

White House Parley Ends With Call For More Incentives to Localities

By JAMES P. STERBA
Special to The New York Times

WASHINGTON, Feb. 2 — The White House Conference on Balanced National Growth and Economic Development ended today with a call for less Federal interference and more Federal incentives to local governments and to the private sector to solve the problems of the cities and rural areas.

In his remarks to the 500 participants, President Carter said that it was "easy, cowardly and fruitless" to cast blame on Federal or state governments or on the private sector and added that all regions and groups shared not only the problems but also "the responsibility for their resolution."

Dr. Paul Ylvisaker, dean of the Graduate School of Education at Harvard University, said that the most striking theme to emerge from talks on strengthening local economies "amounted to nothing less than a declaration of interdependence."

"The problems of growth and decline are inherent in every one of our regions and all of our local economies," he said. "None of us live within sanctuaries."

Isolation Is Condemned

He said that the nation could not afford to let various governments and regions "live in splendid isolation of each other." He added that participants "recognized that this nation could not cut itself off from its aging industrial and older urban centers and agricultural communities as though the human and physical capital they represent had no use or potential worth our reckoning."

The five-day conference was set up so as to avoid regional bickering. However, heated discussions in workshops did occur between Northern and Southern delegates. The conferees came from all over the nation.

Mr. Carter congratulated them on avoiding a conference "so controversial that its purposes are lost, or so sterile that its functions come to no avail."

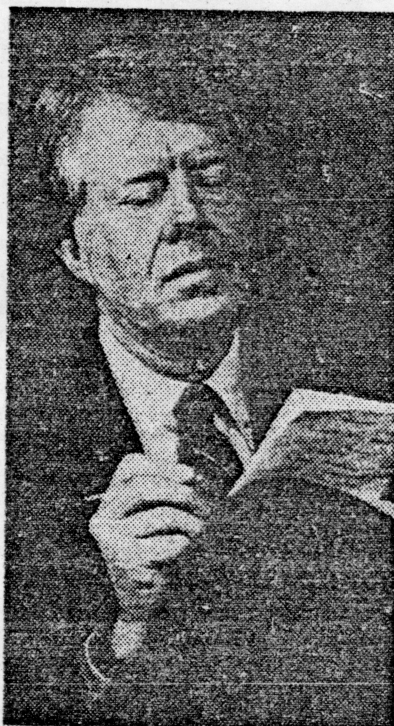
Congress, in authorizing the conference, said that suggestions from participants should be developed by the White House into administrative and legislative proposals within nine months.

No Consensus Sought

The participants, divided into six discussion groups, were not charged with making recommendations or arriving at a consensus. Rather, they reported the range of suggestions made to deal with problems such as unemployment and the creation of jobs, regional growth and balances, government budgetary problems, the management of growth, and streamlining government efficiency.

Dr. Ylvisaker said that there was much criticism throughout the week of the Federal agencies and their "inconstancy, inconsistency and obstinacy." He suggested that Federal bureaucrats might not be aware of how ready the American people were "to take on tough, divisive issues and face them four-square."

On jobs, the conference participants said that the curing of "structural unem-



The New York Times/Teresa Zabala

President Carter jotting notes before addressing White House conference on economic growth.

ployment," especially among black and Hispanic youth, was "the top priority." They said that job-creation programs operated solely by the Government were largely ineffective and called for Federal incentives for private industry and business to create jobs in areas of concentrated high unemployment, mainly in the inner cities.

The group dealing with government budgets recommended, to the applause of the conferees, that the Federal Government assume complete responsibility for financing public welfare and Medicaid, and that state welfare dollars be redirected to help local governments to pay local school costs.

Incentives Are Suggested

The group dealing with "the geography of growth" called on the Federal Government to direct high-priority policies and programs to declining central cities and poor rural areas.

It said a "full range of incentives" could include differentials in the investment tax to equalize incentives that companies now have to move to the suburbs; financing to rebuild or upgrade community organizations; placing of Federal facilities in high unemployment areas, and Government procurement policies designed to benefit companies that operate in and employ people from depressed areas.

Saying that the Federal Government was too removed from local problems to coordinate solutions effectively, many participants called for decentralized decision-making and more private participation in planning at the local level.

Mr. Carter said that he supported

greater decentralization. "I agree completely with that concept," he said.

However, earlier in his remarks he said humorously: "I notice there was a great deal of applause at the mention that we shift the financial burden to Washington and shift responsibility from Washington. I didn't hear any applause for the other side."

Then he added, "We're all in it together."

An Elusive Economic Goal

White House Conference Tried to Find Out Why Aims on Jobs, Prices and Growth Are Unrealized

By B. DRUMMOND AYRES, Jr.

Special to The New York Times

N.Y. Times
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WASHINGTON, Feb. 2 — Ever since passage of the Employment Act of 1946, the nation has been officially committed to the goal of maximum employment, stable prices and steady economic growth. But the current high level of unemployment and inflation, and the growing economic disparity between the booming Sun Belt and the declining Snow Belt, offer more than enough evidence that the goal remains elusive.

