

increasing. COSTS are sky rocketing!

The demands for less and order comp at the same time to lay off police & fireman because of lack of funds.

Welfare rolls grow at the very time that local government revenues are ~~dropping~~ dropping. To put it another way, our system of government is ~~in~~ in a state of paralysis.

But our cities and states are in a desperate financial crisis. Revenues are always falling behind expenditures -- the tax base has been stretched to the breaking point.

Financial Crisis!
news headlines!

and Our slumping economy has now brought many states and municipalities to the brink of financial chaos.

The flight from the cities to the suburbs has only served to produce new problems -- for those who escape as well as those who are left behind.

And our rural areas continue to deteriorate — this is an outrageous waste of human and national resources.

Government at all levels seems to be muscle bound, unresponsive, and ineffective. It is big and costly — yet seemingly unable to assure the citizens of the most elemental of government services -- the security and protection of life and property.

muscle bound.

Is it any wonder that the ^{CITIZEN} taxpayer is confused and angry?

He asks -

Who or what is the responsible authority? Who does a citizen call when something goes wrong? The Mayor, the Governor, the Legislator, the County Supervisor, his Congressman or Senator? He often doesn't know -- and if he does know, the governmental authorities often fail to respond.

Mr. Average Citizen doesn't have a Ph. D. in Political Science. He isn't acquainted with all the political theories about the federal system.

All he knows is that his taxes are high, and not much happens when he has a complaint. To him, government is politics and politics is government. And all the explanations of our national, state, and local agencies add up to but one thing -- more politics and more politicians.

And so, fellow politicians, I put the question to you: What are we going to do about it?

* * * * *

Our crisis of ^{government} ~~democracy~~ is greatly worsened by over-commitment and under performance.

Let's take a look at the commitments that we have made.

We talk about the blessings of health; we ~~talk about a~~ ^{promise} decent homes; we commit ourselves to a clean environment; and full employment, and the best education.

Congress again and again, writes into law the goals of a humane and just society -- in the Employment Act of 1946, the Housing Act of 1949 and 1968, the Education Act of 1965, the Economic Opportunity Act of 1964, The Civil Rights Act of 1964 and the National Environmental Policy Act of 1970. — *Just to mention some of the commitments.*

Presidents commit their administrations to achievement of these goals -- and then ask Congress for funds barely sufficient to hold the line against these problems, much less take the offensive.

Congress, for its part, continues to address the issue of national priorities by fits and starts. At no point in the legislative process is Congress able to make basic and comprehensive judgments about the allocation of our national resources.

and, at no time is any state legislature able to make basic and long-term judgments about the use of state & local resources.

The end product of this system is our failure to deliver on the national commitments so solemnly made...and so quickly forgotten.

And so, fellow politicians, I repeat: What are we going to do about it?

Surely we can't admit either incompetence or failure - we have the means & the resources. The question is do we have

At the outset I must stress the absolute imperative or restoring our economy to its full productivity.

the will - the purpose - and the courage to stake out the priorities

Today we are sacrificing approximately \$50 billion in gross national product -- and this tragic loss undercuts everything else that we, as a nation, may attempt to do.

There is a growing consensus among economists of all persuasions -- among businessmen and labor leaders -- that present economic policies are not working. For the sake of us all, I earnestly appeal to President Nixon to change these policies --

to only ~~in the~~ *in fact* ~~the full powers of his office to enforce wage and price guidelines...~~ *in using* ~~to relax the guidelines...~~ *tight money - hi - interest rates*

wage that have affected so severely the lot of farmers, small businessmen and prospective home buyers... to pursue a policy of vigorous ^{economic} expansion in the federal budget... and to wind down our involvement in Vietnam at the earliest possible moment.

This, in part, is the answer to the shortage of revenues which no plagues all levels of Government

-6-

↳ A healthy and vigorous economy is the essential first step in surmounting the governmental crisis I have described.

↳ Next, we must accelerate our efforts to redesign and reconstruct the federal system. Unless we achieve a governmental structure that accurately reflects the nature of governmental responsibility today, our best efforts will ultimately fall short.

