

Bleak poverty report

A REPORT issued this week by the business-backed Committee for Economic Development paints a bleak picture of the future of American cities.

The report, prepared by Chicago economist Anthony Downs, contends that the number of poor families in big cities is increasing — and that nearly half of these families are perpetual charity cases who may never be able to — support themselves.

The notion that laziness is the main cause of poverty is flatly rejected.

Only about 12 per cent of the urban poor are in families headed by an able-bodied man who either doesn't work — or works only part-time, according to the Downs report.

On the contrary, the report points out, many poor families are headed by women (often with small children) who either can't work or wouldn't earn enough to support their families if they could.

While the report doesn't say so, the clear implication is that welfare rolls are likely to get longer — and that cities will have an even harder time balancing their budgets than they do now.

Unfortunately, the report does a better job of stating the problem than it does of suggesting specific solutions, but two findings are particularly significant:

• That low-wage jobs are responsible for at least twice as much poverty as unemployment.

This indicates that President Nixon is

on the right track in trying to reform the welfare program to help the "working poor" and to encourage welfare recipients to find jobs.

• That poverty is directly related to family size; the larger the family, the more likely it will be poor.

This is a strong argument for making birth control information available to women in poor neighborhoods who can't afford private medical care.

The Senate passed such a bill last July. And the House should do the same when it returns from recess Nov. 16.

John Herling / Blue manifesto



PERRY ROSOW, assistant labor secretary, came to the Nixon administration, with the understanding that it was a two year hitch, on leave from Standard Oil Co. (N.J.), European division.

He may stay on, but even if he is not persuaded to, his contribution to the thinking of the administration and the country must already be considered substantial and disturbing.

Lacking the usual Republican inhibitions, and for that matter, those of large corporations, perhaps including his own alma mater, Mr. Rosow set about to examine the condition of the ordinary worker. His study on the "blue collar worker," which was ready months before it was finally released not too long ago, turned into a political weapon for the administration. Handled at first rather gingerly, not knowing what their big corporate contributors might think of it, as election day approached, even Vice President Agnew was emboldened to proclaim that the Republican Party had become the workingman's friend, admittedly a rapid transformation.

Whatever the electoral response to this partisan appeal turns out to be for 1970, the more important battle of 1972 lies ahead. With the urgent blessing of the administration, therefore a cabinet subcommittee on the "blue collar" worker has been reinforced. So Mr. Rosow has proceeded further with his "evaluation" of the workers' condition.

IN an address to an employers group, the American Compensation Association, Mr. Rosow seeks to enlist the employers in the drive to eliminate the "blue collar blues." He lays out for them a course of conduct which many employers have heretofore generally followed only when unions have forced them to do so thru collective bargaining.

But, says Mr. Rosow, he discusses "issues and possible solutions, not as a concession to

paternalism but in an effort to make the American system work better for all of us." Presumably Mr. Rosow is opposed to the philosophy of "paternalism," under which employers sought unsuccessfully for decades to forestall the development of American unions.

At any rate, Mr. Rosow describes the "almost intolerable bind" of 20 million workers who find themselves in the \$5,000-\$10,000 annual income range. Their problems fall upon the private as well as the public sector for they represent 40 per cent of the nation's work force. Their income is above the poverty line but below what is required to meet the needs of a moderate family budget, as determined year ago by the Bureau of Labor Statistics.

"The majority of these lower-middle class workers are white," Mr. Rosow finds, "but the group has a disproportionate number of non-whites. Most of the heads of these families are blue-collar workers but many are in white-collar or service jobs. More are low-skilled than highly skilled, and proportionately more are non-union than union."

PRESUMABLY the condition of these workers and their families must represent a challenge to unions since so large a section of the labor force remains unorganized. But, Mr. Rosow implies, since the unions have not yet been able to bring them over, employers have a responsibility to provide such workers with a greater supply of fringe benefits.

At one point, however, Mr. Rosow cites BLS studies which show that a 40-year-old worker today must increase his real income by about 6 per cent a year in order to maintain the same standard of living for his growing family that he and his smaller family enjoyed about 10 years ago.

But he adds this wicked fact: expenditures for supplementary benefits rise faster than cash pay, so that their "real earnings may not even keep pace with productivity."

Mr. Rosow is a useful official. He sheds considerable light. He should hang around.