

TO THE EDITOR OF THE NEW YORK TIMES

The President's proposal to establish a floor under the income of every family with children, the Family Assistance Plan, has been widely described as the most important piece of domestic legislation in two generations. If enacted it would indeed be one of the dozen or half dozen most important pieces of domestic legislation in our history.

It has already passed the House of Representatives by an unprecedented two to one margin. It is now before the Senate Committee on Finance.

One of the legitimate fears of legislators who are uncertain about the bill is whether it would be the beginning of a welfare saturnalia. It is nothing of the sort, and would lead to nothing of the sort. Rather the same fears were voiced at the time the Social Security Act was passed. They were groundless. Indeed, Social Security very possibly headed off what would have been irresponsible legislation.

Nonetheless, the fears persist. Allaying them will be crucial to the enactment of the law. This being the case, I would like to state, hopefully in a conciliatory manner, that no service

is done this historic move by those individuals and institutions who are making use of the present opportunity to outbid the administration (and the Heineman Commission, appointed by President Johnson, which last October came forward with a proposal almost identical to that earlier presented by the administration) by asserting how much more generous they would be with (other people's) dollars.

The now standard battle cry is "\$5500 or Fight." There is a seeming reasonableness to the position. But those who espouse it, either do not understand the principles of income maintenance, or in truth don't want such a program enacted.

Following the principles of FAP, which provides a 50% marginal rate of taxation for earnings above the floor, and impose no income taxes on the FAP payment itself, a \$5500 floor would not "cut out" until family income had passed \$11,000, which is above the mean, and well above the current median income. 150,000,000 persons would be covered at an annual cost of \$70 billion.

Perhaps this example will help point out that a \$1600 floor does not "cut out" until \$5920, with even higher levels for larger families. In addition, food stamps are available.

The curse of our present social welfare structures are the "sudden" death provisions under which an extra dollar of income can throw a family out of public housing, off Medicaid, or whatever. Family Assistance would begin a job that might take a decade, spreading to all programs the principle that the more you earn the more you keep.