if I didn't know better, I would believe that economists were elected to their positions.

I would like to ask you, Mr. Goldfinger, what is the position of the AFL–CIO on permitting social security recipients to earn $1,500 a year? Are you for or against it?

Mr. GOLDFINGER. That would be above the present level?

Representative GRIFFITHS. $1,500 is the present level. Did you support that?

Mr. GOLDFINGER. I believe we did. Offhand I don't know, Mrs. Griffiths.

Representative GRIFFITHS. Would you support an increase?

Mr. GOLDFINGER. This isn't an area of expertise on my part or of my responsibility; I am sorry.

Representative GRIFFITHS. Do you support permitting welfare recipients to earn money?

Mr. GOLDFINGER. I think that the whole area of public assistance requires a complete overhaul. The present system is wrong; it creates a disincentive to welfare recipients to move into the labor market. Yes, I do think that there should be some flexibility here.

Representative GRIFFITHS. Do you not feel that these are subsidies to business?

Mr. GOLDFINGER. Which?

Representative GRIFFITHS. To permit welfare recipients to earn money, to permit social security recipients to earn money? Do you not feel that these are subsidies to business?

Mr. GOLDFINGER. In what sense? Subsidies in the sense of building up consumer markets, yes.

Representative GRIFFITHS. They are subsidies from this standpoint. In many instances business is permitted to hire very qualified labor at a low wage. I was having lunch the other day with several Congressmen, one of whom remarked he had the best secretary he ever had in his life for $100 a month, because she didn't want to reduce the social security that she drew.

I had a letter the other day from an elderly man in my district who opposed increasing the amount that a social security recipient could receive, because he said this means only that you make available to business skilled labor at a price lower than they would have to pay in the market otherwise.

Mr. GOLDFINGER. Well, this is an evil, obviously, from our viewpoint, and we have been trying to do something about this through the form of union organization and collective bargaining. It is obviously undesirable to build up a pool of low-wage labor which pulls down the wage structure of the entire labor market.

Representative GRIFFITHS. But in view of the fact that you support it, what is really wrong with subsidizing business to some extent on training labor? What is your objection there?

Mr. GOLDFINGER. Because business already receives a direct consideration for any costs incurred in training. This is a cost of doing business. Any machinery used in the training of labor is not only a cost, but it is also depreciated. These are all taken care of in the current tax code and in the current tax legislation.

I see no reason for the additional subsidy in this form. I am very strongly for private business engaging in the training of workers.