AgEcon SEARCH
RESEARCH IN AGRICULTURAL & APPLIED ECONOMICS

The World's Largest Open Access Agricultural & Applied Economics Digital Library

This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.

Help ensure our sustainability.

Give to AgEcon Search

AgEcon Search
http://ageconsearch.umn.edu
aesearch@umn.edu

*Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.*

LOCAL CONTROL AND IMPROVEMENT OF COMMUNITY SERVICE

Charles M. Smith, Staff Director
Subcommittee on Intergovernmental Relations
Senate Committee on Government Operations

In its landmark report, "Goals for Americans," the President's Commission on National Goals stated that "shared power is the key to the miracle of effective democratic government of a vast and diverse country."

We, as a people, tend to shy away from the idea of control, even local control in any absolute and doctrinaire sense. The idea of shared responsibility, of shared powers, of cooperation to get the job done is much more acceptable to us.

"Goals for Americans" stated further:

> National, State, and local governments collaborate and share power in many domestic concerns. To ensure dispersion of power within the system without obstructing solution of pressing national problems, we must pursue the following primary objectives: enlarge local discretion, as for example in the handling of matching Federal grants; increase the financial resources of State and local governments; represent urban populations more equitably in those State legislatures where they are now under-represented; further develop limited metropolitan authorities or governments.

The Commission was calling for a strengthened federal system for what has become known in more recent years as "creative federalism." Senator Edmund S. Muskie, Chairman of the Senate Subcommittee on Intergovernmental Relations, sees this as an absolute necessity if our system of government is to prove equal to the demands of the years ahead. Before the American Assembly not long ago, he spoke of the concern that had been centered on improving the administrative relationships between federal, state, and local governments.

Competent scholars have been studying and reporting on this subject for years. In 1955, a temporary commission (the so-called Kestnbaum Commission) completed an analysis of intergovernmental internal relations. In 1959, Congress authorized a permanent bipartisan Advisory Commission on Intergovernmental Relations composed of 26 members from the three levels of government and the public at large.

There are two subcommittees in Congress making continuing investigations in this field. In addition, such well-staffed organizations as the Council of State Governments, the U.S. Conference of Mayors, the National Municipal League, the National League of Cities, and the National Association of Counties have developed comprehensive analyses of federal-state-local problems, and are cooperating with state and local governments in modernizing their administrations.

Senator Muskie has said:

> Now is the time to bring together the knowledge and recommendations of these experts to define a positive program for encouraging state and local institutions to become active and effective partners in a creative federalism. Now is the time to update our intergovernmental relations.

The Constitution of 1787 has been a remarkable success, surviving national and international crises for over 175 years. It has enabled us to assemble on this continent the greatest potential force for good in the affairs of man in all history.

And yet, its future potential is challenged. Why? Because there is the question whether we are organized to apply to its use our maximum wisdom with maximum or even adequate effectiveness.

When our Constitution was drawn up, only 5 percent of our population was urban. By 1900, the urban population had jumped to 40 percent. Today, over 70 percent of our nation is urban, and we have a total population of 195 million.

Projected to the year 2000—and this is the date we should be thinking about—we will reach 300 million people. Eighty-five to 90 percent of them will be crowded into urban and metropolitan areas, comprising a land area of less than 15 percent of our country.

This fact adds a new dimension to the problems of federalism. It makes improvement of the system more critical.

We have witnessed the displacement of millions of people from farms and rural communities; the crowding of these millions into cities that could not afford them a decent minimum of shelter and public services, much less the economic opportunity they were seeking; the flight of the more fortunate from the cities into the suburbs; the mounting tension of the urban poor and the final outbreaks of violence.

We have taken measures designed to check this tragic course of events, but they have been pitifully inadequate. Now we face the

necessity of restoring both our depleted rural areas and our devastated cities, restoring them not only physically but also to new health and hope. And we must restore the confidence of Americans that our country has the capacity and the will to solve the incredibly difficult problems of this and future years.

This is not a task for government alone—it requires the commitment and involvement of all our people in private as well as public capacity. But some of the most stubborn problems lie in the sphere of government.

