

I should like to see the Federal departments withdraw gradually from the field of direct administration, and supply to the states the type of advisory and supervisory service, along with financial participation, that Maryland renders to its local agencies. The Federal Government is in a position to lay down broad principles of national policy, and to study effective methods of carrying these into effect; but it should not be necessary for it to administer the programs directly, at the expense of State and local initiative and responsibility.

In saying this, I would distinguish between those programs in which the objective is primarily national, that is to say, within the powers delegated to the Federal Government exclusively, and those where the general welfare of individual citizens or groups of citizens is involved. In the latter field cooperation is essential, and the primary administrative responsibility should rest upon the states, within the broad outlines of policy laid down by Congress. Too much centralization in the Federal Government will not only upset the balance of Federal-State relations, and tend to destroy the spirit of local self-government, but it will throw such additional burdens upon the Federal Government as to interfere seriously with the performance of strictly Federal functions, such as National Defense, for example.

Let us examine for a moment the basis of Federal financial participation. Certainly it is regarded as a step forward that the Federal share of expenditures for the three types of public assistance is now on the same basis—all one-half, instead of one-third for aid to dependent children, and one-half for old age assistance and the blind, as was formerly the case. This was a difference which had no reason and it is a matter of satisfaction that dependent children will now benefit in the same proportion.

The bases of sharing in the cost of administration, however, have not yet been made uniform. The states still receive, as the contribution of the Federal Government toward administration of old-age assistance, 5% of the total Federal assistance payments during the period, whereas in the case of aid to dependent children and the blind, the Federal Government pays one-half of the actual expenditures for administration. These three should be made uniform, due to the fact that unnecessary complexity arises from lack of such uniformity. Whether this should be accomplished by making old age assistance like the other two, or by making the latter two like the old age assistance, is a moot question.

The difficulty which the departments encounter when the Federal Government offers to pay one-half *actual* administrative costs is an expressed need on the part of the Federal agencies to examine what items of administration go into the total. Methods for determining these costs are still questionable, and elaborate systems of time studies are burdensome to the agency. Most states have multiple administration—that is, all types of relief and assistance, including the referral of persons for WPA, the distribution of surplus commodities, and so on, are lodged in the same department. To isolate the separate costs of each type of program is a complex problem in cost accounting which has not yet been solved satisfactorily.

On the other hand, there are weighty arguments against the use of a percentage of total expenditures as a way to determine what administrative costs ought to be. This has frequently been pointed out, but to illustrate one of the weaknesses of the use of a percentage as a measure of administration, let me use the following examples. Let us say that in one hypothetical depart-