merely on the basis of regional variations in cost of living. Although the payment level in New York more nearly approximates the cost of living there than does the grant in Mississippi, it is still far too low.

Apart from the obvious humanitarian basis for a national standard of assistance, we can assume that the provision of a national standard would eliminate at least one of the reasons why so many persons come to urban centers in search of a better life. Since I am unalterably opposed to the imposition of residence restrictions—and welcome recent court action in support of that opposition—the development of a national standard is the only way to insure that poor people can get the help they need where they now live.

A second vital change would be to eliminate the patchwork of assistance categories that has grown up for the past 35 years and to substitute for categorical assistance the single qualifying factor of need.

There is glaring discrimination inherent in a pattern of assistance that respects the aged, blind, disabled and children under 18, but ignores the needs of childless couples, 50 and 60 year old jobless men, the struggling families with fathers and all the other destitute persons who do not happen to fall into a Federal "category."

In New York, we have one of the nation's most extensive general relief programs, but other local departments are hesitating to offer this assistance, knowing that such cases receive no Federal funds.

The most dramatic inequity of the categorical assistance system is in its relation to intact families. In contrast to our apparent dedication to family life, we offer help to a destitute family only if the father is not at home. An immediate improvement in this area would be an extension of the Unemployed Parent AFDC program to provide for intact families while they get on their feet.

Late last year, the Senate passed a provision making AFDC–UP mandatory for all states. The conference committee not only failed to include this in the final version, but voted to restrict the program even further than it now is. I would hope that everyone concerned with this program will do everything possible to press for an amendment immediately to make AFDC–UP generous and mandatory. Without such Federal aid to intact families, the Congressional mandate to states to encourage self-support and reduce the welfare rolls is empty and cynical at best.

The lack of Federal aid for families with unemployed fathers also restricts whatever efforts we have been able to make in reducing the disincentive to employment inherent in the public assistance system.

The earnings exemptions allowed in the Social Security Amendments of 1967, and in the demonstration program operating in New York City since September, are restricted to the AFDC population, including the few men on AFDC–UP who have been unemployed for more than six months—a tiny minority of this off-again-on-again population. Therefore, employment incentives are denied to most male breadwinners, the very ones in which we should be the most interested.

Therefore, following the elimination of categories and the provision of aid to all persons in need, a crucial change in the public assistance system would be the elimination for all recipients of the disincentive to work now inherent in the 100 percent tax on employed welfare recipients.

Although the 1967 amendments provide for a budget exemption of $30 a month and 30 percent of the remainder, such an incentive in my judgment is too low to do the job. One argument for this small step is that it represents at least some movement toward true work incentives. However, there is serious danger that an inadequate exemption will not work, thereby throwing the whole concept of financial incentives into disrepute. Since there is wide agreement that the concept is sound, it should be given a fairer national trial.

In New York City, the results of a preliminary trial have been impressive. On a demonstration basis since September 1, we have operated an incentive program close to the model developed by the Office of Economic Opportunity—the exemption of $85 a month and 30 percent of the balance earned.

In the first nine months of the program, 2,500 cases were placed on incentive budgeting, representing about 10,000 persons in families where there is now a breadwinner—with all the psychological advantages obvious there—plus a distinct saving to the taxpayers. I have attached a statistical analysis of the cases on incentive budgeting through February 16th and will just give a few highlights here.

Of the 1554 persons in the program at that time, about half secured jobs as office clerks and sales clerks, factory workers, hospital workers or laborers.