News
Analysis

The White House Conference on Balanced National Growth and Economic Development, which ended here this morning after five days of speeches and workshops, was an attempt to find out why. It was probably the most comprehensive exploration of the problem since

That the 500 conference participants, drawn from many walks of life in all 50 states, would find no definitive answer was a foregone conclusion. The problem is so large and has become so complex in the last 32 years that five years of analysis may not do the job.

But that is not to say that the conference, for all its droning talk about "targeting" and "spacial equities," was a waste of taxpayers' money. There were several worthwhile achievements.

An Educational Tool

First, the conference was an important educational tool. It gave the participants, many of them leaders in their home areas, a comprehensive view of the present state of the national economy and a new insight into one another's individual, frequently different, problems. Northerners discovered that many Southern cities were afflicted with many serious urban problems, and Southerners discovered that many Northern cities had begun to take serious steps to correct past budgetary excesses.

Next, the conference took some of the heat out of the growing number of regional disputes around the country. It forced participants to look at the causes of their problems rather than at how much Federal financing could be had to set matters right. In a debate between North and South that many conference officials had feared might get out of hand, Gov. George Busbee of Georgia and Senator Daniel Patrick Moynihan of New York called for a truce.

Finally, the conference provided a sounding board for participants, a place for a "national town meeting," as one conference official put it. One message came through louder and clearer than all others: Beyond Washington, there is a strong feeling that state, local and private involvement in economic policy-making and development must increase while Federal involvement must be reviewed, revised and, perhaps, reduced.

Just before the 500 industrialists, labor leaders, civic workers, academicians, Federal bureaucrats, mayors, governors, senators and representatives scattered for home this afternoon at the close of the conference, they handed President Carter a summary of their deliberations. They emphasized that it was only a summary, not a blueprint or a series of specific recommendations.

Conference officials figured from the

start that specific recommendations and votes would so divide the participants that nothing would be accomplished. There was too much danger that the meeting would develop into a clash not only between the South and the North, but also between labor and management, environmentalists and builders and city dwellers and country dwellers.

Some Participants Complain

The let-us-reason-together approach left some participants complaining that the conference never really came to grips with the issues. But as another participant, George Esser, executive director of the Washington-based National Academy of Public Administration, put it:

"At a conference this large and controversial in nature, the problem is the problem of coming to grips with the problem."

Mr. Carter accepted the summary of the problem with thanks, mentioned something about fruits that would be born but was noncommittal. Under the legislation that provided money for the conference, he now has three months to develop administrative and legislative proposals in response to the deliberations. The legislation leaves him plenty of room for political maneuvering. He will need it.

Since most Americans live in urban areas, the conference concerned itself mostly with urban policy. That is an area of deep controversy at the White House at the moment.

The Departments of Housing and Urban Development are both trying to get the President's ear, though only small snatches of that squabble emerged at the conference.

Role of the Private Sector

Patricia Roberts Harris, the Secretary of Housing and Urban Development, has serious doubts about the ability of economic development programs to solve city problems, particularly programs with deep private involvement. On the other hand, Juanita M. Kreps, the Commerce Secretary, thinks there is an important urban role for the private sector.

The conference participants left for home with no hint of how the fight might come out, or whether the results of their deliberations would play a role. Stuart Eizenstat, the President's assistant for domestic affairs, would tell them only that "brutal and very difficult tradeoffs" would be required.

There were exceptions, but most conference participants seemed willing to accept the answers given by the White House aides and the obvious politics involved.

"Look at it this way," said William B. Shore of the Regional Plan Association, a New York area group. "This thing was an education process for everybody. You just sort of learned what the other guy was thinking. You didn't come with any great expectation of changing anything immediately. But something might eventually change. It's worth the try."

The President took notes

Six men and women, black and white, took turns at the microphone while President Carter sat beside them taking notes. They called for better lives for the American people through a new and wiser cooperation between federal, state, and local governments, and between government and private enterprise. They offered solutions such as ensuring that public service jobs include training for future private employment. They offered warnings such as the price of failure to deal with unemployment: "a generation of young adults who are unproductive, angry, and potentially explosive."

Mr. Carter in his response at the microphone made reference to each of the speakers. He said that the thing that concerned him most was the isolation of governmental processes from human realities. He was speaking at a White House conference of 500 participants from all over the United States — a conference designed to reduce such isolation by presenting grass-roots views of how governmental action can serve human needs. The President's presence and performance — a leader shown in the act of listening to spokesmen of the people — was a symbol of the kind of relationship that should exist in a democracy.

The task now is for the President to act on what he has heard. Here is where cynicism can be found about last week's conference, the ~~White House~~ Conference on Balanced National Growth and Economic Development, a jaw-breaking term for trying to make the American system work for the good of all. Would the conference documents go in the bottom drawer? Was it all just window-dressing for an administration with its mind already made up about the issues discussed? Since the conference as a whole did not come to conclusions or vote on recommendations, the whole diversity of its workshop and public forum discussions

would be transcribed and presented to the White House. Would the President get a fair version of what happened through the inevitable filtering by his staff?

Nine months from now, when the President is supposed to make administrative and legislative proposals based on the conference, there ought to be at least 500 people demanding that there be some results.

