

Mr. PECHMAN. No; I was talking about the type of payments made to individuals.

Senator PROXMIRE. What would happen to the constructive aspects of the welfare system, the welfare workers who are now working to talk to people and help people? I know there are many destructive and undignified aspects of it, but how about the favorable aspects? Could you preserve those?

Mr. PECHMAN. I would hope the enactment of a negative income tax, which is based entirely upon income and family characteristics, would permit simplification of administration and reduce the administrative cost of handling welfare payments. To the extent that there are savings of this sort, I hope that these savings would not go to reducing the size of the staffs of the social workers and other people who are helping to guide and counsel poor people.

If there are savings, I think that we need more help to the poor to get jobs, to find out how they can manage their lives better, to improve their lot in a noneconomic sense.

Senator PROXMIRE. How would you do that? Now we have it tied to their welfare payments.

Mr. PECHMAN. No. I would divorce them from welfare payments.

Senator PROXMIRE. How would you do it? How would you have people probe into other people's lives this way and be able to justify it?

Mr. PECHMAN. I would divorce the administration of negative income-tax payments from the social welfare work.

Senator PROXMIRE. Then how do you justify the work of the social worker? How do you use him in a big way?

Mr. PECHMAN. I would justify it on the basis that the social worker would be providing an important service to the poor. My guess is that he would be more effective in doing that kind of a job if you took away from him the heavy burden of investigation that he now has.

Now, I do not know whether you can do that kind of a job more efficiently with fewer or a larger number of social workers, I am not experienced in this field. My guess is that we need just as many social workers as we have today, because there are an awful lot of poor who need an awful lot of help and counsel.

Senator PROXMIRE. Dr. Hildebrand?

Mr. HILDEBRAND. I am still completely unconvinced that any feasible form of negative income tax is going to get rid of the welfare system. It may permit us to reconstruct it, but we are still going to have it, and we are still going to have social workers, and people who are familiar with the situation will tell you that the caseload of these social workers around the country are fantastically high. Because they are made into auditors and detectives and policemen by the nature of the niggardly system that we have, they cannot do much in the way of helpful work with people who can use help, and often want it—not all of them do. So you would free them to do the professional job that social workers like to say they want to do, but really cannot do in the nature of the present system.

Mr. WATTS. I feel the same way. If one could divorce this large financial administration problem from the provision of services, one could also, I think, move a good deal in the direction of making a