from capital formation and from investment in the nation's industrial plant to taxes and (b) reducing the incentive to work, and especially to work as much as possible.[18]

The only comment that will be made here about the criticism listed first is that, although true, it can also be leveled against eating. The current curious and unique phenomenon of universally bullish economic indicators together with the recent tax reduction should help to mute although not inhibit continued expressions of anxiety about the tax burden.

The chief argument against the present proposal and in favor of the retention of the means test is also one that can be expected to persist over time and that is based on the theory that by insuring everyone a livelihood and removing the whiplash of hunger "most folk won't work"—and that this will be not only demoralizing for the general populace but ruinous of the economy. Social workers and others familiar with modern dynamic psychology may contend that this fear and the argument as a whole derive from an outmoded, simplistic view of human behavior. We can also oppose our professional ethic of ameliorism against what may appear to us to be an unduly pessimistic view of human nature and we can, if need be, produce a considerable amount of clinical evidence to show that mature individuals strive to be productive. However, perhaps the best that can be hoped for here is a verdict of "not proved," for there appears to be an absence of the kind of data needed for policy formulation.

Lady Rhys Williams posits the necessity of providing economic incentives for work as one of the basic tenets of the social contract. Her proposal, like state unemployment compensation laws, provides for payment only if persons accept suitable employment. At the other extreme, Theobald's basic economic security plan is focused on the problem of too few jobs rather than on the problem of too few takers, and it seems likely that increasing numbers of people will agree with his contention that it is unjust to insist that a person work or starve if no one will give him a job.

Friedman says of his proposal:

> Like any other measures to alleviate poverty it reduces the incentive of those helped to help themselves but it does not eliminate that incentive entirely as a system of supplementing incomes up to some fixed minimum worth. An extra dollar earned always means more money available for expenditure.[19]

This effect is gained under Friedman's proposal because the subsidies granted are a fraction of the sum of personal exemption and deductions, which in turn may or may not equal the required income. Friedman's built-in incentive feature is therefore obtainable only at the expense of sacrificing the assurance that all families will receive the income they need.

A work incentive feature can be incorporated into the present proposal for a Family Security Program without sacrificing the guarantee of a minimum income merely by reducing Family Security Benefits by a percentage of earnings. Assuming a family of four and a Federally Guaranteed Minimum Income of $3,000 the effects of reducing FSB by a percentage that would increase with each earnings bracket is demonstrated in Table 1.

The net effect in this illustration would be that in addition to receiving a $3,000 FSB, families earning up to $1,000 would

TABLE 1

Earned Income	FSB/Taxes	Total Income
$ 0–$ 999	$3,000–$2,400	$3,000–$3,399
1,000– 1,999	2,399– 1,700	3,399– 3,699
2,000– 2,999	1,699– 900	3,699– 3,899
3,000– 3,999	899– 0	3,899– 3,999
4,000– 4,499	0	4,000– 4,499
4,500 and above	Tax on amounts above $4,500	4,500+

18 Allen G. B. Fisher, "Alternative Techniques for Promoting Equality in a Capitalist Society," in Grampp and Weiler, *op. cit.*, pp. 277–278.

19 *Op. cit.*, p. 192.