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JUNE 3, 1976

OFFICE OF THE WHITE HOUSE PRESS SECRETARY

THE WHITE HOUSE

EXCHANGE OF REMARKS
BETWEEN THE PRESIDENT
ROBERT RAY
GOVERNOR OF IOWA
AND
VICE PRESIDENT NELSON ROCKEFELLER
ON GENERAL REVENUE SHARING

THE STATE DINING ROOM

2:55 P.M. EDT

THE PRESIDENT: Mr. Speaker, Mr. Vice President, Governors, Mayors, Members of the Congress:

This meeting was called at the suggestion of the New Coalition which is composed of Governors, Mayors and other locally elected officials because of their concern as to the status of general revenue sharing. I have been concerned, as I think all of you know, because the date is getting very close at hand when the present legislation expires on December 31, 1976.

In the meantime, Governors, Mayors and other locally elected officials have a serious problem of determining what they can include or what they can't include in their budgets that must be submitted to their constituents. I have talked to Members of Congress on both sides of the aisle, I talked to the leadership of both the House and the Senate. Time is running short. So I am delighted to have this opportunity of bringing the Governors and Mayors and others together with the Members of the House, the leadership, Democratic as well as Republican, to determine how quickly we can act and what kind of legislation we can expect.

If legislation is not enacted, the Governors as well as the Mayors and others will be faced with making decisions, either they have to increase local taxes or they have to cut back services. It seems to me the better solution is to get an extension of our general revenue sharing legislation which was first enacted in 1972 and under the proposal I made would extend for another five and three-quarter years.

Time is running short. I hope that out of this meeting we can come to some agreement as to what can be done and how quickly it can be done.

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I am familiar with the fact that the House Committee on Government Operations has concluded its deliberations and has gotten a rule to proceed next week, I understand it is anticipated -- or I would hope it is anticipated -- it would be on the floor very quickly.

In conclusion, I would simply emphasize the need for action and the kind of action which would extend the present law to the maximum degree, both as to dollars and as to time.

I thank you all for being here.

Mr. Speaker, would you like to make a statement?

SPEAKER ALBERT: We have put it down subject to a rule Wednesday next.

THE PRESIDENT: That would be good.

Bob, would you like to make a statement?

GOVERNOR RAY: Mr. President, I want to, first of all, thank you for honoring our request. The New Coalition is comprised of the groups I mentioned -- the Conference of Mayors, National Conference of State Legislators, the National Association of County Officers, National League of Cities and National Governors Conference.

The people who have been working in this area in these respective organizations asked if it would be possible to meet with you and the leadership of the House because it is of great concern to their membership and the people from these various organizations.

We are greatly concerned about the time and, Mr. Speaker, that is good news for us, and we are also concerned about the period of time that revenue sharing will be continued because one year, for instance, would just create havoc and chaos for us who tried to administer State Government and local Government.

So, these are the two main points that we would like to make and we, of course, are very appreciative of your leadership in this area. But likewise, we had a good meeting with the leadership, the Democratic leadership on the Hill, back in February, and we are most appreciative of that, also.

But that is the purpose of our desire to meet with you and we certainly want to say thank you for giving us the time and discussing with us. If there is any way we can impress upon people the importance of revenue sharing for us who are in our States and in our cities and in our counties, we certainly would like to do that. These people that represent these organizations -- I am sure if we have a few minutes they would like to have an opportunity to be heard.

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THE PRESIDENT: I think it might be helpful to call on the Vice President. In 1972 he was in the forefront of getting the basic legislation enacted and, of course, he is really the only representative of the Senate here today.

Mr. Vice President, would you wish to make any comment?

VICE PRESIDENT ROCKEFELLER: First, I can assure you if it is a tie vote, I will vote favorably.

Secondly, you made most of the points, Mr. President. There are two, I think, which are important. One is, the Federal Government is the large collector of income tax revenues and they are the fast growing revenues. Many States don't have income taxes, and they have real estate taxes and sales taxes which don't grow as rapidly so that the Federal Government has a revenue that is growing more rapidly, and this is one reason.

The other reason is a philosophical one; namely, the concept of a Federal system, Federal, State and local Governments, with the categorical grants.

Now, 1000 local Governments -- that is, State and local Governments -- are losing the kind of flexibility which they have had traditionally to be responsive to their own constituents. They are bound by legislative regulations, administrative regulations on these hundreds and hundreds of programs so that the flexibility is lost.

Revenue sharing gets around that and does give flexibility, which I think is part of our tradition as a form of Government. So, I think it is tremendously important to have this. I think the experiment is extremely useful, and I am delighted with what everyone here is doing to re-enact this legislation.

Thank you.

END (AT 3:10 P.M. EDT)