

receiving amounts below the poverty level, and I think that is unfortunate. We must find some way to correct this situation.

On the other hand, I think it is also true that many Southern States are making as much or more effort in relation to their fiscal ability to try to meet this situation, and that probably some modification of the Federal matching formula is necessary.

Now the President's recommendations this year, which will be before your Senate Finance Committee and the Ways and Means Committee, do attempt to go a step in that direction by requiring the States to pay 100 percent of their standard of need as defined by the State, and in no case, less than two-thirds of what the medicaid standard would be.

This does involve a new principle because it says "We are going to hold the States responsible for trying to come up to some kind of a minimum standard" but the minimum standard would be the standard they set. I would be glad to discuss that at some length. It is a significant step.

Senator TALMADGE. In your response to Senator Javits' question a moment ago about your comment in your statement, and I quote:

Putting a floor through direct income support programs so that no one falls below a minimum need is an intermediate step in achieving this objective.

Am I correct in assuming that that is not to be construed that you are endorsing the so-called negative income tax proposal or guaranteed minimum wage for all citizens?

Mr. COHEN. I am neither endorsing or opposing those proposals, no, sir. I think they require very careful additional study.

Senator TALMADGE. In your response you point out some of the same problems that it would involve that I have. We have seen that no matter how much our prosperity increases, our job opportunities become greater, and our standard of living increases, our welfare benefits and our welfare costs also go up astronomically.

Now I hear from time to time reports from all over the country about people who are seeking employees to work for them, and they get a flat refusal, and sometimes I get letters telling me the reason they refuse them is because they are satisfied with living on their welfare benefits and don't want to work. Does the Department have any reports of a similar nature?

Mr. COHEN. Could I make several comments on that?

Senator TALMADGE. Now what program, if any, do we have—I think everyone is sympathetic with everyone in need, in ill health, that can't get a job and can't earn a living, but I have no sympathy with the individual who prefers not to work, who wants to live on welfare. What programs do we have that divest these people of welfare benefits when they have actually refused to work?

Mr. COHEN. Let me say, Senator, just taking one illustration, the Public-Welfare Amendments of 1962, which the then Secretary Ribicoff proposed to the Congress, included a program to encourage State welfare departments to set up training programs for employable people who are on welfare and to give them work experience. This was very minimal. This is not the kind of training we are talking about for very highly skilled people. This was to train people who had not had work experience over the years.