

4. Income supplements for workers with families and others.

In his analysis, Mr. Moynihan said that until very recently political leaders have mostly avoided any serious involvement with the problem of welfare, leaving it to the professionals. The facts that the bankrupt system of southern agriculture has forced rural Negroes into the cities and that AFDC, once a widow's program, is today in many respects a Negro problem and that the stability of family life among the poor, particularly the urban Negro poor, has become undermined, have recently tended to make welfare political. These national trends have afforded conservative leaders an opportunity to exploit the negative issues and anti-Negro sentiment on the one hand, while militant civil rights activists have also raised some of the same issues and are attempting to transfer welfare recipients into powerful interest groups and a party to negotiations. He pointed out that most proposals now being made for improving the welfare system will enlarge it and that there is a conflict between helping people and keeping costs down.

In his opinion, two approaches to the welfare problem deserve special attention: first—the establishment of *need* as the sole criteria for assistance provided in the context of national minimum levels; second—the provision of benefits as a matter of *right*—thus ending harrassment and humiliation to welfare recipients.

"The question for public policy," he stated, "is how to set in motion forces that will gradually diminish the size of the population which needs public assistance."

"The heart of the issue is dependent children from broken families," he concluded from the latest national figures.

Mr. Moynihan believed that what is now required is a system of income equalization and proposed the initiation of a family allowance. He pointed out that the United States is the only industrial democracy in the world without such a system, and is also the only industrial democracy with such a large welfare population in our cities.

Under a family allowance system, systematic payments are made to all families with dependent children for the primary purposes of promoting children's welfare. The advantages of such a system include:

1. Automatic payments requiring no means test nor a great bureaucracy, thereby maintaining low administrative costs.

2. Increased income to families whose income ranges from \$5,000 to \$8,000, who have been left out of recent government programs, and to large families with low incomes.

He proposed providing \$8 a month for each child under 6 and \$12 a month for those between 6 and 17. For an average worker in private industry with two teenage children, such a family allowance would increase the family increment in take-home pay from \$384 to \$672, and for a family with four such children the take-home pay would be increased to \$960. Families with much larger incomes, who would also receive such a family allowance, would pay much of it back in income taxes.