

**STATEMENT OF SAR A. LEVITAN, CODIRECTOR, CENTER FOR
MANPOWER POLICY STUDIES OF THE GEORGE WASHINGTON
UNIVERSITY**

Mr. LEVITAN. Permit me to apologize for my strange headgear. I am not using your subcommittee to promote a new fashion. It is the product of a bout I had with some surgeons.

To pick up the final point of Professor Rees, I fully agree with the need of providing a proper mix of services and income maintenance in aid of the poor. Since we are meeting today in the shadows of the solidarity march, it might be worth while to recall the demands of the Poor People's Campaign. Their demands covered housing, jobs, education, and many other things.

I was rather surprised that a group of economists, with unimpeachable liberal credentials, singled out the income-maintenance proposal of the Poor People's Campaign and ignored all the other demands. Some of the sponsors appeared before your subcommittee, Madam Chairman—Professors Lampman, Watts, and Tobin; two other sponsors were Samuelson and Galbraith.

I can see conservative economists, who believe that welfare programs which are intended to help the poor do more harm than good, would resort to income maintenance as the only form of assistance to the poor. It is more difficult to understand the thinking of the liberal economists who, singling out income maintenance, ignored all other forms of aid to the poor needed to help move them out of poverty. I suspect that, to a large extent, this emphasis on cash assistance is due to the fact that Professor Rees has just alluded to: Economists have paid very little attention to poverty and to the welfare system. Now that they have discovered that we have poor amongst us, they would "solve" the problem in a hurry and give the poor money.

I am afraid that the solution offered by the economists is part exhortation and part oversimplification. A realistic income program would cost more than society is willing at this stage to commit in aid of the poor. A meaningful minimum cost of a negative income tax would be about \$5 billion, although some are now pushing for a lower cost program at bargain prices.

The cost of a negative income tax would exhaust whatever additional expenditures we are likely to make in aid of the poor over the next few years. The issue is whether society would invest additional aid only for income maintenance or should it also expand other forms of aid. I submit that we should have a combination of income and expansion of services.

The Federal share is \$15 of the first \$18 paid to recipients of AFDC plus 50 to 65 percent of the monthly payment—between \$18 and \$32. The Federal Government should take over the responsibility for the AFDC payments and work toward a more acceptable income maintenance program.

At the same time, we should not ignore the wealth of experience we have gained during the last few years in helping the poor. While it is fashionable in some circles to condemn the antipoverty program and OEO efforts, I would submit that there are several important lessons we have learned from this experience. Certainly, a birth con-