In the meantime, these participants are taking back to their homes an increased understanding of other points of view. This was evident, for example, in one of workshops where an Oregon businessman told how much he had learned about the inner city. Next to him a Texas woman from the inner city put her arm on his shoulder and said, "We've had a good time, haven't we?" Then she said that, whatever else the conference did, "I hope the down-trodden and poor people benefit from it." With tears welling in her eyes, she recited a few lines from a black poet's poem, "Mother to Son," telling that life is no "crystal stair" but "don't turn your back because you find it kind of hard." Here were the human realities Mr. Carter mentioned being brought into touch with the governmental process.

On a larger scale, another workshop suggested, "We need a national growth and economic development policy and we need it now!" The next day Treasury Secretary Blumenthal was asked whether he agreed with this idea. He said he did in a certain sense. That is, government no less than business should be looking to the future, considering all the variables in every situation, dealing with unemployment, for example, in context with all the economic elements impinging on it. Thus Mr. Blumenthal favored "not a *planned* economy but a *planning* economy," noting the significant difference between the two.

It is a difference we note, too, and with approval. It is something many of the conference delegates implied in their favoring of more planning at all levels of government, while resisting any "preconceived plan" from on high.

The participants, 75 percent appointed by governors, may not have been fully representative of the country. But every interest, every minority, seemed to have at least some representation. A radical from the 1960s remarked that, if interest groups agree not to annihilate each other, then they have to bargain with each other, and for that the more they understand each other, as they did here, the better.

For so long Americans have wanted to be listened to more by government. For all the doubts about conference reports gathering dust, here was a step in the right direction.

Meeting Says Economic Balance Possible With Less Federal Control, More Funds

By JAMES C. HYATT

Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON — Jimmy Carter, who promised to listen to the American people, got an earful this week.

The message was simple: To achieve economic balance, the nation needs more carrot, and less stick, from the federal government.

That theme sums up the conclusions of an awesome sounding "White House Conference on Balanced National Growth and Economic Development." For five days, 500 delegates from city halls, state houses, academic think tanks and private groups debated problems of economic growth. More than 200 speakers lectured to a mind-numbing "public forum." And interest groups flooded the delegates with oceans of studies and reports.

The meeting's official report won't go to the White House for several months, but Mr. Carter attended the conference's closing session yesterday, taking notes as speakers summarized findings. He got enough of a sampling to feel the delegates must have been reading at least some of his campaign speeches:

—Federal agencies were rapped for "inconstancy, inconsistency and obstinacy."

—State and local governments, instead of Washington, were advanced as the logical place to make key decisions affecting growth and economic development. "Regulations-writing is a very sore point for Americans of every experience," one panel declared.

—A broad array of federal "incentives" were prescribed as the remedy for a variety of ills, from excessive unemployment among

teen-agers to local tax and spending problems to smooth out the pains of high-growth and slow-growth areas.

But if delegates were reading the speeches, they hadn't been reading the Carter budget. The workshop on "Government and Budgets" declared that "the federal government should assume complete responsibility for the financing of public welfare and Medicaid," and that state governments should use the savings to "relieve local governments of most of the cost of local schools." And the panel urged that federal and state officials shouldn't "mandate additional expenditure requirements on local governments unless they are also prepared to pay the costs."

In his remarks, the President wryly noted that while the audience applauded various suggestions "to shift the financial burden to Washington and shift the responsibility away from Washington, I didn't hear any applause on the other side."

He promised that the conclusions won't become the typical unused, unread report, and said the administration is determined that the exercise "will bear rich fruits." The reports provided enough variety that the administration could find plenty to adopt as its own. Many of the participants hope that their advice will show up in the administration's urban-policy message expected to go to Congress in mid-March.

The most extensive series of recommendations dealt with the "People and Jobs" workshop, which declared it was "dissatisfied with the priority accorded to employment expansion by the administration." Several reports complained that existing federal training programs lead nowhere, that federal job aid hasn't gone to groups in greatest need and that more vigorous efforts are needed to steer jobless workers into permanent, private sector employment.

Echoing a theme from a speech earlier in the week by General Electric Co. Chairman Reginald Jones, one jobs panel said federal, state and local governments must "provide incentives to encourage industry and business to create jobs in areas of concentrated high unemployment."

Possible incentives suggested included issuing "certificates of necessity" enabling a private investor to recover over five years the investment in a new or rehabilitated plant in an area of high unemployment, insurance guarantee programs for locating plants and housing in high-crime areas and investment tax credits and other tax-related devices to encourage relocation in high unemployment areas.

While urging the establishment of national growth policies, the conference insisted it opposed centralized national planning. "No new layers of government should be created, and no new authorities or controls imposed," one workshop said. Another added "the federal government should have no preconceived plan" for distributing population and economic activity.

Still, one way or another, the workshops on "Management of Growth" all called for finding ways to set national goals and resolve conflicts between federal and state policies. One called for a Congressional Joint Committee on National Growth Policies, as well as a similar interagency Executive Branch Committee. Another proposed a presidentially appointed commission to develop "long-range projections" on resources, environmental, population and economic development problems. A third suggested a new "Office of Balanced National Growth and Economic Development" to make recommendations annually on growth issues.