↳ We have heard much of the need for "creative federalism" ^{or} and a "new federalism" -- a common recognition by Democratic and Republican administrations alike that our existing federal structure must be changed ^{and adapted}

~~to current needs and federal government problems~~

↳ Some progress has been made. The federal government has begun to make more rational the administration of its major programs. Greater cooperation in the field is now possible among federal agencies. State and local officials are being drawn more directly into the implementation of federally-funded programs. I commend the present administration for the progress which has been achieved.

But the new federalism must embrace the establishment of national goals within the framework of a working partnership of Federal, State and local government ~~and~~ including the active participation of voluntary and

the new federalism cannot be merely a delegation of powers between levels of government; it must be a plan of action involving the cooperation and commitment of all ~~levels~~ areas of government.

Yes

000648
But we all know that far more innovative steps are necessary. And these steps can be the most effective if we design action programs which require new governmental relationships as part of the process of implementation.

For example, I have long advocated the creation of a Domestic Development Bank that would provide an alternative source of low-interest *long term* credit for states and municipalities.

The Domestic Development Bank would *offer* ~~seek~~ guaranteed bonds on the national investment market, *and then* lending funds to local governments at subsidized rates of interest -- below the rates of the bonds *municipal or state*.

Local governments would not have to pay more to borrow from the Bank -- indeed with the federal guarantee they should pay less.

The *long term* increase in funds available to local governments is primary. But an important corollary of the proposal is the expert staff to *for* provide planning, as well as information interchange and coordination among the various levels of our federal system.

L This process of building a new federal system would be assisted by the appointment of a special Presidential representative -- similar to an ambassador -- who could speak for and represent the President in every federal region in order to coordinate and expedite our federal programs. He must be empowered to cut through the red tape, to act and not be hemmed in by petty jurisdictional disputes between agencies.

L I have recommended the creation of a Federal Legislative Council -- composed of representatives of the Congress and the State Legislatures -- to make possible regular consultations between national and state legislative leaders. These regular meetings would make it easier to adapt existing laws to state needs, as well as to design new proposals for future needs.

L There should also be ^{Regular} periodic meetings of the President and the governors directed toward the improvement of national and state relationships.

not London
to
Thunders

Where there can be open & frank discussion - where the problems of policy administration can be ventilated & examined. These semi-social events of the President

crises are no substitute for
genuine, well planned, organized
~~hard hit~~ and down to work
sessions that modern
day governments coordination
~~require~~ demands.

L In similar fashion, local governmental authorities should meet regularly with the Vice President, the Speaker of the House and the Majority and Minority leaders of the House and the Senate.

~~the~~
~~supervisors~~

Furthermore, at the executive level of government, in the Office of the President, we need a permanent National Commission for Planning and Development -- one embracing all levels of government and including private enterprise.

Council
of
Social
Advisors

L ~~Actions must be staged to reach goals. Federal, private and local government activities must be coordinated. New laws must be coordinated with existing law.~~

~~Budget - reflecting goals - measures~~

L ~~For example, the federal budget planning process must be opened. We need hearings across the country so that governors and mayors are brought directly into budget planning before the federal budget is locked up.~~

Budget

and L Congress must better equip itself to work toward the national goals that it has written into law.

~~and presented to congress.~~

~~Information Bank, Program Design~~

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L Congress ~~needs~~ needs a Joint Committee on
National Goals and Priorities in order to see the
broader picture of what must be done. L This joint
Congressional committee would evaluate the President's
budget in light of national social and economic goals --
stressing those areas where our performance is not
keeping pace with previously established goals.

Congress for example, continues to create
additional planning grants in different agencies and
departments. These grants are diverse and sometimes
incompatible.

Funding for coordinated planning is completely
inadequate. In 1969 \$252 million dollars was made
available for the 36 standard physical planning programs
of the federal government. Coordination of local
agency planning under the Model Cities Act was not
funded at all. ~~The~~ joint committee on national

goals and priorities could begin to bring some
sense to ~~the~~ ^{the present} uncoordinated planning process.

Keep

Keep

The Joint Committee would receive testimony from federal agencies, but it would also tap the private community. Special advisory bodies, business and labor leaders, educators and students would be invited to the committee witness table.

To do the job correctly the joint committee would need an expert technical staff, access to computers, and the planning, programming and budgeting mode of problem analysis.

