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## THE WHITE HOUSE

REMARKS OF THE PRESIDENT  
TO THE  
BIPARTISAN GROUP OF MAYORS

## THE STATE DINING ROOM

2:07 P.M. EST

Members of the Cabinet, distinguished mayors from around the country, ladies and gentlemen:

I am delighted to see all of you here. I have had the opportunity to meet with many of the officers of your organization, representatives of the Mayors throughout the country, but it is nice to have an opportunity to say a few words to a group that represents so many people and a group that on a day-to-day basis, works trying to solve the problems that we have throughout the country in municipal or other local areas.

I know you are going to meet with some of the Cabinet members and others to discuss specifics so I will try to stay away from some of the details.

I like to talk very frankly about the things that I see as most important from your point of view and from the point of view of the Government and the people as a whole. And let me be very categorical. I think general revenue sharing is in very deep trouble, and unless the mayors and the county officials and Governors get to work, working with us, you are going to end up with no general revenue sharing bill before Congress quits.

This has to be a massive joint effort. The present law, as you know, expires December 31. Under that law, some \$30 billion will have been made available to States and to local units of Government. In the Message that I sent up to Congress last year, eight months ago, there has not been any forward movement in the Congress on the legislation.

If Congress adjourns sometime in the fall without acting on it, there won't be any authorization for the \$6 billion 500 million I put in the budget for States and local units of Government.

I was talking to some Governors the other day and they were asking me about it. They have to make up their budgets some time in 1976 for the calendar or fiscal year that begins January 1 and if Congress quits without acting on it, they can't make up a budget to include this kind of general revenue sharing money. And I suspect the same thing happens with municipalities.

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So if you want a general revenue sharing bill, you have to move -- working with us, with the Governors and with county officials. Time is getting very short. Congress has two or three recesses between now and when they are going to adjourn and the days for affirmative legislative action are getting smaller and smaller and I think we have to launch a massive effort to get some action. Time is of the essence.

Now let's talk about some of the other programs that all of you work with on a day-to-day basis, where the Government can be helpful, has been helpful, where the concept of block grant programs, I believe, has been beneficial to the recipients -- those you serve and yourselves.

Let's talk about the community development program. In the budget that I sent up a week or ten days ago, we recommended \$3.2 billion -- \$450 million more than in the current fiscal year. We recognize that all of you in communities have special problems and we are trying to make sure, under the Community Development Act of 1974, that you are going to not only get the benefit of the consolidation of categorical grant programs where there are seven cut down to one, but we also recognize that with a better way to deliver those services, you are going to get more money.

So when I hear criticism that this Administration is not responsive to the needs of local units of Government, the facts tell a different story.

Now I would like to say a word or two about four other programs that we are seeking to consolidate so that at the local level you can do a better job of delivering the services -- health, education, social services, child nutrition.

The health programs under the categorical grant system, I think, have not been delivered as well as they should, and let me illustrate why they can't be delivered effectively. Let me show you how these health services are delivered. \$10 billion from the Federal Government to States and local units of Government delivering health services, some 15 different basic programs, \$10 billion. You can't possibly deliver the services effectively with that kind of a system, and what we are trying to do is consolidate these programs so that the money goes from the Federal Government, that is important, without any matching fund requirement so that the people who are the beneficiaries get the services much more effectively.

Now we have the same problem in primary, elementary and secondary education. The chart looks as bad, if not worse, and what we have recommended in the case of education is the consolidation of -- I think there are 27 programs in this area. So you can imagine it looks much worse than this one with only 15, and we are recommending \$3 billion 300 million with \$150 million bonus so that nobody can say that we weren't responsive. But nobody can defend that kind of a system.

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In the case of child nutrition, it is a little different, but there are some 15 programs there. What we found was that under the programs as they exist currently, around 700,000 children who come from families above the poverty line are getting benefits and more or less a corresponding number of children below the poverty line are not getting the benefits. Now I don't think you can defend that. Giving money to the families above the poverty line and depriving children from families below the poverty line, will anybody stand up and defend that? I can't.

So what we want to do is to make certain and make positive that the children of those families that are below the poverty line get the benefits. It is just that simple. It is a better program, and it won't go through the red tape of some 15 categorical grant programs.

And the same is true in social services. Again we are trying to make sure that the recipient gets the benefit as intended by the Congress with Federal money, no matching money. We are trying to help you so you will have responsibility and the ability and the capability to run the programs.

We need your help to convince Congress that this is not the way to do it, and what we are proposing is a better way to do it.

Let me recapitulate the benefits. We are taking the services that are now being provided with Federal dollars requiring matching and saying to all of you elected officials and your administrative helpers, we will give you the Federal dollars, not require matching and expect you to run these programs properly and effectively.

Oh, I know there are some people who say you can't trust local officials, you can't trust the Governors. I don't believe that. I have a lot of faith in you people and I happen to think that if you don't do the job, your constituents reflect that, but I think you will. And I believe not in taking a Federal program, removing the Federal money and dumping the requirement on State and local units of Government. That is not the way to solve the problem. The way to solve it is to give you the money, give you the responsibility and know that you will carry out what the American people really believe in.

I just walked over with Secretary Coleman and we have some good news on legislation that finally got through the Congress yesterday. It is the rail bill that involves around \$6 billion 800 million that gives us the opportunity to help railroads, particularly in the Northeast corridor, gives us the opportunity to get some regulatory reform.

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One thing that Secretary Coleman told me as we walked over was that in this legislation -- legislation that we recommended and finally got the Congress to agree to -- there is money in there for some 30,000 to 40,000 jobs in the rehabilitation of rail beds and a wide variety of other programs, and Secretary Coleman has promised me that there will be immediate implementation of that legislation. We not only need our rail system working better, but we can also, in a constructive way, rehabilitate the railroads so that they can provide the services both for freight as well as passenger service.

There are a number of other programs that I know will interest you and you, undoubtedly, have a great many questions that you might like to ask. But if we work together -- general revenue sharing, some of these consolidation programs -- if we work in unison, we can achieve a great deal. I happen to think that we are on the right course in trying to get over the hump of the recession that we had in 1975 where we had very high inflation and unemployment, much too high, but by a firm, steady, constructive program of trying to watch the expenditure of Federal dollars and not going for some of these quick fixes that some people advocated, the rate of inflation is going down. The rate of unemployment is headed in the right direction -- down. And we are laying the foundation for a healthy economy with the emphasis -- with the emphasis -- on the private sector and that is where you get your tax money.

If you have a healthy economy, you can collect and will collect money at the local level to provide the services that your constituents require and it will give us an opportunity to help you with Federal dollars in better managed programs such as we have proposed.

I am an optimist about America. I believe the system that has given us all these blessings for some 200 years is a better system than some Government-managed economy, and working together we can, I think, give us a good year in 1976 and an even better year in 1977.

Thank you very, very much.

END (AT 2:22 P.M. EST)