spent by the counties themselves and divide it by the amount of tax revenue which they raise from their own sources, you find that these ratios range from about 30 to 35 percent in recent years, so that a Federal program which did substitute for public assistance, general assistance, and so forth, would release funds in counties in California for alternative uses, and, of course, these tax burdens for welfare at the county level add to the tax burdens at the city level and may deter the expansion of education or other important programs because there is resistance to higher tax rates generally in metropolitan areas.

I think that is all I want to say to begin with, Mr. Chairman. Thank you very much.

Representative MOORHEAD. Thank you very much, Mr. Break. I have some questions I would like to ask you, but I think the hearings will proceed more, produce more if we went through all of the witnesses and then came back. I now call upon Mr. Fitch. If you will present your testimony, please.

STATEMENT OF LYLE C. FITCH, PRESIDENT, INSTITUTE OF PUBLIC ADMINISTRATION, NEW YORK, N.Y.

Mr. FITCH. Thank you, Mr. Chairman. I have a summary statement which summarizes another statement I prepared for inclusion in a compendium on urban affairs which the Subcommittee on Urban Affairs is compiling. The gist of it is that national policy on intergovernmental fiscal relations should be predicated on goals of national domestic development policy. The goals pertaining to urban development and improvement of urban life strike me as being the most important if for no other reason than that 75 percent of the population now lives in urban areas and the proportion is going up.

I think there is a consensus—it is kind of a puzzled consensus and not very well defined yet—that two main goals should command priority now. These goals have both been stated and emphasized. But, I think they have been implemented with somewhat less than full enthusiasm.

The first is the abolition of poverty and the provision of a decent living standard for American families. The abolition of poverty is a somewhat overly simplistic but nevertheless understandable goal.

The second goal is the improvement of the urban environment to make it more efficient, more convenient, more attractive, more livable.

Both of these goals, of course, have many dimensions and require many types of activity. The antipoverty goal implies stepping up the pace of a lot of programs in which we are already engaged. There is a lot we do not know about raising the economic and cultural status of people at the bottom, but we know that jobs, education, training, health, housing are basic and in all of these fields we have lagged badly.

Money is a principal missing ingredient. It is not the only one but it is a principal one. And, if we are really serious about eradicating poverty as a national goal, the Federal Government will have to put up much of the money.

In the city with which I have been associated most, New York, the city government now faces out of its own tax sources a welfare burden of approximately $350 million a year. I would certainly subscribe to Mr. Break's statement that this is the kind of a burden which should not be borne by the local governments.