

3716 ECONOMIC OPPORTUNITY ACT AMENDMENTS OF 1967

"A pattern of intergovernmental relations has developed in which cities and towns in metropolitan areas pursue largely independent policies, with a minimum of inter-local cooperation, but many engage in numerous direct dealings with the Federal Government. The State role has been lagging far behind both local and Federal activity. Yet the States occupy critical positions within the American federal system and possess the power and resources to strengthen local capacities and stimulate greater cooperation within metropolitan areas.

"The new intergovernmental relationships also pose more fundamental issues for the future of the American federal system. Minimizing State participation in urban affairs is tantamount to removing State influence from a critical range of domestic issues. The federal system of the United States involves a division of powers between the States and the Federal Government. The States have created a further division by delegating powers to the local governments they have established. *If the State role in this partnership is weakened, the ramifications may be far reaching. Without active State participation, it is doubtful whether local government can be reorganized to perform more effectively in metropolitan areas; the localities derive their powers from the States and need State authorization for structural reforms.* More broadly, the State role in metropolitan affairs must be considered in terms of the philosophy of the federal system. *The division of authority between the States and the Federal Government has served the country well in the past and has helped to safeguard the values of representative and responsible government.* Basic changes in the system of intergovernmental relations should not be undertaken lightly or permitted to occur by default."

We would favor modification of the Economic Opportunity Act to increase responsible State participation in any or all of the various programs. We have historically favored legislative provisions whereby the Congress establishes a formula under which funds for prescribed purposes are allocated to the States, with administrative responsibility vested in State agencies, and with audit by federal agencies to the extent necessary to avoid unauthorized use of funds. We believe that maximum progress will be made in the anti-poverty program by adherence to this established pattern of federal-state cooperation.

We also oppose the allocation of OEO funds to non-governmental or quasi-governmental agencies. It appears to us that this approach, by-passing both State and local governments, is poorly designed for effective accomplishment.

UTILIZING PRIVATE ENTERPRISE

Most jobs are provided by private enterprise. Quietly and without publicity, private enterprise has accomplished far more in job training and placement than has OEO.

William C. Selover, Staff Correspondent for the Christian Science Monitor, in a series of articles on poverty, published in December 1966 and January 1967 issues of the Christian Science Monitor, dealt extensively with this phase of industry operations. A few excerpts from these articles are as follows:

"It is variously estimated that private industry spends between \$4.5 billion and \$20 billion a year on just job training alone . . ."

"The success of many of the individual efforts of businessmen in this area is impressive by any standard."

"From experience so far, this fact is becoming clear: When businessmen run such programs money is usually spent wisely and efficiently."

We support the general principle that business—because it provides the jobs, knows what training is needed, and is administratively competent—is equipped to provide (and is indeed providing) the most effective anti-poverty training programs. An expansion of this role of the private sector would make a major contribution to accomplishment of the objectives of the Act. We do not, however, have a policy position on the Human Resources Act, although we have prepared an analysis of this proposal for consideration by State and County Farm Bureaus incident to the development by Farm Bureau of a policy on this proposal.

OEO FUNDS TO UNIONIZE FARMWORKERS

The fact that OEO funds have been used to finance unionization of farmworkers has been well established.

For example, the General Accounting Office, at the request of Rep. Paul Rogers investigated the use of OEO funds in efforts to unionize Florida farmworkers, and reported evidence that anti-poverty funds were used for this purpose. The Community Action Fund is listed as one of the agencies on the