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THE PRESIDENCY AND PUBLIC ASSISTANCE POLICY

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PREFACE

The problems of poverty have existed in every society since the beginning of human civilization. Each society, however, has dealt with them in its own political, economic, and social context. In the United States, the issue of welfare dependency and the plight of the poor became national problems only in the early 1960's, although an indirect national involvement in public assistance program began in 1935 with the passage of the Social Security Act.

This study examines the role of the Presidency -- and of the federal government -- in social policy making in general and public assistance policy making in particular. Until President Kennedy became directly involved with public assistance policy making, the presidential role in this area has been regarded generally as a passive one. A positive involvement of the president in the development of public assistance policy, however, does not guarantee that the problems of poverty can successfully be dealt with, because of the complexities of the nature and cause of poverty in American society, and because of the existence of numerous, conflicting centers of power and decision actors who make or influence the public decision process. And, yet, the problems of poverty persist and require some comprehensive solution, not only to enable the government to control the mounting cost of its welfare expenditures in the short run, but also, to attain the long term societal objective of reducing the number of dependents -- and eliminating poverty -- in the society. Here, we believe that the Presidency, among all the power centers in our society, has a unique capacity to contribute positively in the making and implementation of a creative, comprehensive public assistance policy.

This paper, in addition, traces the development of public assistance policy, designed to resolve the problems of the poor and welfare recipients, who are unfortunately dependent upon the society for their livelihood and survival. It also examines the prospects for reforming public welfare policy, such as the feasibility of adopting a guaranteed income policy or negative income system in the foreseeable future.

The author wishes to express his appreciation to the National Endowment for Humanities for its research and study grant which made it possible for him to complete this study. During the 1972 academic year he was named a NASPAA Public Administration Fellow, both by the U. S. Civil Service Commission and the National Association of Schools of Public Affairs and Administration, which enabled him to get involved with the problems of poverty and public assistance policy at the Social and Rehabilitation Service, a welfare arm of the U. S. Department of Health, Education, and Welfare. It was during this period when the idea of this study began, while he served as a senior program/policy analyst between 1972 and 1974.

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I. Introduction

In the United States, the trend toward centralization of the authority in the federal government has steadily advanced since the end of the nineteenth century. This was accompanied by some fundamental socio-economic changes taking place in the nation, namely, industrialization and urbanization. In the process, the national government and its political components -- states and cities -- became not only more interdependent than ever before in the history of the nation, but also, the solving of the societal problems -- whether it be crime, unemployment, pollution, or welfare dependency -- now has been nationalized to a great extent. The nation has also moved steadily toward greater international involvement, in the environment of an ever-increasingly complex and interdependent world. Under these circumstances the American presidency has become a focal point for national and international decision making in such diverse policy areas as war and peace abroad, on one hand, and on the other, domestic tranquility and prosperity at home.

The demands for the presidency to provide a needed leadership for the world and and at home are still being made increasingly by even those who have most severely criticized the modern presidents -- especially those presidents who have violated laws and abused their powers, as such incidents were revealed since Watergate and the Congressional investigations of intelligence activities. Needless to say, the modern presidency, at the same time, has been subjected to a most intense criticism since the founding of the Republic. However, what is needed is not a blanket condemnation of the presidency, but a critical examination of the limits as well as the potentialities of the presidency in providing leadership for the necessary policy changes for a democratic society.

As far as the national government -- and the presidency in particular -- is concerned, it did not get directly involved with the issue of welfare dependency and the plight of the poor until the early 1960's. Although the problems of poverty have been with us even before the founding of the Republic, and during the New Deal years when a federal public assistance policy was first established, it was during the 1960 Democratic presidential primary when John F. Kennedy, a Roman Catholic, trying to prove himself in a Protestant West Virginia, brought the current national attention to the problem of declining Appalachia. The New Frontier programs of the Kennedy presidency were to have dealt with the poverty problem in a massive way if the President was able to stay on in the office. According to Daniel P. Moynihan, who had served in the administrations of Presidents Kennedy, Johnson, Nixon, and Ford, in sub-Cabinet and Cabinet positions, at the time of Kennedy's assassination "poverty was chosen -- at least as one theme [if not as the major theme of the 1964 election] -- and program work was under way ...."[1]

