plan is to be implemented. The larger issues of social policy are doubtless more important for the ultimate national decision, but the technical problems are neither trivial nor peripheral—nor can they be wholly divorced from the policy issues. The technical problems are in our opinion solvable. An analysis of at least one plan, with specific feasible solutions suggested for most of the problems, should advance understanding of the approach and meet some lines of criticism. A secondary purpose is to provide rough estimates of the cost of several alternative NIT plans; these are presented at the end of the article.

There are three major sets of problems in designing a workable plan: (1) How to define the family unit and relate basic allowances to its size and composition; (2) How to define the base for the offsetting tax and to relate NIT to the regular income tax and to existing governmental income assistance and maintenance programs; (3) How to determine eligible claimants, make timely payments to them, and collect offsetting taxes from them.

These questions are best discussed in the context of a specific proposal such as that described in section I. The three sets of problems are then considered in sections II, III and IV. The advantages and costs of the several variants of our proposal are described and evaluated in section V.

I. The Proposals

Under our NIT plan every family unit would be entitled to receive a basic allowance scaled to the number of persons in the family, provided it paid an offsetting tax on its other income. Two specific schedules of basic allowances are presented here; a High (H) Schedule which would guarantee allowances that approach the officially-defined "poverty lines" but would be relatively costly to the federal budget; and a Low (L) Schedule which would be relatively inexpensive but would guarantee only a fraction of poverty-line incomes. The schedules were chosen with some care. However, different numbers could be substituted for budgetary or other reasons.

The H Schedule would provide basic allowances ranging from $800 a year for a one-person family to $3,800 for an eight-person family. Under the L Schedule the allowances would range from $400 to $2,700. Two rates of offsetting tax are considered: 50 per cent and 33⅓ per cent. Table 1 describes two plans: H-50 and L-33⅓. Two other possible plans are the H Schedule with a tax rate of 33⅓ per cent and the L Schedule with a 50 per cent tax rate.