to have sole responsibility for his family without regard to conditions which prevent him from providing an income above the poverty level.

Fear of the consequences of sharing or weakening that responsibility has prevented us from providing assistance in these cases.

Our current practice illustrates two serious defects of the categorical approach. First, it has led to excluding nearly three-fourths of the poor from assistance. Second, it provides a situation in which a father can best serve his family by deserting it. Such adverse incentives are a hazard with any categorical approach that is based upon characteristics of the family that can be changed at the option of the family.

Categorical programs, indeed, have some point only if they do exclude some groups or at the very least treat the several groups in quite different ways. On the other hand, I find it hard to imagine a set of programs to eliminate poverty in this country that does not include a universal as opposed to a categorical system of income guarantees and supplements.

Jobs, training, education, and social services are indispensible parts of an effective antipoverty effort, but so is a basic system of transfers. No one program can eliminate all poverty. The most economical one requires a careful blending of many approaches. Try as we may to get more earners from poor households into better jobs, there will remain some combinations of low wages, large families, and tough luck which leave families, including many children, in poverty.

Our policies have demonstrated our conviction that such deprivation is a handicap for the upward mobility of these children, and it seems inevitable that a direct money transfer is the most straightforward means of preventing such deprivation.

But a major problem faces us in considering any universal assistance program. We must preserve incentives for work and self-improvement. Our current practice effectively withdraws assistance dollars equal to any amount earned by welfare recipients. This leaves them very little to show for their efforts. Such a practice might be, and has been, defended on the ground that we should not force old folks and mothers to work.

While I would tend to agree that we should not force them, we must also recognize that millions of old folks and mothers, some of them poor and some on assistance, do work in spite of the lack of incentive. We can and should make the work alternative more attractive by sharing the gains from earnings with the earner.

But for the excluded category, it is clear that an extension of the incentive-numbing welfare practice could be disastrous. Eighty percent of poor persons in households headed by a nonaged male rely on full- or part-time earnings of the head. Elimination of the incentive for these earners would clearly add to the poverty problem. If we are to extend assistance to the "working poor" we must do it on terms that will not drastically impair their incentive to work and improve their own situation. Clearly, this must involve allowing them to retain a major share of the fruits of their efforts.

A negative tax type of income-conditioned benefit can do this. While such a scheme seems fairer and more economical for the categories now receiving assistance, it is imperative for the excluded working poor.