

gram has several virtues, other than the above-mentioned one, which makes it particularly relevant to the characteristics of the poor in the United States.

First, it would directly benefit the group which as we have seen is most needy; that is, families with children where the man is in the house, working, and still unable to provide enough for the family to live on.

Second, a children's allowance would benefit this group without providing disincentives to work. This is because the children's allowance is not reduced with earnings. As most of the poor in this group live in families in which the head is employed, the absence of disincentive is particularly important. A children's allowance program might, in fact, provide a positive incentive to work. With an assured income from a children's allowance and no tax until total income exceeds the poverty line, a poor family can lift itself from poverty with only a modest earned income.

Third, children's allowances will benefit the near poor and, indeed, children at all income levels where the family income is strained because of the stage of life where children are, illness and so forth. In particular, it will have the effect of easing the strain that young families at almost all income levels feel in the early years of marriage. Because money going to the nonpoor would in this manner play a specifically constructive role in family development, we do not regard it as wasted, even though it does not meet our primary objective. Moreover these payments should help to reduce tensions between poor and near poor, because it provides benefits to both. I should not need to belabor that in these times we should look with favor on anything that reduces divisiveness in our society.

Fourth, a children's allowance also would be amenable to simple and dignified administration.

Finally, a children's allowance will increase the capacity of low- and low-middle-income families to provide achievement opportunities for their children in their developmental stages.

To a limited extent, national policy already recognizes the differential between wages and family need by supplementing family income through our system of income tax exemptions. The problem, though, is that the family who has the lowest income and therefore pays the lowest tax gets only a 14-percent allowance, which is \$98, whereas a person who is earning enough to pay a 70-percent tax gets a \$420 benefit. And, of course, those who are not earning enough money to pay any tax get no benefit from our children's allowance at all.

I would favor much expanded social security coverage. This would leave a radically improved public assistance program as a last resort for those who fall between the cracks of these other programs.

But before any major income maintenance programs are enacted—or even seriously proposed—the American people will have to know a good deal more about them and the need for them. At the present time there is no more than a handful of people in this country who understand questions you will be discussing or who have given them any thought at all.

Throughout this week many different points of view as to how to assure minimum income to our citizens will be presented to you. While I favor the approach I have outlined, the most important fact is not