Failures of our governmental units to mesh with one another—to harmonize their policies and coordinate their actions—have always been a luxury. But when government was a relatively minor force in the life of the people, the occasions for this failure were far less numerous than today and the results were sometimes more amusing than costly. Now the responsibilities of government have grown so great, its operations are of such importance, the alternatives to efficient free government are so full of threat to personal liberties—that we can no longer tolerate this luxury of governmental units that block each other's way in a confused movement toward divergent goals. The course I am urging is an imperative search for means to preserve the freedom inherent in our system of multiple government while ending the license of individual units of government to impair the common interest through competition and conflict.

I am sure the effort will be fruitful if it is an organized effort, prosecuted with vision, good-will, and a general appreciation of the essential unity of our governmental structure. The rewards of success are great, for our success in this endeavor will contribute toward the preservation of a priceless heritage—a more perfect Union.
During the war we had a significant demonstration of voluntary cooperation between levels of government. Under the compulsion of war, local, state and Federal governments demonstrated that there could be active and effective cooperation when objectives were made clear. The unity achieved in the wartime fiscal policy of all levels of government was an outstanding example of cooperative effort. The Council of State Governments deserves major credit for this achievement. I regard this development as the most significant in the field of intergovernmental relations since the adoption of the Constitution.

Certainly nothing comparable occurred in World War I or in other periods of national crisis. In fact, during the great depression the fiscal policy of local and state governments was actually contrary to that of the Federal government in many respects. This resulted from a lack of agreement about the role of government in achieving recovery, with a consequent lack of consistency in the policies of our governmental units. That lesson was costly. I hope and I believe that the lesson has been learned.

In our complex society, no unit of government can live unto itself. That should be obvious. Yet this elementary point is frequently forgotten. In our representative government, with its Federal system of organization, cooperation is particularly essential. Ours is a multiple government for a single nation. In this system, each individual unit of government rests upon a recognized community of interest; each is responsible for meeting common needs of its population. But the 155 thousand units of American government are by no means so many separate, independent organizations, each confined in its own sphere. On the contrary, they are interdependent parts of a single national system of government, in which the strength of the whole depends upon the interrelated functioning of all the parts.

Consistent and harmonious cooperation by separate units of government requires agreement on the objectives, the subject matter, the methods, and the timing of the cooperation. The chance of spontaneous agreement on any particular set of goals
is small enough, let alone the chance of supporting such agreement with concerted actions. The cooperation must be premeditated. It must be organized.

Yet effective cooperation between governmental units requires something more than planning if it is to express and preserve our democratic way of life. A chain store system, for example, commands organized, premeditated cooperation from its constituent units. But it is not a primary function of the commercial organization to foster individual freedom and initiative, whereas this is a first concern of government in a democracy.

Our form of government implies certain essential freedoms for its governmental units as well as for individuals. The Federal Government became, with the adoption of the Constitution, an entity independent of the states and bigger than the Confederation; the states, on the other hand, retained their essential independence and identity. Basic values in our form of government would be lost if either level of government were under the thumb of the other, just as the effectiveness of our system in meeting the needs of the people would be lost if these governments worked at cross-purposes.

These levels of government have separate, though overlapping, spheres of authority in providing governmental services; they have joint responsibility for making the whole system work. In our modern, complex society, we do not want power separated from responsibility. We cannot risk having power so concentrated that it can defy the public interest. Nor can we afford to have power so diffused that it is nullified.

One of the great virtues of our American system of government is that it avoids the dangers of extremism. It avoids the potential tyranny of complete centralization, and at the same time escapes the paralysis that might result from complete decentralization.

For this very reason the subject of intergovernmental relations is important in this country.

Our division of sovereignty involves some duplication of activities and some friction. It entails blurring of powers and responsibilities—some costly confusion about who shall be held accountable for governmental action or inaction. These costs are infinitely greater today than a century ago, when government occupied only a modest place in the background of a simpler economic and social life. The problems and the needs are likewise infinitely greater. Under such conditions, our governmental system can operate effectively only when there is a high degree of continuous voluntary cooperation between the Federal government on the one hand and the states and their subdivisions on the other. Without such cooperation we cannot be sure that a consistent national policy will be crystallized and made generally effective.

All too frequently we lose sight of the common objectives of our various governmental units and tend to emphasize antagonisms and rivalries. There is a tendency to look upon intergovernmental relations as a sort of contest between opposing teams, whereas really they are part of a productive enterprise in which all who participate are members of the same team. Every person in public life and, for that matter, every citizen, needs to keep in mind at all times the importance of unity. Such matters as the jurisdictional overlapping of governments with respect to particular functions or sources of revenue cannot be resolved successfully on a piecemeal basis. On that basis, the settlements are determined by political trades and logrolling. The controversies generate friction and frustration; they dissipate energy which is sorely needed for more fruitful work. Probably millions of man-hours are given needlessly each year to ironing out details of intergovernmental relations—details which could be disposed of by agreements on basic principles. Yet the work is done ordinarily in an atmosphere of antagonism, an atmosphere befogged by prejudgment of basic issues. The problems look very different—and often very petty—when they are seen in perspective, and when particular solutions are measured by their impact on the coordinated functioning of the whole system of government.

