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Bill Russell, of the Boston Celtics, appeared at his old campus in San Francisco and gave a very beautiful and meaningful talk concerning race relationships in this country. He concluded:

It is absolutely vital that we all walk down the street together.

On the night of March 21, 1969, and on all the days of Elgin Baylor's life, on or off the court, literally thousands of Americans of all races will be "walking down the street" with him and his family, and trying to build, with him, a better country in which to live—a country that is so very fortunate to have Elgin Baylor.

Mr. President, there are times these days when it seems that the small minority of misfits, professional protestors, and irresponsible demonstrators among us are threatening not only our heritage but also our future. At such times, we can look to men like Elgin Baylor and the example he has set, and in their deeds we can find reassurance and inspiration. It is a privilege, therefore, for me to join in commending this exemplary American and in wishing him many more years of health, happiness, and success.

TRIBUTE TO THE AMERICAN LEGION ON THEIR 50TH ANNIVERSARY

Mr. YARBOROUGH. Mr. President, I wish to join my many colleagues in the Senate and House who are paying tribute this week to the American Legion on its 50th anniversary. For 50 years, the American Legion has honored and fulfilled the objectives of its founders, who created the organization in Paris at the end of World War I. That war was fought for the United States by an essentially civilian Army. At its conclusion, its veterans were determined to take with them back into civilian life the spirit and principles that had brought them to France. So this week we are marking the golden anniversary of the American Legion, which has embraced veterans of subsequent wars and has carried out expanded programs of assistance to veterans and civic education for the Nation's youth.

The American Legion numbers more than 2,600,000 members, drawn from among the veterans of World War I, World War II, and the Korean war, and those brave men and women who have had service during the present period of hostilities. Joining the Legion in its many fine programs is the American Legion Auxiliary, with a membership of nearly 1 million women. The combined organizations comprise more than 3½ million dedicated Americans working at the community, State, and national level for a better America.

For 50 years, the American Legion and its Auxiliary have worked especially hard for disabled veterans and for the widows and orphans of those who are deceased. They have worked in VA hospitals, particularly among those who are bedridden with chronic diseases. They have proposed and supported legislation expanding and improving compensation and pension benefits and they have made it their business to lend sympa-

thetic interest and care where it has been needed most.

The American Legion has many fine programs and among them none are more commendable than those encompassed within the scope of the overall rehabilitation program. I am sure that all of us in Congress can join in commending the Legion for its first 50 years and in expressing hope that Legionnaires and auxiliary members will continue to find satisfaction and success in their work with the sick and disabled veterans and their dependents, and in their service to the community, State, and Nation.

It has been my honor to be a member of the American Legion since my return from overseas service in the Army in June of 1946. I salute all the Legionnaires.

TOWARD A SOCIAL REPORT: INCOME AND POVERTY

Mr. MONDALE. Mr. President, it is almost 2 months since I introduced the Full Opportunity Act of 1969—S. 5. The bill would establish a Council on Social Advisers to prepare an annual social report and a joint congressional committee to review the report and the President's recommendations.

I wish to speak today about the fourth chapter of "Toward a Social Report: Income and Poverty." As Senators know, this document was prepared by HEW as a preliminary working model for a social report.

We are all aware that we are fortunate to live in the most prosperous country of the world. We are all also aware that in the midst of the unprecedented plenty, there are pockets of poverty. For the many people who live in these pockets of poverty the goal of S. 5, full opportunity for every American, has not been realized.

While there are fewer people today than there were 20 years ago who are earning incomes below the poverty line, the distribution of income in our country over the same period of time has not been altered. As the report notes:

In 1947 the median money income of nonwhite males was a little over half that of white males.

While both groups' money income in 1966 was two-thirds larger, the income "level for nonwhite men was still only a little over half that of white men." The report goes on to indicate that—

Based on extrapolations from current trends, poverty in the United States is not likely to disappear in the near future even for those groups most helped by the War on Poverty.

This, of course, is no excuse for us to throw up our hands in despair and deescalate our efforts. If there is a war which should be escalated, it is the war on poverty. This is an effort which all of us should be committed to. If this effort is to be successful, it must be intelligently planned for.

"Toward a Social Report"—even though it is only a preliminary working model—it is invaluable because in the process of analyzing our present pro-

grams and diagnosing their flaws it has yielded vital information upon which to formulate future programs. Programs, I might add, which are to be directed toward consciously picked and carefully formulated goals.

Knowledge of this type is essential if we are to avoid creating future programs like aid to families with dependent children which has, the report indicates, "contributed to dependence and stultified initiative and self-help." This type of information generated by a social report will allow us intelligently to reform our "system of income maintenance" so that we not only include those who deserve to be included but also provide adequate aid for them.

Mr. President, I ask unanimous consent that the fourth chapter of "Toward a Social Report" entitled "Income and Poverty," be printed in the RECORD.

