

Chairman, that I believe in this concept of Federal income tax sharing for the States or some other suitable plan of that kind because I am deeply convinced, notwithstanding what some experts may say, that it takes money to avoid riots and violence. I am a member of the Appropriations Committee also, and I was born in the slums and I have been in them very frequently these days, and it does take money and it is just not available on the State and local level alone, although they can do much more than they are doing.

So, Madam Chairman, I would like to congratulate our chairman upon these hearings which I think are tremendously useful to the country, and each of the witnesses, whatever may be their attitude, the attrition will help us to develop what must be done in this field. More money is urgently needed if we are to deal with the slums, and there is no substitute for it. Brains can make it more useful, and a good scheme can make it more equitable, but money is needed, and in large amounts, and on a basis of the military concept that it takes a massing of resources at a given target to score a breakthrough.

Senator JAVITS. Just one other question especially to Messrs. Heller and Pechman to whom I express my great appreciation as I think I have formulated their ideas in the first bill, it was interesting that Professor Heller is a Democrat and I am a Republican, but I think I carried out this idea first, and I am grateful to Professor Pechman who is from the college of my own city, City College. But may I ask you gentlemen to be kind enough to give me a critical analysis of my bill and if you would, as you are the proponents of this thesis, of the other bills which are pending, that is Congressman Goodell's bill and others so we may have the benefit of your expertise as to what comes closest to the concepts which you have authorized or any suggestions you might have for amendment.

I think my bill comes very close to all your ideas. But certainly I want to present the Congress with an optimum bill and you can be very helpful in doing that and rather than doing it privately, I think it would be much more desirable to do it on the record. Thank you, Madam Chairman.

Representative GRIFFITHS. Thank you, Senator Javits.

Will you proceed, Mr. Stein?

STATEMENT OF HERBERT STEIN, VICE PRESIDENT AND CHIEF ECONOMIST, COMMITTEE FOR ECONOMIC DEVELOPMENT

Mr. STEIN. Madam Chairman, and gentlemen, in June of this year the Research and Policy Committee of the Committee for Economic Development issued a statement recommending that the Federal Government should give a partial credit against the Federal personal income tax for personal income taxes paid to the States. I welcome the opportunity to explain the proposal and to discuss the probable consequences of such a credit. These consequences are difficult to determine in advance. Different people who support the idea of the credit expect or emphasize different consequences. The interpretation of the likely results of the credit which I present here is a personal one, and not an official CED interpretation.

I think what is at issue in the discussion here today is to only a very small degree a question of objectives. I believe that the objectives which the CED had in mind were very similar to those which Messrs.