

Advocates of tax sharing with a minimum of strings attached are not true friends of state and local government or of the people back home who would allegedly benefit from such an approach. For one thing, they imply that the federal system should be or could be a partnership of equals, a concept which sows confusion. The Articles of Confederation provided for a partnership of equals. When that partnership inevitable went bankrupt, we founded this nation on a Constitution which provides for a more perfect union by making the federal government preeminent within the federal system and charging it with direct responsibility for promoting the general welfare. It is also misleading to imply, as they do, that the powers of government within the federal system are a fixed quantity and that the exercise of federal leadership in Washington involves a derogation of the powers of the states. This nation is faced by problems of such complexity and magnitude that government on all levels is challenged to assume greater initiative and become more resourceful. The question is not, as the partisans of untied grants assume, to take away from the powers of Washington in order to augment the powers of the states. It is rather that Washington and the states both should exercise their respective powers to the full, within a system in which all partners acknowledge the necessarily preeminent position of the federal government.

Advocates of tax sharing without strings also fail to take account of the fact that too many states have not put forth enough tax effort and too few have been enough concerned with tax equity. The fact the 17 states have no income tax is relevant with respect to both effort and equity. What assurance is there that states which presently neglect such important sources of revenue will not use federal monies made available on a no-string basis either to reduce existing state taxes or to avoid tax increases necessary, in addition to federally provided funds, to assure an adequate level of services for their citizens? The inequity inherent in the heavy dependence of state and local governments on regressive sales and property taxes, which impose a disproportionate burden on the poor and less affluent, is one of the chief reasons why state and local tax burdens should be eased by increases in federal grants. The grant-in-aid approach can help to assure that the inequities resulting from state and local taxes are offset to some degree by federally financed services for the victims of those inequities.

The fact remains, however, that the chief reason why the states are in trouble is that the federal government has failed to assume its proper responsibilities. If the federal government, for example, were to establish a national guaranteed minimum income program, the \$3.2 billion which the state and local governments are currently spending for public assistance and relief would be freed for use—without strings—as these governments saw fit. And this is just a single example: Washington could free additional billions of dollars of state and local expenditures through exercising similar initiative in many fields where the national interest calls for federal action.

Along with full assumption by the federal government of its direct responsibilities, the best hope of state and local governments lies in increased federal appropriations for grant-in-aid programs, and in the extension of such programs into other categories of need where state and local burdens need to be lightened. There is no reason why the present evolution of such programs cannot continue to make them more responsive to state and local needs, including the need to find regional solutions for many problems, such as water and air pollution.

The main thrust of the united revenue sharing advocates, on the other hand, is not toward increases in federal assistance but toward budget cutting. The chairman of the House Republican Conference was presumably reflecting a widespread sentiment within his party when he said (Congressional Quarterly, Jan. 20, 1967) that of several tax-sharing plans being drafted, the final Republican choice was expected to propose "that no strings be attached to the money and that federal grants-in-aid programs be eliminated or phased out." Illustrative of tax-sharing measures being introduced is one whose proponent told the House that it would return to the states \$2.2 billion of federal funds, less than the \$3.2 billion the states and local governments are now spending for public assistance and relief under that grant-in-aid program—and which they would be free to spend as they chose for other purposes if we had a national guaranteed minimum income. The Congressman apparently conceives of his revenue sharing plan as an eventual substitute for grants-in-aid, since he states that much of President Johnson's contemplated \$2 billion increase in grant-in-aid programs "could be directed toward a federal tax-sharing program." It is pertinent, therefore, to