

So the composition of the labor supply determines in part how much the kind of work which is considered degrading will be able to attract.

Representative GRIFFITHS. Again are you not really saying that if we had a guaranteed annual income, there is some of the worst work that is just not going to be done. What is everybody going to do, take a sandwich for lunch?

Mr. FITCH. Let me say that I compare any efficient income delivery system, as a negative income tax, with the present system, not with some idealistic system where people would starve if they did not take work as busboys. But there is a system, rather an efficient system, for holding out incentives. If you want people to work, the first thing is let them keep the lion's share of the wages. Nobody is going to take a hard, menial task if he has to pay 100 percent income tax, in effect, or, I suggest, even 70 percent.

Representative GRIFFITHS. But a high school graduate today could get a job as a busboy and not have to give up anything.

Mr. FITCH. True, but I do not think many high school graduates are going to aspire to such work. For one thing, many of them can get better jobs. But it is certainly true that lots of people in the labor market—30,000 dropouts a year as a measure of their annual increment—are not high school graduates.

Mr. REES. I wanted to comment on a point Mr. Fitch made a while ago, the difficulty of getting Negro secretaries. I concede there are some difficulties on the supply side, but I think we have to look at the demand side, too. Government agencies quite frequently seem to find competent Negro secretaries. So do universities.

I have seen the data from the Equal Employment Opportunity Commission on private employers and if you look across this data by industry, you find in some industries lots of nonwhite clerical personnel and in other industries almost none. When you get that kind of pattern, I submit it cannot be all a question of deficiency of supply, it has to be in part a question of discrimination on the part of employers. You can go into factories that employ no nonwhites and the personnel manager will tell you, none ever apply, when right across the street, there will be a factory that has 30 or 40 percent nonwhites. Why do none ever apply to this company that has none? Because that personnel man has followed a pattern of using sources of recruitment that he knows will not yield him any nonwhite applicants. He places his help wanted ads in neighborhood newspapers in what he knows are white neighborhoods. He avoids the metropolitan newspapers because he knows these produce a supply of nonwhite applicants. He avoids the State employment service because that produces a supply of nonwhite applicants. Then he says piously, they never apply.

I submit when you look across these employment statistics of the EEOC, a great deal of discrimination does exist. It is clear from the figures and it is more than a problem of training people or finding competent people. It is also still a problem, unfortunately, of getting these competent people placed once they are trained.

Mr. FITCH. I have no doubt that the deficient demand which Mr. Rees mentions discourages people from seeking training. But I am on the other side of the fence. I keep looking everywhere for Negro personnel. I will hire as many black people as I can in my own shop, partly because of our social conscience and partly because it is good