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(Start Belt #9)

the combined inflationary growth and the population growth so obviously, there is more money available from the Federal Government than there was and is at the present time. Three things have happened to Federal programs in this budget. Some of them have been eliminated as specific funding by the Federal Government. Some of them have been eliminated as specific funding by Federal Government. Others have been transferred to new homes in the Federal bureaucracy and third, all of them are involved in giving the states and local government greater decision making over how they shall be used in your locality. All three of these things combined have set off a great deal of discussion and most of it, unfortunately, is aimed at what was eliminated as specific Federal funding. The elimination by the Federal Government of the Office of Economic Opportunity as an administrative agency and the elimination of funding of the local administrative agency has set off the discussion that all programs have been eliminated. This, of course, is not true. All of them have been continued and many of them, increased funding provided. In the field of our department, housing and urban development, the funding for specific programs has been eliminated. It is proposed that this be replaced by a much broader funding available for the local communities to use as they see fit. This applies in almost all of our departments. We have found a great deal of confusion between the terms "general revenue sharing" and "special revenue sharing" and the Governor raised this question this morning. I think we are clear, the President's statement that general revenue sharing is to be used as you determine, not as we determine. Much of the confusion comes about because we will be asked; can it be used to increase or to replace a program that was formerly earmarked by Federal funds. The answer is yes it may be used. The answer is categorically no, it need not be used and the Federal Government has for so long told you what it must be used for that there seems to be a reflex reaction that if we say it may be used for that, that is interpreted immediately as saying it must be used for that. General revenue sharing is new money, better than \$5 billion dollars of new money from the Federal Government to State and local government to use as they, the local elected and state elected officials determine best. It has very limited rules. It has no overview by any Federal agency as to what it must be used for. We are specifically informed that that is none of our business. Special revenue sharing is an entirely different matter. The four programs of special revenue sharing proposed by the President; Manpower, Law Enforcement, Education and Community Development, specifically are to replace the categorical programs that are eliminated in these agencies, and to give you and your local government both the responsibility and the authority for determining whether to continue the present categorical programs in their form at the right amount that they are getting now or whether you scrub them, whether you change them, whether you combine them or what you do with them. The rules and regulations on all of these programs are not yet written. We're well aware of the fact that the proposals must be enacted by Congress. Our responsibility at the present time is to interpret for you the Administration's proposals, to seek from you your advice and guidance on how they will affect you and how they might be improved that we may feed it back to the Washington level and I'm quite sure that in this area is where many of the questions will come but I would urge again the understanding of three things: There is more money in the Federal budget this year than last; there is more money for human resources than for defense. The change in priority from 44% defense and 30% human resources in 1968 to this budget of 47% human resources and about 30 to 32% defense, represents an almost complete flip-flop. The arguments of how to spend the human resource funds are many and rightfully so because every agency and every individual and every