Clichés of Socialism

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"Federal aid is all right if it doesn't bring federal control."

ONE MIGHT THINK that this tired, old cliché would have been laid to rest long ago. But whenever a proposal is made for a new way to hand out federal funds to states or local units of government, some spoil-sport is certain to say: "But, we don't want control along with the money." And advocates of the new legislation will say: "You won't get federal control; we have written the bill in such a way that control of the funds will stay with the local unit."

In the early days of "farm programs," farmers were told that federal subsidies for this and that didn't mean they would have to submit to federal controls. Fortunately, this unsound theory was tested in the United States Supreme Court. In 1942, in the case of *Wickard* vs. *Filburn,* the Court opined: "It is hardly lack of due process for the government to regulate that which it subsidizes."

Who would deny that the regulation of that which is subsidized is sound fiscal policy? It would seem to be the height of irresponsibility for any unit of government, or other organization for that matter, to hand out money without control over its expenditure. This principle applies whether the subsidy is from federal to state, federal to local, or state to local units of government. The question here discussed is *not* whether such subsidies should be made, but rather, whether we can expect control to accompany the grants.

The Newburgh relief case in the summer of 1961 is an excellent example of the principle. Officials of the Hudson River city of Newburgh in New York concluded that their welfare costs were getting out of hand. The city's share of these costs was greater than the cost of police protection and almost as much as the cost of fire protection and public works. Some families were receiving welfare payments each month in excess of the take-home pay of some city employees with comparable-sized families.

So, it seemed logical for the city to have a look at the rules and regulations under which welfare payments were being made. The decision was to draw up their own rules and regulations—a new code to cover the handing out of welfare funds. This decision ran straight into the principle we are discussing. It seems that, of the total amount of money distributed under Newburgh's welfare program, more than half came from federal and state grants. With the funds came rules and regulations for their use. And, why not? Threats of withholding of federal and state funds have been made, but at the moment, city officials seem determined to write their own rules even if it means paying their own bills.

Illustrations abound of grants in aid from larger units of government to smaller, and of the controls that accompany the grants. Federal Aid for Education, hotly debated in the current Congress, brought forth the usual arguments that control need not go with the aid. But we have had long experience with aid for education at the state level, and the evidence is conclusive. There is no reason to think that federal aid would be different. What local school board has not been faced with the rules laid down by the state regarding education and certification of teachers, choice of text books, questions of transportation of pupils, tenure of teachers, building programs, curriculums, days of attendance, examination of students, and a host of others? Is there no federal or state regulation of the school lunch program where "surplus" food is involved?

Can you imagine a multibillion-dollar federal highway program with no regulation of engineering specifications, location, signboards, and so forth and so on?

Or federal or state housing? Why shouldn't rules and regulations be established regarding nationality, race, and income of the renters? Or government contracts? When a government contracts with private firms for the manufacture of its many requirements, it would seem proper for it to write any specifications it pleases with regard to wages and hours of the workers.

A classic example of how controls accompany grants is our treatment of the American Indians. Who can imagine what the status of the Indian would be today, had he gained the freedom exercised by other Americans—the freedom to be responsible for himself? Instead, he has been a "ward of the government" for decade after decade—controls accompanying handouts.

The solution to what many feel is too much federal or state control of our daily lives is not to be found in trying to write laws that would, in effect, make these units of government irresponsible in their fiscal affairs. Sound fiscal policy requires control by the unit of government that makes the funds available. Whether or not it is a proper function of government to make such funds available is quite another story and cannot be considered here.

The principle involved is not unlike that which governs the finances of a family. So long as the father supplies the son with spending money, it is proper for the father to have something to say about the spending, even though the son may be saying or at least thinking: "Boy, will I be glad when I get to earning my own money and can spend it as I wish!"

The solution is so simple and obvious that it hardly needs stating. If we don't want state or federal control of certain of our activities, we must not have state or federal financing of them.

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