Four ideas for reform of our present system of public assistance, none of them novel, have lately received serious attention from economists, social welfare experts, and public officials. One is that assistance should be available to everyone in need. Present welfare laws require not only a showing of need but also an acceptable reason for the need. Old age, physical disability, having children to feed but no husband to feed them—these are acceptable reasons. The inability or failure of the father of a normal, intact family to find a job that pays enough to support the family is not an acceptable reason. Such families cannot now receive welfare assistance in most localities. The second proposed reform is that need and entitlement to public assistance should be objectively and uniformly measured throughout the nation in terms of the size and composition of the family unit, its income, and its other economic resources. There would not be different calculations of need and entitlement from one state to another, one welfare administration to another, one case-worker to another. The third is that the public assistance to which people are entitled should be paid in cash for free disposition by the recipients, not earmarked for particular uses or distributed in kind as food, housing, or medical care. The fourth reform would modify the means test to reduce the "tax" on earnings below 100 per cent, in order to give the recipients of assistance some incentive to improve their living standards by their own efforts.

Some or all of these objectives are embodied in specific proposals that have entered public discussion under a confusing variety of names: "guaranteed income," "family allowance," "children's allowance," "negative income tax." These proposals can be described and compared in terms of two identifying features: the *basic allowance* which an eligible individual or family may claim from the government, and the *offsetting tax* which every recipient of the basic allowance must pay on his other income. The *net benefit* to the recipient is the basic allowance less the offsetting tax. The net benefit can be considered a "negative" income tax because it makes the income tax symmetrical. The regular or positive income tax allows the government to share in a family's earnings when those earnings exceed a minimum that depends on the number of exemptions and the size of allowable deductions. Under a negative income tax plan, the government would by providing benefits also share in any shortfalls of family income below a minimum similarly but not necessarily identically calculated.

The basic allowance can be regarded as the income guarantee. It is