

Government before beneficiaries can be disqualified. Needless to say, regulations would have to be drawn very narrowly to prevent administrative abuse.

In summary, a Federal income maintenance program is a sound proposal which can be enacted in the near future. Few proposals have been received with such intense interest and discussion as this one. I believe that income maintenance is a key part of a multiple strategy for breaking the cycle of poverty. That strategy needs to include job creation and training; it needs to include higher benefits under social security for the elderly and the disabled; and it also requires expanded programs in areas such as intensive education and health and social services.

A system of income maintenance to replace the present inefficient and inadequate welfare system must, in my judgment, be a central part of that strategy.

Representative GRIFFITHS. Thank you, Congressman Ryan. Mr. Hicks, may I ask, in view of the limited time, that you confine your remarks to about 8 minutes?

**STATEMENT OF W. B. HICKS, JR., EXECUTIVE SECRETARY,
LIBERTY LOBBY, WASHINGTON, D.C.**

Mr. HICKS. Yes, ma'am.

First, I would like to apologize for not being here on time, but I did not understand the nature of the appearance. I thought that I would be the fourth witness to be heard individually.

Representative GRIFFITHS. I see.

Mr. HICKS. In the interest of time, I shall simply summarize the nature of our objections to guaranteed annual income proposals.

Our first objection is that we feel it is unfair to the working taxpayer of the Nation to expect him to carry an additional burden of welfare costs. We do believe that this is a welfare system, no matter how it may be described.

Our second objection is in the economic area. We feel that there is no question but that the establishment of a minimum income for all citizens, regardless of their productivity, will only have much the same effect that minimum wages have; that is, it will force other wage levels up correspondingly. A person will not put out the extra effort to earn extra money so long as he realizes that he could earn the same by not working. So what we feel it would do is add to the wage-price spiral of inflation and that this, in turn, will reduce the effectiveness of the guaranteed annual income to the point where it will be necessary to raise that level by law in order to make it effective, and this in turn will lead to a new boost in the wage-price spiral of inflation; that the ultimate end of this can only be an inflationary expansion to the point where the economy just bursts at the top.

We have another objection, of course, which is on its effectiveness. Insofar as helping people to make themselves productive, we feel that it fails to meet the needs of those persons who need specialized programs of training, of health care—that is, if we are to assume that it will replace existing welfare programs—and that it will not encourage work by those who are able to support themselves.