income groups, I do not think you need that feature in the social security system any more. Then I would say take out that part of the payroll tax. I would like to see the contributory part left, where we say, we think you ought to save more than you otherwise would save for your old age; therefore, you get back something.

Mrs. GRIFFITHS. You are going to get back what you contributed, and it is not going to be weighed against you later. We are going to give women their share, too.

Mr. BREAK. Yes; I think that is desirable.

Mrs. GRIFFITHS. May I ask you, would each of you consider, if you had the right to do it, what type of package would you set up with the growth in income? Would you give tax reductions, would you take over the educational bills, the welfare bills, or just exactly what would you do? What would be the package that you would think best?

Mr. BREAK. I personally would prefer to put more money into welfare and education, health, housing. I think these are national needs now, and I think we need to have them supported by the Federal Government at a much higher level than they are now. I agree with Mr. Fitch that putting more money into them is not a sufficient condition for improving the services.

We have to work very hard, I think, at improving the output and using cost effectiveness analyses and other techniques to make sure that when we put more money in, we get more high-quality services out; that we have clearly specified goals, and we try to achieve them in the best and least costly way. I would try to devote the fiscal dividend to these areas, which I think are critical.

Mr. FITCH. May I support Mr. Break, but add some things which I think are also critical? They are in the general area of improving the urban environment. I would certainly opt at the beginning for much larger, more effective measures on cleaning up the air pollution control problem, the water pollution control problem, improving urban transportation systems, and finally, making better uses of open land in urban areas. I think some of the recent studies on the impact on urban ecology generally of unwise destruction of open land and its impact on the thermal and hydrological controls, as well as the implications for recreation, deserve much more attention than they have gotten to date. So I would list these four things: Air pollution, water pollution, the ecology of open space, and finally transportation, as high priority objectives.

Mr. NATHAN. I take a very different approach from Mr. Fitch. I am for simplicity in the system. I think we would come out at the same place, but do it differently. I would put half of that fiscal dividend into a model cities program that was designed to help all cities across the board, according to need, not just according to their planning competence, and I would give them the flexibility to do what they need to do. Some cities are dirty, some cities are clean; some cities have school problems, some cities have welfare problems. I think we have to set up new instruments in this area. I am not against putting it in the cities, but I just do not want to put it in the way we have in the past. We just have to devise new instruments, encouraging flexibility, and also encouraging private industry to get in and take a part of this action. That is 50 percent.

You have given me a chance to talk about the whole. I would put 25 percent into family allowances. I do not like the negative income