

dispute. That is, a family of four with an income of \$6,000 undeniably receives a gift of at least \$340 (the value of four exemptions at a 14 percent tax rate) from the government as a credit against their tax. With a \$2,000 income such a family receives less and with no income no payment at all. Many are coming to think that poor people should receive at least some payment for the value of their exemptions. The concept is also attractive because it seems simple to administer. It is a program that would, for once, reach all needy people, without categorization. It is an efficient program, for it gives money to poor people without diverting it to others who do not need it.

Despite these advantages, the negative income tax might, if enacted, be fated to play a minor role in income maintenance. It suffers from the difficulty noted in the discussion of public assistance that payments must be scaled carefully to income in order to sustain the feeling that one can improve oneself. Unfortunately, such a scale is most easily constructed when payments are to be small. Although the negative income tax may be supported widely, some of the support comes from those who see it as one element in tax reform. Such a perspective effectively casts the payment per person in the neighborhood of \$84.00 a year (a \$600 exemption at a 14 percent rate), a contribution but obviously far short of what is needed.

More important, even a substantial negative income tax would, like public assistance, provide the money payment in a poor law framework. It would be paid not for past work, not because of childhood or old age, not for any of the dozens of reasons that have been converted into social rights, but for the one reason we have so far failed to make into a right—want. The writer's impression is that poor people would, if they were consulted, reject the negative income tax. At any rate, civil rights leaders have shown less-than-spontaneous enthusiasm for the notion. It was conspicuously

absent from the recommendations laid before the June 1966 White House Conference "To Fulfill These Rights."⁸ Poor people would say that they want to make good as others have—they will be glad to take the fringe benefits that go with making good (including exemptions, pensions, benefits, allowances, and insurance payments), but are willing to be spared a negative income tax. They are probably right. Some may be so far-sighted and so altruistic that they offer poor people what they do not want and deny them only what the nonpoor conspicuously have—income as a matter of undisputed right.

In short, it appears that the negative income tax is in the poor law tradition and would, as a practical matter, turn out to be a small amount of money. On the other hand, even \$300 or \$400 a year is money to a poor family and every move toward equity is a move in the right national direction. The writer does not visualize the negative tax as a substantial development in income maintenance, but believes it should be supported as a part of tax law reform.

UNIVERSAL PAYMENT

The fifth alternative open is a universal payment to everyone in the country, without regard to income or status. This is the original definition of guaranteed income; it shall here be referred to as the "universal payment" or "universal demogrant" to distinguish it from other programs now implied by the term "guaranteed income."⁹ The universal payment is the one comparatively radical idea mentioned here. It derives from the concept of a contract between the state and the individual, assuring that the individual will receive income and

⁸ White House Conference, "To Fulfill These Rights," *Council's Report and Recommendations to the Conference*, June 1-2, 1966 (Washington, D.C.: Government Printing Office, 1966).

⁹ The term "universal demogrant" has been popularized in the United States by Eveline Burns, who