By the time Lyndon B. Johnson left the Presidency, with his massive success in passing his domestic legislative programs of the Great Society, the federal executive branch was operating some five hundred domestic programs as compared to less than fifty such programs when he inherited the executive branch.[2] In view of such rapid growth of these new social services, income maintenance, and health and education programs, a Republican president, namely, Richard M. Nixon, presented to Congress a comprehensive proposal for a guaranteed income policy as a rational way of dealing with the problem of welfare dependency. Although his plan was later scrapped by the Nixon administration itself, in view of the opposition in and outside of Congress, the Family Assistance Plan can be considered an example of presidential decision making based on substantive considerations of policy questions in dealing with social policy (instead of political and other considerations which are usually referred to as the basis of incremental policy making process in the American polity).[3] Since the historic resignation of President Nixon, the interime Ford presidency has not taken any new initiative in the area of social policy.[4]

The purpose of this study is to examine the role of the presidency in social policy making. Unlike in the fields of foreign and defense policies, the presidential role in domestic policy making -- especially in the area of social policy making -- has been generally regarded as a passive one. There were exceptions to this general notion, especially in times of extraordinary national emergencies, when, in the 1930's, President Franklin D. Roosevelt was largely instrumental in initiating the New Deal programs to take the country out of the Great Depression; and also, when President Lyndon B. Johnson was credited for having persuaded Congress to pass his Great Society programs in the 1960's to relieve the plight of the unfortunate and the poor in our society. It is generally recognized, however, that while the president plays a dominant role in the foreign and defense policies, inspite of the various attempts made by Congress in recent years, (for example, in passing the

War Powers Act of 1973), the president is very much limited in his role in domestic policy making. This is largely due to the fact that other centers of power -- such as Congress, courts, interest groups, bureaucracies, or states and cities -- in our society have zealously pursued their interest as well as guarding their prerogatives in the making of national policies which affect them directly.

More specifically, this paper has a threefold purpose: first, it will trace the development of public assistance policy, designed to resolve the problems of the poor and welfare recipients who are unfortunately dependent upon the society for their livelihood and survival; second, it will evaluate the role of the president in social policy making, particularly with regard to public assistance policy making; third, and finally, it will examine the prospects for reforming public assistance policy, such as the feasibility of adopting a guaranteed income policy in the foreseeable future.

II. Early Developments

Historically, concern for the poor, and social policy in general, has been regarded as largely a state and local function, particularly the latter, if not the private sector of the society. This was due to the fact that in the United States, public welfare programs -- intended to benefit people who are economically hard-pressed and who need society's special attention -- were inherited to a remarkable degree from the past, particularly the English experience. Although in the ancient Mesopotamian city states, a theocratic and partly collectivist economy at one time "emphasized work as a universal obligation and provided social security as a right of citizens," such societal pattern has been an exception rather than a general rule in the ancient civilization.[5] In the Middle Ages, the Roman Catholic Church was mainly responsible for public assistance by emphasizing one's social duties to give alms and engage in charitable works. During the period between the Reformation and the Industrial Revolution in England, public assistance was secularized as a societal function where formerly it had been a church function. With the "reform" of the English Poor Laws in the early 19th century, there has occured a gradual rise of the welfare state in Europe and the United States.[6]

More particularly, even during the colonial period, the United States had significant numbers of poor persons, many of whom were dependent on public assistance or voluntary charity. Two factors were responsible for this. First, although the new land contained great potential wealth and untold opportunity, the general prosperity of the new world was something that had to be realized in the future. Second, the new colonists were not only mostly of moderate means, but also many of them were actually "paupers, vagrants, or convicts shipped out by the English government as indentured servants."[7] As the problem population -- the sick, the old, the widows, and orphans, as well as the dependent children produced by desertion and illegitimacy -- increased, in the south, both the Anglican Church and colonial governments, largely under the auspices of the Church, provided public welfare activities to the needy. In the northern colonies, where indenture was rare, public assistance cases were often discussed in town meetings, and "solutions followed a combination of community action and religious pressure, enforced and financed by the colonial governments."[8]

With the independence, state governments continued to provide for the relief of the poor through the use of tax funds, patterned after the Elizabethan Poor Law of Settlement and Removal of 1662 which were previously adopted by colonial legislatures and by the new states.