There being no objection, chapter IV was ordered to be printed in the RECORD, as follows:

CHAPTER IV. INCOME AND POVERTY *Are we better off?*

Income is a rough but convenient measure of the goods and services—food, clothing, entertainment, medical care, and so forth—available to a person or a family or a nation. This chapter first discusses the general level of income in the United States: What is happening to total and average income for the country as a whole? Next, it describes the distribution of that income: Are incomes becoming more or less equally distributed and how are Negroes faring relative to whites? Third, it discusses poverty: How many people have incomes which are lower than what is generally considered a minimum standard of decency? Finally, this chapter discusses, at somewhat greater length than other chapters, the policy implications of present trends: What are we doing to eliminate poverty and what could we do?

Obviously, income is not the only measure of the well-being of individuals, families, or nations. If two people have the same income but one is sick and one is healthy, the healthy person is clearly better off. Similarly, the well-being of a nation is measured, not just by its level of income, but also by its health, its education, and many other aspects of national life, some of which are discussed in other chapters of this report.

Moreover, people, individually and collectively, often trade income for leisure. As productivity has increased in the United States and other advanced countries, the workweek has fallen. We have chosen to give up additional income for increased leisure.

Money income, of course, cannot buy happiness, and it is by no means obvious that satisfaction rises along with income. Perhaps the very poor in contemporary America feel most dissatisfied with their level of income; perhaps not. It may be those who are most dissatisfied have incomes just below the average and see all about them evidence of a generally high standards of living to which they aspire but cannot reach. Since we cannot measure satisfaction and dissatisfaction, however, we must turn to the more easily measurable statistics of money income.

Affluent America

The most obvious fact about American income is that it is the highest in the world and rising rapidly. In terms of gross national product per capita—or any other measure of the average availability of goods and services—the United States far outranks its nearest competitors, Canada and the countries of northern Europe. Average incomes in the

United States are several orders of magnitude larger than those in the underdeveloped world.

Aggregate personal income (the amounts paid to individuals in wages, grants, interest, dividends, and other forms) increased from \$14 billion at the turn of the century to about \$584 billion in 1966 or more than 40-fold. After adjusting for price level increases and population increases, it is estimated that personal income per capita in constant dollars was four times greater in 1966 than at the turn of the century. In other words, those of us living today have four times as much in the way of goods and services as did those living in 1900.

The signs of affluence are everywhere. Americans own more than 60 million automobiles; 95 percent of American households own at least one television set, 25 percent own at least two; and over 60 percent of American families own their own homes.

The distribution of income

Although overall income levels are high and rising, the distribution of income in the United States has remained practically unchanged in the last 20 years. As table 1 shows, the Depression of the 1930's brought a sharp drop in the share of the top 5 percent of all families and unrelated individuals and a rise in the share of the lowest 20 percent. World War II brought an even more marked rise in the share of the lowest 20 percent. However, since the mid-1940's, there has been little observable change in the overall distribution of income. The lowest 20 percent of households have consistently received 5 percent or less of personal income and less than 4 percent of total money income.

Perhaps one of the most interesting questions with respect to income and its distribution is what has happened to nonwhites relative to whites.

Income Levels of Whites and Nonwhites: The ratio of nonwhite to white median incomes for several different groups in selected years is shown in table 2. In 1947, the median money income of nonwhite males was a little over half that of white males. By 1966, both groups had money incomes about two-thirds larger (\$2,961 and \$5,364), but the level for nonwhite men was still only a little over half that of white men. However, the trends for nonwhite women and for nonwhite families as units have been more favorable.

The most dramatic shift has been in the position of nonwhite women. In 1953, the median income of nonwhite women was about 60 percent that of white women. In the North, it was about 80 percent, and in the South it was less than 50 percent. At the end of 1966, the median income of nonwhite women was about 75 percent that of white women. It was above that of white women in all regions except the South where it was slightly more than half that of white women.

There are several factors accounting for this change. It would appear that nonwhite women in the North and West have been shifting into higher paying jobs. Nonwhite women are also more likely to work full time than are white women. For the country as a whole, full-time employment among nonwhite females has been increasing to a greater extent than part-time work, while the opposite has occurred among white women.

In interpreting these differences, several factors are important. The longer hours worked by nonwhite women have been noted. Nonwhite men, on the other hand, experience more unemployment or part-time employment than do white men. Nonwhites, both men and women, are generally employed in the low-paying occupations. Beyond this, there is some indication that even within the same occupations, there may be significant differentials in the opportunity to advance.

