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OFFICE OF THE WHITE HOUSE PRESS SECRETARY

THE WHITE HOUSE
PRESS CONFERENCE
OF
OTIS BOWEN
GOVERNOR OF THE STATE OF INDIANA
DAVID PRYOR
GOVERNOR OF THE STATE OF ARKANSAS
HANS TANZLER
MAYOR OF THE CITY OF JACKSONVILLE, FLORIDA
AND
TOM MOODY
MAYOR OF THE CITY OF COLUMBUS, OHIO

THE BRIEFING ROOM

2:50 P.M. EST

MR. NESSEN: Some of the mayors and Governors are here to talk to you. Some of the others had to leave for one reason or another.

The Governors and mayors were briefed on the budget and State of the Union this morning, then had a meeting with the President. They had lunch with the President in the Residence, and then they came back and had additional briefings.

I think we will go ahead and make this unembargoed. There are some of the broader numbers out already in the State of the Union, and in the fact sheet. The Governors and mayors will understand that they will have to stay away from specific budget numbers which are not for release until 10:00 tomorrow, but I think within that we can probably work a briefing here that does not violate the budget embargo.

Let me introduce you first to Mayor Hans Tanzler of Jacksonville, who is the President of the National League of Cities. We also have Mayor Tom Moody of Columbus, Ohio, who is the Second Vice President of the National League of Cities. We have Governor David Pryor of Arkansas, and we have Governor Otis Bowen of Indiana, who is the Chairman of the Governor's Conference Commission on Crime and Public Safety.

I think the way we might proceed is that Mayor Tanzler will just sort of sum up briefly for the others his views of how the day went, and then you can ask questions of all the mayors and Governors.

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MAYOR TANZLER: Thank you, Ron.

I would like to say on behalf of the National League of Cities, which I serve in the capacity of President, as well as, I am sure, the other mayors that are present -- the Governors, I am certain, want to express their similar reactions -- that I am very, very grateful to have the opportunity to sit down with the President of the United States and the Secretary and go over those budget details prior to its actual release, although it might be after the message that we all watched last night with great anticipation.

The number one priority on behalf of the cities of the United States, I can say without equivocation--has been, is now and will be until re-enactment of general revenue sharing comes to pass--is the most important thing to us, and we are deeply grateful for the President taking the time to brief us and to candidly discuss these things with us, to have the opportunity to sit down and have lunch with him and to generally discuss our problems and to make those problems known to him.

We are appreciative of the support that the President has stated for the re-enactment of general revenue sharing. I would like to say once more, as I have said many times before, that if it is not re-enacted then a great majority of the cities throughout the length and breadth of this Nation will be faced with a reduction in the manpower necessary to furnish the basic services that are expected and simultaneously are probably going to have to, as most of us will, increase taxes dramatically to offset the loss of those dollars.

I feel it is not a debatable philosophy at this time, but one of absolute necessity for the Nation, and the economy of the Nation, and could not be more counter-productive in spite of tax cuts that the President speaks of and many other things, that unless general revenue sharing is re-enacted, it will be more than offset by the entire problems that will be brought to bear by the cities that are already tightening their belts and trying to make do and so forth.

I would like to generally say also that the budget, as we have seen it -- as you can see, we have a great deal of studying to do to go over that; it is quite thick and we have not had the opportunity to go over it in detail -- that certainly our impressions are that overall, as far as I am concerned, I can say that it is better than I had hoped in some areas and not as good as I had hoped in other areas.

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But, all in all, I think as we get a chance to study it deeper, we will have a chance to comment further on it at a later time. But, all in all, I think the budget, as the President has presented it, is a very fair one and until I have an opportunity to go into it in more detail, I think I would like to simply conclude with that and thank you.

GOVERNOR PRYOR: I don't see the need for a statement. If there are any questions --

Q Mayor, did you talk about manpower funds, CETA funds and what might happen on that score?

MAYOR MOODY: I spoke briefly to the President about the problem I have in Columbus. I spoke in great detail to Jim Lynn, who volunteered to deal with that kind of matter for all of us who were there.

Q Did you get any reassurance about that program?

MAYOR MOODY: In the President's budget, is this what you are asking Mr. Embry?

