

or supervision. Others say that poor states shouldn't get more money until they improve their own tax systems, and eliminate overlapping jurisdictions.

Indications are that the nation's small business community is in favor of having the Federal Government return a portion of tax collections to the States. Based on previous votes on this matter, independent business proprietors have voted heavily in favor of rebates of Federal tax collections to State school systems, with no strings attached.

On the basis of four separate nationwide votes conducted by the Federation on the issue of States receiving rebates of Federal tax collections it is obvious that the independent businessmen favor the principle, particularly if the rebates can be left free and clear from excessive controls by the Federal Government.

THE STATE OF WISCONSIN,
EXECUTIVE OFFICE,
Madison, August 1, 1967.

HON. MARTHA W. GRIFFITHS,
Chairman, Joint Economic Subcommittee on Fiscal Policy,
House Office Building, Washington, D.C.

DEAR CONGRESSWOMAN GRIFFITHS: I have recently learned that your subcommittee is holding hearings on revenue sharing. In February of this year, I expressed my views on revenue sharing in a statement to the Wisconsin Congressional Delegation.

I am enclosing a copy of this statement for the information of your subcommittee. I hope you find it helpful.

Sincerely,

WARREN P. KNOWLES, Governor.

AUGUST 22, 1967.

HON. WARREN P. KNOWLES,
Governor of Wisconsin,
Madison, Wis.

MY DEAR GOVERNOR KNOWLES: I am indeed grateful to you for sending me for use of the Subcommittee on Fiscal Policy a copy of your statement supporting sharing federal revenues to the States as a long-run aim, which you presented before the Wisconsin Congressional Delegation.

We are including your statement in the printed record of our recent hearings on "Revenue Sharing and Its Alternatives." It will be of interest not only to the members of our subcommittee but also to the other members of Congress and the experts concerned with this question.

Sincerely,

MARTHA W. GRIFFITHS,
Chairman, Subcommittee on Fiscal Policy.

THE GOVERNOR'S POLICY STATEMENT ON FEDERAL LEGISLATION—A WISCONSIN POSITION TO THE WISCONSIN CONGRESSIONAL DELEGATION

This, my second formal statement to you on federal legislation, supports sharing federal revenues to the states as a long-run aim. It also supports conversion of some of the present conditional grants-in-aid to bloc grants as another way of obtaining unrestricted funds for state and local use.

My January letter on the disastrous effects in Wisconsin if the projected \$25 million cut in highway funds is carried out showed an example of too much direction from Washington. There are other examples, smaller but just as flagrant.

Admittedly, expenses of the war in Viet Nam make it impossible to enact federal revenue sharing to take effect now. But there is no such bar to immediate consolidation of several related grant programs into broader, less rigidly controlled bloc grants. Possible fields to explore include Public Assistance, Water Pollution Control Aids, Education, Housing and Urban Affairs, and many more.

I. FEDERAL REVENUE SHARING

I support the return to states of a portion of federal revenue, unrestricted, to supplement existing grant-in-aid programs.

In normal times federal revenues are expected to increase by about \$7 billion a year from growth in the national economy. At the same time, state and local costs of supporting education, welfare, and other vital services increase faster than the revenue available from state and local taxes.