

have to do this, I am either going to vote for Mr. Reuss or I am going to vote for a tax credit, one or the other. But I would like to compliment those of you whom I have heard. It seems to me that the real problem in all of this is that it is not the economic decision but the political decision that becomes the really difficult decision.

For instance, under the distribution of \$2 billion general purpose grants under the formula to recognize need and tax efforts, compared with tax burden by State, this made in 1965, I would have to vote to give Texas back a \$1.40 for every dollar while Michigan got back 89 cents for every dollar.

Now, it is possible that in Texas everybody assumes that everybody in Michigan is rich, but let me tell you in Michigan we assume that everybody in Texas owns an oil well on which they are getting a 27½-percent depletion allowance. Furthermore, they were given all that offshore tidal oil, and there are also other factors in it. So that it would be a very difficult decision.

Secondly, I think one of the problems that you have in it is a problem that I watched when I was a member of the Banking and Currency Committee. The thing that I think killed public housing in this country was that it was applied throughout the country and too many people showed up in Congress, the mayors of whose towns were living in public housing. It was a certain vote against public housing.

So that when you begin to apply the thing, the only way you are ever going to be able to apply it is reasonably uniformly at the national level. Then when you move it out into the State level, they, too, are going to try to apply it uniformly or they are not going to be able to pass it in a State legislature.

Now, I would like to point out to you that some 20 years ago I helped on the school board campaign in the city of Detroit. We have no children and I found out to my horror that in the copper country of Michigan, every single necessary thing was supplied to children going to school including books, pencils, and crayons. In addition to that, the State lovingly sent around buses to pick them up to get them there.

But in the city of Detroit, the child paid a public transportation cost and we did not even furnish them toilet paper. The shock—well, I never got over it. I was for running the whole campaign just on that.

But this, I think, is the problem that you have. You are not necessarily going to put this money into the areas that need it. How are you going to get around this? Are you really just going to give back money or are you going to accomplish some national purpose?

I would like to have your comments.

Mr. SOMERS. Madam Chairman, I think you have put your finger on the problem, that our present difficulties arise from the fact that the poor live all over the country and the riots, and similar problems, are not caused by poor States as such. They are caused, in part at least, by the condition of poor people wherever they live, and many of them as we know, live in some of the richer States. It seems to me undesirable, therefore, merely to allocate unconditional funds according to the statistical richness or poorness of a State rather than according to the individual needs of the persons involved.

Representative GRIFFITHS. I agree.

Mr. Nathan, would you like to comment?

Mr. NATHAN. Yes. I just cannot accept this distinction between statistically rich or poor States, and wealth that you can see because