tion in relation to income. Yet these seeming virtues are lost in today's federal grants-in-aid picture. Review of total grants-in-aid whether measured by per capita population, income, or tax effort appears to show that the state receives less than its reasonable share. And there is currently no evidence of a possible shift. At least one 1970 projection shows only New York making a slightly higher effort in the ratio of its own funds to federal grants.[2] Making all the allowances one can think of, I am still driven back to the proposition that Wisconsin taxpayers are the victims of some unanticipated consequences of the total grant-in-aid system that the Congress never intended in writing the grant by grant structure.

Reduction of the number of grants might eliminate some of the unanticipated consequences and ease both federal and state administrative burdens. If all of the present federal grants to the states were consolidated into a dozen or fewer under no greater number of federal administrators, the sources of friction and frustration would be reduced. Governors, legislators, and top administrators might all feel they had better understanding and control of their program responsibilities. By fairly explicitly stating goals or objectives but without tying applications for funds to the general program to each individual goal, Congressmen would have no reason to believe they had lost any of their present control and they might find they were able to gain a better sense of national-state effectiveness in health or welfare or housing or employment or education. Additional goals with additional funds unsegregated could be added from time to time. A dozen applications and subsequent reports from each state could replace numbers now sometimes running into the hundreds with the necessity often of repeating much of the same general data about the state's characteristics. Possibly a dozen or fewer broad grants from the national government would press states with sprawling bureaucracies to pull functions together under fewer and more orderly tents. Local governments too might feel the press for consolidating functions.

Another approach to adding flexibility at the state level would involve recognizing the differential quality of state government and their abilities to carry out programs. Formal equality under the grant procedures may often make for inequality. Why should a state that has not had a major (or even really a minor) corruption scandal this century, that has had an effective merit system for quite literally 99% of its employees, that has shown early leadership and administrative effectiveness in many programs, and that ranks unusually high in its own tax effort have to submit one detailed program application after another. Is it not possible to establish a few objective criteria as to the general quality of individual state governments to permit states highly rated to apply on a simpler basis for large blocks of funds. Thereafter, a few regular reports of uses and accomplishments plus federal post-audit might legitimize further such general grants. No state, under this proposal would be barred from getting its share of grants provided by Congress. This is necessary to meet political realities and to avoid penalizing many of the recipients whom the programs attempt to aid. States below the administrative standard would be subject to closer controls and would have incentives to improve their housekeeping.

What about grants to local governments? Where these exist, the national government seems frequently to be following the path of the states in reinforcing or assisting fragmentation in the metropolitan areas. Should all grants be routed through the state? Should urban grants go only to the central cities with further distribution permitted? Neither of these alternatives is perhaps desirable or politically feasible. Yet today's practice of involving both at the national and local levels individuals and agencies single mindedly pursuing education, or an aspect of health or welfare or housing or airports with little concern for general purpose governments or the central city lays up problems for the future. Some consistent vision of metropolitan government that permits an integrated attack in needs and revenue resources urgently demands the attention of legislative bodies and administrators.

2. TAX CREDIT

In my view the income tax credit proposal can be dismissed in one sentence. It comes too late. If Congress in 1935 or 1940 or perhaps even as late as 1950

[2] Selma J. Mushkin and Gabrielle C. Lupo, "Project '70: Projecting the State-Local Sector," George Washington University State-Local Finances Project (Washington, D.C., March 1966), mimeo.