

Section 24 (b)

**Statement in Regard to the Governor's Local Government
Reform Program As Presented to San Jose, CA. City Council
(5/11/1973)**

STATEMENT IN REGARD TO THE GOVERNOR'S LOCAL GOVERNMENT REFORM PROGRAM, BY ANNE GARNI, HEARING HELD IN SAN JOSE, MAY 11, 1973 (AS PRESENTED TO CITY COUNCIL.)

I have done quite a bit of research on local government since I was first elected to the City Council in 1969, and I would like to share with you some of the material that I think is pertinent to the governor's Local Government Reform Program.

The statements which I shall make are approximately the same as those I made at the public hearing, chaired by the Council on Intergovernmental Relations, on May 11th, in San Jose.

I strongly support the reform of the present system which has been imposed upon the people by deliberately misinforming them of its true purpose.

In Santa Cruz, we have a so-called "Model City Charter", drafted by the National Municipal League, the law factory which turns out "Model County Charters" and "Model State Constitutions", and which has been, in their words, "responsible for most of the civic reform movement in this century in the United States."

The National Municipal League is a satellite of the Public Administration Service, more commonly known as the 1313 Center. This Center was established on the University of Chicago Campus at 1313 East 60th Street, and was financed, directed and controlled by a Rockefeller Foundation.

From the study I have made, in the past few years, I have learned that the major foundations: the Rockefeller, the Ford and the Carnegie Foundations, in particular, have consolidated their efforts, their resources and their influence to plan, program and to budget the American people into a controlled society.

In order to successfully resist this takeover, we are going to have to understand what is happening, and we are going to have to do some research on our own to learn how we arrived at the present predicament.

Governor Reagan's Local Government Reform Program is no different than the Local Government Reform Programs now going on in the fifty states. The plan is to consolidate local government--merging cities and counties, merging counties with counties--taking government further from the people, and then having it administered by appointed experts who will manage the people and their money according to the guidelines established and directed by the executive branch of the federal government.

Local government must be reformed, but only by returning it to the people, and freeing it from State interference, and from federal mandates. Regional authorities, joint power authorities, and all other devious schemes now used to circumvent the vote of the people, by removing their right of control over government, must be repealed.

As an example of what has been happening, let's take a look at our own situation here in Santa Cruz. When first elected to the Council, the new official automatically becomes a member of the League of California Cities, which is another satellite of the 1313 Center. The tentacles of the public administration system begin to fasten their grip on the new member, pulling him away from his constituents, and into the bowels of the bureaucratic machinery that has superimposed itself over our representative form of government, taking over the powers and duties previously vested in elected representatives.

The League of California Cities carries a great deal of weight with the city officials throughout the State. The League's lobby in Sacramento pressures through legislation favorable to public administration, but with antipathy toward the taxpayers.

The following are excerpts from one of the League's resolutions, passed at the annual conference in San Diego in 1970: "Whereas, the proliferation of problems which cut across the traditional boundaries of local government entities has necessitated the creation of regional governmental agencies which overlap cities and counties. The creation of regional organizations throughout the State, which also may be known as Councils of Governments, should be required by statute. The regional organizations shall be granted such regulatory and taxing powers as necessary to carry out the regional functions.

The resolution calls for the elimination of the established boundaries of cities and counties; it disfranchises the voters; and removes all control of expenditures and authority from elected officials within the regions.

Governor Reagan's Reorganization Plan of 1969 authorized the Council on Intergovernmental Relations to divide our State into planning districts, which is the first step in developing Substate Regionalism. On February 11, 1970, the CIR adopted the nine-regional division. Governor Reagan endorsed the policy position for these regions on May 21, 1970, stating that: "We have maintained a strong tradition of home rule whereby a high degree of governmental authority has been reserved to cities and counties."

The list of tasks for these regions could hardly be considered as representative of "home rule". They are: Federal Highway Act of 1962; Demonstration Cities and Metropolitan Act of 1966; Intergovernmental Cooperation Act of 1968; Comprehensive Health Planning and Public Health Services Act of 1966; Criminal Justice Planning--Omnibus Crime Control and Safe Streets Acts of 1968; and Regional Water Quality Control Boards.

Where does all this fit into "home rule"? Or, does home rule mean regional control by the federal government, through the subregions, and over the people?

We quote from the 12th Annual Report of the Advisory Commission on Intergovernmental Relations: "Substate regional bodies are proliferating. Federal programs encourage their formation to meet specific Federal objectives such as metropolitan planning (HUD), resource conservation and development (USDA), community action (OEO), cooperative area manpower planning (Labor), comprehensive health planning (HEW), and law enforcement (Justice)."

