

which point income maintenance benefits are reduced by 50 percent of further earnings. This formula is necessary to harmonize the income maintenance system with supplementary welfare in those States where it will continue.

Let me mention several significant advantages of the income maintenance system envisioned in H.R. 17331, as compared with the existing welfare system.

Perhaps the most important is the establishment of a national standard of assistance based on the sole criterion of need. This would eliminate the confusion of diverse State criteria and levels of benefits. It would save those parts of the country which now have the heaviest welfare burdens the most money.

In New York City, with nearly one person in nine on welfare, a substantial portion of this welfare cost would be saved to the city and State, making it available for other needs.

A national income maintenance system would reduce the migration to the cities by rural residents ill-equipped for available city jobs.

It would remove the indignities and intrusions into personal matters which now characterize the welfare system.

It would provide an incentive to work for people receiving benefits.

It would free social workers to perform needed and wanted services and eliminate the welfare bureaucracy's police functions.

I think that it has been nearly universally agreed that the present public assistance system is not working. However, it should be clear that an income maintenance system or a guaranteed income—although it can improve upon the income supplementing functions of welfare—is not, and cannot be in and of itself a solution to the poverty problem.

Let me take a few moments to describe what I believe income maintenance *is*, and what it *is not*:

It is, clearly, a system of income supplements for two groups—individuals and families with no income, and also the working poor. A family of four with no work income, under my bill, would receive \$2,000 annually. A family of four with \$2,000 work income would receive \$1,000 in benefits for a total income of \$3,000. Thus, work incentives are built into the system. It is important to keep in mind that this is a program for persons capable of working. Otherwise, it makes no sense to build in work incentives. For the aged, it makes much more sense to establish a higher basic benefit under a federalized old age assistance program. The disabled would be offered an option to continue on aid to the totally and permanently disabled, or to shift to income maintenance.

I might point out that this program is not a substitute for jobs; indeed, it cannot work unless expanded manpower programs are available so that those who want to work can find training and employment. Nor is it a substitute for unemployment compensation. A subsistence benefit is of marginal use to a regular wage earner who is suddenly thrown out of work for a temporary period. Increased unemployment benefits are necessary to take care of him.

Income maintenance is rather a residual program for the chronic low-income family, the underemployed, the mother with dependent children, and other categories of persons only able to work part-time or sporadically.

Let me make it clear that this is not a program to pay people not to work. That label is much more applicable to the existing welfare