TABLE 1.—DISTRIBUTION OF PERSONAL AND MONEY INCOME: MEAN INCOME AND SHARE OF AGGREGATE RECEIVED BY EACH FIFTH AND TOP 5 PERCENT OF FAMILIES AND UNRELATED INDIVIDUALS, SELECTED YEARS, 1929-66

Year and income	Mean income before tax (current dollars)	Percentage distribution of aggregate income					Top 5 percent
		Lowest fifth	Second fifth	Middle fifth	Fourth fifth	Highest fifth	
PERSONAL INCOME							
Families and unrelated individuals:							
1929.....	\$2,335		12.5	13.8	19.3	54.4	30.0
1935-36.....	1,631	4.1	9.2	14.1	20.9	51.7	26.5
1944.....	3,614	4.9	10.9	16.2	22.2	45.8	20.7
1947.....	4,126	5.0	11.0	16.0	22.0	46.0	20.9
1957.....	6,238	4.7	11.1	16.3	22.4	45.5	20.2
1962.....	7,262	4.6	10.9	16.3	22.7	45.5	19.6
MONEY INCOME							
Families and unrelated individuals:							
1947.....	3,224	3.5	10.5	16.7	23.5	45.8	19.0
1957.....	4,861	3.4	10.8	17.9	24.8	43.1	16.7
1962.....	6,049	3.5	10.3	17.3	24.5	44.3	17.3
1966.....	7,425	3.7	10.5	17.4	24.6	43.8	16.8
Families:							
1947.....	3,566	5.1	11.8	16.7	23.2	43.3	17.5
1957.....	5,483	5.0	12.6	18.1	23.7	40.5	15.8
1962.....	6,811	5.1	12.0	17.3	23.8	41.7	16.3
1966.....	8,423	5.4	12.3	17.7	23.7	41.0	15.3
Unrelated individuals:							
1947.....	1,692	2.9	5.4	11.5	21.3	58.9	33.3
1957.....	2,253	2.9	7.2	13.6	25.3	51.0	19.7
1962.....	2,800	3.3	7.3	12.5	24.1	52.8	21.3
1966.....	3,490	2.8	7.5	13.2	23.8	52.7	22.5

Source: Ida C. Merriam, "Welfare and Its Measurement," Indicators of Social Change, Sheldon & Moore, eds., p. 735.

TABLE 2.—RATIO OF NONWHITE TO WHITE MEDIAN INCOMES FOR SELECTED GROUPS AND YEARS, 1947-66

	1947	1953	1957	1964	1966
Males 14 and over.....	0.54	0.55	0.47	0.57	0.55
Females 14 and over.....	.49	.59	.62	.70	.76
Families.....	.51	.56	.54	.56	.60
Unrelated individuals.....	.72	.80	.67	.69	.73

Source: Ida C. Merriam, "Welfare and Its Measurement," Indicators of Social Change, Sheldon & Moore, eds., p. 744.

TABLE 3.—TOTAL MONEY INCOME OF NONWHITE FAMILIES: MEAN INCOME AND PERCENTAGE SHARE RECEIVED BY EACH FIFTH AND TOP 5 PERCENT 1947-66

Year	Mean income	Percentage distribution of aggregate income					Top 5 percent
		Lowest fifth	Second fifth	Middle fifth	Fourth fifth	Highest fifth	
1947.....	\$2,016	4.8	10.2	15.7	23.6	45.8	17.0
1948.....	2,104	4.3	10.1	16.9	24.4	44.3	16.6
1949.....	1,965	3.8	9.9	16.6	24.6	45.1	17.1
1950.....	2,128	3.8	9.7	17.9	25.1	43.4	16.6
1951.....	2,368	3.8	10.3	16.9	25.3	43.8	16.1
1952.....	2,639	5.0	11.4	17.9	23.7	41.9	16.0
1953.....	2,890	3.9	10.7	17.0	25.1	43.4	15.2
1954.....	2,758	3.6	10.0	17.2	25.8	43.4	15.5
1955.....	2,890	4.0	10.3	17.8	25.5	42.4	14.3
1956.....	3,073	3.9	10.5	17.2	25.3	43.1	15.0
1957.....	3,241	3.6	10.2	16.9	26.0	43.1	15.0
1958.....	3,351	4.0	9.9	16.2	25.0	44.9	17.0
1959.....	3,523	4.1	9.5	16.5	25.3	44.7	16.2
1960.....	3,913	3.9	9.6	16.4	25.4	44.7	16.2
1961.....	4,031	4.0	9.6	15.9	24.5	46.0	17.4
1962.....	4,020	4.2	10.6	16.6	24.2	44.5	16.3
1963.....	4,340	4.4	10.2	16.1	24.6	44.7	17.2
1964.....	4,772	4.5	10.5	16.2	24.3	44.6	16.7
1965.....	4,903	4.6	10.7	16.5	24.7	43.5	15.5
1966.....	5,526	4.7	10.7	16.8	24.9	42.9	15.4

Source: Ida Merriam, "Welfare and Its Measurement," Indicators of Social Change, Sheldon & Moore, eds., p. 797.

