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Speech to National Conference of State Legislators

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Thank you, Bill, for that kind introduction. It's an honor to be introduced by my home state's speaker pro tem and your immediate past president, Bill Passanante.

And I'm delighted to be here with:

--your president, the president of the Utah State Senate, Cap Ferry; and

--your incoming president, the deputy speaker of the State of Tennessee, John Bragg.

In the last few weeks, volumes have been written about the changing face of American politics. To judge by the newsmagazines, the face is mine. But the truth is that nowhere is the spirit of change more visible than among our nation's state legislators.

Look at your fellow legislators -- women and men; black, white, and hispanic -- and think how you've changed in just the past few years. You are younger than ever before. Since 1969, the percentage of women legislators has tripled. Blacks and other minorities are far better represented in state legislatures than they are in the United States Congress.

These changes are good -- and not just for their own sake. As you become more representative of the American people, you are better able to represent them.

One of the best kept secrets in American government may be just how good a job you are doing. If you're looking for state-of-the-art political thinking, you'll find it in our state legislatures. From economic development to ch-

From economic development to health care cost containment, from clean water to welfare reform, from cooperating with business to cooperating with each other, you are in the forefront. America's state legislators are coming up with fresh and innovative ways of handling government's job. Day in and day out, you are continuing the American experiment -- an experiment in democracy, in hope and in opportunity.

But you have been conducting this experiment under tremendous pressure. Over the past three and a half years, the battleground of American government has shifted dramatically. And you state legislators are in the front lines.

The incumbent Administration has embarked on a radical and ill-considered plan to tear down the structure of our system of government. Under the makeshift smokescreen of "A New Federalism," they have attempted to restore the Articles of Confederation.

It was a bad idea in the 1780s, and it's an even worse idea today.

"The New Federalism" was so widely rejected that, as a concept, it has almost dropped from sight. But if the slogan has disappeared, the policies it described have not.

Early in the Reagan Administration, somebody wrote that there was much more philosophy than economics in the Reagan budget plan. Three years later, as we compare the advance notices for that economic program with its actual results, we can see that the projections were way off.

Supply side tax cuts did not reduce the deficit. Instead of the $93 billion surplus that was advertised, we have a $180 billion deficit.

And we can also see clearly the philosophy that truly governed Reaganomics.

Part of it was a simple denial of the Federal government's responsibility to do anything the Administration didn't want to do. That included feeding hungry people, and helping with law enforcement, and running mass transit systems, and building wastewater treatment plants.

There are serious questions about the proper division of responsibility between Federal, state, and local governments. The questions go back to the founding of the Republic.

The Reagan Administration has attempted to answer the questions by reducing or eliminating Federal responsibilities across the board. Instead of a rational sorting out of who can best perform which tasks, the job of responding to society's needs, and of paying the bills, has been abruptly dropped in the laps of the states.

For much of our country's history, the question was easily answered. The Federal government fought the wars and delivered the mail, generally doing better with the wars. The States and local governments were supposed to do everything else.

Over the past half century, and especially the last twenty years, a quiet revolution took place. Federal dollars were channeled into local areas to help meet needs that had long gone unmet. With the money came strings. It's safe to say the money was more appreciated than the strings, but the partnership was strengthened.

There was a philosophy of government, a very different philosophy from the one we see today, at the root of this change. It centered on a belief in America, on the idea that as a society

and a nation we shared common interests. There was a recognition that a strong and secure nation required well-educated, well-nourished children. That impoverished communities could not produce citizens with the ability to contribute to a stronger America.

There was a new understanding of the shared interest in a clean and healthful environment. Again, part of the concern was what kind of world we would leave our children. We recognized that water pollution and air pollution respected no state boundaries, and an active Federal role in controlling them gained popular support.

In the 1980's, there has been a turning away from Federal involvement. Under a new philosophy, the philosophy of a new federalism, the Federal government retreated from its role in the struggle to build a better society.

The retreat was clearest in the budget policies that were proposed, and in too many cases, adopted. Again, it was not a matter of selectively deciding, as a practical matter, which responsibilities might be better left to the states. Instead, it was just decided that the Federal government should not be involved at all.

What is most important about the budget issue is not what has already been done. For better or worse, and mostly for worse, states have already adjusted to those changes.

The real question, though, is what happens next. The fact is that the top domestic priority of the next President is going to be to deal with the greatest failure of the current President -- getting the deficit under control.

Because for all the reductions in domestic spending, the deficit, as I've noted, has swollen far beyond anything we've ever seen before. The current economic recovery is fueled by those deficits. It's a national shopping binge paid for with money borrowed by the federal government.

But next year, next January, it's going to be time to pay those bills. And as state legislators, you have a large stake in how it happens.

Walter Mondale has already told you how he's going to do it. He's going to stop the trend we've seen in the last three years of shifting the tax burden from the federal level to the state and local level.

It's great in this business to play hero and tell the people that you're going to cut their taxes. Nobody ever got in trouble for cutting taxes.

