Mr. DUMPSON. Thank you.

Representative RUMSFELD. Mr. Hicks, Mr. Ryan has come up with a price tag. I notice one of your objections is cost. What if his proposal, instead of ending up with a net additional cost of $4.1 billion, was an absolute washout with present welfare costs, so that there would not be any increase in cost? Would that make it more acceptable from your standpoint?

Mr. HICKS. From the viewpoint of the objection that we feel exists in terms of cost; yes, sir. If the hypothetical situation worked out as suggested. However, we cannot see how this can logically happen. Let us face it, poverty is a matter of relativity. The advertising industry, much lauded here previously, has in fact created a lot of poverty in this country from the viewpoint that people do feel themselves worse off when, in fact, they are relatively better off than poor people have even been in any society in any civilization that has ever existed. I think that any person who works in welfare can tell you that the possession of a television and plenty of transistor radios and a princess telephone and an automobile are considered basic needs by the average poor person in America today, items which would not have been considered a basic need of poor people in the 1930's.

Representative RUMSFELD. Let me ask you this: You draw a distinction between those who have legitimate needs—you mention the blind and the mentally ill, for example—and loafers, anyone who is able to work and is not working. What if you included along with the blind, the physically disabled, the mentally ill, and the mentally retarded, the other category that some of the experts have dealt with; namely, the person who just socially cannot adapt, the person who is a misfit no matter what his economic status, people who need help and are going to get it one way or another, and it is clear that we are not going to have full employment in this country; we know that. When we have a tax increase, alter Federal spending, when there are changes in the economy because of inflationary factors, we are directly affecting and using the very bottom of the economic spectrum to adjust our economic situation. We know that.

I do not think you would feel, and I certainly do not feel myself, that there is any particular reason why that group of people should in fact be used to moderate the cycles in our system without any compensation.

Now, would you feel that is a valid group to add to the other groups—the blind, etc.—you included?

Mr. HICKS. I think there are more acceptable solutions, sir. For one thing, you overlooked one Government program that has had more impact on making this type of person unemployable than the tax increase or any of the other Government programs that have ever been put into practice. This is the minimum wage. Why are so many people unemployable? Because there are so many jobs, so many tasks to be done in our society that cannot be done at a wage that fits within our minimum wage laws.

Representative Rumsfeld. I quite agree. We have discussed in other hearings the fact that there is no question but that if you unrealistically lift the minimum wage, you are going to drive people out of jobs which, under the new minimum wage, are not economically feasible. There is no question of that.