One analysis, which takes account of the effects of family background, education, mental ability, number of siblings, and occupation concludes that perhaps one-third of the difference in average income (for 1961) between Negroes and whites "arises because Negro and white men in the same line of work, with the same amount of formal schooling, with equal ability, from families of the same size and the same socioeconomic level simply do not draw the same wages and salaries."¹

Measured by income levels, nonwhites have made substantial progress in absolute terms and, to a lesser degree, in comparison to

whites. However, the degree of inequality of income among nonwhites has changed very little.

Table 3 shows how total nonwhite income was shared by nonwhites. As in the overall distribution of income in the U.S., there has been little change in the share of the lowest 20 percent of nonwhite households. In 1947, the lowest 20 percent received 4.8 percent of total money income. In 1966, their share stood at 4.7 percent. There does, however, seem to be a rising trend in the share of this group beginning with 1960.

It may also be significant that in 1947 nonwhites comprised 8.3 percent of the families in the lowest 20 percent of all families (whites comprised 91.7 percent), and received 4.1 percent of the total income which accrued to this group of families (whites received

¹ Otis Dudley Duncan, *Inheritance of Poverty or Inheritance of Race* (forthcoming).

95.9 percent). In 1966, nonwhites accounted for 10 percent of the families in the lowest 20 percent of all families and received 5.5 percent of the income.

Poverty

Although the distribution of income has remain virtually unchanged, rising income levels have meant that fewer and fewer people have incomes below the "poverty line."

In 1963, the Council of Economic Advisers established a tentative level of "poverty income" of \$1,500 or less per year for individuals and \$3,000 or less per year for families of two or more. By that standard, there were 33 million poor Americans in 1963. The standard was a useful first approximation; but, it obviously was only that.

To gain a greater understanding of the nature and composition of our poor population, the Social Security Administration developed new criteria built around minimum food requirements. The amounts required to purchase necessary food are based on the Department of Agriculture's "economy food plan." This plan is described as "for temporary or emergency use when funds are low." The base established by the food budget is

raised by a factor of approximately three to allow for the minimum amounts necessary to purchase housing, clothing, medical care, etc. Adjustments are also made to reflect differences in family size, age, and farm or non-farm residence. In 1966, the poverty level for a nonaged, nonfarm, male headed family of four was \$3,335. Using this standard, the poor numbered some 40 millions persons in 1960. By 1967, that number had dropped to 26 million (the most recent year for which poverty statistics are available).

The decline in poverty came during a unique period of sustained economic expansion and in the midst of increased governmental efforts to alleviate the poverty problem. Not surprisingly, the benefits of economic growth and of the War on Poverty have fallen unevenly on the poor population. As table 4 shows, the sharpest declines have been in those families headed by an able-bodied working man. From 1961 to 1966, the number of nonaged, male-headed poor families declined by more than 35 percent. In contrast, the number of aged poor households declined by about 6 percent, and among the unemployed and families headed by a female, the decline was less than 5 percent.

of the tie to the labor force due to age, disability, death, or unemployment. This approach has been supplemented by a more or less parallel system of public assistance for those individuals not covered by the insurance type mechanism or for whom protection, though available, is inadequate.

On the other hand, solutions to the problem of low income for those who work have been primarily concerned with increasing the level and coverage of the minimum wage and, more recently, with a series of human investment programs designed to help individuals become more productive members of the labor force. The Federal Government has not directly intervened in the market place to supplement the earnings of those who work but still have inadequate incomes.

Although this section is confined to a discussion of those programs which provide a direct transfer of money income from one group to another or increase the income of some groups relative to others through the wage system, it is important to realize that almost every Government program can and does have an effect on the distribution of real income and wealth (physical and human), sometimes explicitly, sometimes implicitly. Government programs to finance the cost of health services for large segments of our population are examples of a large and explicit redistribution in which the beneficiaries receive a service at a much lower cost (or no cost) rather than money incomes. The Food Stamp Program is another example.

What is not frequently realized is that other Government policies, such as provisions for tax deduction of interest paid on owner-occupied homes, for oil depletion allowances, and for farm price supports represent intentional and unintentional transfers in the other direction.

With these thoughts in mind, we now turn to a discussion of some of the more important programs affecting the distribution of income.

Social Insurance: It is fair to say that our insurance type programs have worked better and gained greater acceptance than either our public assistance programs or those designed to aid the working poor. This is undoubtedly due, in large part, to the idea that protection grows out of the work that people do, with eligibility for, and the amount of, benefits related to past earnings and contributions. Also characteristic is the absence of any individualized means test. Just about all industrial countries now base their "income maintenance" systems on social insurance.

In the United States, the largest and most important of the social insurance programs is the Federal system popularly called social security. This program insures against the loss of earnings due to retirement, disability or death and pays benefits to meet the great bulk of hospital and medical costs in old age.

