

The priorities of the present Federal system are reflected in the existence of categorical programs for the aged, blind, disabled, and dependent children, and the level of support for each. It is no coincidence that the aged, blind, and disabled have led the way in our current cash assistance programs since in some sense, these groups have been considered the most "worthy" of support. Children have been less well treated because some of those who are (or might be) eligible for assistance are needy for reasons which have been less acceptable. These reasons have to do with parents and not with children:

Inability to earn a decent wage

Unemployment

Absence of the father (for whatever reason—death, divorce, desertion)

Or because the children themselves were born out-of-wedlock.

In summary, changes in the present system of Income Maintenance must ultimately strike a balance between the value put on work as the means of support, the level of cash transfers, the distribution of benefits, program efficiency or cost, and personal dignity. Any particular resolution of these problems is destined to leave one or more objectives in everyone's scheme of things at least partially unsatisfied.

Where are we headed?

Recent legislative history shows that these issues are being resolved in favor of work ethic for some groups in the population and more adequate income support for others. The basic thrust of the poverty program for example has been towards education, training, work experience, and similar activities to enable the poor to escape from poverty through their own efforts. This same emphasis is reflected in the AFDC Amendments of last year. On the other hand, the Medicare Program and the more recent Social Security benefit increases have gone far to provide a better life for the aged.

With the laws on the books today, the total costs of the welfare program will grow to more than \$5 billion in 1969; OASDI benefits under Social Security will reach about \$26 billion; the combined costs of Medicaid and Medicare Programs will be \$10 billion; and approximately \$1.5 to \$2.0 billion will be spent over the next five years on the training and rehabilitation of Public Assistance recipients and day care for their children. However, some 14 million poor persons—mostly the working poor and their families—will still receive little or no cash assistance.

There are several alternatives which might be selected for the future. Continued emphasis can be put on programs for increasing capability for self-support and improvements can be made in our present systems of Income Maintenance. In essence, we can continue to do what we have done in the past. Doing this will help more individuals and families to escape poverty, but it will also mean that the working poor are largely ignored in our plans and programs of cash assistance.

Superficially, it seems that another categorical program of aid might be devised for this group but unfortunately, no one, to my knowledge, has been able to do so in a way which is satisfactorily integrated with present programs. In my view, our long-run objective should be the enactment of a comprehensive Income Maintenance Program which will prevent anyone from falling below the poverty line, provide positive incentives to work and make the poor the primary beneficiaries of aid.

Representative GRIFFITHS. Thank you very much, Mrs. Rivlin.

Mr. Levine, I would like to thank you for saying that in some ways the 1967 amendments to the Social Security Act do have some value. This is the first time I have heard this said by any witness. Since I was one of those who helped put them on, I think, myself, they have some value.

I would like to point out, however, that one of the sad things is that the States have had for years the right to permit welfare recipients to maintain part of their welfare and still learn money. They have never implemented it. I believe there is not a single State which has implemented it.

I notice that the State from which I came was one of the States that demanded this right and still never implemented it and did not use it.