

in gross benefits, including unprecedented, urban-oriented State aid for local police and inner city schools.

However, our efforts are frustrated not only by our lack of revenue but by the Federal government's current practice, which is to widely scatter seed money and after a year or two withdraw or curtail support. This leaves the city with its extremely limited resources to foot the bill. The city is forced either to cut off programs, raise already high taxes, or appeal for state aid. Thus, the state government — previously ignored by the Federal-city alliance — winds up holding the bag or the bill.

Our problems are compounded by the tremendous financial burdens placed on the state by such rapidly changing Federal programs as Medicare-Medicaid; and by the fluctuations in our anticipated tax revenues caused by national monetary policies. In addition, the Federal government's own fiscal problems have resulted in vacillation over Federal aid, causing state uncertainty as to whether we can proceed in diverse fields from employment opportunities to urban inter-state highway construction.

Consistency in Federal policy and consistency in Federal aid commitments are imperative if the state is to plan properly and the city is to keep its promises to the poor. On the other hand, I am aware and concerned that, as Governor Nelson Rockefeller has noted, "as a nation we are close to becoming dangerously over-committed." I share former Vice President Richard Nixon's view that the only thing worse than failing to fulfill a promise, is making a promise, fully cognizant that it cannot be fulfilled.

Presently, most significant Federal aid is by way of categorical grant. In many cases the incompatibility of such restrictive assistance with existing state programs prohibits full utilization of the aid. There seems to be a recent trend toward bloc grants — for example, the recently enacted Safe Streets Law. Every Governor I have talked to, regardless of party, is enthusiastic about the flexibility of bloc grants. It is suggested that the Congress consider grants in such broad areas as transportation and health, rather than roads, mass transit or heart, stroke and cancer. A metropolitan transit system doesn't really excite a state like Alaska or Wyoming, and I am sure those Governors would appreciate the ability to convert that assistance to their roads programs.

As to equalization, we have too long considered a combination of assessable wealth and income. I believe we should consider the ascertainable effort, the overall burden on the taxpayer.