Finally, states and localities must work far more diligently at putting their own houses in order.

Constitutional Reform

This involves a searching re-examination of taxing policies, land ownership policies, and the organization of agencies and departments. In most states, for example, transportation planning is a separate entity at both state and metropolitan levels.

Although transportation and land use are intimately related, state and local governments have tried to deal with them separately.

It also includes Constitutional reform and modernization along with much for greater, more efficient state aid to localities and particularly metropolitan areas.

We must encourage the creation and strengthening of metropolitan-wide authorities -- such as Councils of Civil Peace to coordinate all law enforcement activities.

Fed. State & Local

↳ We must encourage the further development of councils of governments. These councils are a way to preserve local autonomy where that is appropriate, ~~on one hand~~, and to maximize the use of common facilities and services ~~on the other~~.

Councils of Govt.

↳ Each state government should create a new department for community development -- the functional equivalent at the state level of the federal government's Department of Housing and Urban Development.

Community Develop.

↳ Our colleges and universities should be encouraged to undertake broad research programs on the social and economic needs of our urban communities, the proper use of land, as well as zoning, building codes and social services.

Surely, state supported Institutes, colleges, & universities have a responsibility not only to students & faculty, but to the needs of the community?

(B) Federal assistance to local state law enforcement
& protective services - police, fire, & ~~criminal~~
~~criminal~~ criminal rehabilitation must be
increased threefold. There are immediate
basic minimums! To do less is to
~~at~~ court a collapse of government
service and authority.

and let's face it, where federal standards are
imposed such as proposed in the Family
Assistance Welfare program, then the federal
government must be prepared to pay the
bill. This alone would be a great
help to state & local government.

(a) Then to, Federal assistance to education
must be doubled within the next
2 years - The Property Tax base in most
states ~~has reached~~ simply can't be
~~increased~~ meet the ^{rising} costs of
Welfare & Education. ~~Because, the~~
~~tax base is not~~ Either there ~~are~~
must be new sources of revenue
or a drastic cut back in state & local
services.

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As our space and defense programs are reduced, we should mobilize the intellectual, technical and scientific resources that are released and put them to work on the problems of pollution, mass transit, housing, urban planning, health care and education.

we can
ill afford
the unemployed
or underemployed
of our technical
scientific &
professional
manpower
what a tragic
waste!

Public policy in this country must include an opportunity for the good life in rural America -- in the smaller cities. This necessitates more than just thinking about hospitals and highways and business institutions and schools. It means an economic program for America in which the producers of our food and fiber share equitably in the progress and prosperity of the nation.

I continue to support -- and I intend to work actively for -- an equitable system of federal revenue sharing with the states and localities, even though the funds available at the outset will be limited. But I am acutely aware of the financial crisis which today confronts every state and every municipality in America. ~~And I believe we can wait~~ no longer in beginning to relieve this crisis through a system of revenue sharing.

The time to act is now -- even if it is only a start -- ~~the time to~~ whatever adjustments are needed in the federal budget must be faced now -- & action taken. (Backover)

Concur
yes

In the year 2000 will be a
nation of 275 million people -
and over 80% of our people will
live in cities. To meet these
demands we will need an additional
12 million acres of urban land
for housing, parks, hospitals,
schools, factories, roads,
airports, courthouses, churches,
industry.

Our problems today are only a sketchy outline of what lies ahead unless we have the vision and the will to plan ahead, to work ahead, and then -- to the best of our ability -- make the commitments and mobilize the resources that are needed to fulfill the commitments.

So - To meet the needs of the year 2000 -- ~~a scant~~ ^{further} 30 years from now -- we must set our sights on the targets of tomorrow:

- to develop the necessary power resources,
- to establish where the new population centers will be,
- to determine where we will build new roads, and airports, bus and rail terminals and
- to find out how our ailing health care system should be repaired and augmented.
- to encourage, through better knowledge and voluntary action, a rate of population growth compatible with our resources,
- to protect our resources of land, water and air, thereby assuring a liveable and healthy environment
- to redesign, redevelop and rehabilitate our cities so that we can provide safe neighborhoods, decent housing adequate open spaces and recreational facilities.

-- to expand, improve and humanize our educational systems.

