

To overcome these many deficiencies in our various systems of income maintenance, many have advocated a number of new proposals. Such proposals have been designed to eliminate the current restrictive and degrading aspects of our welfare program, established in the midst of depression conditions as a temporary stop-gap measure. Those programs have not been revamped to meet the sharply altered problems of the needy. Radical restructuring of the administration of the welfare system has been unconscionably delayed. Unless major basic revisions are made to transform the system into one which respects the dignity of the individual and recognizes his fundamental right to be assured a minimum standard, proposals like the negative income tax, children's allowances, and various forms of guaranteed income will have to be given serious attention. But any single one of them should not be regarded as a panacea capable of supplanting the broad range of minimum wage, social welfare, social insurance, and other income maintenance programs.

Our goal is income sufficient to achieve a decent standard of living—not the bare subsistence level of the completely inadequate \$3,200 benchmark now in use: Now therefore be it

Resolved: 1. That the Industrial Union Department support legislation broadly extending the minimum wage act to cover millions of currently unprotected workers and raising the minimum wage to at least \$2.00 an hour, and

2. That the IUD urge legislation to raise the minimum monthly benefits under Social Security to at least \$100 for disabled or retired workers and provide benefit increases of at least 50 percent for all other workers covered by the system, and that adequate benefit levels, once established, be kept current in relation to rising prices and real wages;

3. That the IUD urge legislation which would allow a contribution from general revenues of at least one-third of the total cost for the Social Security System, to bolster and strength the resources from which to finance the long-overdue improvements outlined above;

4. That the IUD urge the Congress to enact a program of minimum Federal unemployment compensation standards to eliminate restrictive eligibility standards and assure adequate benefits for a sufficient period of time;

5. That the IUD endorse and support recommendations to improve public welfare submitted in 1966 by the Advisory Council of Public Welfare, which include:

A minimum standard for public assistance payments below which no State may fall;

A nationwide, comprehensive program of public assistance based upon a single criterion—need;

A uniform and simple plan for Federal-State financial sharing in cost of all public welfare programs;

Prompt extension of coverage and liberalization of benefits under the social insurance programs;

Strengthening and extending social services through public welfare programs readily accessible as a matter of right to all who need them;

Administration of all welfare programs receiving Federal funds consistent with the principle of public welfare as a right.

6. That the IUD support legislation introduced by Democratic Senators Fred R. Harris (Okla.) and Robert F. Kennedy (N.Y.) to repeal the restrictive amendments imposed on the welfare program;

7. That the IUD support the continued exploration of alternative programs that would equitably provide a sound income maintenance program which could be integrated appropriately into our overall basic social welfare and income maintenance systems.

Representative GRIFFITHS. Mr. Rees?

STATEMENT OF ALBERT REES, PROFESSOR, DEPARTMENT OF ECONOMICS, PRINCETON UNIVERSITY

Mr. REES. Thank you, Madam Chairman.

Until recently, economists have paid little attention to the effects of public assistance programs on the labor market. Now, under the stimulus given by such distinguished economists as Milton Friedman, Robert Lampman, and James Tobin, the neglect is being remedied and we are distressed by what we find. The findings suggest that public