This year, 90 million people will contribute to social security. Ninety percent of our population age 65 and over are eligible for monthly social security benefits. More than 95 out of 100 young children and their mothers are eligible for monthly benefits in the event the family breadwinner should die. Four out of five people of working age have income protection against loss of earnings due to long-term severe disability of the breadwinner. When the Federal civil service system, the railroad retirement program, and State and local government staff retirement systems are taken into account, nearly everyone now has protection under a Government program against the risk of loss of earned income for selected causes.

Public Assistance: Public assistance and programs for the working poor have worked less well. In 1965, only 20 percent of poor persons received public assistance payments and, of these, 82 percent remained poor after payment. Payment levels are erratic with wide State-by-State differences; in New York, for example, the average monthly payment for a family of four on Aid for Dependent

TABLE 4.—POOR HOUSEHOLDS, 1961-66, BY AGE, FAMILY STATUS, AND SEX OF FAMILY HEAD

Status	1961 number	1966 number	Percent change
Total households (thousands) (excluding military).....	12,881	10,826	-16
Nonaged households.....	8,360	6,591	-21
Families.....	6,149	4,476	-27
Male headed families.....	4,579	2,900	-37
White.....	3,416	2,102	-39
Worked.....	3,005	1,740	-42
Didn't work.....	411	362	-13
Nonwhite.....	1,163	797	-32
Worked.....	1,060	691	-35
Didn't work.....	103	106	+2
Female headed families.....	1,570	1,576	(1)
White.....	939	934	-1
Worked.....	451	460	+1
Didn't work.....	488	474	-3
Nonwhite.....	631	642	+1
Worked.....	383	376	-3
Didn't work.....	248	266	+7
Unrelated individuals.....	2,211	2,115	-4
Male.....	815	712	-13
White.....	567	534	-6
Worked.....	421	386	-8
Didn't work.....	146	148	+1
Nonwhite.....	248	178	-28
Worked.....	186	116	-38
Didn't work.....	62	62	0
Female.....	1,396	1,403	(1)
White.....	1,048	1,079	+3
Worked.....	590	571	-3
Didn't work.....	458	508	+10
Nonwhite.....	348	324	-7
Worked.....	204	199	-3
Didn't work.....	144	125	-13
Aged households.....	4,521	4,235	-6

¹ Less than 0.5 percent.

Although the reduction in poverty has been impressive among some groups, an extrapolation of past trends suggests that poverty in the United States is not likely to disappear in the near future even for those groups. With a 4 percent rate of growth in GNP (in constant dollars, which is higher than the average growth since 1960), there are likely to be close to 17 million persons in poor households in 1974 compared to 26 million in 1967. Of these, more than 4 million will be in families headed by a nonaged working male compared to 10 million in 1967. Moreover, unless we are more successful than in the past in dealing with the problem of inadequate income among the aged, and among those in families headed by a female or an unemployed male, these groups will still account for 11 million poor persons in 1974, compared to 13 million in 1967.

Again, it is important to emphasize that these estimates are based on a poverty standard which, by 1974, will have remained unchanged for 15 years except for adjustments to reflect changes in the cost of living. Should our notion of what constitutes a minimum income change during this period, the forecast of poverty made above would be even more bleak.

The pattern of present programs

The incidence of poverty and the distribution of income are overwhelmingly determined by the operation of the Nation's economic system. In large part, this means earnings for work.

Employment and wages depend primarily on the tastes, preferences and incomes of consumers, the technology used in producing goods, the productivity of labor as determined by education, experience, age, skill levels, and so forth, and the supply of labor. Overlaying these basic forces are other factors which also have a powerful effect on employment and wages. These include the bargaining power of labor unions and discriminatory practices with respect to the aged, women, and nonwhites.

Since the wage system is driven primarily by market forces, it does not necessarily insure everyone an adequate income or an equitable distribution of income for the Nation as a whole.

The programs which have evolved since the 1930's to deal with the shortcomings of the wage system fall essentially into two categories. On the one hand, insurance type solutions have been applied in cases where loss of earnings is due to a severing or weakening

Children is almost \$250, compared to \$115 in Ohio and \$35 in Mississippi. Moreover, the determination of eligibility has frequently been made by procedures which detract from dignity and which stigmatize the recipient as being on relief or the beneficiary of a welfare handout.

The program of Aid to Families with Dependent Children has come in for the lion's share of the criticism of present welfare programs. Originally conceived as a program for widowed mothers and their children, over time, the character of the program has changed; the source of dependency has been rooted less and less in the death or incapacitation of the father and increasingly in socially less acceptable causes—the absence of a father due to divorce, desertion, imprisonment, or even the lack of a legal father.

At the same time, public attitudes toward working mothers have become less negative and in the postwar period, there has been a tremendous upsurge in labor force participation of married women.

