

we would be destroying incentive, initiative, enterprise, and in effect rewarding people as much if they did not work as if they did, providing there were safeguards?

Mr. HAYES. No; I think that social science studies show to the contrary. It would not destroy incentive.

Senator PERCY. Would you feel that a first step toward field of trying to find a better way to conduct our welfare programs more consistent with a sense of dignity, might be greater assurance of employment for everyone who can work, and doing everything we can to see that the skills and education are assured and guaranteed to anyone who does not have, and try really to open up work opportunities as the first major step? Because now we do not have assured work for everyone who wants work. We know right now we have tens of thousands of youths in this community, Washington, who want to work who cannot find work.

Mr. HAYES. Yes; I believe such a plan is preferable. We indicate that later in the paper and I believe a plan such as the one you referred to yesterday is a possibility for introduction of legislation, I presume, that from your statement sometime soon, would be the type of thing that would be very effective.

Senator PERCY. I would simply like to commend our chairman for these hearings and express my deep regret that I have been unable to attend all of them. But I assure her I will read every word of them, and study them. I think we can almost go back to a Republican statement, if I can recall it correctly, that we might use as a guide here. I think it was in a position paper used in a committee which in 1959 was set up by Dwight D. Eisenhower. I happened to be the chairman of it. We had Governors, Senators, and Congressmen on it. Mr. Gabriel Hauge, economic adviser to the President then, helped develop a phrase which I think fits in very closely to what you are talking about: that we should strive in American society to place a floor under the pit of human disaster and raise the ceiling over individual expectancy. I really think that is what we are trying to do and I think this will be very much a bipartisan effort as we work to find a better way to make our welfare programs in this country more productive for the Nation and most importantly, to the individuals themselves.

Thank you.

Representative GRIFFITHS. Thank you, Senator Percy, for being here, and thank you for your contribution.

You may return to your paper, Mr. Hayes.

Mr. HAYES. Thank you.

4. *One of the most crucial issues is the relationship of guaranteed annual income to employment*

While recognizing the deficiencies of the "work-ethic" and the necessary cautions attached to a work incentive plan, practically everyone would agree that work, broadly conceived, is beneficial for many reasons. It accounts for the production of goods and services and it provides a livelihood for families. Of great importance also is the fact that it contributes to human development by providing for the perfecting of skills, for a sense of accomplishment and for a sense of personal fulfillment. These are noneconomic, but very important values.