

Sec. 8—Powers of Congress

Cl. 1—Power To Tax and Spend

state. To the argument that the tax and credit in combination were “weapons of coercion, destroying or impairing the autonomy of the states,” the Court replied that relief of unemployment was a legitimate object of federal expenditure under the “general welfare” clause. The Court further held that the act represented a legitimate attempt to solve the problem by the cooperation of state governments and the Federal Government. The credit allowed for state taxes bore a reasonable relation “to the fiscal need subserved by the tax in its normal operation”⁶⁴⁰ because state unemployment compensation payments would relieve the burden for direct relief borne by the national treasury. The Court reserved judgment as to the validity of a tax “if it is laid upon the condition that a state may escape its operation through the adoption of a statute unrelated in subject matter to activities fairly within the scope of national policy and power.”⁶⁴¹

It was not until 1947 that the right of Congress to impose conditions upon grants-in-aid over the objection of a state was squarely presented.⁶⁴² The Court upheld Congress’ power to do so in *Oklahoma v. Civil Service Commission*.⁶⁴³ The state objected to the enforcement of a provision of the Hatch Act that reduced its allotment of federal highway funds because of its failure to remove from office a member of the State Highway Commission of Oklahoma found to have taken an active part in party politics while in office. The Court denied relief on the ground that “[w]hile the United States is not concerned with, and has no power to regulate local political activities as such of state officials, it does have power to fix the terms upon which its money allotments to states shall be disbursed. . . . The end sought by Congress through the Hatch Act is better public service by requiring those who administer funds for national needs to abstain from active political partisanship. So even though the action taken by Congress does have effect upon certain activities within the state, it has never been thought that such effect made the federal act invalid.”⁶⁴⁴

⁶⁴⁰ 301 U.S. at 586, 591.

⁶⁴¹ 301 U.S. at 590. *See also* *Buckley v. Valeo*, 424 U.S. 1, 90–92 (1976); *Fullilove v. Klutznick*, 448 U.S. 448, 473–475 (1980); *Pennhurst State School & Hosp. v. Halderman*, 451 U.S. 1 (1981).

⁶⁴² In *Steward Machine Company v. Davis*, it was a taxpayer who complained of the invasion of state sovereignty, and the Court put great emphasis on the fact that the state was a willing partner in the plan of cooperation embodied in the Social Security Act. 301 U.S. 548, 589, 590 (1937).

⁶⁴³ 330 U.S. 127 (1947).

⁶⁴⁴ 330 U.S. 127, 143 (1947). This is not to say that Congress may police the effectiveness of its spending only by means of attaching conditions to grants; Congress may also rely on criminal sanctions to penalize graft and corruption that may impede its purposes in spending programs. *Sabri v. United States*, 541 U.S. 600 (2004).