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Office of the White House Press Secretary

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THE WHITE HOUSE

TEXT OF REMARKS BY THE PRESIDENT  
TO BE DELIVERED  
TO THE ANNUAL CONGRESSIONAL CITY CONFERENCE  
OF THE U. S. CONFERENCE OF MAYORS

WASHINGTON HILTON HOTEL

I am honored by your invitation to speak at this very important conference on general revenue sharing. We are joined today in a single cause: a cause that is as old as our Republic and as new as today's legislative calendar. The cause of which I speak, and to which we are all firmly committed, is the cause of responsible, responsive and representative government in America.

Your purpose in coming to Washington--a purpose in which I heartily concur-- is to urge the Congress of the United States to do what experience and common sense and America's most fundamental concepts of government demand that it do: extend the proven General Revenue Sharing program which expires in December, 1976.

The Federal Government, like the cities you represent, was chartered by the States. The framers of the Constitution did not intend to create a monolithic, autocratic, omnipotent central government. Instead, they carefully constructed a system in which authority and responsibility and accountability were to be shared by different levels of government, as well as by the three Federal branches of government.

That system of government established by the Constitutional Convention two centuries ago can be effectively reaffirmed by the 94th Congress this year-- and it must be. For too long the reins of power in this country have been gathered--tighter and tighter--into the hands of the Federal Government. For too long, programs of narrow categorical aid multiplied, at great and growing expense to the Federal budget, and the American taxpayer.

In 1972 there were well over a thousand of these Federal programs-- each limited in scope, restrictive in operation, and equipped with its own bureaucracy--chipping steadily away at the Founding Fathers' system of shared responsibility and local control.

With the enactment of the Revenue Sharing program in 1972, the Congress made an important and historic break with this unwise and unhealthy trend. I was a leader in this effort; and I know what the intent of Congress was. In the four years since the revenue sharing program began, State and local governments have proved beyond doubt the merit of local control over local concerns.

To date, more than \$23.5 billion in Revenue Sharing funds have been returned to the fifty states and some 39,000 local units of government. In fiscal year 1975 alone, more than \$7.1 billion were well spent on a wide range of vital public services and facilities. Nearly 25 percent of those funds were spent on public safety. Almost 22 percent was spent on education, 13 percent on public transportation, more than 7 percent on environmental protection, and about the same percentage on health services.

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These are programs that help people, and in case after case, they are programs you simply could not have afforded, had it not been for revenue sharing. When you were put in charge, you proved--as I knew you would--that you know a lot more about what your cities need than the Washington bureaucracy does.

That bureaucracy has been held at an absolute minimum in the operation of revenue sharing. Only about twelve one-hundredths of a penny of every dollar, authorized for general revenue sharing in the past four years has been spent on Washington's handling of the program.

That is an amazing statistic, and it is a very encouraging sign that bureaucratic overhead need not rob the taxpayer blind, nor bind your cities and States in a maze of red tape, in order for a federally-funded program to succeed. In thousands of cities and counties, in all fifty states, revenue sharing has spelled success. If there was ever a program that has earned its keep, revenue sharing is that program.

Last April, I proposed a five year and nine month extension of the General Revenue Sharing program. This proposal represented an increase in funding of almost \$1 billion, for a total of \$39.85 billion, and called for changes to improve the effectiveness of the program. Eleven months ago, I urged the Congress to take prompt action on this proposal.

I did not ask the Congress for "rubber stamp" approval of this important and substantial program. It deserved careful study, but it also deserved immediate attention. The Congress obviously did not share my sense of urgency. It is becoming increasingly apparent that the Congress fails to understand the importance of this program to the people of the cities and counties and States of our Nation.

After eleven months, a House subcommittee has just begun to mark-up a revenue sharing renewal bill. While I am glad to see some movement, I am concerned with their initial decisions. The prospective changes being discussed would greatly reduce the funds all cities now receive, even those cities which might gain from a revised allocation formula.

