

**STATEMENT  
OF  
JAMES L. SULLIVAN  
CITY MANAGER - CAMBRIDGE, MASS.**

Mr. Chairman:

At the request of the International City Management Association and the City Council of the City of Cambridge, Massachusetts, I am here to urge this Committee, and the members of the Congress to approve a speedy reenactment of the General Revenue Sharing Program enacted by the Congress in 1972.

In the State and Local Fiscal Assistance Act of 1972, Congress created the general revenue sharing program for five years in recognition that local governments should and could establish their own priorities in the expenditure of a portion of federal funds, that these funds would help financially pressed local governments dependent largely upon property taxes, and that the absence of federal red tape would guarantee that the over \$30 billion would have maximum and immediate impact.

In using these funds, state and local governments have extended and supported a great variety of basic, essential public services. They have applied the funds in ways which relieve the inequities and burdens of local and state taxes and they have made these decisions based upon extensive citizen participation.

The freedom to use general revenue sharing without imposed direction and closely held strings produces -- inevitably -- greater public service value returned for each dollar spent. Local

discretion and the relative absence of federal oversight enhances productivity and eliminates waste; the citizens are the beneficiaries of dollars spent on their behalf for which full value can be demanded.

Here in Washington, this committee will conduct these hearings, receiving testimony basically from Special Interest Groups who seek to retain, to abolish or to change the program to better serve their interests. Back in the communities across this land, local public officials are close to and hear from the people directly.

None can deny that government at the local level is closest to the people and is under scrutiny, not only in the newspapers and the media, but in the neighborhoods of our cities and towns. Local public officials all across this land are almost unanimous in their support of the continuation of the General Revenue Sharing program and they are speaking for their constituents, your constituents.

Inflation, recession and unemployment have worsened the expenditure/revenue gap for nearly all municipal governments. Large and constantly growing state and local public service needs still must rely - unfortunately - upon a relatively less productive and more regressive local/state tax system, while the federal government preempts the broadest tax base and the fairest tax system. General revenue sharing accepts and utilizes this unique characteristic of our intergovernmental revenue system, calling upon the federal government to do that which it does so very well - raise revenues - for use by responsible local and state officials who are best able to evaluate the needs and desires of local citizens.

In addition to its very important fiscal characteristics, general revenue sharing facilitates the decentralization of authority and power. It uniquely strengthens and supports local and state governments as essential partners in the federal system.

It is clear, therefore, that general revenue sharing has been a success and become a necessity. Congress must forego the temptation to tack onto it requirements and procedures that will diminish the impact of the funds and not add to the quality of the program. General Revenue Sharing should be reenacted by the Congress prior to December 31, 1975 with essentially the same formula for the distribution of the funds, for at least a five-year period, and at a level that recognizes the inflation of the last five years.

It is essential that this be done if the needs of the people of this nation are to be served.

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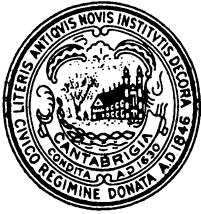
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# CITY OF CAMBRIDGE

CAMBRIDGE, MASSACHUSETTS 02139  
Tel. 876-6800

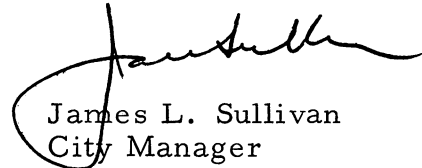
EXECUTIVE DEPARTMENT  
JAMES L. SULLIVAN  
City Manager

October 6, 1975

To the Honorable, the City Council:

Enclosed is a copy of the testimony that I will deliver before the Committee on Intergovernmental Relations representing a positive view of the continuation of Federal Revenue Sharing, upon the request of the International City Management Association.

Very truly yours,



James L. Sullivan  
City Manager

JLS/mbf  
Enc.

Agenda #5

F-389

Re: to the continuation of Federal Revenue  
Sharing.

In City Council,

Oct. 6, 1975

10/6/75

Placed on File