

What the Social Security Act of 1967 attempted to do was to force some responsibility upon the States that they have not now taken.

At the present time, I believe Arkansas receives 85 cents on every dollar that they paid out for welfare. Eighty-five cents of it is paid by the Federal Government, whereas in the big, rich States, 50 cents is paid. Now, if you permit the State to determine who is going to draw, how much more would you have to do? Simply add an additional billion dollars or pick it up 95 cents or 97 cents on the dollar?

Mr. LEVINE. Madam Chairman, I cannot answer the question. But the question illustrates the reason why my own inclination is to opt for trying to go the national route—again, whether we call it the negative income tax or what—but go a route of a national system in which the payments are determined nationally, the eligible categories are determined nationally, and the States are not given the option to adjust the system to get the biggest portion of the Federal buck possible.

Arkansas is a poorer State than some of the other States and there is some equity, therefore, in Arkansas getting more. But it is very difficult to set up a system, I should think, where you can get States running this sort of a national system without their exploring the highways and byways of getting something which, in terms of interstate relationships and in terms of relationships of the States to the Federal Government or their own people may not look very equitable. I think a national system may be simpler, for just the reason you illustrate.

Representative GRIFFITHS. May I ask you, in your judgment, if we had a national system and approximately the same amount was sent to every person who is poor in any State, do you think it would have any tendency to stop the influx of the poor into the central cities?

Mr. LEVINE. Yes, I do; and I think it would stop the influx of those rural poor who can least benefit from moving into the cities. There are some rural poor—either young or able to absorb educational training, able to work—who perhaps would be better off elsewhere, but the so-called boxed-in poor, to use our jargon phrase, who are not going to be very functional in jobs anywhere, would be better off if they could live where they are, staying where they are. I think such a system would have a maximum beneficial effect in this regard.

Representative GRIFFITHS. Would you agree with that, Mr. Morgan?

Mr. MORGAN. I think that is probably true.

Representative GRIFFITHS. There were some details on this New Jersey experiment. How many people are included in this guaranteed income?

Mr. Lampman, would you care to answer?

Mr. LAMPMAN. Madam Chairman, the program is intended to be a small sample.

Representative GRIFFITHS. I realize that.

Mr. LAMPMAN. In several communities in New Jersey, it will reach approximately 1,000 families. As Dr. Levine already indicated, they are a special cut of the poor; that is, they are urban, they are male-headed intact families where the head is in a certain age range.

The idea of the experiment is to offer not just one plan to a given number of families, but to offer a variety of programs to various parts of the sample. Some people thus will be controls against the others.

Representative GRIFFITHS. Yes. Has the experiment begun?

Mr. LAMPMAN. No, it has not yet actually gone into operation. At this time, screening surveys are underway in one community.