Panels on "Streamlining Government" assailed overly complicated government regulations that don't reflect regional differences, and called for congressional authority to veto regulations that don't meet congressional intent.

Several groups called for states and groups of states to have greater planning control over problems that cut across local and state boundaries. They proposed more regional organizations patterned after the 13-state Appalachian Regional Commission, which Mr. Carter once headed.

After 4-day debate

BALT SUN FEB 3, 1978

White House conference recommends no formal federal policy on growth

By PETER BEHR
Washington Bureau of The Sun

Washington—An elaborate White House conference on planning the nation's growth ended yesterday with a conclusion that the federal government should not even try to impose a national plan.

With President Carter sitting on the platform taking notes, and 500 mayors, state officials, businessmen, labor leaders and private citizens in the audience, the conference leaders summed up the conclusions from the four-day debate on the course of the nation's growth.

"It is time to acknowledge that the national government has attempted too much too fast," reported one of the workshop groups that made up the White House Conference on National Growth.

Mr. Carter, in his remarks, noted another conference conclusion—that the fed-

eral government should not try to steer "inevitable" patterns of growth and determine which regions prosper over others. That, he said, would violate "the right of people themselves to make a decision where they want to live."

Instead, the conference emphasized the need for the federal government to target assistance to areas that fall behind the rest of the country economically.

Thus the conference, although not Mr. Carter's idea—it was initiated by members of Congress before his election—produced conclusions in line with Mr. Carter's conservative approach to the problems of impoverished cities and rural areas evidenced in his recent budget and economic messages.

The conference participants, most of whom were chosen by state governors, did not attempt to present Mr. Carter with a detailed list of demands for federal action,

and in his speech, President Carter was just as general.

Typical of the compromises written into the conference report were the statements on unemployment.

Labor delegates at the conference tried initially to win an endorsement of the Humphrey-Hawkins bill to establish national employment goals, which is now before Congress. But they backed off when faced with strong opposition from other delegates.

"It got to be a testy debate," said Norval Reece, secretary of commerce in Pennsylvania. A utility company official in his workshop argued that an attempt to push particular legislation would wreck the meeting. "We agreed to talk about jobs, instead," Mr. Reece said.

The result is a statement supporting a "full-employment policy with primary

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White House parley urges no national growth policy

GROWTH, from A1

emphasis upon creating jobs in the private sector."

The conference conclusions could be interpreted as an endorsement of Mr. Carter's determination to hold federal spending in check as a means of strengthening the national economy—a strategy that trusts private employers to meet most of the challenge of job creation for the unemployed.

"The basic responsibility of the federal government is to plan for a sound, growing economy," said Frederick B. Dent, of Arcadia, S.C., the secretary of commerce in the Nixon administration.

During the week, top White House officials and other conference participants hit hard at the limited role the federal gov-

ing" on Mr. Carter's part, he said.

Other participants were less enthusiastic about the White House posture.

"I think you do find general agreement that the federal government can't solve all the problems, but that's not really the issue," said William Lucy, vice president of the American Federation of State, County and Municipal Employees.

"The question is whether the federal government can provide positive leadership in the areas where government can have an impact," Mr. Lucy said. "Clearly, there is a need for speedy enactment of a jobs program," he added, expressing concern that Mr. Carter's "pragmatism" might indicate a retreat on campaign commitments to the unemployed.

Where Mr. Lucy and other participants agreed was on the need to target federal

ernment should play and the importance of "bottom-up" planning. Stuart E. Eizenstat, Mr. Carter's chief domestic policy aide, spoke earlier in the week of the federal government's "ineffectiveness" and the burden of federal regulations, almost as if Mr. Carter were still campaigning for the presidency instead of starting his second year in the jobs.

Some business leaders participating in the conference picked up this theme and saw in it a sign of change in the Carter administration.

"I think he's getting pragmatic," said one top official of a major manufacturer who has discussed domestic policy issues with Mr. Carter. "The more you see of the man and see the constraints, the more sympathetic you become. Hopefully, I see a reduction of some of the populist think-

aid to distressed areas, by making existing federal programs more efficient and useful.

"The only thing that struck me in the whole conference was the extent of agreement in the principle of aiding distressed cities. It appears over and over again in these things," Ray Bahl, a professor from Syracuse, N.Y., said, thumbing through the booklets of recommendations issued by the conference yesterday.

The recommendations will be reviewed by Congress, promised Senator Jennings Randolph (D., W. Va.), chairman of the Senate Environment and Public Works Committee, which has a major role in guiding growth policies. The conference was his creation, primarily, and served to produce support for the regional planning commissions that he has sponsored.

WASH-POST FEB 3, 1978

Growth Conferees Tell Carter of U.S. 'Interdependence'

By David S. Broder

Washington Post Staff Writer

Five hundred delegates yesterday gave President Carter their consensus prescription for America's economic future—a "declaration of interdependence" with an altered but not dominant role for the federal government.

