

The other response is one which I hope is going to transcend: which is that we try to negotiate, try to find humanitarian solutions to what otherwise could become military problems. But whatever the mix, I can't see in the foreseeable future that security requirements will so vastly diminish as to provide us soon or even later with a financial windfall for domestic purposes. Therefore I think we ought to start where we are.

Representative GRIFFITHS. Right.

Mr. YLVISAKER. And considering now whether it makes sense to go ahead with shared taxes or block grants or whatever within the margin of what we have.

The second reference you began with, Senator, was to a kind of homely truth. As you and I found at graduate school at Harvard, as we plumbed political theories and history, for every truth there is a countertruth. One truth can be granted: that public fiscal responsibility usually is most exercised when officials are immediately responsive to the person from whom they derived their tax moneys.

But there are some countertruths too. I, as I am sure you have, seen the same human qualities at all levels of government. I have seen many cases of officials at the Federal level being much more responsive and responsible financially than people at the local level, even though they might be farther away from the tax source.

Second, it is a good question whose tax money it is we are spending locally and nationally. Even if one draws from the property tax or another kind of local tax, we are now in a national system where flows are almost undistinguishable. The money rolls from one person, and from one sector to the other. And our public problems certainly have the same fluid character about them. What we need now is not to proceed simple mindedly on the old kind of village truths, which gained their validity when problems were local and resources were local. We are now in an economy and in a society where problems are national and resources are national and we are trying to adjust as well as we can with our human qualities as they universally are.

I think far more disciplining than the immediate relationship of the taxpayer to the tax spender, far more disciplining is the problem itself. Are you making a dent on the problem in whose name you justify taking the tax resources?

What I find now is that we don't have many performance requirements. We have a lot of bureaucratic programmatic requirements for a grant system, which admits you to the National Treasury only when you've been spun through a dizzying multitude of doors. Once you have got in and miraculously out, you face congressional oversight directed not at your performance but at your capacity to survive. Seldom are you asked afterwards for what you were rightly expected to accomplish—for example: "All right, we gave you, city X, so many dollars for urban renewal. What is the housing situation now? How many poor still don't have housing? What is the relocation problem after you have dealt with it for 3 or 4 years?"

This oversight *ex post facto* usually asks such questions as who ran away with the money, or what minor administrative requirement did you not observe? As a matter of fact, I have seen much creditable performance done by sleight of hand avoiding administrative requirements, for good purposes; but that question seldom gets asked in a