↳ None of these problems is subject to solution by government alone -- surely not by the federal government alone.

↳ All of them require the active cooperation of federal and state governments -- all of them will bear heavily on both public and private resources. ^{not} None of them will go away if ignored.

To begin with, we must plan. Yes, we can plan a better America.

We can build a better America.

I know the faith is there.

I know the strength is there.

If we work together.

If we trust each other we can meet the challenge of tomorrow.

#

000.659

REMARKS

THE HONORABLE HUBERT H. HUMPHREY
NATIONAL CONFERENCE OF STATE LEGISLATIVE LEADERS
SAN JUAN, PUERTO RICO

DECEMBER 1, 1970

It is time for frank talk. There is a crisis of government in America. The American federal system -- indeed our entire democratic structure -- is facing its moment of truth.

To put it directly: Can our governmental and political institutions cope with the new demands, as well as the age-old problems, of a highly mobile, urbanized, industrialized, and heterogeneous society?

The hard facts of life are known to each of you.

Our cities are victimized by noise pollution, traffic congestion, slums, racial strife, violence and crime. The demands for social services, law enforcement, welfare, health care and education are constantly increasing.

But our cities and states are in a desperate financial crisis. Revenues are always falling behind expenditures -- the tax base has been stretched to the breaking point.

Our slumping economy has now brought many states and municipalities to the brink of financial chaos.

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The flight from the cities to the suburbs has only served to produce new problems -- for those who escape as well as those who are left behind.

And our rural areas continue to deteriorate -- an outrageous waste of human and national resources.

Government at all levels seems to be muscle bound, unresponsive, and ineffective. It is big and costly -- yet seemingly unable to assure the citizens of the most elemental of government services -- the security and protection of life and property.

Is it any wonder that the taxpayer is confused and angry? Who or what is the responsible authority? Who does a citizen call when something goes wrong? The Mayor, the Governor, the Legislator, the County Supervisor, his Congressman or Senator? He often doesn't know -- and if he does know, the governmental authorities often fail to respond.

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local agencies add up to but one thing -- more politics and more politicians.

And so, fellow politicians, I put the question to you: What are we going to do about it?

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Let's take a look at the commitments that we have made.

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Congress, again and again, writes into law the goals of a humane and just society -- in the Employment Act of 1946, the Housing Act of 1949 and 1968, the Education Act of 1965, the Economic Opportunity Act of 1964, the Civil Rights Act of 1964 and the National Environmental Policy Act of 1970.

Presidents commit their administrations to achievement of these goals -- and then ask Congress for funds barely sufficient to hold the line against these problems, much less take the offensive.

Congress, for its part, continues to address the issue of national priorities by fits and starts. At no point in the legislative

process is Congress able to make basic and comprehensive judgments about the allocation of our national resources.

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At the outset I must stress the absolute imperative of restoring our economy to its full productivity.

Today we are sacrificing approximately \$50 billion in gross national product -- and this tragic loss undercuts everything else that we, as a nation, may attempt to do.

There is a growing consensus among economists of all persuasions -- among businessmen and labor leaders -- that present economic policies are not working. For the sake of us all, I earnestly appeal to President Nixon to change these policies...to use the full powers of his office to enforce wage and price guidelines...to relax the credit restrictions that have affected so severely the lot of farmers, small businessmen and prospective home buyers...to pursue a policy of vigorous expansion in the federal budget...and to wind down our involvement in Vietnam at the earliest possible moment.

000663

A healthy and vigorous economy is the essential first step in surmounting the governmental crisis I have described.

Next, we must accelerate our efforts to redesign and reconstruct the federal system. Unless we achieve a governmental structure that accurately reflects the nature of governmental responsibility today, our best efforts will ultimately fall short.

We have heard much of the need for "creative federalism" and a "new federalism" -- a common recognition by Democratic and Republican administrations alike that our existing federal structure must be changed.

Some progress has been made. The federal government has begun to make more rational the administration of its major programs. Greater cooperation in the field is now possible among federal agencies. State and local officials are being drawn more directly into the implementation of federally funded programs. I commend the present administration for the progress which has been achieved.

But we all know that far more innovative steps are necessary. And these steps can be taken most effectively if we design action programs which require new governmental relationships as part of the process of implementation.