Both of these facts must form the backdrop for understanding the recent attacks on public assistance. Not only have payment levels been so miserably low in some places that the perpetuation of poverty from one generation to another seems inevitable, but paradoxically, the program has contributed to the creation of dependency for less socially acceptable causes—family breakups—and at the same time has stultified individual initiative and self-help because of the fact that additional income from earnings or elsewhere meant an equal reduction in assistance payments, in effect a 100 percent tax rate on earnings.

Recently enacted changes in public assistance should improve the program on the latter point. After July 1, 1969, recipients of AFDC will be permitted to exempt the first \$30 of earnings and one-third of earnings above that in determining assistance levels. In addition, the 1967 Amendments established a Work Incentive Program of training and education, and increased support for day care and related services to enhance the employability of AFDC recipients.

Minimum Wage and Training Programs: Minimum wage legislation, as a solution for the problem of the working poor, has been criticized by its supporters for establishing a minimum wage level which is too low and for restricting coverage too narrowly. It has been attacked by its critics on the grounds that it results in significant unemployment of marginal workers and that this loss outweighs the gain in higher wages for those who remain employed. Hard data on the quantitative effects are lacking.

Advocates and skeptics also abound with respect to manpower training programs, and in some sense over the same issues: coverage and effectiveness.

Although no analyses are available which resolve these issues, it is clear that even if there were no employment effects, increases in the minimum wage would be an inefficient and not totally effective way of redistributing income because—

It does not distinguish between large and small families. Adequate levels for small families would be inadequate for large ones.

Many households have inadequate incomes, but no connection with the labor force.

Many of the poor work intermittently. A high minimum wage would not assure them adequate annual incomes.

It is also clear that, even under the most optimistic assumptions about the effectiveness of manpower training programs, these programs alone cannot be an entirely satisfactory solution to the problems of income redistribution because—

It would take 5 to 10 years to reach all of the employable poor even with much heavier funding than at present.

We have few programs that deal with persons at the lower end of the income distribution who work full time (or even part time).

In 1966, about one-third of the persons in poverty were in families headed by a man or woman who worked all year.

Finally, it should be noted that there are some ethical issues involved. Even if everybody who was employable had training and/or a job there would be a good deal of variance in income levels. Wages are largely a function of skill levels. The skill levels with which one enters the labor force are largely a function of the opportunities available in early life to get education, training, and to grow up healthy. Yet, the opportunity structure is not uniformly open.

This has meant that the risk of poverty is much greater for some than others, and that for these the poverty of one generation is more likely to be perpetuated in the next. Children born into poor families will not only be poor children, but face a higher probability that they will be poor adults and that they, themselves, will raise poor children. There is mounting evidence that malnutrition in early childhood may cause permanent and irremediable mental retardation. Children in poor families often tend to drop out of school to contribute to the family support, an action that drastically increases the risk of being poor adults. It is unrealistic to suppose that training programs can overcome all the barriers to obtaining an adequate income exclusively from the wage system when these same barriers are the product of an imperfect opportunity structure.

However, even if we had a completely equal opportunity structure, there would still be a question of equity. Under these circumstances, the distribution of income from earnings would largely reflect distributions among the general population of abilities that are in demand in the labor market—primarily intelligence. It is quite conceivable that the resulting income distribution would still be unsatisfactory on social grounds and one could argue for systematic redistribution of income.

The next section looks at some of the alternatives which are currently being considered for achieving such a redistribution.

Income maintenance alternatives

Without question, there is a growing consensus that social security programs need improvement, that public assistance is badly in need of reform, and that better ways must be found to help the working poor and their families. There is no lack of statements on the subject of income maintenance by business and labor groups, Government officials, those from the academic community, and the press. The question, it seems, is not whether, but how, and on that, there is far from a consensus.

The issue of "how" revolves around two fundamental but inter-related questions:

To what extent can present programs be modified to develop a more adequate system of economic security?

Which of the major new proposals put forward in recent years should be selected to round out the Nation's system of income maintenance?

With respect to social security, the specific issues raised by the first question concern the benefit structure, the benefit levels, program coverage, and the financing of benefits. Social Security is a social insurance program. As is the case in most countries with such programs, the benefits replace a higher proportion of previous earnings for low than for high income groups and minimum benefit levels have been established. A small number of aged persons have been blanketed into the program with benefits financed from general revenues. Benefit levels have been adjusted from time to time to reflect rising price and real income levels. To what extent should social security be further modified to provide additional income to the poor?

As a practical matter, the answer probably depends on how successful we can be in reforming our present welfare system or developing a new program based on need. To

the extent that a decent standard of living for the aged, the disabled, and surviving widows and children can be insured through a humanely administered program of public welfare or a negative income tax, it can be argued that to try to re-fashion social security so that it meets all income maintenance needs would be inefficient, and possibly detrimental to the program.

