

jobs which exist today and which will emerge tomorrow, they are destined to join the ranks of the unemployed.

A greater commitment to education and to vocational training is an essential element in breaking the poverty cycle. Several studies have demonstrated that the gap between the incomes of people in low-income regions and in other regions narrows as the amount of education attained increases. For example, a recent study demonstrates that college graduates in the South have incomes which are equivalent to those enjoyed by college graduates in other regions in the Nation.³ In general, there is a tendency for the gap in income between the South and other regions to vary inversely with the level of education. Although education, per se, is not likely to be sufficient to solve the problems of low-income people, it is doubtful whether the problems can be solved without a greater investment in the education of these people.

Leadership development.—The poverty cycle cannot be broken without effective, forceful community leadership and concerted action to overcome the forces which perpetuate the poverty. Leadership must exert itself in the creation of an environment which is favorable to economic growth and development. People caught in the clutches of poverty must be motivated to want improvement. No development program will be successful unless a desire can be instilled in people to make adjustments—to develop and change the uses of their resources. Poverty cannot be obliterated if people are satisfied with their present circumstances. Community goals and social norms must be established and adopted which discourage perpetuation of the conditions of poverty.

The motivation of people to aspire to higher values is a difficult process. Alteration of values is slow and painstaking at best. The extent to which this can be accomplished will depend upon the willingness of leadership to assert itself in thinking through ways of developing community programs which are determined to obliterate poverty and upon the assistance which local leadership can obtain from other areas.

Income transfers.—Poverty, hunger, and disease bear heavily upon the image of our Nation. The onslaught which is being mobilized against poverty is most reassuring. Numerous income transfers have been proposed to cope with poverty. Within the context in which I have used the term, it is obvious that income transfers to the impoverished are a necessary condition for coping with poverty in the short run. In the use of income transfers, however, care should be taken that incentives are not provided to perpetuate poverty. Unfortunately, current programs do provide such incentives. For example, in many programs the participant is penalized for obtaining higher incomes. If incentives are to be provided for people to leave the poverty category, income transfers must be independent of effort, or must be positively related to effort rather than inversely related to it as at present. Costs are associated with becoming a participant in most welfare programs. The participants who find their benefits decreasing as their incomes increase may be discouraged from accepting part-time or even full-time employment. This can be prevented only if benefits are made independent of income or if they are made an increasing function of income. Payments of this nature will require a rethinking of our entire social welfare program. I am convinced, however, that this is a necessary condition for breaking through the cycle of poverty.

Dr. BISHOP. Thank you, sir. My name is C. E. Bishop. I am from North Carolina State, the University of North Carolina at Raleigh. I have transmitted a general statement for inclusion in the record.

I would like to start my comments here by confessing that I find some of the dialog that we have about the word "poverty" to be rather confusing and to point out what I think to be three different types of low-income problems that exist in our society.

The reason I would like to do this is because I believe that the kinds of policies or programs that might be appropriate to solving our low-income problems differ with these different types of problems.

³ Herman P. Miller, "Incomes of the American People," John Wiley & Sons, New York, 1955.