

effective without opportunity to work lead to the importance of economic and labor market policies. Both cash and job programs are needed.

This is especially true in rural areas, where 40 per cent of the poor live. A substantial cash program might retard the march to our overburdened cities. That would be to the good. The added income provided by the transfers to rural residents would improve the purchasing power in the local economy. Some jobs and opportunities would be created. But a more sweeping change in opportunity requires that there be active effort to expand the economic base of at least some of these localities. Cash programs alone cannot do it, although they can contribute.

We are slowly coming to the realization that one of the great inequalities in our society is that where one is born in the United States deeply affects one's life chances. To be born in a rural area means that one has less chance of a decent education or job. Reducing the rural-urban inequalities is one of the great issues which we are only very slowly touching. It cannot be handled without economic, manpower, education *and* cash programs.

I think information is lacking on what would be the effects of one or another mix of cash and job programs. I think that we should proceed by avoiding panacea-thinking and by recognizing that Congress and the White House have to be flexible. They should move in both directions of jobs and income, increasing the expenditures in both areas. As the results come in of the impact of the particular mix, then changes would be made.

I think it very important to get away from the notion that we know enough to formulate a fixed policy that will require limited change. (OEO despite its experimental stance at its initiation locked itself early into first programs and lost the opportunity to learn.) Congress would have to learn how to deal with evolving policy rather than with slowly moving programs.

CONCLUSION

The appeal of the investment in human resources argument should not obscure the significance of the consumption or amenities argument, that we seek as an end in itself to make people's lives more comfortable and satisfying.

In the 1960's we have frequently made sweeping claims about what a particular policy could do as an investment in human resources, only to be disappointed in the outcome. Frequently, we transmute our ends into means. We support a policy because it is more humane but argue that it is instrumental for some other end. Many support large-scale reform of welfare because they seek a more humane treatment of their fellow citizens. But the argument frequently presented is that it will eventually lower the welfare bill or get people to work. A good deal of the time the welfare change or the use of social services will not have that result—for other than welfare changes may be involved—but it will humanize our activities.

I wish that we would talk more about the humane objectives of our policy rather than the economic.

We are caught in a disturbing paradox. A better welfare system in terms of adequacy and dignity will bring more people into it. There is no easy or immediate solution to rising costs or rolls. But we should not construct policy largely in terms of this year or the next. Our concern should be with the large number of children growing up with little hope or possibility. An increase in welfare expenditures and a change in policies can help them even if not all problems of poverty and inequality can be solved by these moves.

I hope that I have not disappointed you by not making a case for one specific reform or another. These proposals are not lacking. What I have tried to do is to show some of the issues in making a choice. It is my perhaps falsely rational hope that if we understand what the underlying issues are, we will not find it so hard to select among the technical alternatives. Where we ignore these issues, we resolve debates on the basis of what each thinks is politically "acceptable." I do not mind as such "politically acceptable" arguments; I do mind when they masquerade as analyses of basic issues.

Representative GRIFFITHS. Thank you very much, Mr. Miller.
Mr. Tobin?