

taxes this is only going to cost you in this State \$8 million." That is, it is just like the investment credit which, in a way, reduced the cost of all the private investment by 7 percent.

The credit for State taxes paid reduces the cost of State services financed through the income tax by 20 percent, and it is going to increase the incentive for State expenditures just as the investment tax credit increased the expenditures for private investment, because it operates in the same way.

Senator PERCY. Before I yield to my senior colleague from New York in order for him to put in a commercial for New York, I would like to counter the commercial we have had from Minnesota by just giving you the best judgment I can as to what the Illinois State Legislature will do.

I have been locked in mortal combat with our State legislature for a number of years. I spilled blood with them over FEPC several years ago. We all finally won and got religion. I am still spilling blood on open occupancy legislation. I do not see why they cannot see the light I see in this area, but I think slowly we are going to come around to it.

There is no question in my mind that they know and are cognizant of what must be done in the field of education.

There is no question in my mind that they know well the great progress we must make now in mental health. We are building buildings but we do not have operating funds for those buildings. We have an outpatient service in one of the model program in the country; we are struggling to get the money to operate those facilities.

We would like to move into early education and many, many other areas. I doubt much of this money will go into highways. We earmark gasoline taxes for highways. But we do need to know what goes into public welfare. We have studied it for years and know we must have far more public welfare personnel with fewer caseloads, with more work done for rehabilitation. We know we must find an answer.

I hope we will be ingenious in raising more money on our own, and we must do that, but I really know if the money were made available to Illinois it would go for humanitarian programs that are desperately needed now. Although I have disagreed with them for many years, I think that the Illinois State Legislature would use well any additional money.

Mr. PECHMAN. Senator, it would help revenue sharers if Illinois got an income tax.

Senator PERCY. I will yield to the Senator from New York.

Representative GRIFFITHS. Senator Javits?

Senator JAVITS. Gentlemen, I wonder if you would cooperate with the committee, if you would do something very useful to us, and I suggested this to our distinguished chairman, if we could, at least as academic people, get agreement from you as to what are the advantages and disadvantages of all the plans, and then lay those out across the sheet. We have got your plan, the Federal tax-sharing plan. We have got the income tax credit plan, that is the State income tax credit plan. We have got Professor Ulmer's thesis that it will take care of itself, although I think he will probably argue with me about that, I am going to ask him to argue with me in a minute.