

ing adequate resources to some but totally inadequate resources to others whose needs are identical. In addition, because we have never really faced the nature of our new commitment, the purpose of many programs has been distorted—the agricultural subsidies are a key example of this development. Proposals for a guaranteed income—for payment based solely on the size of the individual's existing income—are, therefore, basically attempts to tidy up an intolerably inefficient system.

Unless we are prepared to abandon our commitment to providing funds for those genuinely unable to provide funds for themselves, the argument most often advanced against the guaranteed income—and just reheated by Mr. Hazlitt—is totally devoid of merit. It is true that there will be limitation of incentive under the guaranteed income system. However, all the present proposals would have a less negative effect than the present welfare schemes which almost totally eliminate incentive. Despite much publicized reforms, most of those on welfare still lose \$1 for every dollar they earn. In addition, the present administration of the welfare system operates in such a way that the person who manages to work himself off the welfare rolls—and then loses his job through no fault of his own—may find himself unable to return to welfare.

If we do finally accept our commitment to provide an income to all those who are in need of it, then it is clear that some variant of the guaranteed income will be required. But there are several organizational problems which have so far been largely ignored. In addition, it is essential to consider with very considerable care the relation between the proposal for a guaranteed income and the proposal for a guaranteed job. I will deal with these issues in reverse order.

As we look back at the development in our analysis of the micro-economic situation of the United States, two events stand out. First, there has been a total change in our attitude toward the existence of poverty. From an almost totally forgotten phenomenon, it has moved to the center of the stage: the presence of the Poor People's March reminds us that this growth in concern is still continuing. Second, there has been a major development in our understanding of the problem of unemployability: the fact that some people are quite simply unattractive to private and public employers at the socially desirable minimum earnings. We are now beginning to distinguish clearly between the problem of unemployment due to inadequate demand and that due to inadequate skills.

Indeed even those who are most optimistic about the present situation admit that there is a hard-core unemployability problem and that new measures are urgently required. Some are therefore arguing that the Government should become the "employer of last resort" for those who cannot fit into the present job/income system.

The proposal that the Government become the employer of last resort drew major attention when it appeared in the report of the National Commission on Technology, Automation, and Economic Progress in 1966. Garth Mangum, its executive director has explained the position of the committee in a recent essay in *Social Policies for America in the Seventies*.

In a country characterized by geographical differences, a wide range of educational attainment heterogeneity of race and national origin, and low tol-