a special burden of proof on the advocate because of the importance of preserving the integrity of the tax base. I agree with that.

Senator PROXMIRE. One other question in this connection. Isn't it true that every employer has to train the people he hires in most cases? This is a very big and important cost for an employer. Now, if you are going to start subsidizing that enormous cost—you have to do it in a very careful and discriminating way. You have to provide that he is going to be given a tax credit only for those who otherwise would not be employable for training programs. You have to limit it to those with a limited education or with some limited skill.

Isn't this going to be very hard to administer? Isn't it going to involve a degree of bureaucratic interference that would be quite substantial?

Secretary SHULTZ. I think the points that you make also must be made with respect to any contracting program. And it is certainly true enough that a tax incentive program in this field, unless you wanted to change the concept of it quite drastically, is not a sort of automatic, self-administering device.

Senator PROXMIRE. That is my point. You put it better. I am not saying that the contract employment doesn't also have these limitations. I am saying that the notion that you get away from bureaucracy by simply providing a tax credit and you take care of it in the private market is not valid, it will still have a very careful review by the Internal Revenue Service, and a good deal of governmental judgment.

Secretary SHULTZ. One of the problems with it, I think is that you might wind up with the Internal Revenue Service administering human relations problems. And with all due respect to them, I don't think that is at all desirable.

Senator PROXMIRE. Your friendly tax collector.

Secretary SHULTZ. Well, we used to train some in our business school.

But it probably is the case that a tax-incentive approach would lessen the amount of administrative detail that you would have to engage in. So it is a matter of degree.

Senator PROXMIRE. If it did, you would very likely have a lot of leakage.

Secretary SHULTZ. I think probably you would rely on stipulations of what people are doing, and also on the references from, say, the Employment Service to an employer of an individual what would qualify for this tax break. With these kinds of stipulations you could proceed, and if people violated the trust involved, they would be prosecuted.

That approach to the administration in this area has grown, and in general it is a good approach.

I might just say one other word. And it takes this problem back to the minimum wage discussion that we had. The contracting approach, the tax-incentive approach, any of these approaches to stimulating greater employment for the disadvantaged, are in the nature of special subsidies for their employment. The reason they are needed—and I support them—is that the person that you are talking about is not able to produce the value of his pay immediately.

So you have a method of, in effect, having the Government make up the difference. I think that it is a perfectly good method. But I think what it suggests is that there is a relationship between the amount