

able them to exercise free choice must be created and protected by government. But if a community consists largely of the very people who most require government services, it will lack the resources to meet these needs.

The American ideal of equal opportunity for individuals to seek fulfillment in a free economic market is also frustrated by local political boundaries in metropolitan areas. The economic self-interest of local governments often restricts freedom of choice in the housing market regardless of whether there is overt discrimination by race or class. Unless specific governmental action is directed toward problems of economic and social differences among the many separate metropolitan jurisdictions, disparities tend to grow and inequities are magnified. To a large extent, the job of assuring equal economic and social opportunity to metropolitan residents is one of expanding freedom of choice in the housing market for disadvantaged groups. Residence is the basis for receiving and paying for a large number of urban services, including public education. Thus any effort to alleviate social and economic disparities in metropolitan areas must stress the application of housing and development policies designed to promote diversity and opportunity throughout these areas.

The implications of local disparities in metropolitan areas are also ominous for intergovernmental relations within the federal system. Population groups at the lower end of the social and economic scale are rapidly becoming the dominant political force in the central cities of many large metropolitan areas. The continuing growth and segregation of these groups in the central cities threatens to produce major conflicts of interest and values between central cities and the more affluent suburbs. This split will make it increasingly difficult to bring about the cooperation between local governments that is so badly needed in a number of public service fields. Similarly, future governmental reorganization and structural adaptation in metropolitan areas may become increasingly difficult. Traditional rural-urban differences in State legislatures have already been supplemented by an equally fundamental central city-suburban split. If disparities continue to sharpen, this split will increasingly be reflected in the Congress.

These considerations lead to a number of principles of government action to prevent the intensification of local disparities and to cope with the effects of those that already exist. Government action can reduce fiscal and public disparities by: (1) promoting a wider range of choice in both housing and employment within metropolitan areas; (2) encouraging local cooperation, boundary adjustment, and joint performance of urban functions; and (3) developing a more sophisticated Federal-State-local equalization system to begin to compensate for existing fiscal disparities among local governments. These approaches will be discussed in greater detail in the following chapter.

Clearly, governmental action to deal with fundamental social and economic problems that underlie the pattern of disparities—broken families, inadequate education, discrimination in employment—must extend well beyond the realm of intergovernmental relations. This review of the implications of social and economic disparities therefore deals only with a specialized set of considerations. The principles described here are not directed toward the solution of underlying social