I think there are two main reasons for our common tendency to emphasize rivalry between units of government. One is the natural inclination of officials to identify themselves with particular units and to speak for the supposed immediate interests of those units rather than for the larger public interest. The other reason is the lack of any really adequate mechanisms or forums through which to achieve the mutual definition of objectives and methods, and to agree upon assignments of responsibility.
In a constitutional sense, the national Congress is, of course, the primary instrument of coordination among levels of government. In this sphere it operates through legislative declarations of policy. The state legislatures have a closely related role with regard, especially, to local governments. However, not all the required harmony of policy, and certainly not all the necessary day-to-day cooperation in carrying out the policy, can be achieved through legislative declarations—even though these declarations are bolstered by the persuasive force of grants-in-aid, loans on special terms, tax credits, and other inducements. Furthermore, Congress is not in a position to establish effective agreement among the legislative bodies of the several levels of government, excepting in terms of state and local conformity to policy decisions made by the national legislature. When this conformity must be obtained through imposition of penalties or through grants-in-aid, it is not the kind of "voluntary cooperation" which preserves local freedom and initiative.

A substantial measure of extra-legal cooperation between governmental units is obtained through the cohesive influence of political parties. The platforms and national leaders of the major parties have always supplied policy guidance which has contributed to concerted action among units of government. This influence should not be under-estimated. Yet the political parties, like the law-making bodies, cannot achieve all the necessary day-to-day cooperation in formulating policies and in carrying them out.

Besides the legislative bodies and political parties, there are numerous other instruments which help to promote consistency of action between levels of government. Among these, the Council of State Governments and its affiliated organizations are outstanding. Other associations of state and local governments or of their officials contribute to the same purpose. During the last decade they have grown rapidly in both number and usefulness.

Yet these instruments of cooperation are necessarily specialized. They are not fully organized for systematic cooperation even among themselves. These organizations, too, tend to represent particular groups of governments or particular segments of the public interest.

In my opinion, we shall never really overcome the disruptive, centrifugal forces that are constantly at work in our system of government until we adopt a new and concerted approach to the basic problem itself. We must organize the approach to this problem administratively so as to focus all possible forces upon the methods of its solution. We need to stimulate nationwide thinking and discussion in the field of intergovernmental relations. We need to formulate a clear philosophy concerning the relations between levels of government—a philosophy that will fit the needs of these times and will be widely accepted. We need to develop new channels for communication between the levels of government. This is a time for inventiveness and bold experimentation in this field.

The members of state legislatures occupy a position of special opportunity and obligation in this regard. They exercise, in most states, comprehensive control over the programs of local governments. They have authority and responsibility for harmonizing the policies of their states with those of the Federal government.

Indeed, the recent multiplication of international organizations of government has added to the variety of intergovernmental relationships which come before state legislatures for action. The states will have frequent occasion to help strengthen these organizations and make the participation of the United States fully effective.

For example, the prompt and favorable action of state legislatures can help materially to assure reasonable operating flexibility for the International Bank for Reconstruction and Development. The International Bank must secure the bulk of its lendable funds from the private capital market, either by issuing general debentures of the Bank or by placing the Bank's guarantee on the direct obligations of member countries. Private institutions which might be expected to be the principal investors in the obligations of the Bank are state bank and trust companies, insurance companies, mutual savings banks, and many others of the fiduciary type—all of them regulated and supervised by the states. New York State last year adopted legislation authorizing investment in the Bank's securities by savings banks and trusts. Other states are considering similar action. I am glad to know that the Council of State Governments has included draft legislation for this purpose in its recommended program of state legislation for 1947.
This action was taken by your Council after consultation with the National Advisory Council, which is an official organization of the Federal Government, created by the Bretton Woods Agreement Act. The National Advisory Council has pointed out that in view of the many operating safeguards in the Bank’s Articles of Agreement and the substantial capital contribution of the United States and other countries, the Bank’s obligations will be high in investment quality and suitable for fiduciary investors.

Without cooperative state legislation, the market for the Bank’s obligations in the United States might be limited to a degree that would handicap the Bank. This would be a most paradoxical situation. On the one hand, the Congress of The United States authorizes membership by this Nation in an international institution; while, on the other hand, the legislative bodies of the individual states might, by failure to give this matter their attention, create or perpetuate conditions which make our national participation much less than was anticipated or intended.

Other international organizations may have similar needs for action by state or local governments. These relationships are not really different in substance from those between our domestic units of government. Rather they involve a broadening of the scope and objectives of intergovernmental relationships.

In many ways, the state legislators can, if they will, do a great deal toward lifting the fog that now envelops the relations between levels of government. They are in a strategic location in our governmental structure. After all, the real flow of political power in this country is not from the Federal government to the locality, as is so often represented. Rather, the flow of power is from the local community—the grass roots—through local governments and state legislature to the Federal government. Rare is the Congressman who can maintain the same intimate acquaintance with his people that he enjoyed when he held local office or membership in the state legislature.

