

Mr. LEVINE. Let me make the record clear, Madam Chairman, that as far as any proposal I would make personally, this would not discriminate against women and particularly the incentive scheme should have incentives for women to work. I do not want to get into the argument about sin particularly, but I do think that if, as a practical matter for getting started, if there were a negative income tax which started out with families for children, the possible child-inducing effects of such a program might be counteracted by other things we have going—specifically, the great increase that we are on the way to in day care and the substantial increase we are on the way to in family planning programs for the poor. So as a net matter, I do not think that starting out on a scheme for families with children which does provide incentive for female family heads and secondary earner, for that matter, as well as for male family heads to work would start a baby bonanza among the poor.

Representative GRIFFITHS. In the city of Detroit, they started, 2 or 3 years ago, maybe more, a program where, when a girl had her first illegitimate child, they put her in special classes in high school and they helped her in every way that they could. Now, they found it extremely effective. Some of these girls went on to college, were on their way to becoming teachers. It just happened that they discovered that in many instances, it was the brightest girls who were becoming pregnant at 14 and 15 years of age.

However, when we started cutting out money in the Detroit school system, this was the first cut made. So you consign these children, these little girls, to a life on welfare and to a very unrewarding life, girls who had already shown that they could do really quite well if they had a chance.

May I ask you, at what level, Mr. Morgan, would you start child allowances?

Mr. MORGAN. I started by suggesting that Harvey Brazier's proposal struck me as a very interesting and ingenious one, partly because of its efficiency aspects, not paying out money to the poor. He started at something like \$1,200 for the first child, then down to \$400 for the fourth child and beyond. So he already builds in a disincentive for having additional children. But it is partly an economy of scale issue. It is cheaper to take care of more children if you make a pot full of stew. Obviously, this is not intended to provide total support for the family.

I think there are two issues here. One is what do you do about the future and about family planning? The other is what do you do with existing families, where the children are already there? I think one of the bothersome things is you are effectively giving money to parents for taking care of their children and this takes their time and energy as well as cash. It is not quite legitimate to compare what they get for working with what they get paid to take care of children. If they are working, they are working either fulltime or somebody else is taking care of those children. If society is taking care of them, this is very expensive. If you look at the cost of even day care centers, much less child care, it is extremely expensive. I think one of the reasons we got rid of orphanages was because we did not want to pay for them.

So I think given existing children, one of the questions is how are we going to take care of them. The other problem is how do we dis-