

Senator PROXMIRE (now presiding). You say the private charities could, in a great many areas, do a lot more because they would have more money and they would be relieved of the necessity for providing what is traditionally regarded, rightly or wrongly, as the charity cases, those that do not have enough. You say that would be wholesome and proper?

Monsignor CORCORAN. Yes.

Senator PROXMIRE. You say that as a monsignor, one who has been involved with a charity operation for most of your life, I would presume?

Monsignor CORCORAN. That is right, for almost 25 years.

Senator PROXMIRE. Congressman Curtis, you say the guaranteed annual income would slow down economic growth. Supposing you adopt something like the Tobin proposal, which provides for either a 33 $\frac{1}{3}$ -percent or a 50-percent tax rate and constitutes an excellent, it seems to me, departure from the present welfare system, which has a 100-percent tax rate, in the sense that if somebody is on welfare and earns an income on the side, they have to give up dollar for dollar their welfare, whereas the guaranteed income, as conceived by Tobin, would permit someone to receive some of their guaranteed income while they are working and therefore would provide incentive for them to work. Therefore, it would seem to me it would tend to promote economic growth.

Representative CURTIS. I think to the extent that it is not as great a disincentive as the 100-percent, this is right. It would be a question to what extent is it, because it still remains a disincentive. I do not know whether it is enough to make up the difference.

Senator PROXMIRE. May I say at that point that it is a disincentive. It could only be a lesser disincentive than welfare if you do not provide anything for people.

Representative CURTIS. Welfare, as I view it, is tied to specific need. It is not an absolute figure. It is tied to identified needs; the social worker does the identification. Then you direct your attention, with your money to give the subsistence and what they need to live, but you direct your other attention to getting rid of the cause, the need. As that need and cause are removed, then they are back on their economic feet.

I simply say a mathematical formula that guarantees people a certain portion to that extent interferes with the welfare concept of identifying the need and spending money to eliminate that need. I think this is true of both Dr. Tobin's and Dr. Friedman's approach. They both are counting on the savings from elimination of the social worker, which clearly indicates that they are not going to be paying as much attention to what I think needs to be paid attention to, need.

Senator PROXMIRE. They told us they did not expect the social worker to be eliminated. As a matter of fact, they are expecting him to continue, but in a different way. I said I thought the social worker would not be continued as much, because there would not be as much direct and absolute need. I am inclined to share much of your view on that.

Representative CURTIS. May I interrupt to say that that I am happy to hear, because the last time I debated Milton Friedman—

Senator PROXMIRE. This was not Friedman, this was Tobin.