

system, which in most cases taxes work earnings at 100 percent. An income maintenance system, on the other hand, would have built-in financial incentives for a recipient to better his total income position *by working*. That is why a parallel job program is such an important complement to a workable income maintenance system.

There is in section 1605 of my bill a provision designed to permit low-income seasonal workers to benefit from the income maintenance system without taking unfair advantage of it by deliberately not working part of the year. Section 1605 provides that, if total annual income exceeds 150 percent of exemptions plus minimum standard deduction, any benefits which were collected during any part of the year must be repaid at a 50 percent rate. In the case of a family of four, this is \$4,500 yearly. Thus, if a migrant agricultural worker with three dependents earned \$3,000 during the summer months, but was idle during the rest of the year, he could keep the \$500 income maintenance benefit. However, if a skilled worker with three dependents earned \$5,000 during an 8-month period and collected benefits during the other 4 months, he would be required to pay back \$250.

Since I introduced H.R. 17331 on May 16, I have received the benefit of wide comment and analysis from interested parties. I'd like to share with the committee some suggestions which I am seriously considering incorporating into the next draft of the bill when I reintroduce it.

First, it has been suggested that the husband and wife should be entitled to \$50 monthly each, instead of \$50 for the head of the family and \$39 for each dependent. I agree that this would be more equitable.

Secondly, there should be a limit on assets. For example, benefits might be reduced by 10 percent of assets over \$10,000.

Third, full-time students should not be eligible for benefits.

Fourth, there should be deductions from stated income for medical care and exemptions of earnings by children under 16 and gifts up to \$100 yearly.

Fifth, there should be a statutory escalator provision adjusting the level of benefits upward according to a new low-income consumer price index which would be established in the Department of Labor.

Finally, let me raise for discussion one possibility of which I am not fully convinced but which might cast an income maintenance program in a different light. That is the question of a mandatory work program which would provide that any adult in a recipient family, which has received at least 75 percent of the maximum benefit for a period of 9 months or more, may be required at the discretion of the Federal Government to accept employment in a public employment program, retraining program, or basic education program where such programs are available in the immediate geographic area. Otherwise, benefits would be reduced by 10 percent per month till they are exhausted. The work program would have to pay at least the minimum wage. Participants in the basic education program would continue to receive income maintenance benefit payments. Persons over 60 years of age, mothers with small children, and the disabled would be excluded.

In certain areas such as small towns with only a handful of beneficiaries, the administrator might decide that it simply would not be worth the expense to establish a training program.

This kind of work training program puts the burden of establishing an acceptable job program or basic education program on the Federal