The same report stated that: "The President in Reorganization Plan No. 2 of 1970, established a Domestic Council to coordinate domestic policy formulation; and an Office of Management and Budget to strengthen his managerial control. The plan was heralded as giving the President the machinery to oversee the evolution of federalism."

In reference to the Revenue Sharing Act, signed by President Nixon on October 20, 1972, he said: "We expect great things from this program--and we are going to be watching for them. I am asking the Advisory Commission on Intergovernmental Relations to monitor and evaluate the results of revenue sharing. The enactment of General Revenue Sharing represents only the first part of our comprehensive design to reform the institutions of government."

As he signed the bill, he said: "In my State of the Union address nearly two years ago, I outlined a program which I described as a 'New American Revolution--a peaceful revolution in which power (is) turned back to the people--a revolution as profound, as far-reaching, as exciting as that first revolution almost 200 years ago.' The signing today of the State and Local Assistance Act of 1972--the legislation known as General Revenue Sharing--means that this New American Revolution is truly underway."

President Nixon's speech was typical of the kind of double-talk and half-truths which the propagandists are using to confuse the American people. The Presi-

dent's New American Revolution is very real, and his words echo those of President Johnson when he spoke before the United Nations on December 17, 1963: "I worked with him (Roosevelt) to bring about a profound but peaceful revolution."

The dictionary defines "revolution" as a sudden change in the government of a country; the overthrow of one form of government and the setting up of another. President Nixon and his army of revolutionaries are overthrowing our Constitutional Republic and are replacing it with a Socialist Dictatorship. Is that returning power back to the people, or is it imposing power on the people?

The New American Revolution is peaceful only because the people cannot see the invisible, defacto government that has been gradually taking over powers granted to Congress and the States by our Constitution. Just as local government appears to maintain its representative image, so too have the three branches of the federal government and the state governments maintained their visible structure.

In their 14th Annual Report, ACIR boasted: "Federal Revenue Sharing, a landmark legislation, signed into law by President Nixon on October 20, implemented a recommendation adopted by the ACIR in 1967. This step toward tax coordination constitutes yet another element in what is gradually emerging as an integrated fiscal system of Federal, State and local government taxation and expenditure programs."

From the Executive Office of the President, the Domestic Council issued a pamphlet entitled: "The History of Revenue Sharing" in which we quote: "The skeletal plan was developed by a committee headed by Counsellor to the President, Arthur F. Burns, who is now Chairman of the Federal Reserve Board.... Taxes are collected most efficiently by the highly centralized Federal tax system. Each general purpose unit would receive its proportionate share of revenue based on how much money it raises locally. These units of government will be able to serve as laboratories for modern government. Revenue Sharing is an idea whose time has clearly come."

The Office of Revenue Sharing has been established under the jurisdiction of the Secretary of the Treasury. From their booklet, we read the following: "The Office of Revenue Sharing consists of mainly attorneys, economists, analysts, and administrative specialists who will evaluate, administer, and verify the multibillion dollar program through audit and compliance measures. In the case of a unit of local government which spends money on non-priority expenditures, the local government will pay over to the Secretary an amount equal to 110% of any amount expended out of its trust fund in violation of the Revenue Sharing Act."

The 1970 ACIR Report tells us that "Revenue sharing of itself is no panacea. It is one component--albeit an important one--of a comprehensive program to restore the fiscal balance in our federal system." The federal deficit, ACIR explains, "is a mechanism of economic policy--a mechanism designed to stimulate recovery of the Nation's economy." State and local governments, ACIR added: "have made their tax systems more buoyant, and in the aggregate fared rather well."

While the local government officials are gleefully dreaming up new ways to spend this windfall of dollars, few are aware of the price they will pay for this criminal scheme, which was sold to them with half-truths and blatant lies. The propagandists sold it on the pretense that the people were going to get something for nothing. The second half of the Act was played down--hardly mentioned at all: The Federal Collection of State Income Taxes.

AS the pieces of this jig-saw fall into place, we recall the words of Congressman Wright Patman who said: "The authority to collect taxes has been quietly transferred to the Federal Reserve System and the Wall Street Bankers who operate it."

The Federal Reserve System and the Internal Revenue Service now have access to the private papers of the American people, to examine their incomes and their expenditures, violating their right of privacy. Federal Revenue Sharing now extends this power over all units of government in order to "check the compliance of such rules and directives as the Secretary of the Treasury shall prescribe to enforce the act."

The encyclopedia describes the U.S.S.R.'s form of government as being "a Communist Dictatorship, with the government structure consisting of a federation made up of fifteen soviets (called republics). All industry, agriculture, education, communications, and every other phase of human life is controlled by the dictatorship."

