more adequate minimum but, at the same time, would be relieved of part of the burden of public assistance expenditures. Moreover, this approach would have the advantage of shifting a larger proportion of the burden of providing a minimum floor of income from State and local taxes to Federal taxes. On the other hand, it may be asked whether it is logical to achieve the goal of a more adequate minimum within the OASDHI system if the link between contributions and benefits is to be further attenuated in the process. Other approaches to a minimum floor of income for the aged, disabled, and survivors might as well be considered.

One of the possible alternative approaches is the provision of a uniform flat pension without an income test to all residents in certain age, disability, or survivorship categories. Like family allowances that are not subject to an income test, such universal pension payments represent an example of the so-called "demogrant" type of income maintenance payment that is based neither on need nor on prior contributions but purely on demographic characteristics or a physically disabled condition. The concept of presumptive need is surely involved, as in social insurance programs. Universal pension systems are found in Canada, Denmark, Finland, New Zealand, Norway, and Sweden, in varying combinations with supplementary pension systems or income condition pensions.

Universal pensions represent an egalitarian approach to providing a minimum floor of income for the aged, disabled, and survivors and, as such, tend to be found in countries with strong egalitarian traditions. It can be argued that, at least as contrasted with income conditioned pensions, universal pensions on the scale found in Canada and Sweden are unlikely to have a disincentive effect on saving or to provide an inducement for persons approaching retirement age to transfer assets to their adult children. Their effect on incentives to work is less easy to assess. Presumably, the receipt of a modest pension payment that is subject neither to an income test nor a requirement to retire would not tend to induce withdrawal from the labor force on the part of persons capable of continuing to work, in the absence of other sources of retirement income. However, when the universal pension payment is supplemented by an appreciable earning-related pension, as will be the case in Canada and Sweden when their supplementary pension schemes reach maturity or by a sizeable private pension, the combined income maintenance payment may in a good many cases be large enough in relation to earning capacity to provide a positive inducement to retire on the part of persons who would tend to postpone retirement if the universal pension alone were available. The fact that universal pensions are paid to some persons who do not need them is not objectionable if they are largely financed through taxes borne by persons who will ultimately receive the pensions, as in Canada and to some extent in Sweden, and if the income tax structure is progressive so that pensioners with sizable incomes are liable for tax payments that exceed the pension.

Suppose we were to consider a universal pension of $50 a month for individuals and $75 a month for couples both members of whom were age 65 and over, financed, perhaps, in much the same manner at the Swedish universal pension. Under the proposal, OASDHI cash benefits would then become supplementary to this basic pension. On the basis of such a proposal, along with, let us say, the benefit increases