billion. Growth at the rate of 6 percent per year would raise it further to approximately $400 billion by 1969. On this base financing the net cost of the children's allowance plan would require an average increase in tax rates of 3 percentage points. If applied across the board it would mean raising taxes to a range of from 17 percent to 73 percent. Alternatively, 3 percentage points is slightly less than one sixth of the average rate of 19 percent applicable to taxable income in 1965. Thus another way of attaining the desired revenue objective would be by raising all rates by about 16 percent, to a range of 16.2 percent to 81.2 percent. Clearly the latter approach is to be preferred if more rather than less progression is desired.

But if one is to view the prospects for authorization and financing of children's allowances realistically he must take into account existing demands and pressures on the budget of the federal government. And these are such at present as to suggest that the best that can be hoped for is that cessation of hostilities in South-East Asia will release funds and resources in sufficient amounts, not only to make it possible to finance the plan, but to make it necessary to find means of sustaining an adequate level of demand in the economy. At this point in time children's allowances, hopefully, will stand high among such alternatives as massive tax cuts and sharp increases in other kinds of public expenditure. Clearly it will be far easier to obtain financing out of potentially large and unwanted federal "full-employment" surpluses than through enactment of increases in income tax rates. It is essential, however, that those who favor a meaningful children's allowance plan develop in full the details and appeal of that plan, so that they may be ready to offer it for public and Congressional approval as soon as the budgetary position of the federal government and the mood of the Congress become receptive to it.