Hence, the United States, from its beginning, established a presumed right to assistance for the needy person. The words "presumed right" to public assistance have always been interpreted "to be more unconditioned than that which might be bestowed through voluntary benevolence."[9] Later, the Poor Law Amendments Act of 1834, which was a "reform" of the Elizabethan Poor Law in Britain, had great impact in the United States in dealing with the problems of economic dependency, especially "in providing almshouses ... as the major proscription of relief to the poor in their homes."[10]

Because public assistance was continued to be handled through township, county, or state governments (this tradition continued until the administration of President Franklin D. Roosevelt during the Great Depression of the 1930's), however, the nature and extent of public assistance, both indoor and outdoor reliefs, vared from place to place. Many states and localities adapted a tradition of requiring the establishment of legal residence in their jurisdiction as a prerequisite for aid "on the ground that to qualify for assistance a person in need should have contributed by labor or taxes to the exact place giving him his relief."[11] Some had also established policies of "warning out" newcomers (that is, town officials were authorized to urge those who seemed likely to become public charges to move on and to caution them against expecting relief if they failed to follow this advice) and "passing on" the indigent back into his place of original legal settlement. Almost all of the states required that the economic resources of certain relative -- such as parents, grandparents, children, or grandchildren (as well as in some cases brothers and sisters) -- be tapped to support their dependent kinfolk. Moreover, they also made a distinction between those able and those unable to work, and only the latter such as the "lame, impotent, old, blinde, and such other among them being poore, and not able to worke" were to be helped.[12] Finally, methods for care of the indigent also varied among the four major types: the contract system, auction of the poor, the almshouse, and relief in the home.[13] In the meantime, many voluntary charitable activities which emerged around organizations such as the Association for Improving the Condition of the Poor (AICP) or the Charity Organization Society (COS) spread throughout the country.

By the beginning of the 1930's, the United States had experienced an unprecedented prosperity. The country's population had exceeded 100 million, of these more than 50 per cent lived in cities. Inspite of the restrictive immigration law passed in 1921, between 1900 and 1930, some 19 million new immigrants arrived in the country. The nation's GNP grew to a peak of $104.4 billion just before the stock market crash of 1929 from about $24.2 billion in the years 1902-1906. At the same time, however, the problem of poverty was becoming more accute during this period. One economist estimated that in 1926, for example, the average worker's weekly wage amounted to $21.06 ($1,095 a year), which was "60 per cent short of the amount needed in American cities to maintain a wife and three children on a subsistence plus basis."[14] Although there were some disputes as to the accuracy of this economist's cost-of-living figures, the inescapable fact was that industrialization and urbanization, while significantly improving the standard of living of most Americans, changed the nature of poverty and welfare problems. Welfare dependents -- and potential dependents -- began to move into the large cities, especially in the north. The new poor seemed to be more helpless than the old to subsist without outside help. The poor were getting poorer while the rich were getting richer.

Earlier, at the turn of the century, such inconsistencies gave impetus to the rise of the "Mckrakers" and Progressives in general. They exposed not only the "evils" of politics such as city bossism and graft, big business, and others as a mockery of democracy, but also demanded the establishment of anti-trusts and -monopoly laws, the democratization of the polity, and above all, the guarantee of the well-being of the lower classes of the people through the enactment of shorter hours of work, minimum wages for women, workmen's compensation, old-age pension, health and unemployment insurance, as well as the prohibition of the exploitation of child labor. Former President Theodore Roosevelt ran in 1912 on these issues as the Progressive Party adopted its platform (its social and industrial justice plank) patterned along these concerns. While Roosevelt's New Nationalism lost the election, victor Woodrow Wilson's New Freedom was similarily progressive, for both Roosevelt and Wilson received some 11.3 million votes to the conservative Howard A. Taft's 3.4 million.

It is not necessary to detail the legislative accomplishment of President Wilson, except to note that his New Freedom became a major landmark in social policy. Among his most significant reform achievements, the following is noteworthy: the establishment of the Federal Trade Commission, the passage of the Federal Reserve Act, the institution of progressive income tax (after its ratification as the 16th Amendment), the exemption of the trade unions from the Clayton Antitrust Act, the 8-hour day work provision for the railroad, and the establishment of the Children's Bureau in the Department of Labor in 1912. The states, during the progressive period, too, enacted an impressive body of social legislation. For example, forty-three states had passed workmen's compensation between 1909 and 1920. The list also included such things as the enactment of minimum wages and maximum hours for working women and children, safety and health regulations in industry, among others.

