

outright the welfare system and that the Federal Government take entirely the costs of all the welfare categories. One might extend that argument, adding Federal coverage of other personal guarantees and services essential to making meaningful the constitutional rights to equal opportunity and protection of the laws promised to every citizen no matter where he was born or presently resides.

To conclude, Madam Chairman (and I apologize for the length of this statement) I think we can make certain incremental reforms right now, as long as we know the direction in which to move. I have made this longer statement, talked as I have about these substantive problems, because I become nervous when we begin considering ways and means, before making clear our policies, strategies and objectives. Thank you very much.

Representative GRIFFITHS. Thank you very much, Mr. Ylvisaker, and I thank each one of you for your statement. I thought they were very good.

But I would like to point out that merely to suggest that we are going to share income with the States or with local communities is to suggest first that money alone will cure the ills of the States; that the lack of money is their problem. No place can we better prove that that is really not the problem of the State, than in New Jersey. If this suggestion is really true, then why hasn't New Jersey passed an income tax?

Mr. YLVISAKER. I can't speak for the legislature, but I can speak for myself.

Representative GRIFFITHS. All right.

Mr. YLVISAKER. It is hard.

Representative GRIFFITHS. You are right. But the whole problem of all of this and the real reason that you have the grants-in-aid is because of the State legislatures. The State legislatures throughout the whole thing have been the stumbling block. In a new book written recently, Triplett writes, "The States, united they fell," and he points out that the real problem with State legislatures is that their true constituency is not the people, but lobbyists, and it doesn't make any difference what you do. They are still going to react to those lobbyists.

Now I was once a State legislature representative, and while I don't buy the theory completely, I think that this really is one of the problems. It took Michigan three Governors and 15 years to pass an income tax, with all three Governors demanding an income tax, so that I think you have great problems besides money. I think money is not the only problem involved here.

Mr. Maxwell, I believe you began by saying that you would only give the money back in times of affluence. If you only give it then, how many times would we have given money back to the States unencumbered in the last 30 years?

Mr. MAXWELL. I didn't quite say that, Madam Chairman. I said any considerations with respect to increased Federal money going to the States should, in my opinion, wait until we are somewhat out of the mess we are in now, and of course I refer to Vietnam.

Representative GRIFFITHS. I am not going to let you get away with that because I think we will undoubtedly be in another one, so that I think you have to make up your mind that once this begins, then it is going to go through any Vietnam or any world war III or any other thing.