

Senator MUSKIE. It may be that we could work out some formula which would make it possible to amend these consolidation plans as presently set up in Congress. That is not possible in the reorganization plan. You cannot amend them. You take them as they are or you reject them. I have not thought it through, but it is possible that we might be able to incorporate a provision for an amendment. If you wanted to address yourself to that question, you might be able to develop some interesting suggestions for us. There have been a number of suggestions made and observations made at the hearings up to this point. I think before I get to them I would like to ask Senator Baker if he has any special questions he would like to put to you.

Senator BAKER. Mr. Chairman, I have no special questions of Mrs. Spellman at this point, except once again to draw attention to page 5 of your prepared testimony where you point out that NACO has consistently supported the consolidated grant and the bloc grant approach. I would like to hear your view on a very general proposition, if I may, and that is whether or not in your view or NACO's view, the concepts of rather specific or specialized categorical grants-in-aid or special purpose or any purpose might not exist effectively with a full-blown system of bloc grants or for more generalized purposes, and even Federal revenue sharing for general governmental purposes, if all three might not work and prosper together?

Mrs. SPELLMAN. I think all three would be an excellent idea because each one has its advantages. There is a great deal to be said for the bloc in a program, as it existed in the past. There is a great deal that has been good, along with a great deal that has been unfortunate, really. It has forced communities to pick themselves up by their bootstraps in order to conform.

Unfortunately, as I have said here, it also forced them to take a less meaningful approach to meeting their own problems, because they were so busy gearing to getting the money that they were having to sidestep some of their own real needs.

Senator BAKER. I think the rationale of those of us who support Federal revenue sharing, is that it is not a panacea for or a solution for all problems. It is frequently misunderstood that categorical programs, bloc grants, and Federal revenue sharing solve separate problems and may exist together. And, it would be my hope, and I am sure it is your hope and the chairman's hope that whatever measures are finally adopted would produce a more economical cost of government, yet retain Federal initiative and pinpoint the accelerated progress in specific areas where obviously the national goals should exist. That generally, according to you, is your overall view?

Mrs. SPELLMAN. Very definitely. I think that the tax-sharing program would be an indication of a recognition that the local communities have grown up and that they really are able to make decisions and spend their money wisely. I would, of course, like to be very sure that the Federal Government puts such provisions on this tax-sharing program so that local governments will not be tempted to just decrease taxes and become very popular there, that they will really spend this money that is given to them through this program for upgrading their communities.

Senator BAKER. I thoroughly agree. This is not the time or place to have a full discourse on the various points of that. In my own proposal for Federal revenue sharing a year ago, we included what we