Two other noteworthy reforms were underway in the states. One was the movement to grant pensions to needy mothers and the other was for the aged. In 1911, Illinois became the first state to enact a Mothers' Aid Law designed to help the mother and her family together by paying her the same amount of money which the state or city would pay to an institution (if any child is placed in it). By 1926, forty-two states had enacted similar Mothers' Aid laws. However, state after state, because of the dominance of the voluntary agencies (and their conception of social work "supervision" or "case work") in the implementation of these laws, any resemblance to the pension system soon disappeared. Moreover, in all states, mothers' aid was administered at the option of county or municipality because it was not manadatory. As a result, the ratios of children aided per 100,000 of the general population ranged from 1.4 to 331 in 1926. By 1934, the cities of 50,000 or more persons provided more than half of the aid to mothers in the country. Finally, aid payments were universally so low that most were either subsistence or below the subsistence level.[15]

In the case of old-age assistance, by 1929, eleven states had enacted it, modeled after the mothers' aid system (instead of a form of

social

social insurance as it was later done nationally in 1935). When the law was declared unconstitutional in Pennsylvania and Arizona in 1929, because of its local optional features (paid for locally), between 1929 and 1933, nineteen states (including the eleven) had passed a new old-age assistance law, which made the aid system compulsory for the entire state and provided for state contributions. By 1932, old age aid recipients exceeded 100,000 persons who received a total amount of $22 million, as compared to the 1929 figure of about 1,000 persons at a total cost of $222,000. Moreover, statistics reveal that aggregate governmental-cost payments for relief expenditures in the 16 large cities (for which statistics are available) increased from a total of $1,559,000 in 1911 to $64,142,000 in 1931. In the two years between 1929 and 1931, the amount had increased about 3½ times (from $18,989,000 to $64,142,000 in 1931).[16]

Inspite of such sharp increases in relief aid systems, they were, in general, inadequate to cope with the problems of poverty and massive unemployment during the Great Depression. Yet the federal government, designed to promote the general welfare of citizens, was very much confined to veterans' pensions, farm programs, and a few others, because the states and local governments were by traditon to play a dominant role in public welfare activities. With the Depression, this traditon began to change toward the direction of the national government.

III. The Presidency and Public Assistance Policy

1. The Presidency of Franklin D. Roosevelt

The presidency of Franklin D. Roosevelt represents a fine example of of how best to manage societal crisis by a president. Faced with a steadily declining economy and morale of the people -- with some one-third of the labor force out of work -- the President got himself involved directly with almost all major aspects of the governmental activities. His competitive pattern of management brought him new and diverse ideas to solve complex societal problems. As the final negotiator and arbitrator of conflict and judgements arising from his deliberate selection and use of diverse advisers of clashing temperaments and values, President Roosevelt, who was considered a pragmatist, became a "doable" rather than "best" president. To him, the acceptance of his reform proposals by Congress and the American people was the most important criterion for success. Consequently, during his first term of the office, a significant number of his ideas (such as the National Recovery Act) became law altering the fabric of American society.[17]

President Roosevelt's major contribution to the problems of poverty and the needy was the nationalization of a social insurance system against the certainty of old-age and the risks of unemployment, physical incapacity, and death of the bread-winner. He was also successful in a partial national takeover of the relief programs for those who were not covered by the social insurance system.

As pointed out earlier, by 1933, some nineteen states had passed old-age assistance laws. However, the federal government had no role in this area. In Europe, by the turn of the century, all of the countries had already established some form of social insurance. Germany, for example, had been the first nation to establish such an insurance system in 1884. Great Britain established workmen's compensation in 1897 and health and unemployment insurance in 1911. In the states, too, between 1909 and 1920, forty-three states established workmen's compensation laws. No state, however, had enacted a health insurance system. It is, therefore, no exaggeration to state that it took a crisis atmosphere created by the Great Depression and Roosevelt's particular style of presidential leadership in promoting his New Deal to bring about the passage of the Social Security Act in 1935, thus directly involving the federal government in what was regarded as the traditional function of state and local governments in the area of social welfare policy.

