

I would like to return to the point for a moment of the persons currently eligible under Federal law who are not receiving financial aid. As of just a year ago, the Department of Health, Education, and Welfare estimate on this was 8.5 million persons eligible under Federal law not receiving assistance. This was slightly higher than the public assistance load as of that time.

Another point that has to be dealt with, and that I find cropping up in discussions of even the proposals for other forms of income maintenance, is how people spend their money. Actually, we know that most of these mothers in AFDC families do a good job. Otherwise, they would not be able to eke out a daily living for their families. We do not ask how families who receive governmental help in any of the other programs spend their money. This is one of the concerns that has to be dealt with as we look at what it would mean to give a mother enough money so that she could rear her children in some decency.

If we would extend and improve our public assistance payments so that there was simply enough money, we would reduce greatly the number of families which need some other type of special public help. I have often gone back to an experience I had in Detroit 2 or 3 years ago. While speaking to a group, an AFDC mother stood up in the back and said, "You talked about services this evening. If you would just give me enough money, I could meet the rent and pay for the other things my children need. I do not need services."

That, I think, we sometimes forget.

Another area that must be dealt with is this question of a cycle of welfare dependency. Yesterday, I had the question thrown at me. What about third-generation families on AFDC? Actually, of course, we do not have the data we need to reply precisely. This is an area in which we have been very slow to undertake what would really be rather simple research.

We do know, however, that by the time they reach 18 years of age, approximately one out of six of our young people have for a shorter or longer period been helped by the AFDC program. By looking at the population generally, we know that most of them have moved into the total society and are taking care of their families, paying taxes, and so on.

Certainly we would see this whole process of helping young people become economically independent greatly stepped up if they were given a fair chance through an adequate income as they were growing up.

This brings me also to the present law in which we now permit a working parent to retain part of his or her earnings without being penalized in terms of the AFDC grant. The law, as you well know, provides for exempting \$30 plus one-third of the balance. This is a very limited concession to the poor in their efforts to better themselves. We need to work out very carefully what it really takes in the way of cash incentives to help people move themselves out of the poverty group.

We have available, while we are discussing and analyzing and studying all of the current proposals, a blueprint for immediate reform. For that reason, I want to call your attention again to the report of the Advisory Council on Public Welfare, "Having the Power, We Have the Duty," issued in 1966. This report was supported by the recom-