and give emphasis to the role of State and local governments. I think that my view of it is not inconsistent with the facts as you see them.

Representative GRIFFITHS. Yes, one of the words, one of the other words for a proper judgment is a discriminatory judgment and, of course, this is what you are very apt to get, I must point out; and I would like to say while everybody has told me how great the States are doing on education and the great percentage that they have been spending on education, one of the ways to reduce that percentage is to increase the taxes in those States, increase the amount of money that is available.

Mr. NATHAN. Which they have been doing.

Representative GRIFFITHS. Well, some of them. After 18 or 19 years, Michigan finally fell into line, but they are not doing it that fast.

My time is up. I am sorry. I would like to give time to the rest of you. Mr. Moorhead?

Mr. MOORHEAD. Thank you, Madam Chairman.

First, I want to say to Mr. Somers as a prospective decedent that I entirely agree with Maurice Chevalier who said that old age is not so bad when you consider the alternative.

Gentlemen, one of the things that is bothering me in this testimony is when we talk about revenue sharing we seem to be very loose about with whom we are sharing. Sometimes we are talking about sharing with local governments, sometimes with State governments, other times with poor people, other times with taxpayers. Now, when we say revenue sharing, with whom do you mean? Mr. Nathan, you seem to be talking mostly about State governments. Is that the way you see it?

Mr. NATHAN. The Heller-Pechman plan would allocate shares to the States and require that 50 percent of that share be passed through by the States to local governments. So, it is State-local revenue sharing. The important element in this is that it is the States under the Heller-Pechman plan, and under most of the plans, that determine what is a local government for purposes of getting this 50 percent that passes through. There are several other proposals that have been made, like the Tydings bill, which would share directly with the cities. This approach has possibilities, but also presents great difficulties of definition. That is what we are talking about.

Representative MOORHEAD. Mr. Fitch, I take it you have a slightly different feeling on this subject, is that correct?

Mr. FITCH. Well, on the definition, Mr. Moorhead, I guess I would understand by revenue sharing any arrangement by which the Federal Government uses Federal tax revenues to make a general bloc grant to States and/or localities.

Representative MOORHEAD. It is that and/or localities thing that bothers me. I would like to get into the record your attention to that.

Mr. FITCH. Well, definitionally, I suppose I cannot get you out of the semantic trap. It seems to me that it is the general grant which distinguishes revenue sharing from categorical grants. When it comes down to techniques, which I guess is probably what is the issue here, techniques of sharing Federal revenues with localities as opposed to the States, we get into all kinds of difficulties. I would agree that the administrative problems of general revenue sharing directly with localities are almost insuperable as things now stand. That is one