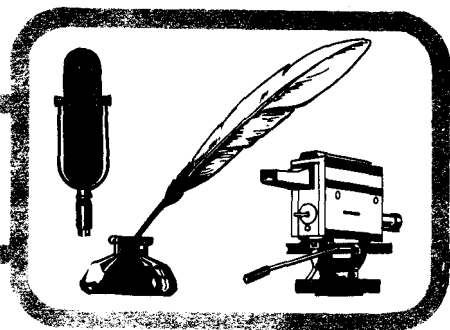
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--FOR IMMEDIATE RELEASE--

April 6, 1971

Remarks by Rep. Gerald R. Ford

Mr. Speaker, no effort is more vital to improving the quality of life in America than improving the quality of education in America.

For this reason, I look upon Education Revenue Sharing as the most important of the Special Revenue Sharing proposals sent to the Congress by the President.

The Education Revenue Sharing Message received by the Congress today should be scanned most carefully by every member, since it is aimed at remedying the most glaring deficiencies in our present system of Federal aid to schools.

I see Education Revenue Sharing as the answer to two of the greatest weaknesses in the present system--inability to plan and lack of flexibility.

Local school officials presently are at a tremendous disadvantage in budgeting from one year to the next. They can never be certain how much Federal aid they will receive. They are also handicapped in undertaking innovative programs. Washington requires that they abide by certain rules in order to obtain Federal funds.

Education Revenue Sharing would hurdle these barriers to proper local administration of schools.

There would be no fragmentation of Federal grants, no rigid assignment of funds. Instead there would be an assured Federal contribution toward the overall quality of local education, with flexibility for local planners.

I had anticipated a formidable obstacle to Education Revenue Sharing in connection with aid to non-public schools. But I find reassurance in the President's pledge that "non-public school students would be counted in the reckoning of population for purposes of allocation, and all forms of educational services would be available to them." Where State law prevents non-public school participation, the Secretary of Health, Education and Welfare "shall arrange for such children to receive similar services on an equitable basis and shall pay the cost thereof out of the State's allotment." I find this completely satisfactory.

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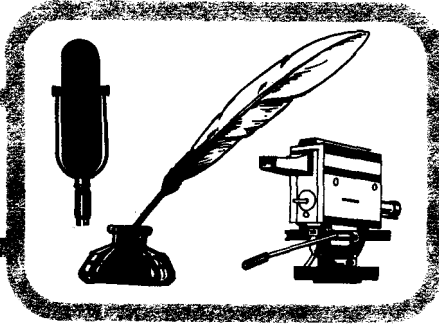
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May 27, 1971

Memo to Correspondents:

House Minority Leader Gerald R. Ford and other Republican sponsors of President Nixon's general revenue sharing bill will hold a news conference Tuesday, June 1, at 10 a.m. in Room 135, Cannon House Office Building.

Among the 133 Republican cosponsors of the measure in the House participating in the news conference will be Minority Whip Leslie C. Arends (Ill.), Conference Chairman John B. Anderson (Ill.), Conference Vice Chairman Robert T. Stafford (Vt.), Conference Secretary Richard H. Poff (Va.), Research Committee Chairman Barber B. Conable (N.Y.) and Rep. Dan Kuykendall (Tenn.), chairman of the Congressional Task Force on Revenue Sharing.

Assistant Secretary of the Treasury Murray L. Weidenbaum will be present to provide reporters with facts and figures on the Administration proposal.

Hearings on General Revenue Sharing will begin June 2 before the House Committee on Ways and Means.

Paul Miltich
Press Secretary to
Rep. Gerald R. Ford



**CONGRESSMAN
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**NEWS
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--FOR RELEASE AT 12 NOON TUESDAY--

June 15, 1971

(Note to Editors: A copy of Mr. Ford's letter is attached)

Rep. Gerald R. Ford today released the text of a letter to Grand Rapids Mayor Robert Boelens and members of the Grand Rapids City Commission urging Federal revenue sharing as an alternative to a local income tax increase.

Ford noted that the City Commission is considering an increase in the local income tax in the event the State Legislature adopts a bill permitting Michigan cities to raise municipal income taxes from 1 per cent to a maximum of 2 per cent.

Ford pointed out that the City of Grand Rapids allocation under the Nixon Administration's general revenue sharing plan would be \$2,215,551. This, he said, would come close to bridging Grand Rapids' unmet revenue needs for fiscal year 1972.

