

courage people who cannot take care of families themselves from having more family? I would like to separate the problems, because they are two separate problems.

Representative GRIFFITHS. Mr. Levine has pointed out what he would do with a \$2 billion program. If you had only \$2 billion to institute a guaranteed program, what would you do with it?

Mr. MORGAN. I think I would start with the so-called working poor, the large family poor, where there is no issue of employment, no issue of the needs of the children, there are very few other issues, and do something there first. If I really have to limit myself, I would agree. But I think there is a lot to be said even for large families as being the most neglected of our poor, even where there is only a single head. And I admit these other problems. But I think we do have to worry about those children, what is happening to them. The history of most family allowance programs that the parents have been pretty responsible about what is done with the family allowances. The evidence is that the abuse has been very small and people have been very conscious of the fact that this was money for their children.

Mr. LAMPMAN. Could I ask Mr. Morgan a question on that. I am not quite clear. You are saying on the one hand a family allowance program and on the other a program for the working poor.

Could you clarify that?

Mr. MORGAN. Family allowance is a funny term. It has its own emotional overtones. But if you have to start, you can argue we should start with the very large families where there is no issue of the employment of the head. He is already working, but he just cannot support a family. These are people where there is no political issue but the need of the family. We have just not done anything about it because we have not admitted that it takes an awful lot to support a family of six, eight, ten kids these days.

Mr. LAMPMAN. You would leave ADC in place for the broken families?

Mr. MORGAN. That is right.

Mr. LAMPMAN. But introduce a negative income tax for the working people, the working poor, essentially, mostly male-headed families?

Mr. MORGAN. Yes.

Mr. LAMPMAN. However, there are some women-headed families, of course, that are not on assistance at the time and who might prefer, if you gave them an option, to be on a low guarantee program of the kind I outlined earlier.

Mr. MORGAN. That is right.

Representative GRIFFITHS. Mrs. Rivlin?

Mrs. RIVLIN. I wanted to ask Mr. Morgan if he would do that before he raised the levels of AFDC from the extremely low levels they are in some States?

Mr. MORGAN. I am not an expert on where the priorities should go. I have not really thought out this question. I think you are quite right, if I took a cold look at some of the States, I would worry about how to raise the standards of some of those States before I started with complete families.

Mrs. RIVLIN. The Chairman only gave you \$2 billion.

Representative GRIFFITHS. What would you do with it, Mrs. Rivlin?