We know the difficulties:

1. Separatism within the federal system which fragments our revenue producing potential and the decisions concerning how public revenues shall be spent.

2. The great variations in the capacity of states and localities to meet their public needs.

3. The political problems involved in shifting resources from the relatively well-to-do areas to the needy areas.

4. The continuing dialogue, which is resolved in different ways in different states and localities, concerning whether particular problems should be dealt with in the private or public sector and, if the latter, at what level of government.

In an effort to overcome these difficulties, for more than one hundred years we have accepted and implemented the proposition that the federal government should supplement the resources of the states.

This development has accelerated since World War II, because it is at the state and local levels that the great growth in the civil functions of government has taken place. In response to pressures on state and local government, federal grant-in-aid programs have risen from $894 million in 1946 to some $17 billion in 1967. It has done somewhat better than keep pace with the rising burden at the state and local level.

These programs have supplemented state and local resources in the fields of education, highways, hospitals, health, economic development, pollution control, and welfare, among others. These have been major pressure areas of need.

The grant-in-aid device achieves the following:

1. Substitutes for the centralization of authority which would otherwise become inevitable under the pressure of emerging national problems, a sharing of responsibilities for those problems among the three levels of the federal system.

2. Enlarges the capacity of state and local governments to deal with these problems by supplementing their resources with federal resources.

This development has not been an unmixed blessing, of course. Federal, state, and local administrators do not always work well together.

These problems have been magnified by the proliferation of grants-in-aid in recent years. As a result, there is a pressing need to improve the planning, management, and coordination of our federal aid activities and to assure to state and local governments a full opportunity to share in both the formulation and the administration of programs affecting their vital interests.

The year 1967 has seen very significant progress in this direction at the federal level.

Our Subcommittee on Intergovernmental Relations has continued its series of hearings on the general subject of creative federalism, providing a forum for governors, mayors, county managers, and students of government to discuss at length and in depth the issues in intergovernmental relations that have arisen in their experience.

The subcommittee has held hearings on the intergovernmental manpower legislation. That legislation is addressed to one of the most crucial problems of them all—the manpower gap. It provides for grants to state and local governments to finance programs and projects for improvement of their systems of personnel administration and to finance training for professional, administrative, and technical personnel. It also authorizes the exchange of personnel between the federal government and state and local governments.

Another bill before our subcommittee, on which hearings have not yet been held, is the Intergovernmental Cooperation Act, combining a number of measures to facilitate productive collaboration among members of the federal system in the ongoing work of government.

But the most hopeful development of this year has been the resurgence of interest on the part of the national administration in more effective government through closer collaboration with states and localities.

Outside of Washington, too, there have been developments promising significant advances in the arts of government.

I think particularly of the establishment of more than fifty councils of local government to sponsor area-wide planning and action on problems that cannot be handled efficiently by individual political jurisdictions.

Also significant is an emerging new interest of state legislatures and state executive offices in the needs and problems of local governments. Governors are assuming a new leadership in this field.

Much remains to be done.

Some of the recommendations of the Advisory Commission on Intergovernmental Relations, if adopted, would greatly improve the quality of local and regional government and would step up the effectiveness of councils of local governments. Let me mention a few that in my judgment deserve your strong support.

1. Establishment of a unit of state government to give constant attention to local community problems.
2. State legislation to provide technical and financial assistance to local governments desiring to establish joint enterprises or to merge functions.
3. Interstate compacts to give legal status to councils of local governments in multistate regions.
4. General state legislation giving blanket approval to local governments to contract with one another for performance of urban services.
5. State legislation providing simple procedures for consolidation, merger, or dissolution of special districts and permitting an appropriate unit of general government to assume responsibility for the function of a special district.
6. Adjustment of state tax policies to lessen interlocal fiscal disparities.
7. State legislation to provide steeper equalization in distribution of state school aid.

The task of reshaping our machinery of government to meet the demands of today and tomorrow may seem formidable indeed, but it is well within our capability. We have always lived in the midst of change.