compared the income tax incentive to the investment credit which was incorporated in the 1962 revenue bill. He suggested that a similar tax credit could be offered, "to employers who make payroll expenditures at the legal minimum rates for certain carefully defined classes of unskilled, marginal labor whose employment we seek to encourage." While this idea is not before this Committee because it incorporates a tax approach, I feel sure that members of the Committee are interested in its careful consideration by the Ways and Means Committee, in the form of H.R. 4574. (Human Investment Act.)

Regarding the Industry Youth Corps payroll subsidy approach that is before the Committee, we recognize that care will have to be taken to avoid having subsidized labor simply replace or compete with labor being paid at the full minimum wage. Employees receiving the benefit of the subsidy must also receive on-the-job training preparing them to move up into the regular, unsubsidized labor force, and, in some cases, supplemental basic education as well. Experience must be gained with local community action groups in the development of programs designed to meet local conditions and needs and opportunities with adequate controls, but a minimum of red tape.

Although this approach might begin with unemployed boys and girls, it also has possible applications in aiding displaced adult coal miners and farmers. The total costs to our society of the payroll subsidy should be viewed against the savings resulting when the people involved start contributing to the national product to the full extent of their ability, where formerly they were being supported in idleness.

We have embarked on our approach to the employment of dropouts completely voluntarily and without Government subsidy. The number of jobs to which these youngsters can be assigned is limited. But we believe most employers, large and small, have appropriate employment opportunities for some of these youngsters, provided the incentives are positive and the approach and methods of training are demonstrated as we and a few other companies have been able to do.

It is especially true that small employers cannot mount complex training projects of the kind contemplated in the Manpower Development and Training Act, and it is small employers who can still use a very high proportion of our unskilled labor if the price is right and a local agency is willing to provide imaginative approaches to make the labor avalable and to help train it.

We see very distinct advantages in having the applications for, and the administrative procedures associated with these subsidies, kept as simple as possible. We also see great merit in having responsible local community action groups involved in such a program. It seems reasonable that those at the local level could best thrash out such problems as to the selection of both employers and employees.

Thank you, Mr. Chairman and gentlemen, for this opportunity to make known the Equitable's concern regarding the question of youth employment. We intend to continue to do what we can in an effort to find workable solutions to what is certainly one of the Nation's major domestic problems.

STATEMENT OF EDWARD ROBIE, VICE PRESIDENT, EQUITABLE LIFE ASSURANCE SOCIETY OF NEW YORK

Mr. ROBIE. The scope of my remarks will be somewhat less broad than you had perhaps hoped or anticipated and certainly broader than you indicated in your invitation. I don't feel that I am qualified to comment on the entire Economic Act or many sides of it.

I have come here with particular intention of discussing one aspect of H.R. 18602 that is before the committee and particularly the Industry Youth Corps proposal in that bill.

There are two reasons why I feel I may have some helpful information and experience to give the committee. One is because the chairman of Equitable, James F. Oates, Jr., has for some time had a special interest in the youth employment problem which led him