Carter told the delegates to the closing session of the White House Conference on Balanced National Growth and Economic Development that he would heed their suggestions "with care," but he also made it plain he did not like the sound of some of them.

Responding to a proposal from one set of conferees that the federal government take over the full cost of welfare and Medicaid, while giving state and local governments more leeway in administering other programs, he said:

"I heard the applause for shifting the financial burden to Washington and the responsibility away from Washington, but I didn't hear any applause for the reverse. We're all in it together."

The president listened for 40 minutes as six speakers summarized the conclusions and recommendations of the 24 citizen panels which had been discussing the issues of economic growth, unemployment, the environment and regional disparities since Sunday night.

Wes Virginia Gov. John D. Rockefeller IV (D), chairman of the conference advisory committee, told Carter "this incredibly diverse group of Americans has been able to reach nearly unanimous agreement on several vital issues."

The points that Rockefeller highlighted were the need for continued and accelerated economic growth; a direct attack on unemployment, particularly among the young, women and minorities, help for deteriorated communities, and an expanded role for state and local governments.

Those themes did turn up in most, if not all, the panel-discussion summaries, which now go to Congress and the White House.

But even in yesterday's summaries, it was clear that some sharp issues had not been resolved within the conference.

One was the advisability of a "national growth policy," a cherished aim of the Commerce Department, which arranged the conference. Seattle Councilwoman Phyllis Lamphere told Carter that the panels for which she was reporting agreed "we need a national growth and economic development policy," formally proposed by the president and approved by Congress.

On the other hand, Charles Bishop, president of the University of Arkansas, reporting for another set of panels, told Carter that "while some of us believed that explicit national and state growth policies should guide the future distribution of population and economic activity, we all concluded that the federal government should have no preconceived plan for such a distribution."

Bishop said the federal government could encourage local and state growth planning, perhaps by consolidating its own federal planning grants.

But Carter, in his response, seemed to pick up chiefly on Bishop's warning against excessive federal intervention.

The president said he wanted to "underline the inadvisability of the federal government trying to discipline a society that relies on free choice." He said it would be better to concentrate on relieving the "human problems" that result from shifts of population and industry, rather than trying to contest the "inevitability" of such changes.

The "declaration of interdependence" was discerned by Paul Ylvisaker of Harvard University, who said participants found "the problems of growth and decline are to be found within all our regions," so that the nation "cannot afford to let its government agencies live in splendid isolation of each other."

Further, he said, "interdependence was affirmed" in the recognition that balanced growth required cooperation by government, the business community and nonprofit private organizations.

But Ylvisaker also noted there were "very sharp criticisms" of the federal agencies and their regulations, and the "inconstancy, inconsistency and obstinacy" of federal bureaucrats.

Carter said he was very receptive to that thought and asked the conferees for "specific suggestions" on simplifying regulations and reducing the paperwork burden.

Neal R. Peirce

A Town Meeting on Jobs and Growth

Five hundred delegates, from all states of the Union, assembled here yesterday for the nation's first town meeting on promoting economic growth and full employment in all regions of the country.

The town meeting, officially called the White House Conference on Balanced National Growth and Economic Development, could degenerate into a shouting match between Sun Belt and Frost Belt interests, conservative businessmen and spokesmen for the unemployed, and between industrialists and union officials clashing on the issue of "exporting" U.S. jobs to low-paying factories abroad.

But conference organizers hope something far more constructive may result from the four days of sessions—namely, a federal "challenge strategy," asking states and regions to come up with their own coherent economic investment and employment plans. And the nation's governors, who named three-fourths of the delegates, hope the conference will produce a mandate for strong state involvement in a national growth policy.

Either result could well have significant impact on the Carter administration, which remains, a year after taking office, wracked by deep indecision on how to attack persistent unemployment, how to help regions in decline, and how to deal with its state and city partners in the American federal system.

The meeting is "a hell of an experiment," "an honest game," argues conference director Michael Koleda, because it's not—like many past White House conferences—designed to whip up support for predetermined presidential policies or packed with spokesmen for a single constituency (youth, aged, etc.). The delegate roster includes

delegates of every ideological hue and interest, from mayors to businessmen, from citizen activists to labor leaders.

Traveling the country in preparation for the conference, says Koleda, he found few people talking about traditional "macroeconomic" policies to stimulate the economy or to avoid inflation. Rather, he found people talking about concrete, "on-the-ground" problems such as industrial plant closings, water resources, foreign-labor competition, economic-environmental trade-offs and regional rivalries for jobs and investment and federal aid.

Almost universally, he reports, there was frustration about the uncoordinated nature of the hundreds of federal programs operating in the field and a desire for a new, "breakthrough idea"—something as dramatic as the New Deal in the 1930s—to make the federal system more responsive to real problems.

The conference will have its share of the special interests already besieging Washington for aid—mayors, urban blacks, those seeking more water or energy investment, Frost Belt states claiming they're shortchanged in federal funds. But Koleda believes that after several conference sessions in which they're exposed to each others' long wish lists for federal subsidies, the groups will see there's no way for the federal government to fund all their projects without runaway deficits and staggering inflation.