Soon after the Roosevelt administration took over the reign of government, he appointed a committee on Economic Security to examine the issue of social insurance and relief systems.[18] The Committee, in general, came out with two sets of recommendations -- one was concerned with a permanent system of social insurance for the aged, and the other for the "worthy poor." The President fully accepted the Committee's recommendations and led the fight for their passage in Congress. The former resulted in the passage of the main provision of the Social Security Act, the Old-age, Survivors Insurance (OASI), to provide continuing income for individuals and their families as partial replacement of earnings lost through retirement, disability, or death. OASI, which originally applied to limited groups, has since been extended steadily to cover virtually all groups except civilian employees of the federal government, some state and local government employees, railroad workers, and some self-employed workers. Even those not covered, they have their own separate pension systems. Not only was the coverage expanded, but the pattern was developed soon to increase benefit levels at least every four years as presidential elections approached. This indicated that the voting public knew how to exercise their power to vote and make the government more responsive to the needs of the ordinary citizens (as it was perceived by the politicians running for office).

The Social Security Act also included provisions for financial aid for the Adult categories to the aged (old-age assistance, OAA), the blind (AB), the permanently and totally disabled (APTD).[19] These were made totally a federal operation on January 1, 1974, under the Supplemental Security Income (SSI) program of the SSA, where as before the cost was generally shared half by the federal government and half by the states. (The states may, however, still supplement this federalized system on their own.) The other part of the "worthy poor" provisions of the Social Security Act was the Aid to Dependent Children (ADC) program. Not until it was renamed Aid to Families with Dependent Children (AFDC) in 1950, when the mother, as well as the children became eligible for benefits, it was conceived as a temporary relief program to provide for destitute children (as it was true with the problems of the dependent aged). The original ADC program began almost as an afterthought.[20] The drafters of the Social Security Act were primarily concerned with the long-range principle of social insurance as the method for taking care of the needy. However, as the Depression of the 1930's persisted, they decided to provide a pension for the aged destitute of the time. By this time all the states except Georgia and South Carolina had Mothers' pension programs to allow dependent children to remain with their mothers. The Children's Bureau, then in the Department of Labor, also, lobbied intensively for the provision of destitute children by pointing out the inadequacies of the States' Mothers' pension systems.

Inspite of its final inclusion in the Social Security Act, relief aid programs -- and public assistance in general -- were considered a temporary federal function. This was due to the fact that even in the midst of the Depression and mass unemployment, there was strong political opposition to any federal participation in programs of aid to the needy. For example, the Republican Party platform of 1932 contained a statement that "true to American traditions and principles of government, the administration has regarded the relief problem as one of state and local responsibility." The new Roosevelt Administration, when neither voluntary charity nor state and local programs could cope with the needs of the vast numbers of unemployed, persuaded Congress to pass the Federal Emergency Relief Act (FERA) -- as a temporary measure -- during the first months after taking office. The Act was designed primarily to provide relief for "employables," but also afforded direct payments to individuals and families for basic necessities (to prevent physical suffering and to maintain minimum living standards). Once it was established, states and localities began to shift part of the financial responsibility for their welfare services (including for dependent children) to the Federal Government. By the time that the Social Security Act was enacted, there were about three and one half times as many recipients under FERA as there were on States' Mothers' pension programs.

President Roosevelt himself was also determined to end the federal involvement in relief programs, once the economic crisis was over, and this was the way he viewed the inclusion of the Adult and ADC programs in the Social Security Act. Although the Democrats were not very specific about the ending of the federal relief programs, the Republican platform in 1936 demanded the "return of responsibility for relief administration to non-political local agencies familiar with community problems."[21] The genius of Roosevelt was that he was a pragmatist at best. While he was not necessarily committed ideologically to the assumptions of federal role in relief programs on a permanent basis, he was nevertheless willing to fight for the short-run federal public assistance programs intended for those destitute older persons and children. If there were no political pressures or public support for such programs, he would have "created" one to take care of the desperate situation of the needy.