Behind all the rhetoric associated with the growing Congressional debate over renewal of this program is a very fundamental issue: whether or not to continue providing cities, counties and States with the effective Federal assistance now authorized by this program.

It is just too important to your cities. It is just too important to your States. It is just too important to America's future. The General Revenue Sharing bill must pass this year. You know that failure to renew this program would weaken the fiscal stability of your cities. You know that expiration of this program, or a reduction of the payments you now receive, would mean cutbacks in essential services, increased public and related private sector unemployment, or the imposition of more taxes. Maybe this is what some partisans want. But I don't.

I share your concerns, and I stand firm in my commitment to secure an extension of general revenue sharing, which would no longer be a partisan political issue. If you will work with me, we can meet that common commitment, and we can do even more good with revenue sharing in the future.

Another legislative matter of urgent importance is the passage of a \$1.7 billion supplemental appropriation bill to continue funding of public service jobs under the Comprehensive Employment and Training Act. Many of your cities face the imminent prospect of firing thousands of workers because the Congress has not provided the funds you need to pay them.

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I know that many of you wanted more than this \$1.7 billion program. I know that a \$6 billion public works bill sounds good--especially if you don't have to borrow the money to pay for it. I respect your position, even while respectfully disagreeing with it.

The Federal Government simply could not afford that program. Even if it could, it would have taken months to put the program in place. By that time, given the pace and the strength of our current economic recovery, that \$6 billion bill would very likely have done more to feed inflation than to fight unemployment.

But one thing is clear: if the Congress was prepared to spend more than \$6 billion to initiate a program of dubious value, it should be willing to spend \$1.7 billion to continue the CETA public service jobs program already underway.

I promise to do all that I can to secure the passage of this bill, and get you the money you need to operate this program. Another program of proven value to your cities is the community development block grant program we began last year. Success stories abound.

In Muskegon, Michigan, the city combined community development funds with local funds to finally complete a downtown urban renewal project that had been underway for seven years. In Salt Lake City, local officials used block grant funds to match other Federal funds and establish a park in a low income area of the city.

Using community development funds, the city of Winston-Salem, North Carolina--is stimulating renovation of old neighborhoods by offering a cash payment of \$2,000 to people willing to move into the areas and renovate the homes. There have been many, many other examples of innovation and progress in cities throughout the country.

Because there has been so much success with this program I have proposed a \$446 million increase for community development in my fiscal year 1977 budget, bringing the total to \$3.2 billion dollars. One of the best success stories of all in the community development field is this: Federal intervention and control has been drastically reduced, with favorable results.

Federal regulations governing program activities have been reduced on my orders from the 2,600 pages required for categorical aid to 25 pages for the block grant approach. A community has to file only one application, consisting of 50 pages, rather than the previous average of five applications consisting of 1,400 pages. Processing and approval of a community development block grant averages 49 days. Under the categorical urban renewal program, processing took more than two years.

The success of the Community Development Block Grant Program, like the success of revenue sharing, points to one central fact: You know what to do to improve your cities, and you know how to do it--and with the proper tools and the necessary resources, you can do the job that needs to be done.

Today, no single man, no single level of government can be expected to transform America's cities overnight or all alone. The cooperation of Federal, state and local governments--of Presidents and Congressmen, of Governors and mayors and councilmen--is essential to the success of this long-term effort.

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Our goal is to improve the quality of life in America's cities. The monuments we hope to raise are monuments not of stone and steel, but of the human spirit.

We can make America's cities the thriving, forward-looking centers of commerce and culture they ought to be. We can, make the streets safer, and the traffic flow better, and the air and water clearer. We can revitalize city neighborhoods and improve city schools and other services.

My Administration is fully prepared to join with you in these great enterprises and more. In fact, we have already begun. This conference can help ensure the continued success of one program, one sign of hope and progress, we have already struggled for and won.

Let's get revenue sharing extended, and go on from there, and make our cities gleam again with the glow of new life and in the brilliance of a hopeful future.

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