revenue that are needed within the metropolitan area and improve your local ability to raise taxes.

Now this is a very difficult situation, and I am not suggesting there are easy answers. I do think that we managed in Wisconsin at one point to eliminate an enormous number of school districts, and one of the ways we did it, going from something like 5,000 to something like 200 or 300, was by an equalization aid, even as small as it was, that encouraged the nonoperating districts to get out of the business and encouraged other districts to consolidate. I think at the very least our financial fiscal arrangements ought to encourage consolidation.

This is not a total answer. It is not going to do lots of things, but at least it seems to me it is some help. And then I would just like to make one other point, and that is I don't think that the shared tax system in Wisconsin suggests fiscal irresponsibility at the local levels, apart from the fact where your formula gives more funds into the wealthy areas.

Now, obviously you get some problems there. They depend on the State when they don't need to depend on it. But basically throughout the State I don't think our whole 55 or 60 years of experience suggests irresponsibility at the local levels through the shared tax.

Senator PROXMIRE. Thank you.

Dr. Ecker-Racz?

Mr. ECKER-RACZ. Senator, let me begin by saying that I subscribe to that theory that you attribute to Walter Heller, and I am hopeful that our Federal budgetary situation will return to normal and that we will not be embarrassed again by fiscal drag.

Senator PROXMIRE. Normal? It has been a long time since we have had any surplus.

Mr. ECKER-RACZ. Basically I think the theory is sound, but, Madam Chairman, you might want to clear up a point when Dr. Heller is here: I am not sure that the fiscal drag argument is not used by Walter Heller as rationale for something he wants to accomplish anyway.

In other words, I certainly would support a massive input of federally raised funds into State and local services, even if it means higher Federal taxes, because I would rather use the Federal income tax more effectively than more local property and State sales taxes.

All over the country there are problems because the property tax is impinging heavily on low-income people. I spent a couple of days in Huntsville, Ala., not long ago, where I discovered that if you buy a bottle of milk you pay a 6-percent sales tax on it. Now, the Federal tax, in my judgment, can go a great deal higher before it is as evil as a 6-percent tax on a bottle of milk.

You have asked what dimensions we should be thinking of. We should strive for additional Federal financing that would, in effect take off the back of the property tax the cost of public education. We began public education as a local function in the days when it was the prevailing view that if a man cannot take care of his own child's education he doesn't deserve attention. This is no longer true. And I often speculate how many fewer grants we would need to have if the property tax were not consumed by the public school system.

Dr. Ylvisaker mentioned 400-odd grants. Most are chickenfeed grants. We speak of $15 billion a year. If you take out of the $15 billion Federal grant expenditure, the highway program and the public