

ANNUAL FALL REGIONAL WELFARE CONFERENCE  
Quadna Mountain Lodge  
Hill City, Minnesota

October 9, 1970

1. The federal government must set nationwide standards of need which are high enough to meet the poverty level as a minimum.

At this level the federal government should be prepared to underwrite 100 percent of the financial burden of assistance.

State payments above this minimum level - for cost-of-living adjustments - should be encouraged.

Provision of nationwide standards of need would virtually eliminate present incentives to migrate to obtain higher welfare benefits. On the other hand nationwide standards would eliminate residency restrictions.

2. Under present welfare programs many needy persons are not eligible. About 30 percent of our poor families have a working father. But these families are not eligible for federal assistance. This exclusion alone creates a terrible incentive for fathers to "desert" their families.

In fact about half of the poor do not fit into any of the existing federally aided assistance categories. Federal income supplements must be provided for the poor - with work incentives - yes incentives not punishment or penalty for initiative or family love and loyalty.

3. The Administration's welfare reform program is a step in the right direction - but in the right direction. However, what ever limited progress the Administration's plan offers is threatened by the manner in which their plan combines with the food stamp and certain other subsidy programs to substantially reduce the amount of earned income that a welfare beneficiary may retain. The Administration's plan destroys the very work incentives they say they are trying to create.

Under the family assistance program, half of all earnings above the first \$ 720 a year will be applied to reduce the subsidy payment. For every dollar of additional income, including welfare payments, the value of food stamps provided will be cut by roughly 30 cents. In addition there is a 5 percent social security tax on earnings.

Under this system, welfare recipients will have to give up 70 percent of any earnings over and above the first \$ 720 a year. Furthermore, people who get a housing subsidy will have still an additional slice of their earnings offset by a reduction of that subsidy.

Under these circumstances, where recipients will be able to retain only a fraction of earnings from productive work there will be little monetary

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Step in Right Direction

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incentive to seek such work.

Limits must be placed - in a true incentive welfare system - on the amount of earnings that can be "taxed" away.

*Health*

4. As part of the broad welfare reform package, we must consider the needs for reform of our health care delivery system. Our present expensive and antiquated system is not providing us with the standards of efficiency and excellence we have come to expect in other aspects of American society.

As a percent of our GNP we are outspending the U. K. and Sweden for example - but are obtaining less bang for the buck than they are both in terms of longevity and in infant mortality rates.

Our present health system is a sickness oriented rather than a preventative medicine oriented system.

We need -

- a better health delivery system
- to increase, not decrease, medical research in the killer diseases of cancer, heart disease, stroke and diabetes.
- greater healthmanpower and a better distribution of that manpower supply.
- Kiddiecare - at the present time only 2.5 million of the 20 million needy children are able to get medical care under Medicaid. As the richest nation in the history of mankind we should be willing to invest the the health of our young.
- to improve and broaden Medicare.

*Insurance Act*

*Hunger*

5. Hunger and malnutrition in America must be eliminated. Even at this late date there are still twenty Minnesota counties that do not have food stamps.

*Food*

The school lunch and the school milk program needs to be expanded not cutback. This is not a matter of economics or book keeping it is a matter of national pride.

At the present time there are 6 million disadvantaged children under the age of six. They are without adequate nutrition and health care. 50 percent of an individual's intellectual development takes place before the age of four.

There can be no equal opportunity for a child that does not have an equal start.

*Economic Growth*

6. Basic to a successful national attack on the problems of poverty and welfare reform is the necessity for sustaining national economic policies that will provide prosperity and sustained and stable economic growth.

Over the past twenty month of economic recession, the federal government has lost nearly \$19 billion dollars in tax revenues.



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