Once the AFDC (old-ADC) program was enacted, Congress, on the whole gave very limited legislative review on the programs, except periodically to broaden its coverage and to raise slightly the amount and proportion of the federal contribution.[22] The structural relationships involved in its administration have remained fairly stable; that is, since its inception it has remained as a system of relieving the "worthy poor", both "categorical" in scope and "intergovernmental" in character. Prior to the federalization of the Adult categories -- the aged (OAA), the blind (AB), and the permanently and totally disabled (APTI) -- under the SSI program in 1974, there were basically five federally aided programs referred to as categorical assistance -- in addition to the above three, the aid to families with dependent children (AFDC) and the medically indigent (Medicaid). These federally aided state administered programs provide public assistance only to particular groups of persons who are virtually destitute and demonstrably incapable of attaining economic self-sufficiency. As far as the able-bodied poor was concerned, in theory he may be able to receive income support under "general assistance," a program financed entirely from state and local resources (without the federal participation). In practice, rarely did either the working poor or the employable poor receive income support from public funds.[23] The role of the federal government has been primarily to enable the states to give assistance to needy individuals by offering grants-in-aid on a matching basis while implementation is left largely to the states. The only requirement is that the states meet certain minimum federal standards under the Act such as the establishment of a single state agency to administer and to supervise the administration of their assistance programs, as well as the submission of state plans based on federal guidelines for approval by the HEW.

One of the major weaknesses of the AFDC, in meeting the needs of the poor, as it was true with the Adult programs until the federal takeover, was the great latitude given to the states in financing the program (as stipulated in section 401 that each state was to be enabled "to furnish financial assistance as far as practicable under the condition in each state ...."). With a few exceptions, the states were not only free to establish their own eligibility requirements, but also, the definition of need as well as the maximum grant limitations of their own. The latter practice was started by the federal government in the original act by providing, in addition to one-third of the administrative costs of the program, a maximum of one-third of no more than $18 for the first dependent child and a maximum of one-third of $12 for each additional child. All states, regardless of their means, received federal matching grants on this basis.

Consequently, there is a wide diversity among states and cities in program benefits which resulted in severe inequities -- both governmental levels and among individuals. The reason is that "under existing law the size of the welfare payment depends on expenditure decisions made by state and local officials." This introduces the element of "locational pull" as certain types of recipients or potential recipients seek those locations offering the more attractive programs. Under this theory, the better the welfare program a city offers to its residents, the greater the chance it is likely to attract the greater numbers of recipients or potential recipients. This was the conclusion reached by the Citizens Budget Commission of New York.[24] In fact, in 1968 a monthly differential for a family of four under the AFDC was staggering, to say the least. In Mississippi such a family received an average monthly payment of $35 but was eligible for $241 per month in New York. If a woman with twelve children moved to New York City she and her family would have received $640 per month more than the amount received in Mississippi.[25] To remedy such inequities, the officials of the big northern cities and states (i.e. New York City Mayor Lindsay and New York Governor Rockfeller) began to demand the federal takeover of the public assistance programs in the mid 1960's. The Advisory Commission on Intergovernmental Relations (ACIR) also made such recommendation in 1969.[26]

2. The Presidency of Harry S. Truman

Even before these inequities and inadequacies of public assistance were widely known to the general public, among the welfare experts there was a general recognition that something had to be done. For the first ten years (between 1936 and 1946), as the drafters of the Social Security Act predicted earlier, public aid expenditures declined from $3.2 billion to a low of $1.4 billion due to the expanding war-time economy. However, with the ending of the war and the return to "normalcy," they began to move upward. For the next decade (from 1946 to 1956), they generally kept pace with the growth in the GNP.[27]

During the Truman Presidency, a major attention was paid on the overall problem of preventing unemployment by strengthening the economy. As a result, Congress passed a landmark Full Employment Act of 1946, which established a general principle that the federal government -- and particularly the president -- would be responsible for providing a sound framework and environment in which the nation's economy can progress as much as possible, thus providing opportunities for the people to gain employment and economic security.[28] In order to assist the president, who was required to submit an annual economic report to Congress and the nation, the Act provided the Council of Economic Advisers in the Executive Office of the President.

Although the economy improved during WWII, there was very little accomplishment, however, in resolving the problems of welfare recipients, because the welfare rolls were declining. With the end of WWII, the welfare rolls then began to rise rapidly -- from 871,802 in 1945 to 2,235,477 in June of 1950. In response, the Truman administration made a number of proposals to correct the weaknesses of the ADC program.

