

worth about \$20 billion in order to make this money available to State and local governments.

Senator SYMINGTON. Then your figure is \$20 billion.

Mr. ECKER-RACZ. More toward that over the next few years.

Senator SYMINGTON. What would you do next year, as you move toward it?

Mr. ECKER-RACZ. If you couple it with an income tax credit so there would be an effort test, I would be willing to begin with \$3, \$4, or \$5 billion.

Senator SYMINGTON. We have \$1, \$3, \$4, and \$5 billion; one no opinion.

Mr. MAXWELL. One opinion zero, sir, for next year.

Senator SYMINGTON. To my mind zero is still nothing. In other words, a State that did not have an income tax would not participate, is that it?

Mr. ECKER-RACZ. I don't want to tie it down to an income tax. I want to say—

Senator SYMINGTON. You would not want to just hang it—

Mr. ECKER-RACZ. To the income tax alone. It is a tax effort I am really talking about.

Senator SYMINGTON. Would you want to hang it on a special group of States, according to Dr. Heller's idea, that are lowest in income? Would they get a special allowance before you prorate the others, in the tax sharing?

Mr. ECKER-RACZ. I am reluctant—emotionally yes, but I am reluctant to say yes because I think you and I are thinking of different States.

Senator SYMINGTON. You went to Huntsville. I will go to Huntsville with you.

Mr. ECKER-RACZ. No. I view New York, for example, as one of the fiscally critical States because of its cities' enormous needs.

Senator SYMINGTON. So you would rather see New York helped, based on its record, than you would Alabama. Is that correct?

Mr. ECKER-RACZ. I think New York would need it worse than Alabama, yes. We shouldn't mention individual States because we get into trouble.

Senator SYMINGTON. You started the mentioning.

Mr. ECKER-RACZ. Yes, that is true.

Senator SYMINGTON. All in good humor. Mr. Commissioner, how about you? How do you feel about it?

Mr. YLVISAKER. I speak from under two different hats. As commissioner of the State of New Jersey, I could present you with a list of needs which would suggest that you ought to treble the Federal budget and give most of it to us.

Senator SYMINGTON. We are used to that, but talk about the broad picture, if you will.

Mr. YLVISAKER. I will take that hat off and go back to the other. I think it is almost impossible to answer that question without asking some others, as well. For example, you could make unnecessary any kind of return of this kind of money if you would take over the welfare expenditures of my State, which I think might make a certain amount of sense. If you were to also say what is your purpose in returning this