to be short of money. The answer is simply to not funnel so much of the income of these States to Washington but allow them to keep it within the State and use it in the State on the necessary social services.

But there are intermediate answers. There are such things as Federal grants with no strings attached to States in this area: that is, where the program is not spelled out in detail to which a State can apply the money. That is one.

But actually, in this objection, we hoped to cover two areas: not only the need for the State to have control of their programs in the localities, but also the danger posed by the guaranteed annual income proposals to the general operation of these types of welfare programs even on a local level administered by Federal officials. Because we are certain to find, I am sure, that if a guaranteed annual income is provided through the use of computers, refunds on income tax—in other words, if it is a depersonalized service administered from Washington or from IRS headquarters around the Nation, there are going to be many millions of poor people who have need of social services who will never be discovered simply because there is no reason for them to approach a social service in a locality to obtain money.

I would say that Mr. Dumpson—I am sure Mr. Dumpson would have to agree that most of the needy cases, persons who need medical attention, who need mental health care that are discovered by social workers are discovered because the people or some member of their family came to the agency for money. Once you remove the need for them to come to the agency for money, you have broken your contact with them and these services will never be administered in many cases.

Senator PERCY. Could I get back to my question? Let us assume that you are either the mayor of New York, Washington, D.C., or Chicago. Under the principles that you have enunciated, more should be done locally. In fact, you are not going to look to the Federal Government at all for any of the welfare services that are to be provided and that you yourself have stipulated they are to be provided. How are you going to get the money today? I am not talking of general principles or theory or start the country all over again and this is the way it ought to have been done. Today, you are the mayor of one of these large cities. How are you going to finance the programs that are required and do it locally?

Mr. HICKS. Well, you want to know how. I would say today the thing to do would be for the Congress to pass a law appropriating to the State governments a portion of all the Federal income taxes that are paid by the inhabitants of those States. That would be my answer, with no strings attached.

Senator PERCY. I think that is a good answer. There I think you have hit on something that is widely supported, certainly by the Republican Party. I have cosponsored a bill for block grants. But it is still the Federal Government granting it back to the States and communities. In other words, you are not dealing the Federal Government out. You are saying they should be a collection agency, but should refunnel the money back to the States and local agencies in order to carry these programs out. So we are not as far apart as might appear. It is just a procedural system. You are not saying the Federal Government has no role. You are saying they should not have the direction of every aspect of the program, we should have more local