he confidently asserts that the outlay of $185 billion will not hurt anyone because it will come out of the natural growth of national income. This is the spirit of Dickens' character, Micawber, applied to finance. But, suppose the national income turns down instead of up; this has been known to happen.

A columnist who is noted for his freehanded attitude toward spending public funds, either for wars and expensive defense projects or for huge schemes of urban rehabilitation, warns that our cities are headed for a hopeless future unless tens of billions are somehow mobilized to rehabilitate them. The view is often expressed that the poor are being shortchanged by the war in Vietnam, not because they are contributing much to its cost, but because they are missing the bigger handouts that would otherwise come their way. This is used as an argument for higher individual and corporate taxes, though such taxes would automatically dry up much of the consumer and investment spending which, together, are largely responsible for maintaining present jobs and creating new ones.

Before this hasty assumption that big government is both able and obligated to abolish poverty by writing more and bigger checks becomes firmly embedded in the national consciousness, some lessons of experience about poverty, its causes and cures, should be considered.

The Relativity of Poverty

First of all, the word poverty is relative. What is considered poverty in the United States would be almost unimagined wealth to a large part of the population in Africa, Asia, and Latin America. One doesn't find cars or television sets in the city slums of peasant villages of India, Nigeria, or Brazil; but cars and TV sets are by no means unusual possessions of welfare recipients in the United States. Pure water, electricity, and other public services are taken for granted in North America and Western Europe; not so, however, in culturally and economically retarded areas of the world.

Second, economic progress, even economic movement, has always been associated with economic systems employing material incentives, such as differential pay for work of higher skill and responsibility. The nineteenth century European explorers who penetrated the interior of Africa found societies of almost incredible backwardness, unfamiliar even with such a simple device as the wheel, societies which had stagnated for centuries. Without condoning any

sins of Western and Arab newcomers, especially in connection with the slave trade and some cases of gross exploitation of native labor, it may fairly be said that every step of African progress, in economic development, in education, in the building of a system of communications, was due to contact with the dynamic Western methods of civilization.

Even in communist-ruled states, the utopian ideal of paying everyone equally and sharing the products of general labor equally has long been discarded as hopelessly unworkable. Wage and salary scales and perquisites of office are at least as rigidly graded, on an ascending and descending scale, in communist as in noncommunist states. The difference is that the industrial noncommunist states produce a much larger and more varied output of quality goods for everyday consumption, and are far ahead in agricultural productivity. Communists have tried in recent years to maintain inequalities in reward, and to mix some elements of the market system with their planned economies, but their efforts have been fumbling and ineffective. Rigid centralized over-all planning, and the free market with its swift adjustment to changing consumer tastes and preferences, are like oil and water. They do not mix.

Now, if payment is unequal, some people obviously will be better off than others. Modern industrial society has been described as affluent; and in many ways it is. Invention, technology, management organization along streamlined efficiency lines, the use of computers and other up-to-date equipment, automation – all these and other modern developments, when free to function, make it possible to produce more goods for more people than the industrial system could turn out at any time in the past.

But no society, not even America's, is sufficiently affluent to provide for everyone the best of everything. There are, and probably always will be, a few extremely costly luxuries, yachts, mansions, jewelry valued in thousands of dollars, which are only within the reach of an economic top layer of the very rich. A large and enlarging middle class, in the economic sense of the term, a group that includes increasing numbers of manual workers, has access to a wide variety of minor luxuries and solid comforts.

Variability Among Individuals

Under any workable system of differential incentives there will always be a bottom tenth, or a bottom third, or whatever fraction may be chosen, that will be ma-