but the percentage credit would depend on how much you could afford.

Representative MOORHEAD. I see. Then Mr. Break suggested, as I understand it, a fractional tax credit. I am trying to put both of your ideas together.

Mr. BREAK. I think they are the same. I meant that 40 percent of the specified State and local taxes would be creditable against a Federal income tax liability. Forty percent is just a figure I use for illustration purposes and I think that is——

Representative MOORHEAD. Is that the same thing?

Mr. SOMERS. Yes. It would have to be some percentage less than 100 percent because the cost would be just too great. State and local taxes are $45 to $50 billion a year and I do not think that the fiscal dividend is going to be that big in the near future.

Representative MOORHEAD. But the important thing that you are stressing, as I understand it, is that you do not just say, just State taxes or just local taxes or just an income tax, but across the board.

Mr. SOMERS. All State and local taxes, and especially including property taxes, because I believe that is important to help the cities. If I may extend my remarks for a moment, sir, I do not believe reapportionment is going to do the trick because reapportionment, although it has improved the voting strength of metropolitan areas, has not helped and will not help the core cities, and that is the crucial problem of poverty at the present time. With respect to your question about the definition of "revenue sharing," over the past few years, of course, the term has changed and practically every day we get a new meaning attached to it. Originally, we were to have unconditional grants and then as people raise criticisms, a new gimmick is added to the revenue-sharing proposal and you have a condition attached. And I suspect that if we keep this up for a year or two, we will find that what were originally unconditional grants will have so many conditions attached that they will be more categorical than the categorical grants.

Going back to the question of helping States or helping individuals, I think our current problems are largely a result of the fact that we have not treated individuals as individuals. We have not treated them on the basis of their own problems.

Handing money to a State or even a local government in a lump sum, however much it reflects profound faith in the wisdom of the officials involved to spend the money properly, nevertheless does not give us assurance that the problems that arise because individual members of society have not shared adequately in its benefits will be solved. I think that the revenue-sharing plan would work only if all the poor moved into one State. That might be the only solution.

Representative MOORHEAD. Thank you, Madam Chairman.

Representative GRIFFITHS. Thank you, Mr. Moorhead.

Mr. Reuss?

Representative REUSS. Thank you, Madam Chairman. I welcome your kind remarks, Mr. Fitch, and it is indeed true that you and I were working in our respective spheres and came up with something like the same idea embodied in my bill—in order to become eligible for a bloc grant, a State has to prepare a modern government's program for a 3- to 5-year period which would in general set forth as