Said Ford: "While the Grand Rapids revenue sharing allocation would not totally bridge the dollar gap, it would go far toward doing it. It would seem entirely possible to effect some economies and thus obviate the need for a municipal income tax increase."

Ford said prospects are "bright" for a compromise between the Nixon Administration's revenue sharing bill and a proposal by House Ways and Means Chairman Wilbur Mills, D-Ark. He declared there "should be an area of reasonable and responsible compromise."

Ford urged continued support by the Grand Rapids City Commission for Federal revenue sharing.

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(The following is the text of the letter from Rep. Ford to Grand Rapids Mayor Robert Boelens and members of the Grand Rapids City Commission.)

"I am deeply concerned about the pressure on state and local officials to raise taxes to meet mounting public service needs.

"It has come to my attention that the City Commission of Grand Rapids is considering an increase in the local income tax in the event that the State Legislature adopts a bill permitting Michigan cities to raise local income taxes from 1 per cent to a maximum of 2 per cent.

"We are all also aware that Governor Milliken has proposed an increase in state income taxes and that the Grand Rapids Press has proposed a County income tax in view of the property tax bind in which the County Government finds itself.

"This prompts me to point out that--in my view--sharing of Federal income tax revenue with the states and local units of government is the best answer to the whole problem--the fiscal squeeze on the state and local governments and the growing tax burden on the local taxpayer.

"Federal revenue sharing is very much to be preferred to continued increases in state and local taxes. Revenue sharing would ease the pressure on state and local officials to constantly raise taxes or, on the other hand, to cut back services.

"Under the Nixon Administration's current plan to share roughly \$5 billion in Federal revenue with the states and local units of government, Michigan would get \$229 million. Of that sum, the State would keep \$128,883,405 and the rest would go to local governments. Of the local allocations, the City of Grand Rapids would receive \$2,215,551, and the Kent County Government would get \$1,363,217.

"I note that City Manager Joseph Grassie has estimated municipal expenditures of \$26.2 million for fiscal 1972, as against anticipated revenue of \$22.5 million. That leaves a gap of \$3.7 million.

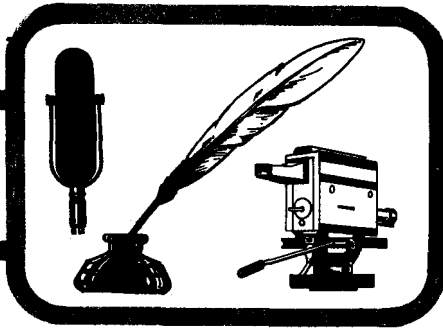
"While the Grand Rapids revenue sharing allocation would not totally bridge the dollar gap, it would go far toward doing it. It would seem entirely possible to effect some economies and thus obviate the need for a municipal income tax increase--in the event Federal revenue sharing were enacted by the Congress.

"Your continuing support for revenue sharing is needed now more than ever. Prospects have become bright for a compromise between President Nixon and the Democratic leaders in the Congress. House Ways and Means Chairman Wilbur Mills, the chief foe of the Administration bill, has come up with a modified revenue sharing proposal, and Senate Majority Leader Mike Mansfield has said he would like to see an "accommodation" between the Administration and Mills. I share the view of Senator Mansfield that there should be an area of reasonable and responsible compromise.

"Federal revenue sharing is the answer to steadily increasing needs for additional state and local revenue. Your support for the Federal legislation is vital.

/s/ Gerald R. Ford, M.C."

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REPUBLICAN POLICY COMMITTEE

REP. JOHN J. RHODES, (R.-ARIZ.) CHAIRMAN • 1616 LONGWORTH HOUSE OFFICE BUILDING • TELEPHONE 225-6168

10

92nd Congress
First Session

October 5, 1971
Statement Number 11

HOUSE REPUBLICAN POLICY COMMITTEE STATEMENT ON H.R. 10947,
THE REVENUE ACT OF 1971

The House Republican Policy Committee supports the passage of H.R. 10947, the Revenue Act of 1971.

On August 15, President Nixon announced a comprehensive New Economic Policy to improve the domestic economy and protect the dollar abroad. Implementation of the policy requires a series of interrelated actions, one of the most critical of which is Congressional passage of tax adjustments encompassed by H.R. 10947. The bill provides a balanced program of tax reductions for individuals and tax incentives for business.

