

Governor WELSH. No; I don't think you can isolate it geographically. It is a national problem. Families are going to be where jobs exist, where opportunities, as they see them, exist. You can't compel them to stay in places in this society.

Mr. BRUCE. Governor, it was stated a while ago that it would take 30 years under this program, as proposed, in order to even appreciably solve the problem. Does this sound reasonable?

Governor WELSH. I am not familiar with these figures.

Mr. BRUCE. Now, the poverty figure at the moment is pegged, by one way or another, at \$3,000, is that correct?

Governor WELSH. By the legal definitions, I gather, in the act.

Mr. BRUCE. Now, this Federal money you are talking about is borrowed money, is it not? Now, the Federal Government is broke, let us face it, as far as balanced budget, as far as meeting our expenditures. Any new programs we go into will be borrowed money. Is that not sensible?

Governor WELSH. I don't know that I would agree to that; no.

Mr. BRUCE. Where is it coming from?

Governor WELSH. I am sure a major portion of it is coming from income paid by taxpayers.

Mr. BRUCE. Yes; but the outgo exceeds the income. So any new money has to be from borrowed money.

Governor WELSH. This applies to any Federal disbursement.

Mr. BRUCE. As the Federal Government continues to spend more than it takes in, does this not have a direct impact on the cost of living?

Governor WELSH. If over an extended period of time, the National Government would spend more than it took in, I presume, eventually, inflation would result.

Mr. BRUCE. As the result of inflation, who is hit the hardest?

Governor WELSH. People on fixed income.

Mr. BRUCE. That is right. Particularly your low income—the widows on social security, the elderly retired—those in the \$3,000 and under. So, as we continue with programs that are carried on on borrowed money, are we not defeating, to a degree, the very things we are setting out to do? You constantly push it up for them.

Governor WELSH. I think the theory behind this recent action by the Federal Congress in reducing the Federal income tax rate was that reduction of the tax rate would restore confidence and initiative in our economy and thereby generate more revenue.

Mr. BRUCE. At the moment, this is theory, though, is it not?

Governor WELSH. It has worked in England, I understand.

Mr. BRUCE. Yes, several things are supposed to have worked in England, Sweden, Norway, and other States along that line.

Are you familiar at all with the stay-in-school committee in Indianapolis?

Governor WELSH. Yes.

Mr. BRUCE. What do you think of their work?

Governor WELSH. I think they are to be commended. I think every citizen's effort to encourage young people to stay in school should be supported and commended.

Mr. BRUCE. What was the cost of your camp program in Indiana at Camp Harrison?

Governor WELSH. Total cost in the neighborhood of \$50,000.