

People like to earn what they get and they like to have other people earn what they get. The relationship to work explains much of the great strength of contributory social insurance. I do not believe at all, as some have come to believe, that the difference between people's attitudes toward an income determined or needs test program and social insurance is primarily a matter of style of administration. Although I believe we should do everything we can to make the needs test less onerous and to make an assistance or income-determined program as considerate of individual self respect as possible, it is not in the nature of people to feel as comfortable about receiving money payments because they can prove that they otherwise lack enough to live on as they feel when they get money payments in return for work and contributions.

Although in Europe social insurance started out as a program for low-income people, in the United States from the very beginning it has applied without regard to the amount of one's earnings. That is, the first \$7,800 of earnings for everyone is covered under the system. Our social security system is therefore not primarily a poor man's system but is also of great importance to people of all income levels—middle income people and those with more than average income as well as the poor. Social security has been our most effective weapon in the war on poverty to date. It has made the difference between being poor or not poor for more people than all other programs combined. We have, then, a system of universal usefulness, relied upon by people of various income levels; at the same time, a very high proportion of the people drawing the system's benefits would be below the poverty line in the absence of these benefits.

If one were to design a transfer system solely to deal with poverty—if nothing else were involved but this one issue—one could well question whether low-paid wage earners should be able to contribute toward their own protection and whether from the standpoint of their income position they might not be better off in a separate program that paid them income-determined benefits from general revenues. But there are deep-seated values in the tradition of self-help and self-earned rights that support the independence of the beneficiary and security of the payment and that cannot be gained in any other way. Even further, I think one can generalize beyond this to say that to the extent possible the poor are served best when served by the same institutions as the rest of the community rather than separately. Sometimes separation is necessary but I would argue that, for the sake of the poor, we should avoid it where we can. Our interest, as individuals and as a people, in institutions that we all have a personal stake in seems to hold up better than our interest in institutions that are to help other people. We want the institutions that serve all of us to be good all of the time; our interest in institutions specifically designed for the poor tends to be sporadic and occasional.

Undoubtedly, however, there is a point at which it is unwise to provide fully sufficient benefits through a contributory system. A good public assistance program, to which people can turn as a reasonable acceptable alternative to social insurance, can help preserve the values