

observe that the federal government turned \$11.2 billion over to state and local governments for grants-in-aid in calendar 1965, or over 15 percent of total state and local government expenditures.

All of which is not to argue that there should never be some form of revenue-sharing in addition to grants-in-aid. First, however, direct federal responsibilities should be squarely met and grant-in-aid programs should be adequately funded and their potentialities fully realized. And states and local governments should bring a much greater degree of order and equity into their affairs. Then it might make sense to offer state and local governments a certain amount of federal revenue, over and above sums distributed through grants-in-aid. This additional revenue would go to states prepared to increase their spending in certain broad areas, which would be defined by the Federal government in order to assure that funds raised nationally would be spent for national purposes; and in these general areas they would be free to experiment. State and local efforts to increase their tax collections to a specified amount in relation to per capita income should be a factor in determining the allocation of funds. And in order to encourage tax equity as well as tax effort, substantially more credit should be given for revenue derived from personal and corporate income taxes than for that collected from sales and property taxes. Many states and localities have feared to increase their tax collections and make their taxes more progressive in the face of business threats to move elsewhere. Such federal inducements would serve to offset these fears. Care should also be taken to assure that the funds would not be used on a racially discriminatory basis; and there should obviously be other safeguards to assure compliance with proper wage and other standards.

That time has clearly not come. Meanwhile, an effort should be made to improve state and local performance by including such standards and incentives in grant-in-aid programs.

PRIORITIES FOR GREATNESS

The Great Society is not a transient slogan but rather a continuing commitment to make the quality of American life more worthy of our power, our wealth, and our democratic professions. We look around us at the state of our cities, our air, our water; at the poverty and deprivation and discrimination that persist among us; at the unemployment, disaffection and delinquency that affect so many of our young people; at the insecurity, loneliness and needless suffering that afflict so many of our elderly. We cannot believe, with all due allowance for the exceptional strains and demands of this period in our history, that we are doing nearly as much as we can comfortably do, with our great and growing means, to cope with these domestic dangers and challenges. We are convinced that despite all our other commitments, we can take and we should be taking longer strides toward that society that is more concerned with the quality of its goals than with the quantity of its goods.

We are also convinced that doing more now is the best preparation we can make for the massive forward movement toward a greater society that we must be ready to make when the Vietnam War is ended. We must recover a sense of the urgency of getting on with the great tasks of peace.

We sense that despite evident concern and the best of intentions in Washington, spirits have been chilled and the will to move forward has given way to a marking of time, a treading of water, a spinning of wheels. And, we fear that this dispirited mood will favor the active campaign of retrenchment and retreat on the part of those who see in our Asian involvement a prime opportunity for placing all our clocks on slower and slower time.

We find this dispirited mood understandable against the recent sorry record of authorizations voted and then reduced in the actual funding, a process that has weakened dozens of Great Society programs and virtually or completely destroyed others. While understandable, however, we believe it is a mood that must be resisted out of the knowledge that to indulge it is to pile up greater troubles for the country and the government in coming months and years.

Therefore we say that the time is now to break this mood and to resolve again to move resolutely forward. The limitations on our movement and initiative are not as great as we have lately supposed. We are not condemned, for example, to be victims of old priorities when changing circumstances require a shift to new priorities and enable us to make greater, more significant progress in