

Bates College

SCARAB

---

Speeches

Edmund S. Muskie Papers

---

6-3-1971

## Opening Statement of Senator Edmund S. Muskie at the Revenue Sharing Hearings of June 3, 1971

Edmund S. Muskie

Follow this and additional works at: <https://scarab.bates.edu/msp>

---

### Recommended Citation

Muskie, Edmund S., "Opening Statement of Senator Edmund S. Muskie at the Revenue Sharing Hearings of June 3, 1971" (1971). *Speeches*. 86.

<https://scarab.bates.edu/msp/86>

This Book is brought to you for free and open access by the Edmund S. Muskie Papers at SCARAB. It has been accepted for inclusion in Speeches by an authorized administrator of SCARAB. For more information, please contact [batesscarab@bates.edu](mailto:batesscarab@bates.edu).

**OPENING STATEMENT OF EDMUND S. MUSKIE AT THE REVENUE SHARING  
HEARINGS OF JUNE 3, 1971**

---

As we continue our hearings on revenue sharing, we are privileged to hear this morning from the members of the Legislative Action Committee of the United States Conference of Mayors.

The Legislative Action Committee is made up of the mayors of 17 of our largest cities. In recent months, this group has traveled from city to city to dramatize the plight of the cities and their desperate need for financial assistance through general revenue sharing legislation.

Their "road show," as the mayors call it, has been impressive. I recall the words of the New York Times after their recent tour of the Brownsville area of New York: "One is struck with the high caliber of the men who occupy these mayoral posts and, simultaneously, with the impossibility of their task -- trying to wrestle with all of the nation's most difficult social problems while lacking the fundamental governmental powers and anything close to adequate resources."

The purpose of these hearings is to shape legislation that will give these mayors, and the governors, and county officials more adequate resources to cope with their problems. I believe the Congress will respond.

There are those who doubt that general revenue sharing in any form will emerge from this Congress. I do not share that pessimism.

The recent assurances by Chairman Mills that "this Congress does intend to provide relief to State and local governments before we complete our work" and the spirit of compromise expressed at these hearings on Tuesday by Senator Baker, the Senate sponsor of the Administration's bill, both represent positive signs.

I believe our mission now must be one of developing the best possible legislation to provide help to the States and cities. At this morning's hearing, I intend to ascertain from the mayors their views about what the key elements of such legislation should be. My own posture is one of flexibility, but I do believe any revenue sharing bill that passes Congress must meet certain standards.

One of the things that most concerns me, for example, is that any plan for general revenue sharing contain a mechanism for getting the most assistance to those cities and counties that need it the most. As we have discovered by careful examination of the President's bill, distributing funds merely on the basis of revenue raised does not accomplish that purpose. It does not take into account the desperate needs and the eroding tax bases of our cities.

Rather it gives a distinct advantage to those communities which are enclaves of wealthy residents -- too often residents who have fled the cities. That formula results in a Highland Park, Michigan, or a Commerce, California getting twice as much per capita as any city whose mayor is represented here today and nearly four times as much per capita as Milwaukee. It results in a Miami Beach receiving nearly twice as much per capita as Miami and four times as much per capita as Jacksonville.

That is why I introduced an alternative to the President's bill.

In my own legislation, I have attempted to deal with that problem by incorporating a need factor into the formula for distribution to local governments. That formula compensates cities like New York, Philadelphia, Baltimore and the others whose mayors are here today for the fact that a large percentage of their citizens are too poor to pay substantial taxes. And it compensates hundreds of smaller cities which face the same problems as our large cities only on a smaller scale.

The legislation to assist States and cities that finally comes out of Congress will, I am convinced, contain some type of need factor. It may not be the precise formula in my bill,

but with Senator Baker's endorsement of a need criterion on Tuesday, I am sure that in the final analysis funds will be distributed to cities and counties on the basis of need.

Another primary concern of mine is that any revenue sharing bill contain incentives to the States to improve their own systems of raising revenue. For the Congress to pass revenue sharing without these incentives would be to give State governments a carte blanche to perpetuate the inadequate revenue raising systems that have gotten them and local governments into their current fiscal crises.

Unfortunately, the Administration did not see fit to include such incentives in its revenue sharing bill. To correct that shortcoming, I have included two provisions in my bill that will encourage but not coerce the States into improving their tax structures.

The first would offer a bonus to those States that collect State income tax equal to ten percent of their State income tax collections for the previous year. The second would offer the State the option of utilizing the machinery of the Federal Government to collect State income taxes for them. Both of these provisions are intended to encourage the States to make better use of the progressive income tax rather than continuing to rely so heavily on regressive taxes like the property tax and the sales tax.

During the past decade, the Congress has repeatedly responded to the needs of the cities. It declared a national war against poverty. It committed the nation to rebuilding our core cities through the Model Cities Program. It has vowed to preserve our environment through programs to control air and water pollution. We must continue these important initiatives and expand them.

But we can never get maximum benefit from the war against poverty, from the Model Cities Program, and from the air and water pollution control programs so long as the streets of our cities are strewn with garbage for lack of money to collect it or so long as our cities remain hotbeds of crime and violence because they cannot afford police to prevent it.

What the cities need now is financial assistance they can use to pay the operating costs of government. They need money to pay for police and fire protection, schools, and garbage collection. They need, in short, general revenue sharing.

It is now time for Congress to respond to that need of the cities. That is why this subcommittee is meeting here today.

It is now my extreme pleasure to call upon the Honorable John V. Lindsay, Mayor of New York and Chairman of the Legislative Action Committee of the United States Conference of Mayors, who will lead the mayors in their presentation.

-----