And that, he believes, should set the stage for the "new idea" of Washington challenging the states and regions to come up with their own investment strategies in which the federal government would be an assisting and negotiating partner but dictate far less of the exact terms of programs than it does now.

Such an approach would resemble the "new federalism" theme of increased authority and latitude for state and local governments spelled out during the Nixon-Ford administrations. But it would go substantially further through a direct challenge to states and regions—enunciated, perhaps, by President Carter himself—to "get their investment act together," involving business and labor as well as local governments, before petitioning the federal government for assistance.

There are predictable stumbling blocks in the path of any federal challenge strategy. Congressional committees, federal departments and special-interest groups all jealously protect their own pet federal-aid programs, which leave states and localities little discretion. There would be competition between states, cities and counties for chief responsibility for drawing up investment plans and then negotiating with Washington.

But a flexible federal challenge strategy could leave Washington free to deal with whichever level of government in a particular area comes up with the most effective investment strategy and shows it can bring other governments, plus business and unions and neighborhood groups, to the bargaining table.

The burden of proof would be on any state or local group to show it had developed an economic investment strategy sensitive both to local conditions and national needs, including permanent jobs for unemployed Americans, orderly natural-resource development and conservation of land, water and energy. When—but only when—that case had been made, the onus would shift to Washington to twist and turn federal-aid dollars to undergird the state or local effort.

The economically faltering Northeast, which has been complaining steadily for the last two years that it is shortchanged in federal expenditures, provides a model of how such a policy might work.

A recent report by the Academy for Contemporary Problems in Columbus, Ohio, confirms that the Northeast is discriminated against by some federal policies.

But the Northeast's key problem, the academy found, is "a set of antagonisms" between business, labor and government "destructive to the long-run interests of all." Business, it was reported, "has come to feel that government in many parts of the Northeast is ineffective, fragmented, hostile and uninterested in the very programs needed to underwrite economic renewal."

A federal challenge strategy, Koleda notes, would tell faltering regions like the Northeast that to get more federal help, all the essential players—government, labor and business—must "get to the table, roll up their sleeves, and begin the hard task of developing an investment strategy to make them competitive."

Conversely, Sun Belt areas would have to show how their investment plans include the needs of the rural poor, Western states how their energy-extraction projects protect the environment, and farm states everywhere how their development plans conserve scarce agricultural land.

If the White House conference delegates are able to unite on such a challenge strategy, the winners would include not just the states and cities but also the Carter administration, which would have the unifying theme it has lacked so badly up to now.

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FEB 1 1973

U.S. Gyps North? No! Sez Georgia

By BRUCE DRAKE

Washington (News Bureau)—Gov. George Busbee of Georgia yesterday labelled as "bunk . . . pure bunk" assertions—like some of those made by Sen. Daniel P. Moynihan (D-N.Y.)—that federal policies were favoring the economic growth of the South and West at the expense of the financially ailing Northeast.

Busbee's speech to the White House-sponsored Conference on Balanced National Growth came right after Moynihan had pressed that point before the same group. Moynihan warned the gathering that the "downfall" of the Northeast because of unfair federal policies would breed a "response of betterness and reaction which will approach the response of the South to defeat in what we now call the War Between the States."

"We Are . . . Supressed"

But Moynihan and Busbee did come close to seeing eye-to-eye on staving off bankruptcy for New York City.

Moynihan said that "the primary object of urban and regional policy must be to avoid the bankruptcy" of the city. And he declared that such a bankruptcy "would be to the Northeast what Sherman's march was to the South."

Busbee responded: "I want to say to you, Sen. Moynihan, that we are particularly impressed with the importance of New York and we do not want to see

New York go down. New York is a national issue."

Busbee's speech echoed one given in New York last week by Sen. Lloyd Bentsen (D-Tex.), who also singled out the community development bill. Bentsen warned that this type of regional confrontation could cost New York City votes in its efforts to win a renewal of the federal loan program.

"New York and the Snow Belt cannot have it both ways," Bentsen said. "You can't set out to wage 'regional' warfare on some programs and then call for consensus and brotherhood on seasonal financing for New York City."

JAN 31 1973

BOSTON, MASSACHUSETTS
GLOBE

Economic balance: A clash over definition

By Thomas Oliphant
Globe Washington Staff

WASHINGTON — Ah, balance.

A fine American concept, suggestive of unity, consensus, community. Like so many concepts, it works marvelously until you ask people to define it.

Henry Ford 2d, who runs a car company, said yesterday he was against it. Reginald Jones, who runs General Electric, said he was for it.

Andrew Brimmer, the only black ever to serve on the Federal Reserve Board, said he is for it. But Vernon Jordan, who runs the National Urban League, said he was opposed.

Secretary of Agriculture Bob Bergland said he was enthusiastically in favor. Rep. Barbara Mikulski (D-Md.) was just as vigorously opposed.

It was the first full day of the White House Conference on Balanced Growth and Economic Development, a gathering sponsored by the Carter Administration. By Thursday, 500 persons from varied strata of American life are supposed to thrash out some of the country's economic major questions.

