control. All they should do is raise the money and refund it back to the people. The one thing we do efficiently down here is collect taxes and raise taxes. We do not spend it quite as well. We can spend it better back home, administered back home by Mr. Dumpson and others.

But I do not think if the Cook County public aid program depended on raising money in Chicago it would do anything other then degenerate. We would have anarchy practically on our hands, because the mayors face the problem the minute they start raising taxes in the city. This drives business out of the city, the affluent leave the city. You leave nothing but the poor in the cities.

So really when you get down to this thing, what you are saying is you have to have Federal collection, it has to come out of the Federal collection, but administered locally. That is a vast difference from what you have said here, that it should be done at the State and local level.

Mr. HICKS. Sir, I did not say you had to do this. You asked me specifically what could we do today. By "we" I assumed you meant the Congress of the United States. This is what we could do today.

Senator PERCY. Right.

Mr. HICKS. I do believe that the percentage of the wealth of the American people that is being sent to Washington in the form of Federal income taxes could be greatly reduced if the Federal Government did not try to solve all these problems from Washington and let this extra income then be taxed by the States and localities. Admittedly they cannot do it now. But people cannot make ends meet now. No wonder they object to increased local taxes. Why can they not make ends meet? Because the Federal Government is taxing them more and more and more. If the Federal Government would slow down its spending and its taxing, then I think we would see an entirely different situation in the States and the localities.

Senator PERCY. Of course, as you well know, a vast proportion of our Federal taxation goes for defense—past wars, present wars, the present Defense Establishment. The amount left over for the welfare programs is a percentage which is a rather modest proportion of our total budget. You would not want to leave the impression that most of this Federal revenue goes for social welfare programs?

Mr. HICKS. No, sir; I realize it is a relatively limited amount. I guess when you take social security into account, probably it is in the vicinity of $25 billion a year that goes for some form of social welfare in the Nation.

Senator PERCY. But that is not general revenue at all. That is just an insurance fund. The Federal Government is just a collecting agency.

Mr. HICKS. It is not held separately, though. The general income of social security is expended for other purposes.

Senator PERCY. Yes.

Mr. HICKS. We are aware of that. But no, the answer is to eliminate expenditures even in defense, where they can be eliminated.

We can certainly eliminate foreign aid. The needy of other nations should by no means be so important to us that we would neglect the needs of our own needy citizens. But we are still continuing to spend money on foreign aid. We are appropriating half a billion dollars for IDA, half a billion dollars for the Inter-American Development