The question of how and whether public assistance should be modified is a complex one. One proposal which has been put forward would federalize the system for the present federally aided categories, establish minimum standards at the poverty level, and finance the program entirely with Federal funds.

Such a program would overcome many of the defects of the present system:

Within categories, much of the wide variation in payment levels in present programs would be eliminated.

The program would be more adequate in terms of coverage—by 1974, between 70 and 75 percent of those who are poor would fall in the categories eligible for aid and would receive it compared to 55 percent under present programs.

The programs would be more adequate in terms of level of support—by 1974, it would close about 60 percent of the total poverty gap.

The program would provide substantial financial relief for the States by removing the shared cost of the present Federal/State public assistance program. By 1974, the States would realize a saving of about \$4 billion in welfare costs which could be allocated to other uses.

Despite these improvements, however, the program has several distinct drawbacks:

The poor in households headed by a male who works, numbering about 10 million in 1967, and expected to account for about 5 million persons in 1974, would not be eligible for supplementation.

The program would provide a substantial monetary incentive for the adult members of intact families to establish separate households.

The program would intensify already serious equity problems with respect to different treatment of poor families headed by a male who works and those headed by a female who works. A man with a wife and two children who works full time would receive no supplementation whereas a woman with three children who works full time and earns the same amount could receive a substantial amount of additional support. This difference is much less under present programs because of the low payment levels in some States for female headed families.

As these facts suggest, the problem of income inadequacy cannot be completely solved by reforms in public assistance. The third major building block in addition to social security improvements and welfare reform should be designed to close the remaining gaps in our income maintenance system. The main options which have been advanced are the Negative Income Tax and Children's Allowance.

The children's allowance is a "demogrant" program; that is, entitlement is based on a demographic characteristic, in this case, age. Benefits would be paid to all families based on the number and perhaps the age of the children. It would not, of course, meet the income needs of other groups, and thus would have to be part of a multiprogram package including public assistance, social security, and so on.

The chief advantage of the children's allowance is that it is not income tested. It is also its chief disadvantage. Programs without an income test do not develop the stigma associated with programs that have an income test. Being on social security is not demeaning. Being on public assistance can be and frequently is. The basic argument in

favor of using an income test is that it more efficiently channels funds to those who are needy. Transferring funds on the basis of age or sex, rather than on the basis of need, means that many nonneedy persons are eligible and thus the percentage of total benefits going to the poor may be small.

It is precisely this inefficiency which has led most children's allowance proponents to include "recoupment" features in their plans. One common recoupment plan would eliminate the \$600 children's exemption in the present tax laws. This, and similar plans, tend to move the costs of children's allowance programs toward a negative income tax for children.

In summary, there is no such thing as a single, simple answer to the problems of poverty and of economic security. There are no magic solutions. We will unquestionably continue our multifaceted attack on the problem.

Nearly 35 years ago, in a message to Congress preceding the passage of the Social Security Act, President Roosevelt outlined the goal that still lies before us:

"Our task of reconstruction does not require the creation of new and strange values. It is rather the finding of the way once more to be known, but to some degree forgotten, ideals and values. If the means and details are in some instances new, the objectives are as permanent as human nature.

"Among our objectives I place the security of the men, women, and children of the Nation first.

"The security for the individual and for the family concerns itself primarily with three factors. People want decent homes to live in; they want to locate them where they can engage in productive work; and they want some safeguards against misfortunes which cannot be wholly eliminated in this mandate world of ours."

TRIBUTE OF SENATOR B. EVERETT JORDAN TO LAWSON B. KNOTT

Mr. JORDAN of North Carolina. Mr. President, I think most of us will agree that Government is to a large extent a composite reflection of the people who serve it and that its effectiveness hinges on the quality of their performance.

Granting the truth of that observation, I think ours has been considerably the better because it has had the services of men like Lawson B. Knott.

As many Senators now know, he retired late last month as administrator of the General Services Administration after 34 years of service in that and other Government posts.

Of all the positions he held, his last one was by far the most demanding, exacting, and important. He was responsible for billions of dollars in Federal property and for activities directly affecting thousands of people in every part of the country.

He performed the job with dedication, imagination, skill, tact, and unshakeable integrity which made his contributions doubly valuable.

I am proud to stress the fact that Lawson Knott is a native of my own State of North Carolina and am equally proud to call him my good friend.

I salute him as an outstanding man and outstanding public servant whose record should serve as an example to those he leaves behind in Government.

I cannot believe that at 56 he is going to be really retired for very long and I wish him every success and satisfaction in whatever new activity he undertakes

after he has paused long enough to catch his breath from those 34 years he has devoted to his country.

SOIL CONSERVATION SERVICE

Mr. MUNDT. Mr. President, through the years the Soil Conservation Service has been extremely helpful to farmers of the country. Conservation processes initiated and sponsored by the Service have saved many acres of valuable farmland from wind and water erosion.