In 1981, the Federal government played hero. And ever since, you people in the state legislatures have been picking up the tab.

In many states, including my own state of New York, the Federal tax cut caused a direct reduction in state revenues, because the tax systems are piggy-backed. So at the same time Federal assistance was being reduced, the Federal tax cuts were also reducing State revenues. As a consequence, virtually every state in the country has been forced to increase some form of taxes.

In declaring that he would raise Federal taxes in order to reduce the deficit, Walter Mondale told the American people -- and their representatives in state government -- that he would govern responsibly. He showed that true leadership is telling the people things they don't want to hear but that they need to know.

President Reagan has not given much indication of how he would attack the deficit, or even that it needs to be attacked. But if his record to date is any guide, we can make some fairly safe predictions about where the axe would fall -- and where it would not fall -- in a second Reagan Administration.

It would fall on education. Mr. Reagan has attempted to cut or retreat from the Federal commitment to educational excellence. It isn't enough to spend half an hour in a classroom in Tennessee. As John Kennedy once said, "Education is the most profitable investment a society can make." The return we get in the future competitiveness of our children depends on the investment we make today.

It would fall on our cities. The crisis of America's infrastructure may have slipped from the front pages, but it is no less critical a piece in rebuilding our country. The Federal government cannot solve this problem alone, and should not try to do so. But it must be a willing and strong partner for states and cities. Eliminating mass transit operating assistance and cutting EPA construction grants is not the way of partnership.

It would fall on our people. For three and a half years, the Reagan Administration has taken from those least able to give. Where possible, in my state and others, the burden has been assumed, and the pain has been kept to a minimum. Too often, though, the safety net gave way.

Those are the problems we can expect the Federal government to continue to walk away from in a second Reagan Administration. What all of you know much better than I is that when the Federal government walks away, the problems don't disappear. They just

get handed to someone else -- or they get ignored.

Three weeks ago, the President tried out some of his themes for the fall campaign. Typically, one of them was that the Federal government is the biggest obstacle to further progress.

What the President said was that if the national government were to shut its doors and disappear for a while, it would take a long time for the people to miss it.

Quite frankly, it is outrageous that the President of the United States could have made such a statement.

I'm sure none of you look forward to the Federal government shutting its doors.

What would state government do if the Federal Aviation Administration were to shut the doors of the air traffic control system?

What would state government do if the Social Security Administration were to shut its doors on the senior citizens and disabled Americans who count on their monthly check?

What would state governments do for young people trying to buy homes if the FHA and VA were to shut their doors?

What would state governments do for farmers who depend on federal irrigation projects if the Agriculture Department were to shut its doors?

And, finally, what would state governments do for the poor, the unemployed, the disadvantaged in our society, if the Federal government shut its doors and turned its back on those who have the smallest share of our country's riches?

I submit that the Federal role in aiding state and local governments, in building our country, and in helping the poor has been an exercise in faith. Faith in the American dream.

It should make no difference whether a person lives and grows up in Brookline, Massachusetts or Meridian, Mississippi. If America is to remain the land of opportunity, then opportunity must be equal throughout the land.

We are now in the midst of an economic recovery. Things are much better than they were 18 months ago, when the national unemployment rate was almost 11 percent.

Still, there are vast differences between states, and there are millions of Americans -- 34 million by the latest Census Bureau count -- who are living in poverty and who are not benefiting from the recovery.

What should be our response to these tragedies? Should we in the Federal government turn away, disclaim responsibility? Hide behind a philosophy that says this is not a Federal problem?

Or should we recognize that this country is the United States of America? That poverty and deprivation is our concern wherever it exists, because if we do not have concern when others are impoverished, they will not have concenr when we are?

This is an election year, and the campaign is underway. Yet I do not seek to confront the Republicans here today; there will be plenty of time for that in the months ahead.

What I would like to do is establish that some things are not subject to partisanship. Things like guaranteeing every child a fair chance, wherever he or she may live. Things we can be proud of as Americans, without respect to party.

In our system, only the Federal government has the resources and the power to redress the imbalances and inequities that exist from State to State and within States. In fact, in large measure that is the domestic purpose of the Federal government. Not to manage the day-to-day operations of state school systems or law enforcement agencies. The Federal government clearly can't do that, and shouldn't try.

But what the Federal government can seek to insure, and what Walter Mondale's candidacy is all about, is that the promise of American citizenship will be the same for all. Walter Mondale understands that Americans do not tolerate discrimination. What our country stands for is each individual's opportunity to make the most of his or her God-given talents. If we permit that opportunity to be denied on the basis of race, or religion, or sex, or place of birth, we violate our most basic belief. Federal assistance to keep local economies healthy and tend to the neediest among us can help protect against one kind of discrimination.

The partnership between Federal and local governments has not been free of strife. But Walter Mondale and I understand that it is a partnership, and if it is going to work, both sides must hold up our part of the bargain. A Mondale Administration will work to keep that partnership strong, in the interest of a freer, and stronger, and more prosperous America.

Thank you.