

They are also finding that the recoupment of the payments from families with higher incomes can be made more rational if one does not make the payments taxable, but relies on a single separate schedule of recoupment. It may also help reduce the school-dropout problem if eligibility for the allowance requires that the child be in school. This would mean that the allowance would stop when the child dropped out, but would continue even beyond age 18 if he or she continued in school. If the first child to drop out is considered to be the first one in the family, then the \$1,200 payment would be the one dropped, a major incentive to keep the children in school.

Perhaps more important than a discussion of improvements or details of implementation, is why Professor Brazer feels—and I agree with him—that it is best to start with families with children, not all those families or individuals in need. There are several reasons for starting with families with children:

The present system probably has more inequities for the large family where the head just cannot earn enough money than for any other single group in society. There are a substantial number of families where the head is working, but he has too many children to support.

Second, family allowances make the most direct entry into the potential cycle of poverty and may prevent these disadvantages from being passed on from generation to generation.

Third, whether the help is deserved or not is less critical than for families without children; children are by definition blameless and nobody is going to punish them for the sins of their parents.

Fourth, I think the elimination of an employment test is less debatable or more likely to be irrelevant for poor families with children. In most cases, there is either a single parent or a family head unable to earn enough to support his family who is working, so the whole issue of somebody loafing on the dole becomes less critical for families with children than for any other group.

Fifth, I think the self-enforcing nature of income supports requires that they be reasonably neutral on changing family composition. People should not be induced to split up or live together just for playing games with the system. This is less likely to be a problem for families with children than with supplements for which individuals are eligible. The latter case could lead to teenagers leaving home to collect their own payments.

Sixth, if other groups were covered besides those with children, many of them are now protected by social security programs and the whole emotional issue gets raised as to whether to include social security benefits in taxable income in order to tax back payments to those who really do not need them.

Seventh, family allowances tend to focus help on areas where the chances of curing problems by other programs such as manpower retaining are somewhat less. The family head, if there were one, would be already past the optimum age for retraining.

The unusual feature of the Brazer proposal as compared with simple family allowance schemes is a recoupment scheme which greatly reduces the proportion of payments going to families which are not poor. The total amount required net of recoupment in public assistance and other payments is now estimated to be somewhere between \$9 and \$11 billion a year. This should not be called a cost in any economic