The Senate Agricultural Appropriation Subcommittee, of which I am a member, has given attention over the years to providing adequate funds for the Soil Conservation Service. However, because of the generally tight budget the last few years, funds have not been available to provide as much technical personnel and assistance to districts as have been needed. The shortage is critical and has recently been considered by the legislature in South Dakota. The legislature has passed house concurrent resolution 513 which points up the serious situation that exists. I hope that Senators will help those of us who serve on the Agricultural Appropriations Subcommittee in alleviating this situation and ask unanimous consent that the resolution be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

HOUSE CONCURRENT RESOLUTION 513

Concurrent resolution, memorializing the Congress of the United States to give priority consideration to the needs of technical assistance by the Soil Conservation Service to conservation districts for the conservation and development of soil, water and all related natural resources

Be it resolved by the House of Representatives of the State of South Dakota, the Senate concurring therein:

Whereas there is a national shortage of technical personnel to tend the growing demand for technical assistance to Conservation Districts and their cooperating land occupiers; and

Whereas manpower ceilings and budget proposal reductions have resulted in a steady decline of assistance; and

Whereas South Dakota has eleven Conservation Districts without a District Conservationist and many Districts operating without Conservation Technicians; and

Whereas the Soil Conservation Service has less funds and personnel to now serve over 40,000 Conservation District cooperators in South Dakota than was necessary to serve 25,000 cooperators: Now, therefore, be it

Resolved by the House of Representatives of the forty fourth Legislature of the State of South Dakota, the Senate concurring therein, That the Congress of the United States be memorialized to take whatever action it deems appropriate to assure that additional funds and manpower be made available to provide necessary technical assistance to South Dakota's seventy Conservation Districts for the conservation of soil, water and related natural resources; be, it further

Resolved, That ways and means be provided to assure funds and technical personnel necessary to carry out the program of each Conservation District and district cooperator to assure the conservation and development of soil, water and related natural resources of South Dakota and the nation; be, it further

Resolved, That copies of this Concurrent Resolution be transmitted by the Clerk of the House of Representatives of the State of South Dakota to the offices of the Pres-

ident and Vice-President of the United States, the Speaker of the House of Representatives of the United States, the members of the Congressional delegation of the State of South Dakota and the Governor of the State of South Dakota.

Adopted by the House of Representatives, February 20, 1969,

Concurred in by the Senate, February 27, 1969.

DEXTER H. GUNDERSON,
Speaker of the House.

Attest:

PAUL INMAN,
Chief Clerk of the House.
JAMES ABDNOR,
President of the Senate.

Attest:

NIELS P. JENSEN,
Secretary of the Senate.

SUPPORT OF PROPOSALS FOR EARLY RATIFICATION OF NUCLEAR NONPROLIFERATION TREATY BY EDUCATIONAL COMMITTEE TO HALT ATOMIC WEAPONS SPREAD

Mr. COOPER. Mr. President, Mr. Arthur Larson, who was an able adviser to former President Eisenhower, has been very active in efforts to achieve support for the Nonproliferation Treaty. Arthur Larson is chairman of a most distinguished committee, the Educational Committee To Halt Atomic Weapons Spread, whose membership includes many of this country's most distinguished citizens. I ask unanimous consent that an open letter to President Nixon and a list of the committee's membership be inserted in the RECORD at the conclusion of my remarks because of the valuable contribution they have made to the widespread approval of the Nonproliferation Treaty.

There being no objection, the letter and list were ordered to be printed in the RECORD, as follows:

OPEN LETTER TO PRESIDENT JOHNSON AND PRESIDENT-ELECT NIXON

We strongly support your proposals for early ratification by the U.S. Senate of the Nuclear Nonproliferation Treaty. Approval of this Treaty, providing for action to stop the spread of nuclear weapons and to increase the peaceful uses of atomic energy, is urgent, both for our own safety and for the well-being of all mankind.

Eighty-two nations have signed this pact—positive evidence of its critical importance to global peace. The favorable report of the Senate Foreign Relations Committee gave the world reason to expect prompt ratification, particularly since the Senate itself, in an almost unanimous vote in recent months, had urged the U.S. to conclude a non-proliferation agreement.

Any further postponement of ratification may cause irreparable damage to the Treaty's prospects. Already there are indications that opposing forces are active. Every day's delay increases the chance that some near-nuclear states may decide to take the nuclear road.

The prestige which the United States gained through its leadership in achieving the agreement is being eroded by the delay. If the United States postpones final action, sudden changes in the international climate could forever foreclose the opportunity for what may be the most crucial vote in the nuclear age.

Public opinion polls, nation-wide editorials, and supporting mail to the Senate all indicate widespread approval for this agreement, won through four years of patient and difficult negotiation. We urge you to do all in