

Representative GRIFFITHS. No they don't.

Mr. MORGAN. Yes, they do, because of the exemption for children on the negative income tax.

Representative GRIFFITHS. This may be true, but at least you are going to get something whether you have the child or do not have the child. The difficulty with that the child allowance is the same that we are having right now.

Mr. MORGAN. This is a matter of degree rather than kind, because all systems now provide amounts of payments to people—single, married, various family sizes. The only real difference is not a matter of substance but of the extent of the differences. If you pile a family allowance scheme on top of the present system, you effectively do somewhat more for people with large families. But you still have a basic system that provides income maintenance programs even for single people. And every guaranteed income scheme effectively is a family allowance scheme in the sense that it provides more for larger families than for small. Even our present welfare system does this. There is no way to get around this short of separating children from their parents. If you want to discourage people from having more children, that is one thing. You cannot do it economically, if you are going to let parents take care of their own children. There, your own constituents will fight even more, because we have a great emotional belief that somehow the natural mother have more love for her children, takes better care of them.

Representative GRIFFITHS. But this is what the \$600 million is in the welfare amendments for, setting up day care centers, trying to withdraw the children away from their homes as quickly as you can and giving them additional types of training.

Did you have something you want to say, Mrs. Rivlin?

Mrs. RIVLIN. Well, I think we should be clear what kind of children's allowance we are talking about. If we had the thought that a children's allowance could be the substitute for all other forms of income maintenance, then the bounty per child would have to be extremely high. One would presumably have to pay something over a thousand dollars per child. If one got up to that level, I think I would agree with you, too. This would be tempting fate or tempting sin.

But I do not think that is what we are talking about. The children's allowances that have been suggested are a way to supplement the system that we have now. People who favor them are also for making the present system better. A children's allowance is a means of getting more money to the working poor. When you have a family where somebody is actually working, and where there is a father, a fairly modest allowance per additional child would seem to me not to have a very great incentive to increasing the birth rate.

Representative GRIFFITHS. At the present time, you have great difficulty. I had a woman write me the other day who had received \$290 for working. She had five children, her husband had left her. She received \$270 on ADC. The real truth was she was making more money on ADC than she was when working, because on the job, she had to dress, she had to go to the job, she had to at least declare income tax. On ADC, she was completely out of it.

I would think that at least in your experiment, you ought to pick up some women.