

Representative RUMSFELD. For part but not the whole.

Mr. ULMER. Well, whatever it is. We desperately need more money allocated for the war on poverty, for the community development, for all of the other bills that have been before Congress that bear on the rebellion that our country is witnessing now, and these are not the only public services that have been starved, but these are the most dramatic ones.

Representative RUMSFELD. When you say desperately needed, now we are back in this need and the financial crisis in the country.

I agree we need greater expenditures in these areas. This comes back to the second assumption, how can we do some of these things and how can we best strengthen the Federal system, and is not a combination approach a more intelligent one, and you are rejecting that in favor of no blends of these two other proposals.

Mr. ULMER. You see, my basic concern, I think, is the same one that Mr. Stein mentioned earlier here about tax sharing. I think I can say that we are both worried about what would be done with the money. I thought he agreed with me on this, that here we have no assurance what will be done with the money, and one of the aspects of the problem that makes our uncertainty even greater is that money would be turned over to the States for spending by people who did not have the responsibility for raising it.

And, there is even more concern. Experience historically with this kind of plan has shown that it resulted in extravagance rather than wisely allocated expenditures for the most severe and attractive public deeds.

Representative RUMSFELD. I am not going to stand here and defend the efficient administrations of all State governments or all cities. I agree with you that there have been some things that could have been done better.

On the other hand, using this argument you are using, what you are expressing is a reluctance to see State and local governments, because of fear of extravagance, because of fear of no flow through, which is essentially what you say on page 3, you feel that you would be willing to opt for the Federal Government until you see strengthened administration and efficiency and imagination and a willingness to have flow through at the State and local level; isn't this correct?

Mr. ULMER. Well, I think I have said that I would like to see Federal money, insofar as it is used at the State and local government level, to be allocated for specific purposes. This does not mean that the Federal Government needs to run it. But the Federal Government does need to provide standards for the use of this money, and objectives for the use of the money, and I think in this way the taxpayers and we American people can know what is being done with our resources. The other way, we have no assurance.

Representative RUMSFELD. Thank you, sir.

I think I see what the differences of agreement are here or differences of approach, if you will.

Dr. Heller, what is holding this up? You have been involved in this for a while? What are the—where do you see the roadblocks on this?

Is there any way you can, in a few sentences, bring the real issue point to point?

This is a difficult subject, money and tax sources. It is tough for the people of this country to really get hold of, it is tough for me to