In vintage Jimmy Carter fashion, the Administration organizers here have used the concept of balance in a subtle attempt to harmonize, if not to submerge, the many conflicts that surround economic policy: between industrial development and the environment; between full employment and inflation; between tax reduction and direct government job creation; and between the Sun Belt and the Frost Belt.

Within hours of the opening of the conference's first sessions, it was apparent that one person's balance is another's cause for grief.

"In my view," Ford said, "balanced growth is a euphemism often employed by those who argue that economic growth must be sacrificed to environmental quality . . . But we will not have either in the long run if we do not give first priority to economic growth."

But to Jones, balance refers to economic policy and means a prudent application of governmental stimulus — but, out of concern for inflation, not too much.

And that is precisely what bothers Jordan.

"First, public service employment is frozen," he said, "despite the fact that it is the fastest and cheapest way to put people to work. Second, the proposed broad tax cut will have only marginal impact on unemployment and little on structural unemployment."

For Jordan, balance means a federal investment in direct job creation to match the tax reduction.

Which is what constitutes imbalance to Brimmer.

He argued that there is an immense imbalance between the large expenditures necessary for the government to create a job and those necessary to stimulate private jobs, through tax cuts or partial subsidies of wages.

To Bergland, balance, above all, means putting the efforts to spur growth in rural areas on the same footing as aid to the cities.

But to Mikulski, the whole concept of balance is repulsive and symbolizes her disenchantment as a liberal with Jimmy Carter.

Even in a single organization, such as the AFL-CIO, there is disparity.

To Robert Georgine, who heads the building trades department of the labor organization, some imbalance favoring industry is necessary for the economy's sake.

"We have to let some evils continue," he said. "We have got to do something to take care of the people who are here now and want to keep their jobs."

But to Rudolph Oswald, who runs AFL-CIO's research department, the imbalance in the nature of the country's recent growth in employment is dangerous.

"There is no balance," he said, "if 7 million new jobs overall in the last two years has been accompanied by fewer jobs in manufacturing, in transportation, in construction and in the garment industry. We can't just be a service economy, content to take in each other's laundry. We have to produce things in this country."

In just one day, all these matters add up to far too much imbalance for any conference to resolve. For the actual task of choosing which action to take in environment of imbalances — also called governing — there is a President, Congress, governors, mayors, state and local legislatures.

JAN 8 1978

E - 181,051
S - 223,626

BIRMINGHAM, ALABAMA
NEWS

Page 7.

Sunbelt organization holds line against assault from Northeast

BY PHIL SHOOK, News staff writer

Although it was started in 1971 as an interstate study group—a kind of Chamber of Commerce for the Sunbelt—the Southern Growth Policies Board has evolved into the main line of defense against economic encroachments from the Northeast.

What has solidified the aims of the leaders below the Mason-Dixon line is a growing alarm that big city congressmen, especially from the northern Midwest and Northeast sections of the country, are trying to change federal policy to benefit their regions at the expense of the South and the Southwest.

Alabama Sen. Jim Allen calls it "blatant sectionalism," while Georgia Gov. George Busbee warns the South to protect itself from a "narrow regional approach." The Sunbelt must defend itself, says Oklahoma Gov. David Boren.

The states belonging to the Southern Growth Policies Board are Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Virginia and West Virginia.

GOV. BUSBEE, who recently took over as chairman of the growth board, says he will lead it "into battle" to dispel "infuriating myths, false testimony and poor thinking" about the South.

The need for a well organized Sunbelt coalition to have a voice in national energy and urban policy matters is echoed by Sen. Allen. A Northern coalition composed of more than 200 members of the U.S. House of Representatives was created with the avowed purpose of changing federal policies to reduce programs benefitting the Sunbelt.

The growth board leaders say they are also determined not to sit back and let the Northeast dictate federal funding formulas. While some Southern cities

showed gains after the recent revision of Community Development Block Grant formulas—the vital sources of money for local governments—Gov. Boren says the Northeast received more than did people in the South and Southwest.

A draft of a statement which the Southern Growth Policies Board will present later this month to the White House Conference on Balanced Growth and Economic Development cites the inequities in the HUD funding formulas.

"IF THIS information had been available earlier in 1976, Sunbelt legislators would have been alerted that those from the Snowbelt were in the process of altering certain federal funding formulas, particularly those relating to urban aid," the draft states.

It also says that "any notion that we in the South have arrived and that there are no more serious problems to be dealt with... because we have no more need of outside help is nonsense."

The language of the statement not surprisingly is similar to that used by Gov. Busbee when he took over leadership of the growth board in Oklahoma City last year.

The South is not chasing dollars indiscriminately, Busbee said. He added, however, that "there is a widespread impression outside the South that this seeks and will take economic development on any terms. This is completely false."

Busbee said effective, rational solutions to regional problems will be welcome and that organization of Sunbelt and Frostbelt coalitions must not signal an age of regionalism in Congress.

But, he added, "narrow regional approaches which flagrantly discriminate against the South will not be tolerated."

JUNEAU, ALASKA
S.E. ALASKA EMPIRE

E - 5,000

JAN 13 1978

Alaska News Shorts

Station Gets Grant

FAIRBANKS (AP) — The University of Alaska's public radio station has received a federal grant of \$29,271 to improve its broadcasting facilities.