Q In any of your specific discussions of that change in policy.

MAYOR MOODY: There are two issues involved here. One is a local issue of great concern to me, but with regard to the President's budget, I think he has set a course for the country which is not too desirable for my city, but yet I believe that that is the professional course.

I think one of the things you have to remember is that we mayors are also citizens of the country and the national purpose as expressed in a budget document or in legislation is of interest to us even when it hurts us.

I think we are pretty selfish about our own territories, and I am in that category on the particular issue of which you have knowledge.

The President, however, wisely has recommended an extension of those programs for a limited period of time in the hope that by 1977 they will no longer be necessary. There seem to be some indications he is on the right track.

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Q Governor Pryor, do you think you will have as good programs in your State, in social welfare areas, as now with the Federal Government directing it?

GOVERNOR PRYOR: I believe we will. I do feel that the approach that the President is taking in his budget message and in his own philosophy of the budget proceedings is one of taking over as many Federal controls as possible and placing on the States the impetus or the thrust, let us say, of the necessity for the States coming forward and using these monies wisely and efficiently and very responsibly.

I feel that in concept I do support the basic philosophy behind the President's proposals, and I think, for example, the State of Arkansas, which is a small State -- two million people -- I think we can take this program and efficiently manage those monies well. I was very, very pleased that the President has proposed an extension to the revenue sharing program which affects our States so very critically at this point, at this juncture in time.

Generally, I would like to echo the sentiments expressed. I do appreciate the courtesy of the President in inviting Governors and mayors to this briefing today. He has spent a great deal of his own time personally.

It is my understanding he has spent about 150 hours of his own time in preparation of the budget. I do feel, in speaking just from what I have seen thus far, it does represent a common sense approach in attempting to solve some of the problems.

Q You need a lot of development in Arkansas. Is there anything in the budget which is going to develop underdeveloped areas?

GOVERNOR PRYOR: We will take what we can and do the best with it. If we had \$50 billion in Arkansas, we could not develop it, I guess, like we would like to, but we are going to take what money we receive and use it wisely.

In some of the programs, there may be some areas -- again, not violating the embargo -- where we might not receive as much money as we had anticipated, but with the strings removed, with the block grant approach from the Federal Government to the State, I do think we can manage those programs much more efficiently, and I do feel on the State and local levels we are more sensitive to the problems and possibly to finding some of the correct solutions without having to come to Washington every two days or calling here daily to see what criteria is necessary for the implementation of those programs.

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I think this is a very key factor in the whole budget procedure, especially this year, because I think the President's message last night and the budget message itself reflects an anti-bureaucracy attitude of the President and pro-people posture.

This budget, I think, will work if, in fact, it is implemented well by what we call the bureaucracy, and that is the key to it.

Q You talked to other politicians. Do you have any feeling yet as to how the Congress is going to react to the idea --

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GOVERNOR PRYOR: I have not talked to any Members of Congress. I got here late last evening. I have no idea. There will be, I assume -- from looking back over the little while I spent there personally myself -- I am sure there are going to be some Members of Congress on both the House and Senate side who feel the States should continue the matching fund formula with the Federal Government; that if the States don't do this that the States are going to be in a position of not carrying out the true spirit of the Federal enactment which made the Federal money possible.

I look at it conversely because I feel that State politicians, mayors, county judges, county officials, all of us on the local levels, are extremely sensitive today to the constituency we have, that we will respond, we will respond adequately, and that we won't be able to get too far out of line, and I support the block grant formula.

Q Governor, will you use whatever influence you have on the members of the Arkansas delegation to support this concept?

GOVERNOR PRYOR: Yes, the concept, yes, but the specifics -- for example, I will take home tonight the copy of the budget proposals that we have in the budget. I will give those tomorrow to the 13 department heads or members of our own Cabinet in the State to see how these proposals affect State Government in Arkansas, how they affect our health programs, how they affect our highway funding, et cetera, and then in about a week I think I will be able to have a better idea of those programs that I put the top priority or support with greater zest than some of the rest.

I will use our support, whatever that might be, to hopefully get votes for the concept expressed in the President's budget.

Q Governor, did President Ford urge all of you Governors and Mayors to use your influence with the Members of Congress?

