term. He is committed to political decentralization and to economic reliance on private voluntary arrangements arrived at in the marketplace. He believes that the most desirable way of alleviating poverty is through private charity, but recognizes that government action is necessary, at least in large impersonal communities. Friedman's proposal, which he terms "a negative income tax," is that if an individual's income is less than the sums of his exemptions and his deductions he would receive from the government as an income subsidy a percentage of the difference. The levels at which subsidies would be set would be determined by how much taxpayers are willing to tax themselves.[14]

If Friedman's philosophy is characterized as the liberalism of the nineteenth century, then Theobald's can safely be placed in the twentieth century—if not later. Theobald's proposal for basic economic security is as follows:

> One of the fundamental principles of the present United States tax system is the "exemption" of a part of an individual's income from taxation. At its inception, this exemption insured that taxes would not be paid on that portion of income required to provide a reasonable standard of living. However, the Government lost sight of this aim when increasing the tax load to pay for World War II, and the value of this exemption has been further reduced since the end of World War II by the effects of inflation. The original aim of the federal tax exemption should be raised immediately to a level which would guarantee an un-taxed income adequate for minimum subsistence. Those whose incomes from earnings or from capital did not reach this level would then be entitled to receive further government payments sufficient to raise the incomes to this level and assure their basic economic support.[15]

Theobald points out that the provision of medical care as well as education as a community responsibility would simplify the establishment of appropriate levels of basic economic security. A consulting economist, he is primarily concerned with the effects of technology, especially cybernetics, the combination of automation and computers, on the distribution of income and on the labor market. He believes that because of the increased productive capacity of our economy it is not only unnecessary but impractical to attempt to make everyone's livelihood dependent upon his working. He accepts the position that Galbraith developed in *The Affluent Society* that we are in an economy of abundance rather than in an economy of scarcity and asserts that an absolute constitutional right to a "due income" is not only possible but essential for the future of the economy.[16]

THE INCENTIVE TO WORK

Arguments against the treatment of poverty through the use of taxes represent a curious congeries of theories, ideas, and biases. Some are of historic interest only, some persist over time, and still others may be of more recent coinage.[17] For example, the early attacks against the Elizabethan Poor Laws launched by Malthusian enthusiasts: in its current form this movement has, of course, been diverted from criticisms concerning support by the state of the "spawning poor" to the support of birth control programs. The banner of Social Darwinism has long been raised against the puny forces of poor relief in this country, and garnished by the symbols of racial prejudice it is still flaunted in the benighted backwoods around certain state capitals.

Some of the disadvantages of the direct treatment of poverty cited by some contemporary economists are (1) it must be done over and over again and (2) productivity may be inhibited by (a) diverting money

[14] Friedman, *ibid.*, pp. 190–192.

[15] Theobald, *op. cit.*, pp. 192–193.

[16] John Kenneth Galbraith, *The Affluent Society* (Boston: Houghton-Mifflin Co., 1958).

[17] Samuel Mencher, "The Changing Balance of Status and Contract in Assistance Policy," *Social Service Review*, Vol. 35, No. 1 (March 1961), pp. 17–32.