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CRITIQUE OF CURRENT LEGISLATION June, 1970
Income Maintenance

NIXON WELFARE REFORM HR 1 311 (Family Assistance Plan)

1. The Family Assistance Program is a federal income maintenance scheme providing means-tested, pension-type, behavior conditioned, cash benefits to families with children at a level of 50% of the poverty index.

2. It does increase the welfare grants of families in eight states of the South. It also brings the "working poor" onto the welfare rolls.

3. It adds another layer of federal administration on top of the present federal, state, county system of administering welfare.

4. It is not a guaranteed income according to Secretary Finch because a person will have to work or be trained or lose his benefits. However, it does guarantee poverty for millions of Americans.

5. It is not new and innovative as its proponents claim but actually regressive:

   a. it reflects the moralistic philosophy of the poor law heritage focusing on the poor individual and his presumed shortcomings rather than the economic and societal causes of poverty.

   b. it is a reversal of the trend in all modern industrial countries, including USA, toward universalizing all social benefits.

   c. it continues the use of the power of the purse to influence the behavior of the individual.

   d. it proposes forced work and training in the face of rising unemployment which has been caused by Nixon's anti-inflation measures and the long term effects of automation and cybernation on opportunities for employment.

6. The proposed legislation which was reputed by its author (David Moynihan) to be "the single most important piece of social legislation to be sent to Congress in a generation," is really merely another patch on the welfare ragbag and does little to alleviate poverty in the richest nation in the world.

7. It is a slap in the face for the Blue Ribbon President's Commission on Income Maintenance which after 22 months of intensive study concluded that most poverty is systemic and not the result of behavior of the poor; (2) that employment is not the answer for the plight of millions of Americans in poverty; (3) that poverty can and should be eliminated through an adequate income maintenance system.

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THE NATIONAL INCOME SUPPLEMENT BILL S 3433

1. This income supplement proposal would eliminate absolute poverty in America.

2. It would eliminate the welfare system and the need for many of the other income maintenance programs and their administrative costs such as rent supplement, food stamps, commodity food, child feeding, leased housing, social services, etc. It could make unnecessary most of the Social Security program. The savings made from eliminating these fragmented efforts to deal with poverty and their attendant bureaucracies would provide most of the funds needed for this unified program to deal effectively with poverty.

3. This proposal would completely federalize income maintenance making unnecessary the use of county and state tax revenues for public assistance.

4. Has a larger work incentive than the Nixon proposal.

5. Takes seriously the report of the President's Commission on Income Maintenance of the plight of millions of poor Americans and the capabilities of our nation to deal with our problems without complicated bureaucratic structures and moralistic programs.

6. This plan would stimulate the economy by putting money in the hands of the poor rather than "in-kind income" so they could purchase their basic needs of food, shelter, clothing, etc. in the same way as the non-poor. Their added buying power would increase business, employment and tax revenues from increased business activity.

ADEQUATE INCOME PLAN S 3780

1. This income supplement proposal would eliminate <u>all</u> poverty in America.

2. It would also eliminate <u>all</u> other income maintenance type programs as suggested in the critique of S 3433 and in addition federal and state funded health and medical programs.

3. It would completely federalize income maintenance and eliminate the need for county and state tax revenues for public assistance.

4. It would provide stimulation to the economy even greater than S 3433, even more employment and even larger tax revenues from increased business.

5. 50 million Americans would become first class citizens with the opportunity to live in good health and decency so they could contribute creatively to our society for the first time in their lives.

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