would provide income supplements to the working poor, families below the poverty line who are now excluded from welfare benefits. Fourth, the application process would be greatly simplified and dignified, and administration would be improved. Fifth, there would be a much greater incentive to work.

Some of these advantages might accrue from a greatly modified national welfare system. However, the achievement of all of them could only be obtained under a guaranteed income plan.

Recent guaranteed income proposals derive from two rather different philosophical underpinnings.

The first, represented by Robert Theobald, who testified yesterday, suggests that the "work ethic" is an anachronism in a society as wealthy as ours and that persons should be guaranteed the necessities of life, so that they can dedicate themselves to higher pursuits. Then work will be done only because it is personally satisfying.

The second approach believes guaranteed income is *less* destructive of the work ethic. It contains financial incentives for the recipient to work which the present welfare system lacks. It is further appealing because it can operate more efficiently and economically than welfare, and because it greatly reduces violations of personal liberties, which are now all too characteristic of the present welfare system. My own sympathies are with the latter position.

As the sponsor of the first, and thus far the only, bill to have been introduced in Congress to provide a system of income maintenance, H.R. 173331, I have a great interest in seeing this discussion move forward. Let me summarize H.R. 17331 briefly for the purposes of the discussion this morning:

H.R. 17331 establishes a maximum annual payment based on approximately two-thirds of the personal exemption plus minimum standard deduction for each member of the family. Translated into dollars and cents per month, this equals $50 for the head of the family plus $39 for each dependent. A family of four with no other income whatever could expect $2,004 per year. Additional payments will not be made beyond the sixth dependent, so the maximum payment for a family of seven or larger is $3,408.

My bill proposes a 50 percent "tax" on work earnings. Benefits are reduced by 50 cents for each dollar of work earnings. A higher "tax" as now exists under most public assistance programs, destroys the financial incentive to work. A lower "tax"—for example the 33 percent which has been proposed in some gauranteed income plans, would either necessitate lower base benefits, or would permit persons well above the poverty line to receive benefits and greatly increase the cost of the program.

The system would be administered through a Bureau of Income Maintenance located in the Treasury Department. Persons wishing to apply for benefits would make application by submitting quarterly income statements. They would receive monthly maintenance payments based on the deficiency of their earnings. Since there would be a reasonable time lag for administration, the May check might be based on income during the January-February-March quarter.

The administrative procedure for checking the accuracy and honesty of applications would be similar to the Internal Revenue System now in force for checking positive tax returns. All applications would