

Secretary FREEMAN. Not necessarily. Their earnings should not be deducted dollar for dollar from any assistance payments they might be receiving.

Mr. GOODELL. In other words, if you receive a loan under the poverty program, the FHA, then you would be eligible to earn somewhat more without losing welfare payments?

Secretary FREEMAN. That is right.

Mr. GOODELL. Would you limit it to those who do receive the loans?

Secretary FREEMAN. No, not necessarily.

Mr. GOODELL. Whom else would you include?

Secretary FREEMAN. You asked earlier about social security in general. I would certainly be in support of the principle that certain earnings should be permitted and not be automatically deducted from any social security assistance payments.

Mr. GOODELL. Are you going beyond the recommendations that have been made by the Congress to raise the amounts you can earn under social security?

Secretary FREEMAN. No, because to be perfectly honest with you, I am not informed at this moment precisely what they are nor am I prepared to testify on social security.

I am merely saying then in this instance as a matter of principle I would certainly support moving in the direction of not automatically deducting from assistance payments made particularly to older people to have a little additional earnings.

Mr. GOODELL. Of course I agree with you and have agreed for some time that it is a little contradictory of the Social Security and Welfare law that places people into poverty.

If they are going to continue to receive social security benefits, they must not earn enough to get above the \$3,000 average. If they are under the \$3,000 level they are eligible for direct grants from a number of poverty programs and we tell them you can't go out and earn any money or you will lose dollar for dollar your social security benefits.

This does seem to be a little contradictory and it has seemed so for some time. I think there are some aspects of our public assistance which are contradictory and they discourage people from going out and earning on their own.

Chairman PERKINS. Would the gentleman yield at that point?

Mr. GOODELL. I would be pleased to yield.

Chairman PERKINS. Of course we have written into the law a provision permitting earnings without cutting people off. I think it is mostly with the State administration where their regulations and acts do not even permit earnings but perhaps we should write something in.

Mr. GOODELL. Unfortunately, this committee does not have jurisdiction over the Old-Age Assistance and the Social Security program.

Chairman PERKINS. We have jurisdiction over certain welfare programs.

Mr. GOODELL. Welfare assistance is based upon the theory if you start earning money then you start losing your public assistance. There has been a great deal of discussion about this in recent months that it does discourage an individual from going out and supporting himself. This is an interesting suggestion you make with reference to at least