The members of state legislatures know the problems involved in these intergovernmental relationships and all their detailed complexities. They know that what the citizens really want is not contests between governments but cooperation among governments. They are responsible for taking measures which will help achieve that cooperation within their states and will contribute to national unity.

As one of these measures, I believe every state legislature might well establish this year a special study commission to investigate the subject of intergovernmental relations. I know that several states have had such surveys during recent years and that the Council has had committee reports on related questions—for example, the report of the Committee on State-Local Relations. Some of the studies have contributed substantially to the advancement of ideas in this field. The problems are sufficiently similar from state to state, so that each can profit from review of the reports in other states; yet they are sufficiently unique to require special solutions adapted to each state individually. On the basis of such reports, there can be comprehensive, constructive solutions of many perplexing questions in state and local relationships—solutions guided by the broad public interest in improving the effectiveness of the whole governmental system.

Without waiting for the detailed recommendations of a special commission, each legislature can take certain additional steps to promote better intergovernmental relations. These involve improved staff work and information with respect to local government, and arrangements for giving more systematic attention to the programs of the Federal government.

All too often, we have permitted a series of minor difficulties to accumulate into a major crisis for local government through simple failure to diagnose the difficulties and devise remedies when trouble first appeared. Some of the states are under pressure now to adopt ill-considered stopgap measures for sharing state revenues with local units, though the local needs have been long in developing and will continue indefinitely. Such stopgap legislation is often wasteful and inequitable; once adopted it is most difficult to correct.

The legislature in most states needs to be better equipped to deal with such problems on a longer-range basis. To this end, the regular committees dealing with problems of local government should be given expert staff assistance and the administrative agencies of the state government should be directed to see that the legislature is supplied regularly with comprehensive and reliable information about local
government. Some state official should have definite responsibility for reporting upon the operations and emerging problems of local government, as well as upon the social and economic developments which may affect their functions, finances, or organization.

Moreover, the legislature in every state should arrange to look systematically at the Federal government as well as at the local governments. Every legislature has one or more committees of each house concerned with local government. Yet often no committee is particularly responsible for assessing the impact of Federal government services, grant programs, and other policies upon the state and local governments. I suggest the establishment of a new joint committee in each state legislature—a committee assigned to consider all the programs and policies of the Federal government in terms of their relationship to state and local programs. Such committees would discover inconsistencies, conflicts, and duplications. They could identify opportunities for joint administration or for the interchange of information and aid between governmental units. Their work would afford a spur to improvement not only in state and local but also in Federal administration.

Some work along these lines is being done at the local level by an unofficial organization—the Council on Intergovernmental Relations. The Council has enlisted the participation of local, state, and Federal governments in the experiment which it is now carrying on in four counties—one each in the states of Minnesota, Indiana, Georgia, and California.* In each of these counties, a group of interested citizens—citizens who are not themselves office-holders—is giving time and ability to an organized effort to harmonize and integrate the work of all levels of government.

In Blue Earth County, Minnesota, the Council on Intergovernmental Relations leans toward the budget as the common instrument for unifying different levels of government. In Henry County, Indiana, the Council is inclined to choose the planning board as the focal point for coordination of policies and administration. But whatever their tentative solution, all these groups are demonstrating that the citizen who stops to reflect about what he wants from government becomes aware very quickly that he is getting a by-product for which he has no desire—a costly by-product consisting of waste and frustration, all too common in the present relations between governments.

With the spreading recognition of these costs, there is also, I believe, a growing realization that concerted governmental action will not be obtained merely by complaining about present failures—a realization that the improvement of intergovernmental relations will be brought about only through an organized and deliberate approach, supported by the earnest efforts of public officials and citizens generally.

There have been other recent contributions to organized cooperation among levels of government. For example, the Pacific Coast Board of Intergovernmental Relations has demonstrated its usefulness as a forum for exchange of information and ideas among the governors, mayors, Federal Administrators and other public officials of the region.

It is my hope that ultimately we shall derive from all these efforts a pattern of action for achieving fruitful cooperation among levels of government on a nationwide basis. There have been national studies resulting in proposals for a national mechanism to deal with these problems. Some such mechanism in competent hands and with wide public understanding of its functions could make a substantial contribution to the effectiveness of American government. But public understanding is an important prerequisite to that success.

That public understanding will be extended by such grassroots study projects as those of the Council on Intergovernmental Relations. It will be assisted by the special study commissions and the standing committees on Federal programs which I have recommended for each state legislature. It will be strengthened by the work of regional boards and other groups in fostering day-to-day cooperation between governments.

These efforts will demonstrate rather concretely the gains that can be derived from a similar attack on the nationwide aspects of the problem. Our present need, in my opinion, is not for more studies on a nationwide scale, but rather an extensive effort to prove through experience in the states and the local communities that it really is possible to harmonize the policies and actions of all our governmental units.

* Minnesota—Blue Earth County; Indiana—Henry County; Georgia—Colquitt County; California—Santa Clara County.