

sense since it represents a transfer of funds to those in need. I am concerned that we be careful in our use of terminology and not talk about cost when we are talking about systems of taking money from some people and giving it to others who need it worse.

The scheme shares with other proposals several important features.

For one thing, it separates income maintenance from the provision of counseling, social services, vocational and rehabilitation, and the like, and this simplifies the tasks of both groups. Those engaged in providing counsel, special services, et cetera, can make it a voluntary service and not imposed with the threat of cutting financial support unless behavioral standards are met.

There is a third social necessity, insuring that adequate standards of behavior are met. That is a police function that probably should be separated from both the other two. So you have a police function that sees to it that children are fed, clothed, and sent to school; a counseling and service function that provides job training, advice, and help; and an income maintenance or tax income scheme that sees to it that nobody starves, and that if the income gets high enough they start paying taxes.

Any system that accepts these principles opens possibilities for people by eliminating restrictive requirements. For example, the threat that an application for help will lead to demands on one's relatives surely stops some people with genuine need from asking for help. The residence requirements certainly deter some people from moving to areas where there are better job opportunities, but where security in cases of trouble is substantially lacking.

In some States, if you get into trouble, you are offered your busfare home, so you will not be a burden on the local jurisdiction.

Most important of all, I think, the requirement that all savings be exhausted before assistance is available must surely discourage saving, and the lack of savings must surely reduce efficiency in the use of funds and produce a sense of insecurity that can be dysfunctional.

Almost all income maintenance programs, guaranteed incomes, or negative income proposals, use a simple income test without an asset test and have this benefit of not taking people's savings away from them and making them prove themselves worthless before they can get any help.

I think we are in danger of focusing so much on technical details such as marginal tax or recapture rates, that we may be ignoring what is one of the most important positive and creative contributions of simple, adequate and uniform income maintenance programs. I think the provision of some basic economic security is the issue here, a base on which the family can build and from which it may safely venture for the first time into new ways of earning a living.

Suppose a family decided the best way to improve its economic status was to get a car so the main wage earner may have a wider range of jobs or so a single parent could take a job. Present rules consider that not a legitimate expenditure.

Suppose a family is willing to double up with its relatives to save on housing costs so they can put more money on the children's education? Why not let them do it without imposing a financial penalty? Simple income maintenance schemes would leave a great deal of flexibility.