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REPORT TO THE PEOPLE

by CONGRESSWOMAN

FLORENCE P. DWYER



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Although Congress has adjourned, its work has not stopped. Between now and the time the second session of the 85th Congress begins next January, Congressional committees and subcommittees will be at work, holding hearings and studying a wide range of problems both at home and abroad.

The Intergovernmental Relations Subcommittee, on which I serve as ranking minority member, has a particularly busy schedule this fall - and an important mission directly related to President Eisenhower's recent proposal before the Governors' Conference that the States assume a greater responsibility for programs presently financed, wholly or in part, by the Federal Government.

These hearings will take us into every section of the nation. During this exhaustive study of intergovernment relations and the grants-in-aid programs, we will hear testimony from a number of outstanding persons - all of them authorities in this important field of government.

WITNESSES INVITED

Among the many witnesses invited to appear before the Subcommittee are the Governors of the 48 States, former Presidents Herbert Hoover and Harry Truman, former Governor Alfred E. Driscoll of New Jersey and former Governor Adlai Stevenson of Illinois.

The Subcommittee's hearings in New York will last at least four days. Witnesses tentatively scheduled to appear during these hearings include Governors Meyner of New Jersey, Leader of Pennsylvania, Harriman of New York, McKeldin of Maryland and Boggs of Delaware; Mayors Carlin of Newark, Wagner of New York City and Dilworth of Philadelphia.

In addition, it is hoped that both former President Hoover and former Governor Driscoll - recognized as two of the nation's foremost authorities in the field of intergovernmental relations - will be able to testify during the New York session.

SCHEDULE LISTED

By the time these hearings are completed, I should be a veteran air commuter. The Subcommittee's schedule, as it presently is set up, includes:

Sept. 30, Oct 1 (Morning session) -- Boston
Oct. 1 (Afternoon session) -- Hartford, Connecticut
Oct. 2, 3, 4, and 5 -- New York City
Oct. 16, 17, and 18 -- Chicago
Oct. 21 and 22 -- Kansas City, Missouri
Oct. 24 and 25 -- Denver, Colorado
Oct. 28, 29, and 30 -- San Francisco
Oct. 31 -- Los Angeles
Nov. 18 and 19 -- New Orleans
Nov. 21 and 22 -- Miami, Florida
Dec. 10, 11, and 12 -- Raleigh, North Carolina

When these hearings are ended, we will have heard testimony from State and local officials representing every region of the nation. This broad pattern is necessary in such a study, for the problems of government, and the needs of the people, vary greatly from region to region.

COMPLEX PROBLEM

The complexities of this problem have long been recognized. A citizens' Commission on Intergovernmental Relations, headed by Meyer Kestnbaum, made an exhaustive study of the problem several years ago. Currently, in addition to the Subcommittee hearings, President Eisenhower's Joint Federal-State Action Committee, composed of six Governors and a number of Federal officials, is studying the problem.

Unfortunately, in the past there has been much talk about reversing the trend toward greater and greater concentration of power in Washington - an end result of the continuing growth of Federal grants-in-aid programs - but little action toward seeking means by which such a reversal can be accomplished.

It is easy enough to say that the growth of grants-in-aid programs has increased the power and influence of our national government at the expense of diminishing State and local initiative. But it is not so easy to prescribe a remedy, in the face of political and fiscal realities. For example:

POLITICAL FACTORS

Many Federal programs have unquestioned merit and are popular with the "folks back home". Such programs as school lunches, disaster relief and supplemental old-age assistance have, in a manner of speaking, become a part of the American way of life.

Certainly, any attempt at the Federal level to discontinue such programs will result in storms of protest being aimed at Members of Congress by various affected groups of our citizens, unless the individual states are willing to assume responsibility for these programs.

However, it also is evident that considerable political resistance will develop, on the part of States and municipalities, if they are to be handed the responsibility for these programs.

The big cry unquestionably will be: Where are we going to get the money?

FISCAL FACTORS

Thus, it becomes apparent that there can be no effective carrying out of the President's request for the States to assume greater responsibilities in this field unless there is an accompanying relinquishing of certain Federal tax sources to State and local governments.

State and municipal governments - faced with a multitude of serious revenue problems - just couldn't meet such new additions to their budgets without being provided with certain tax sources presently held by the Federal Government.

That fact was stressed repeatedly by witnesses - including Mr. Kestnbaum, now serving as special assistant to the President; Philip M. Talbott, President of the U. S. Chamber of Commerce, and Dr. Harley L. Lutz, government finance consultant - who appeared before the Subcommittee during preliminary hearings in Washington this past summer.

These witnesses advanced several revenue sources as fields in which the Federal Government could return taxing powers to the States, including gift and estate and excise taxation.

They also, generally, expressed the view that there could not practically be an abrupt termination of Federal programs. Their suggested approaches to the problem included:

PROPOSED ACTION

1. A review of Federal and State revenue systems with a view toward building an adequate financial structure to permit the restoration and assumption of proper State and local responsibilities.
2. A thorough review of present Federal grants-in-aid programs to determine which should be terminated, which should remain a Federal responsibility and which are basically State or local responsibilities.
3. In the undertaking of any new grants-in-aid programs, terminal dates and specific expenditure ceilings should be established to safeguard against permanent and costly Federal involvement in aid programs.

These viewpoints were countered by other witnesses - including Mayor Zeidler of Milwaukee and Andrew J. Biemiller of the AFL-CIO - who favored continuance of a strong Federal grants-in-aid system, maintaining that State and local governments no longer are able to meet the public service requirements of an increasingly urbanized and interdependent population.

They claimed that Federal aid encourages States and municipalities to undertake new forms of important public service and enables poorer governmental units to raise their standards of public service.

Such conflicting philosophies of Government have marked the testimony heard by the Committee so far. Undoubtedly, many other viewpoints will be expressed during the hearings this fall, by both those favoring and those opposed to the grants-in-aid system.

From this extensive testimony, the Subcommittee will face the challenging task of assembling a comprehensive report and recommendations which I hope will help chart the means by which a proper balance between Federal, State and local governments can be re-established without crippling essential services to our people.