

I would like, however, to spend the rest of my time dealing with some of the objections to this program. One objection that I see very frequently made is that it will not deal with the whole poverty problem. Obviously, it will not. It certainly will not do anything for childless adults. But as one looks at the currently popular negative income tax proposals, one observes that even those are not going to do very much across the board for all adults and all children. So far as I know, practically none of the proposals, except possibly Professor Tobin's, fill as much as 50 percent of the poverty gap, and he does not propose to fill 100 percent of the poverty gap. Consequently, in one sense, it seems to us the problem you face is one of priorities. If you have a limited amount of funds to devote to the purpose of raising incomes, are you going to try to do a little bit for everybody across the board, or are you going to concentrate and do much more for one group?

We at the Citizens' Committee for Children, with our great concern for children, feel that it is children who should have the priority. We would rather see more done for children than a small amount done for everyone. We have chosen children.

We also, however, frankly admit, of course, as I think everyone would, that no one measure alone is going to deal with the whole poverty program. Children's allowances are not a panacea, any more than the negative income tax or any other one program is a panacea. And I am sure other witnesses before you have drawn your attention to the variety of other special kinds of measures that have to be taken—training, job opportunities, and so on, making birth control available to families, and a whole series of related positive programs.

Another objection is that the children's allowance is said to be an inefficient method of dealing with poverty. This is one of the favorite cries of our economists at the present time. It is indeed true that the children's allowance will make some payments to people who are above the poverty line. But I would draw your attention to the fact that even the negative income tax, once it has incentive features built into it, inevitably involves payments to people above the poverty line if it is going to be in any way minimally adequate in terms of the size of the negative income tax. So even the negative income tax is not, in the economists' terms, wholly efficient.

Furthermore, we have observed that there are various ways of dealing with these alleged inefficiencies. For example, the benefit to the higher paid family, the family with higher earnings, can be very substantially reduced, first of all by removing the present exemption for dependents and the minimum standard deduction, something which in any case would be desirable, because if ever there was an inefficient method of providing help to families, it is doing it through the exceptions and deductions under the income tax system, which gives absolutely no help to the people who need it most and the most help to the people who need it least, because the exemption and, the deduction come off the top marginal bracket, of course.

So first of all, we say this alleged waste or inefficiency whereby some of the funds, a sizable portion of them, would go to higher income people in the first instance; can be reduced by abolishing the exemptions and standard deductions.