

I think it would help the negative income tax if it were possible that some of this group were going to be disposed of.

Mr. HILDEBRAND. We have already commented on that briefly, but I would like to add a point. One of the real difficulties with the present public assistance system is precisely that each caseworker has to do a detailed administrative job on each case. This is carrying political administration into too great detail.

Any of these allowance or transfer plans that can be made Federal and uniform and with general rules allows us to release that burden of detection and administration and decisionmaking. This is a real gain. These people can then do the job for which social workers are really trained and which they are intended to do, which is not this kind of thing.

Mr. PECHMAN. Perhaps I have a gimmick that might help you on this problem. I have heard that, say, 90 or 95 percent of the funds that are allocated for administration are really used for investigation and not for social work. Perhaps what we ought to do is put a line in the budget for "Administrative expenses, total"—whatever the amount is—100 percent. Then "Investigation, 90 percent"; and, "Social welfare work, 10 percent."

The question is, Can you reduce that 100 percent, including the 90? The answer is "Yes." I think we can do the job much more efficiently and it will release resources.

The unfair comparison that is being made is between the 100 percent, which includes something else besides social welfare work, and the cost of social welfare work under a negative income tax.

Mr. ROLPH. May I just illustrate? Take a person who, let us say, has a credit of \$500 and a tax rate of 25 percent. His earnings are \$2,000 per year. There is a family of four. They obtain a credit of \$2,000 and pay a tax of \$500, so their disposable income would jump to \$3,500.

Now, that would take people like that—not in every case, but in a great number of cases—out of the category of public assistance. So I do not know quite what these people were saying. In New York City, Mr. Ginsberg says that for every person on the rolls, there is at least one other who is entitled to be on but is too proud to be on. Those people would be taken care of, and they ought to be taken care of, and now they get nothing.

Representative GRIFFITHS. I would like to ask you if one of you has said you would give up the minimum wage; have you also agreed that any work paid for by any employer should be tax deductible?

A housewife paying for an employee within her home, or a babysitter. Do you think it should be tax deductible? Why only in business? They are employed, are they not? This would be one way of checking with people on whether people are employed or not.

Mr. ROLPH. My wife works and we employ lots of help. That is a form of consumption. To allow me to deduct that would be equivalent to making my taxes much lower than they presently are, and I do not see any reason why I should pay lower taxes on this account. We can go out to dinner more often or hire more household help. It is a tradeoff that we have. That is the way it is.

I think it would be a very bad idea.