GOVERNOR PRYOR: I would not use the word urge. He did request and he did ask us if, when we could, to help, and we have the National Governors Conference coming up in the next few weeks, actually, and I assume possibly the Governors at that Conference will discuss these proposals. He did ask us, I might say, to support his program.

Q Gentlemen, I get the impression that the President thinks he has a political issue here which really crosses party lines and that he can get widespread support, Mr. Nessen laughing notwithstanding.

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On block grants I think the President has felt out the National Governors Conference and feels they are solidly behind it. Do you feel this is going to become a non-partisan issue and that Mr. Ford is on the winning side of this?

GOVERNOR PRYOR: I don't want to discuss politics, but I do say I feel the Governors support the block grant concept and I think the people support the block grant concept.

Q How about the rest of you?

MAYOR MOODY: I would echo the expressions of the Governor. Yes, the block grant concept sweeps across all political lines. I do anticipate some considerable degree of fuss between Mayors and Governors and county officials over particular funding levels and pet projects. The President's budget is not an answer to all of the problems of the cities, and I presume not of the States. But the President's budget is a good combination of a philosophical document that allows us some room to work out our problems. And in some areas where there are reductions, or increases less than we should like to see them, we anticipate considerable savings just in the red tape area of it.

I say without hesitation that we can save 10 to 15 percent off any category program that is in a block grant program and that lets the money reach the intended targets, whether it be people or project. This is the big concept I think we, as Democrats and Republicans, here can endorse. I don't think the President's budget is one, however, that all of us are going to accept blindly and say that is the most wonderful thing there was.

Q But just on the issue of block grants, do you think everybody in the room agrees that is a good idea?

MAYOR MOODY: I heard no exceptions.

GOVERNOR BOWEN: As a Midwestern Governor from Indiana whose philosophy I suspect parallels that of the President, let me say I think the President has done his homework very well. He has listened to the various heads of State and I think he has listened to the various heads of cities and he has listened to the people, which I think is far more important.

He has stated that he wants to consolidate many of these categorical grants. In fact, he has stated he wants to consolidate 59 of them down to four basic areas.

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I think it goes along with the philosophy of many of the Governors.

The area of social services and health and education and the nutritional programs certainly are worthy of study, and consolidation of 59 of these into four with block grants rather than the categorical grants, permits the States then to accept more of the responsibility, and I think this goes along with what most of the Governors wish. So we were handed some two thousand pages today of the work of the budget committee. We had a splendid briefing. We feel, I think, a little overwhelmed with the massiveness of it, but in general I think that we are well pleased with the trip.

Q Is it correct that all of you feel that you still want the Federal Government's money? That you don't want the State and local agencies to have to take over the responsibility for bringing in the taxes for that?

GOVERNOR PRYOR: I don't think we consider that all the Federal Government's money. I think we consider that part of our money.

Q But you don't favor the idea of turning over the funding as well as the control?

MAYOR MOODY: I would certainly answer. I am conservative enough that I don't want any money coming to the Federal Government and I would personally accept very drastic reductions in Federal taxes so that we could properly tax ourselves at the local level.

On the other hand, I am realistic enough to know that is not going to happen. And as a conservative I can say the block grant concept is one that enables us to get more bang out of the dollar than the categorical programs and that is why we accept it.

As long as we are going to have the Federal Government in this business, to deal with cities that can't take care of themselves, or to assist cities that can but would like something extra, then this is the best way for us to get it.

In other words, I guess I would say, sir, that your question assumes something that is not fact. We come from a wide spectrum of backgrounds and we can join on a block grant concept.

Q Governor Bowen, do you support what the President has outlined in his State of the Union Message and budget proposals in this matter of State and local aid as against what Governor Reagan has proposed?

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GOVERNOR BOWEN: I would support the President's viewpoint on it, and as you reduce the amount of money that comes to the States from the Federal Government, if you, at the same time, reduce a lot of the rather ridiculous regulations and mandates that require the States to spend more money, then, yes, I think the States can get by with a certain degree of less money.

However, once the States and cities have received certain amounts -- they have good programs going. I think all of you must understand you can't suddenly pull the rug out from under the programs and expect the States and the cities to be happy about it.

