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FROM: THE OFFICE OF U.S. SEN. BOB DOLE
NEW SENATE OFFICE BUILDING
WASHINGTON, D.C. 20510
(202) 225-6521

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CAPITOL COMMENT

By U.S. Senator Bob Dole

The American people, working through state and local governments, are capable of governing themselves. They need not and should not run to Washington for every public service. Experience has shown that local jurisdictions can be more responsive to problems and more responsible with governmental powers. But here's the rub: they must have adequate resources. This is a problem for Kansas as well as for most areas across the country.

Unlike federal revenues that increase automatically due to the progressive income tax, state and local taxes are based largely on sales and property valuation, and increase at a much slower rate. They must meet their needs by increasing taxes and imposing new ones. In Kansas, and many other states, local tax increases have reached a point where it is nearly impossible to raise additional revenue.

President Nixon has a plan to rescue state and city governments from imminent bankruptcy. The proposal, General Revenue Sharing, is designed to turn federal government's awesome revenue-raising powers away from centralized government bureaucracy and to give the individual a stronger voice in government.

The plan is simple. The total amount of revenue to be shared is a fixed percentage of a growing entity, the federal individual income tax base. Initially, this plan will provide a full-year outlay of \$5 billion. Because sharing-funds will be distributed on a population and "revenue effort" basis, Kansas will receive \$54 million, or \$24 per person. The proposal's incentive feature makes it possible for Kansas to receive more than the \$54 million if it does an above-average job of attempting to meet state needs through Kansas revenue-raising powers.

Shared funds will be added to the revenue already collected or received by the state and local governments. Unlike terms of federal assistance grants, revenue sharing will have no project "strings" attached. The only requirements will be to demand annual reports of shared revenue uses, to safeguard against discrimination, and to stipulate that states share funds with local governments over and above the current intra-state grants.

Kansas needs the President's plan. The nation will be stronger for it, with the increased vitality of state and local governments. I am committed to the idea of reversing the flow of money and power to Washington. American people can and must make the decisions governing their own lives. It is essential that this 92nd Congress enact General Revenue Sharing, and I am pledged to working toward this goal.