INSTEAD OF PUBLIC ASSISTANCE . . .?

A summary of major recommendations from a report of the steering committee appointed at the Governor's Conference on Public Welfare, held at Arden House, Harriman, N.Y., November 2–3, 1967. See page 14.

The replacement of the present system of public assistance covering nine million people with an income maintenance system—possibly a negative income tax, which would bring some 30 million Americans classified as "poor" up to the so-called poverty line of $3,300 a year—has been proposed by a steering committee of 12 named by Governor Rockefeller from among a group of nearly 100 leaders of the economy to seek solutions to the nation's welfare problems.

The steering committee—headed by Joseph C. Wilson, Chairman of the Xerox Corporation, who also chaired the Arden House Conference—urged sweeping reforms in the welfare system but said it found the present system so bad that it doubted any "tinkering" would evolve a satisfactory program.

Indictment of the present system was unanimous, as was the major recommendation for an income maintenance system and another recommendation that government, as a long-range goal, should pursue policies and actions leading to productive employment for all who can work.

The steering committee was named by Governor Rockefeller last November following a two-day meeting at Arden House called to help plan new approaches to public welfare in the United States. Almost 100 leaders from industry, labor, philanthropy, communications, and government from 14 states and 12 cities within the State participated in the Conference, which commemorated the 100th anniversary of the New York State Board of Social Welfare.

The committee's report was made to all members of the Arden House group at a Public Policy Forum of the Committee for Economic Development held in New York City on May 8. That meeting was attended by the Arden House conferees and approximately 250 CED trustees from various parts of the country.

Among the highlights of the Committee's report were:

(1) The present system of public assistance does not work well. It covers only 9 million of the 30 million Americans living in poverty. It is demeaning, inefficient, inadequate, and has so many disincentives built into it that it encourages continued dependency.

(2) It should be replaced with an income maintenance system, possibly a negative income tax, which would bring all 30 million Americans up to at least the official federal poverty line. Such a system should contain strong incentives to work, try to contain regional cost of living differentials, and be administered by the Internal Revenue Service to provide greater administrative efficiency and effectiveness that now exists.

(3) A system of uniform national standards for public welfare should be established to provide a federal floor below which no state would be permitted to fall and no person would be expected to live.

(4) Much more effective and intensive family planning information should be made available to all families on public assistance.

(5) A systems approach to poverty and public welfare is worth exploring to see if it might yield some data or show some relationships which are not known.

(6) Solid research is virtually unknown in public welfare. Less than one-tenth of 1 percent of welfare funds are spent for that purpose. Rarely has so costly a program operated with so little knowledge. More research is urged in all aspects of the public assistance and other public welfare programs.

(7) Until a new system of income maintenance, after thorough study, is adopted, the present welfare system needs drastic and immediate reform.

Among the major changes urged are:

(a) The aged, blind, and disabled, who constitute two-thirds of the public assistance cases, should be transferred to Social Security.

(b) The "man in the house" rule, still in effect in 28 states and the District of Columbia, should be abolished because it destroys family stability, encourages deceit and deception, and costs more money to enforce than it is worth.

(c) Incentives to work should be liberalized, and all possible steps including "transition" allowances, should be taken to encourage the move from welfare to work.