

objectives; they aid differing and overlapping target groups; and their administration presents a crazyquilt pattern of particular formulas governing benefit levels and eligibility requirements.

This pattern has emerged since the 1930's in response to changing needs and public awareness of those needs. The pattern has been one of categorical extensions of aid either in terms of people served or in the type of benefit provided. It is reflected in the categorical nature of public welfare and Social Security and in amendments to those programs—inclusion of the disabled, blanketing-in of the aged, and so forth, and of new programs of aid in the health and housing areas.

But in spite of the strides forward which have been made, particularly in the last few years, there has been growing dissatisfaction with the end product. The welfare system has carried the largest burden of this criticism and with some justice. Payment levels are inadequate for those in need, recipients in many areas are subject to indignities of inspection and invasions of privacy, and until the recent amendments, recipients have had little incentive to improve their lot by working. Moreover, the lack of a comprehensive program of aid for unemployed men heading families has meant that the system encourages the break-up of families.

The correction of these defects was the intent of a wide variety of legislative proposals put forth by the Department last year:

The requirement that States update and meet the standards of need which they establish,

The determination of eligibility be simplified, and

That a portion of earnings from work be exempt in determining assistance payment levels.

Except for the latter recommendation, the Congress did not act on any of these proposals. In my view, these changes are still absolutely necessary. However, even if they were enacted into law, the present system of Income Maintenance would be far from adequate. Levels of support would still be low and great gaps would remain in program coverage: Poor persons in families headed by a man under 65 who is working account for approximately 35 percent of all poor families and for this group, there is in effect no Federal cash assistance.

The omission of the working poor constitutes, in my view, one of the most serious indictments of our present system of Income Maintenance. This, along with the shortcomings of our welfare programs, has been the primary source of discontent among the poor themselves and in the eyes of concerned citizens. There has been a call for action from numerous public and private groups such as the Steering Committee of the Arden House Conference, the recent Conference of Mayors, the Commission on Civil Disorders, and the Advisory Council on Public Welfare. The growing awareness that something must be done lies behind the President's recent appointment of a Commission on Income Maintenance.

The chief proposals which have been advanced in recent years are: a non-categorical welfare program as recommended by the Advisory Council on Public Welfare, a Negative Income Tax as suggested by The Arden House Conference, and a Children's Allowance as endorsed by Mr. Lisle Carter here just a few days ago. In many respects, the basic issues underlying the development and implementation of any or all of these radical departures from the present system are, as you obviously recognize, little understood by the general public and even many of our well-informed citizens.

I would like to review briefly with you what I consider these basic issues to be:

The work dilemma

Most of us would subscribe to the following two statements:

Everyone should have a minimum decent standard of living.

Earnings should be the principal source of income for those of working age.

But anyone who is trying to design an ideal Income Maintenance system recognizes very quickly the inherent conflict in these two values. There are many persons who work full-time, but are unable to earn an income which will lift them out of poverty. If income were guaranteed at the poverty level or higher, some persons of working age simply would not work.

All proposed reforms in our present system have basically the same ingredients; all establish a floor under income levels and all make some provision for work incentives. In the Children's Allowance plan, payments are made to everyone as a matter of right. In one sense, the monetary incentive to work is strong