

I would like to ask you, Mr. Rees, would you support doing away with the minimum wage law if you had a negative income tax or any guaranteed income?

Mr. REES. I would not be willing to take that position at this time, because I think we still know too little about how a negative income tax plan would work. When we have some of the results of the experimental study of negative income taxes, when we see what this does to people's willingness to accept low paying jobs, then it might be possible to draw some conclusions about this.

I would view a negative income tax plan, or any public assistance program as being in effect, a kind of flexible minimum wage, because it does say to people that if a job pays so little that you feel better off not taking it and living on assistance, then you will turn that job down. But the point at which a person would feel that way will differ from one individual or one family to another.

Representative GRIFFITHS. Suppose you sent a guaranteed income into the State of Mississippi. Would you assume or not that the cost of getting someone to chop cotton might go up a little?

Mr. REES. It might go up; it might indeed. That is because chopping cotton is not now covered under the Fair Labor Standards Act.

Representative GRIFFITHS. What would you think, Mr. Lesser?

Mr. LESSER. Well, I think what disturbs me about suggestions either for elimination or stopping increases in the minimum wage, is that they completely overlook the point of view of the individual. I think to say to a person, you work full time all year round and you still have to be dependent on a program which really stigmatizes you as a second-class citizen, a program that pays you a benefit because you do not have something, you know, to make enough money is not defensible.

Representative GRIFFITHS. What if you send the money to everybody. We are not going to worry about picking out any group? Just send it to everybody.

Mr. LESSER. If you send it to everybody, as you do in social security the great advantage of social security is that when you reach 65, if you retire, you do get a benefit and it is not dependent on whether or not you have need—I think a program that broad really is a sort of demogrant to every individual, that just because of being an individual, he is going to get x dollars a month in that situation, then, I do not think you have the problems of the degrading effect. But what bothers me is that I do not think a negative income tax is that sort of a program.

A negative income tax still requires a declaration that your income is below a certain amount and it is on that basis that you get a payment. Now, if you look at the recommendations of the Public Welfare Advisory Council, we recommend a system of simple eligibility that is really no more than an affidavit. We objected to the midnight searches and the investigations that now go on under our welfare system. But those of us who are covered and pay income tax know that our returns do get checked and we are likely to have somebody come around and find out, whether our income is above a certain amount. That is fine. Nobody feels degraded because they are coming around to see that you had an income. But when a payment is dependent upon whether or not you do not have an income, and there will have to be checks by Internal Revenue, I think that this is still a program that will stigmatize. I