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For example, I have long advocated the creation of a Domestic Development Bank that would provide an alternative source of low-interest credit for states and municipalities.

The Domestic Development Bank would sell federally guaranteed bonds on the national investment market, lending funds to local governments at subsidized rates of interest -- below the rates of the bonds.

Local governments would not have to pay more to borrow from the Bank -- indeed with the federal guarantee they should pay less.

The increase in funds available to local governments is primary. But an important corollary of the proposal is the expert staff to provide planning, as well as information interchange and coordination among the various levels of our federal system.

This process of building a new federal system would be assisted by the appointment of a special Presidential representative -- similar to an ambassador -- who could speak for and represent the President in every federal region in order to coordinate and expedite our federal programs. He must be empowered to cut through the red tape, to act and not be hemmed in by petty jurisdictional disputes between agencies.

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I have recommended the creation of a Federal Legislative Council -- composed of representatives of the Congress and the State Legislatures -- to make possible regular consultations between national and state legislative leaders. These regular meetings would make it easier to adapt existing laws to state needs, as well as to design new proposals for future needs.

There should also be periodic meetings of the President and the governors directed toward the improvement of national and state relationships.

In similar fashion, local governmental authorities should meet regularly with the Vice President, the Speaker of the House and the Majority and Minority leaders of the House and the Senate.

Furthermore, at the executive level of government, in the Office of the President, we need a permanent national commission for planning and development -- one embracing all levels of government and including private enterprise.

Actions must be staged to reach goals. Federal, private and local government activities must be coordinated. New laws must be coordinated with existing law.

For example, the federal budget planning process must be opened. We need hearings across the country so that governors and

mayors are brought directly into budget planning before the federal budget is locked up.

Congress must better equip itself to work toward the national goals that it has written into law. Congress desperately needs a joint committee on national goals and priorities in order to see the broader picture of what must be done. This joint Congressional committee would evaluate the President's budget in light of national social and economic goals -- stressing those areas where our performance is not keeping pace with previously established goals.

Congress, for example, continues to create additional planning grants in different agencies and departments. These grants are diverse and sometimes incompatible.

Funding for coordinated planning is completely inadequate. In 1969, \$252 million dollars was made available for the 36 standard physical planning programs of the federal government. Coordination of local agency planning under the Model Cities Act was not funded at all. The joint committee on national goals and priorities could begin to bring some sense to this uncoordinated planning process.

The joint committee would receive testimony from federal agencies, but it would also tap the private community. Special advisory bodies, business and labor leaders, educators and students would be invited to the committee witness table.

To do the job correctly the joint committee would need an expert technical staff, access to computers, and the planning, programming and budgeting mode of problem analysis.

Finally, states and localities must work far more diligently at putting their own houses in order. This involves a searching re-examination of taxing policies, land ownership policies, and the organization of agencies and departments. In most states, for example, transportation planning is a separate entity at both state and metropolitan levels.

Although transportation and land use are intimately related, state and local governments have tried to deal with them separately.

We must encourage the creation and strengthening of metropolitan-wide authorities -- such as Councils of Civil Peace to coordinate all law enforcement activities.

We must encourage the further development of councils of governments. These councils are a way to preserve local autonomy where that is appropriate, on one hand, and to maximize the use of common facilities and services, on the other.

Each state government should create a new department for community development -- the functional equivalent at the state level of the federal government's Department of Housing and Urban Development.

Our colleges and universities should be encouraged to undertake broad research programs on the social and economic needs of our urban communities, the proper use of land, as well as zoning, building codes and social services.

As our space and defense programs are reduced, we should mobilize the intellectual, technical and scientific resources that are released and put them to work on the problems of pollution, mass transit, housing, urban planning, health care and education.

Public policy in this country must include an opportunity for the good life in rural America -- in the smaller cities. This necessitates more than just thinking about hospitals and highways and business institutions and schools. It means an economic program for America in which the producers of our food and fiber share equitably in the progress and prosperity of the nation.

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Our problems today are only a sketchy outline of what lies ahead unless we have the vision and the will to plan ahead, to work ahead, and then -- to the best of our ability -- make the commitments and mobilize the resources that are needed to fulfill the commitments.

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