President Nixon divided our country into ten federal regions on March 27, 1969, and by Executive Order 11647 signed on February 10, 1972, he staffed these ten regions with Councils (soviets) composed of regional directors of Health, Education and Welfare; Housing and Urban Development; Labor; Transportation; Environmental Protection; Law Enforcement; Economic Opportunity; and appointed a Chairman for each Council who "shall serve at the pleasure of the President." On July 23, 1973, the President amended this EO with EO 11731, adding two additional agencies to the ten Federal Regions: Interior and Agriculture. By Executive Order, President Nixon has quietly restructured our government, changing it from a Constitutional Republic to a Totalitarian Dictatorship which he calls The New Federalism.

The New York Times Magazine of April 21, 1935, published an article entitled: NINE GROUPS INSTEAD OF THE 48 STATES. (See attached copy). The subheading: A Proposal for Rebuilding the Structure of Government in Order to Deal With Issues on a National Scale. A map accompanied the article showing the division of the United States, explaining: "The Map of the United States as It Might Be Redrawn by the 'Revisionists' -- States' Rights Would Be Abolished and the Country Would Be Divided Into Nine Departments." In the body of the article, we read: "The most common--albeit the most startling proposal--is to abolish so-called States' rights entirely, preserving State lines only for sentimental reasons, and reapportion the United States into eight or ten great departments. To provide for strictly local expenses, a pro rata share of the national revenue would be turned over to the departments." Because there was no definite plan for so altering the Federal Constitution, the author asks: "Could it be brought about by a simple constitutional amendment?"

President Nixon has brought about this division--not by a simple constitutional amendment--but by violating the constitution which he swore to uphold. Why has Congress not seen fit to rescind the Executive Orders that are being used to change the structure of our government? And why has Governor Reagan not defended the sovereignty of the State of California from usurpation by the Federal Government? Did he not take an oath to protect, preserve and defend the Constitution of the United States and of the State of California? Where is his loyalty? Is he serving the people of the State who elected him as their leader, or is he serving the invisible, administrative government as a vassal for the Rockefeller interests?

Governor Reagan replaced Governor Rockefeller on the Advisory Commission on Intergovernmental Relations in 1970. ACIR was established in 1959 for the purpose of implementing regional government--the merging of the States and local governments into appointed regional organizations controlled by the President. ACIR is also a satellite of the 1313 Center.

There are 26 members in ACIR, 20 of whom are appointed by the President of the United States; three of whom are appointed by the President of the Senate; and three by the Speaker of the House.

The Senators and Congressmen, by serving as members of ACIR are violating Article I, Section 6 of the United States Constitution. Governor Reagan is violating Article V, Section 2 of the California Constitution which clearly states that he cannot hold other public office.

ACIR is the heart and soul of the "New Federalism". From the various ACIR publications, the following statements have been taken:

The Commission devotes a major--and growing--proportion of time and resources to encouraging implementation of the recommendations it makes to the legislative and executive branches of Federal, State and local government.

Legislation to implement ACIR recommendations to Congress is usually introduced by United States Senators and Representatives who are members of the Commission.

The Council of State Governments includes most ACIR bills in its annual volume of "Suggested State Legislation".

Commission recommendations for State action are translated into draft bills and proposed Constitutional amendments which constitute ACIR's State Legislative Programs. These proposals have been made available in separate "slip bill" form. They are brought to the attention of key legislative and executive officials of all the States, as well as other interstate groups and individuals.

During the year, ACIR staff maintained liaison with various national groups (1313) representing State and local governments and with the Administration's Office of Intergovernmental Relations.

The above statements taken from ACIR publications help to explain how and why identical bills are introduced simultaneously throughout the country by our elected "representatives", each one strengthening Federalism's power and control.

The scientific selection of this Commission's membership serves to draw strong leadership from the various 1313 satellites, such as the Governors' Conference, the National League of Cities, the United States Conference of Mayors, the National Association of Counties, and the National Conference of State Legislative Leaders.

Governor Reagan lost no time in carrying out his duties as a loyal member of the ACIR. He appeared before the League of California Cities and before the County Supervisors' Association of California to tell the public officials of this state that they were saddled with a "horse-and-buggy system of local government". He told them about his "dream" of reforming government into a model of efficiency and economy. "Quite likely", he said, "some constitutional amendments may be required", but he said that he did not view that as an obstacle.

Although the transfer of responsibilities from our elected officials to appointed administrators has been going on for over fifty years, the process has been so cleverly engineered that few people realized that this conversion was taking place.

Not a shot is being fired in this "peaceful, profound, New American Revolution", but make no mistake about it, "The New American Revolution is truly underway", as Nixon has stated, and the target date for the completion of the takeover is our country's Bicentennial. An informed America can reverse the direction in which we are being taken. With God's help. we can celebrate 1976 in freedom!