Principal provisions of H.R. 10947 are:

- 1) The repeal of the manufacturer's excise tax on automobiles and small trucks;
- 2) a 7% job development investment credit for machinery and equipment. During the period of the temporary import surcharge the credit would be generally inapplicable to foreign produced goods;
- 3) acceleration of currently scheduled increases in the personal exemption and the standard deduction, elimination of the phaseout provisions currently applicable to the low income allowance, and an increase in the low income allowance to \$1300; and
- 4) tax deferral for export income of domestic international sales corporations.

(over)

The tax reductions are sufficient to bolster the Nation's economy, increase production and provide additional jobs. The inflationary effect of the tax reductions will be offset, if the other provisions of the President's New Economic Policy are adopted by the Congress. If we are to achieve these objectives, passage of H.R. 10947, the Revenue Act of 1971, is essential.

The House Republican Policy Committee wholeheartedly supports President Nixon's efforts to bring prosperity without war. We urge the passage of H.R. 10947.



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92nd Congress
Second Session

May 2, 1972
Statement Number 5

HOUSE REPUBLICAN POLICY COMMITTEE STATEMENT ON H.R. 14370,
THE STATE AND LOCAL FISCAL ASSISTANCE ACT OF 1972

"We propose the sharing of federal
revenues with state governments."

1968 Republican Platform

The House Republican Policy Committee supports the passage of H.R. 14370, which responds to President Nixon's initiative to revitalize state and local government through a program of general revenue sharing.

On February 4, 1971, President Nixon, recognizing the critical need to restore fiscal balance to the federal system and to strengthen state and local governments, proposed that the federal government share a portion of its revenue with states and communities. H.R. 14370, as reported by the House Ways and Means Committee, conforms to the general revenue sharing proposal of the President. It provides for the sharing of federal tax revenues in a way that will mitigate the paralyzing fiscal crises of state and local governments and enable citizens to have a more direct control of expenditures.

H.R. 14370 provides both an authorization and an appropriation for a five-year general revenue sharing program, beginning January 1, 1972, whereby \$29.6 billion will be allocated among state and local governments. In the first year of its operation the states will divide \$1.8 billion, the distribution to increase

(over)

in subsequent years to \$3.0 billion in the last year of the program. The local governments will receive \$3.5 billion in 1972 and in each of four succeeding years. The states' share is made available on a "no strings attached" basis; the local governments' share will be allocated for specific high-priority expenditures: public safety, environmental protection and public transportation.

Half of the states' share will be distributed on the basis of overall revenue effort (total state and local taxes as a percentage of personal income within the state); the other half of the states' share will be distributed on the basis of their income tax collections (subject to a floor and a ceiling based on federal income tax collections within the state). One-third of the share for local governments will be allocated among the states on the basis of population, one-third on the basis of urbanized population, and one-third on the basis of relative per capita income. The local share will be distributed among localities within the state initially in accordance with the same criteria, with the states having latitude to modify the criteria slightly after the first year and one-half.

Provision is made by H.R. 14370 for the federal collection of state individual income taxes after January 1, 1974, at the election of the state, and if at least five states, representing at least five percent of state individual income tax returns, elect such service.

H.R. 14370 provides the means best calculated to use the efficiency in collecting revenue of the federal government to reinforce the advantages of decentralized government. Federal revenue sharing provides additional funds so desperately needed by states and local communities; it permits fiscal flexibility and encourages policy innovation. The State and Local Fiscal Assistance Act of 1972 is landmark legislation and we urge its passage.



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**NEWS
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June 22, 1972

Ror Release Upon Passage of the Federal Revenue Sharing Act

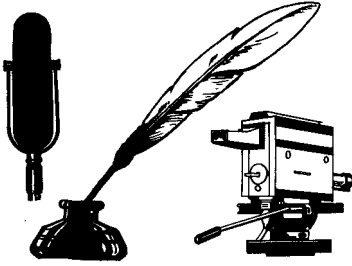
In approving Federal revenue sharing, the House has passed a sorely-needed local tax relief bill. This is a great day for the American people.

This legislation, originally proposed by President Nixon, will materially assist our financially hard-pressed states and local units of government. This will relieve the pressure for increases in state and local taxes. The local taxpayer will benefit.

Revenue sharing is a revolutionary new way to attack the problems of our cities. It will provide our cities with a fresh source of broad-purpose funds that can be used to fulfill their most urgent needs.

If the Senate does not pass this legislation this year, it will be derelict in its duty.

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