KUAC said the money would be used to improve production facilities at its studio on the Fairbanks campus. Most of the equipment there now dates from the 1960s.

The improvements will permit the station to produce more and better programming for local and statewide use. KUACFM distributes programs to 18 commercial and noncommercial radio stations in Alaska, some of which are aired by National Public Radio.

Carter Taps Selkregg

ANCHORAGE (AP) — President Carter has appointed Anchorage assembly member Lidia Selkregg to a White House committee studying national growth and economics. The White House Conference on Balanced National Growth and Economic Development is scheduled Jan. 29 through Feb. 2. The meeting will be chaired by West Virginia Gov. John D. Rockefeller IV. Mrs. Selkregg is in Washington, D.C., for a briefing session prior to the conference. She will return to Anchorage before the conference is held.

NEW ORLEANS, LA.
STATES ITEM

E - 134,707

JAN 4 1978

Statements sought on national growth

Private citizens and representatives of organizations are being invited to present their views at a White House Conference on Balanced National Growth and Economic Development Feb. 1 at the Sheraton-Park Hotel in Washington, D.C.

Conference director Michael S. Koleda said persons interested in making statements in person or submitting written statements should contact Albert L. Massoni, 2001 S. Street N.W., Washington, D.C. 20009, before Jan. 13.

Koleda said the conference will center around six themes, including strengthening local economies, people and jobs, government and budgets, geography of growth, government and the management of growth, and streamlining of government.

LOS ANGELES, CALIF.

TIMES JAN 31 1978

M - 1,000,866

S - 1,227,377

WARNS OFFICIALS OF 'TUNNEL VISION'

Ford Assails Moves to 'Balance Growth'

WASHINGTON (AP)—Industrialist Henry Ford II said Monday that the business community should accept economic planning from the federal government but contended that efforts to develop a balanced growth policy were misguided attempts to impede economic progress.

His comments came during the first full day of the White House Conference on Balanced Growth and Economic Development.

Ford sparred gingerly with Gov. Richard Lamm of Colorado and House Interior Committee Chairman Morris Udall (D-Ariz.), on the proper trade-off between environmental protection and economic development but concluded, "We cannot have economic growth, balanced or otherwise, if we go at our problems with tunnel vision."

Ford said that vigorous economic

growth and environmental protection are not incompatible but argued, "We will not have either, in the long run, if we do not give first priority to economic growth."

"My primary concern is whether there will be growth at all, given our government's increasing preoccupation with national policies that effectively impede growth." He said federal safety and environmental regulations often are too strict and strangle industrial growth by funneling money away from expansion.

"Our leaders have failed to grasp the fact that too much government inevitably leads to economic decay," he said.

The Ford Motor Co. chairman and grandson of its founder suggested that the government currently makes "too little use of incentives in attempting to resolve many of our most

difficult social and environmental problems.

"Even a donkey will respond to a carrot as well as a stick," Ford said.

Both Lamm and Udall said some coordination of economic goals and direction is necessary because a dwindling supply of energy and water threatens future growth.

Lamm said the nation must "move dramatically into new patterns, such as mass transportation instead of the automobile."

Ford said the first time he mentioned the idea of national economic planning, "lots of business people thought I was nuts. They saw lots of federal interference and more regulation. But we're not talking about government control, we're talking about a balanced view of what the future will be."

MIAMI, FLORIDA

HERALD

M - 384,824

S - 486,568

FEB 1 1978

Poor and Unskilled Jobless Are Called 'Social Dynamite'

WASHINGTON (UPI) — They are poor, lacking in formal education and unskilled for work. A disproportionate number are black, young or female. A great many are concentrated in America's older, central cities.

Economists call them the "structurally unemployed" — meaning those who are out of work not so much because of the recent recession, although it hurt them, but because they have been left behind by the economy.

They are the people who tend to be unemployed in the best of times, numbering perhaps two or three million, although there is little agreement on their numbers.

CONGRESS, THE administration and economists are going to be talking a lot more about them this year because, with unemployment down from the recession high of 9 per cent to 6.4 per cent, this group clearly has become a relatively bigger part of the jobs problem that remains.

Some 500 delegates to a White House Conference on Balanced Growth and Economic Development heard

some parallel and some conflicting views on what to do about structural unemployment.

Vernon Jordan, president of the National Urban League, said President Carter's proposed \$25-billion tax cut "will have only marginal impact on unemployment and little on structural unemployment."

He called instead for more spending on job-creation; "massive programs" for education and training; passage of the Humphrey-Hawkins bill; and targeting all job, urban, anti-poverty programs and tax incentives toward groups and regions with the highest unemployment.

REGINALD H. JONES, chief executive of General Electric Co., calling the structurally unemployed "a nation within a nation" and "social dynamite," said Carter's tax cut would lay the economic foundation for helping them and should take effect even sooner than the Oct. 1 date the president has proposed.

But he said there also must be programs specifically targeted at the structurally unemployed. He urged that new coalitions of government, business, labor, education, community agencies and minority groups be formed at the local level to help set these programs up.