Q Gentlemen, the President has talked about the National Governors Conference, I believe, being on record as opposing turning over the funding to States and to local agencies. How about the mayors, has the Mayors Conference been on record one way or the other on that?

MAYOR MOODY: We are at somewhat of a loss. Both of us are members of the U.S. Conference of Mayors but spokesmen for the National League of Cities. In my recollection, there has never been opposition to block grants. But members of both the Conference of Mayors and the National League of Cities object to the States except on a pass through basis. That gets pretty complex and varies from issue to issue.

The larger cities, particularly, prefer to deal directly with the Federal Government, not because we worry about the States as such, but because in the larger cities I think some of us worry about rural legislatures and some of those political pressures at home that we feel interfere with our getting a job done.

Q Gentlemen, can you say whether there was any consensus at the meeting as to the prospect of Congressional approval of the President's proposals on block grants?

MAYOR TANZLER: I don't think it is possible for us to give any real reaction. We did not have any straw vote or poll or anything of actually what was the impression of each one of us.

We did not say, "What do you think? Let us decide how we feel on these issues." We just simply spoke for our individual States and individual cities and the organization that we represent. I don't think we can really say with any degree of usefulness for your purposes what the likelihood of success or failure might be in Congress.

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Q I think Governor Pryor said the President asked you to work to get support for the program. Did he indicate that he was optimistic?

MAYOR TANZLER: I am not sure I could read any optimism in his attitude or that of the Secretary. I can only say that I could only give my own reaction, and I have some optimism that the budget is -- at least the exposure to it that we were limited to here this morning -- I feel is a fair budget in view of what is the national feeling, as I view it, from the deep South, that there is a need for elimination of the complicated bureaucratic red tape.

There was a great emphasis on that, of cleaning that up and making it more streamlined, trying to pass the dollars through in such a way in the block grant as has been discussed here this morning, in such a way that those in the individual States and local communities might be able to put it into better use, at the same time trying to do something about economic recovery.

I was encouraged by that. Additional public housing units. There is some other area that maybe we are not in total agreement on, but I recognize also that these are times when we are trying to cut a budget and, at the same time, recover from recession and a depression.

Q Sir, did you all, individually or collectively, talk a little politics with the President? Did you tell him how you thought things were going to come out or how you thought your area would go?

MAYOR TANZLER: No, ma'am, it was not raised one time to my knowledge, either during the briefing or at the luncheon, and I sat next to the President at the luncheon and he did not mention politics at one time.

Q Could you explain something about these block grants? For instance, in crime in the streets in the cities, would that mean the elimination of agencies like LEAA, which provides funds for crime prevention?

MAYOR TANZLER: As I recall, the LEAA funds were rebudgeted with some greater flexibility again on local Government and State Government to apply those funds.

Q Is that included in the block grant, then?

MAYOR TANZLER: Yes, ma'am.

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MR. NESSEN: It is already a block grant.

Q Can I ask you or any of the Governors if you can cite any specific instances that would be evidence of your belief that would prove that State and local Governments can administer programs more efficiently, more effectively than the Federal Government?

It seems to be the basic proposal being made here.

MAYOR MOODY: I am willing to volunteer. The question asks for instances which prove. I think any of us can only respond with evidence to support because proof is uniquely a conclusion of the listener. Certainly, I would offer the example of the revenue sharing funds in use in Columbus because I think it provides strong evidence that we can use that money much more effectively when we have it, not only over a period of time, but we have assurances of funding levels, and we can do away with the gamesmanship of grantsmanship.

I think it is significant that in many of the proposals made in the President's budget, some of which are totally outside my own sphere of concern, except in a general way, his proposals call for transitions over a period of seven or eight years.

This is a very significant thing because it means that with a transfer of this authority to local and State Government, we are not going to clean out all the deliverers of a particular service.

We are not going to be involved in the political game, but it will be a phase-down on the one hand of existing things and a phasing up with greater flexibility at the local level.

This, to my knowledge, is the first time that we have ever had a program which had a recommended transition period of seven to eight years, and I can tell you that is quite a different thing than when we were hit with the moratorium in HUD in the early seventies and our transition period was about three months and we were all just caught sitting.

THE PRESS: Thank you very much.

END (AT 3:15 P.M. EST)

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