Wisconsin has a distinguished history of creating needed aid programs, unemployment compensation, for example, and of administering them honestly and effectively. We have proven our ability to serve our people with prudence and compassion.

Opposition to federal revenue sharing comes from those who do not believe state governments will use the unrestricted money wisely. We know, on the contrary, that state government can be a dynamic partner in federalism when given a chance.

Support for tax sharing comes from those of us who believe that conditional grants-in-aid are burdened with unnecessarily detailed requirements, that they now overlap with undesirable duplication by both federal and state agencies in program offerings, and that the result is confusion to the public. The National Governor's Conference, meeting last December, supported the principle of tax sharing. Seventy percent of individuals questioned by a recent Gallup poll favor the plan.

Plans for more or less unrestricted revenue sharing are proposed by Professor Walter Heller, Joseph Pechman of the Brookings Institute, Senators Goldwater, Javits and Scott, Representatives Laird, Goodell, Reuss and others. Senator Nelson has suggested a broad-ranging study of the question. While the plans differ in detail, I believe the differences are not substantial. United support is important to get serious consideration of the general idea at this time. Representative Laird and Professor Heller have both minimized their differences and emphasized the need to unite on the principle. However, since there *are* specifics in several of the plans, I want to comment on some of them.

1. *Equalizing.*—We can agree it is in the national interest to provide extra shares to 10 or 12 of the poorest states. But such equalizing aid must go only to states that tax themselves at least at the level of the average state, not to those who make little tax effort.

2. *Tax Effort.*—A reward should be included for states like Wisconsin which are already taxing themselves at an above-average level. Wisconsin would, deservedly, benefit from this provision. In Goodell's plan, Wisconsin would benefit the most of any state.

3. *Share to Localities.*—Wisconsin, which has always shared generously from its own revenue with the localities, needs no Congressional requirement to share. But if a certain percentage of the returned federal revenues are to be earmarked for localities, the distribution and choice of level—town, municipality, county—should be left to the state.

II. WISCONSIN REVENUE SHARING

Federal revenue sharing is consistent with Wisconsin's tradition of unrestricted revenue sharing with its local governments. In the past fiscal year—

Wisconsin returned \$454 million, two-thirds of the total \$684 million, of its state collected general tax revenues to local governments to help finance local programs.

Most of the tax revenues returned to localities, \$267 million, were unconditionally allocated, to be applied to local government functions in whatever fashion the local jurisdiction determined.

Program aids totalling \$187 million were broadly allocated for education, welfare or health purposes, and local jurisdictions were able to determine themselves the thrust of the aided programs.

Wisconsin's fiscal relationship with its local governments contrasts sharply with the federal government relationship with the states. Wisconsin unconditionally shares nearly 40% of its general tax revenues with its local governments—while the federal government shares none of its revenues with the states. Wisconsin's program aids are broadly granted, with great area for local decision-making—while federal aids are often burdened with cumbersome and restrictive requirements.

III. BLOC GRANTS

Besides federal revenue sharing, another way to avoid excessively detailed grants-in-aid while aiding state and local governments is through bloc grants. Bloc grants can be enacted in more fields. A good example is the comprehensive health planning act, (P.L. 89-749) which by 1968 will replace categorical health grants by a lump sum to be spent in health areas determined by the state. Bloc grants enable each state to apply its federal aids to its most compelling problems, which may well differ from those of neighboring states.