President Truman wanted to raise the federal maxima, as well as to establish a system of variable grants geared to state per capita income. A proposal to raise the ADC grant level to that of the other Adult programs was also made. He even agreed to federalize the entire relief program, as the Democratic "liberals" like Congressman Hubert H. Humphrey have proposed it in the late 1940's. However, Congress did not respond to these proposals.

What Congress did was to provide some incremental changes by raising slightly the amount and proportion of the federal contribution and broadening its coverage. Most significant changes were made in 1950 when Congress passed the Social Security Amendments of 1950. Among others, it required that "all individuals wishing to make application for aid to families with dependent children shall have the opportunity to do so, and that aid to families with dependent children shall be furnished with reasonable promptness to all eligible individuals." Previously, because of the increasing costs and a shortage of funds, a state could place a maximum on individual grants, pay less than the full amount of minimum need or cover the full need of some while placing others on a waiting list. The name of the ADC was changed to the AFDC, thus making the mothers of the dependent children eligible for aid for the first time.

By this time, the character of the welfare recipients began to change sharply. In June 1950, as the proportion of widows and orphans on the rolls declined, that of families whose need resulted from divorce, separation and desertion began to increase rapidly. The proportion of children receiving aid as a result of the absence of the father from the home had risen from one-third in 1940 to more than one-half in 1950.

The percentage of non-whites increased from 21 per cent in 1942 to 30 per cent in 1948.[29]

3. The Presidency of Dwight D. Eisenhower

During the Eisenhower presidency, too, the response of Congress was, as in the past, to raise steadily the federal share of welfare costs. A study conducted in 1958 pointed out that 34 states -- due to increasing financial strain, public indignation and political pressure -- not only imposed strignent eligibility requirements, but also, failed to make AFDC payments adequate to meet their own standard of minimum needs.[30] In 1958, Congress adopted a formula which would make the second half of the grant dependent on the per capita income of the state, thus making it possible for the federal government to pay up to 73 per cent in some states. This was the sixth time the amount and proportion of the federal contribution was raised since the Act was originally passed, although the maxima for AFDC recipients always remained nearly twice the amount below allowed for OAA recipients.[31] Such increase, however, did very little for the poorer states expanding the lowest welfare money, and the variations in program benefits among the states remained as great as ever.

Previously, in 1956, Congress also had broadened the coverage of AFDC by extending the list of relatives with whom a dependent child could live. It also authorized funds for research and demonstration projects relating to the prevention and reduction of dependency (the appropriation was not made until 1961), as well as for the support for the training of public assistance workers (money was appropriated for the first time in 1964). The most significant part of the 1956 Amendments to the Social Security Act was the provision of "social services" to promote self-help and "strengthen family life." The practical effect of this provision was to make the federal government share the costs of services provided by the state agency as part of the administrative costs on a 50-50 basis.

In the absence of any strong commitment or leadership on the part of the Eisenhower presidency in this policy area, the technocrats -- the welfare professionals and social workers -- were able to convince Congress to adopt a "services" strategy as a preferred way of converting "tax consumers" (welfare recipients) into "tax payers." By this time there was wide recognition that the clientele of public assistance was different from the clientele of social insurance. The "experts" thus argued that program emphasis in public assistance had to shift from "relief to rehabilitation." Their approach was that "poverty in an affluent society was a function of individual maladjustment which could be corrected via the professional process known as casework."

Congress accepted this reasoning by specifying in the Act that the intent of the public assistance aid was "to establish or re-establish independent functioning on the part of the recipient." The adoption of a services strategy for poverty reduction meant that before the federal share of the assistance costs could be validated, states must develop specific plans for rehabilitation for each case, thus resulting in an over-all concept that "services" to supplement case payments to welfare recipients were the road to rehabilitation.[32] Rehabilitation, in the long run, would reduce future relief costs to the society. However, neither appropriation was made to cover the new authorization, nor any genuine reform resulted from the changes until after the 1960 presidential election.

4. The Presidency of John F. Kennedy

By 1960 the AFDC caseload had increased to 3,080,257. The character of welfare recipients had markedly changed from the outset of the Depression when in four-fifths of the families aided were headed by the mother who was a presumably, respectable widow, but in New York City, for example, eighty per cent of the welfare rolls were made up of women and children -- who were "on welfare principally because of desertion and illegitimacy."[33] Moreover, President Kennedy during the 1960 presidential election interjected the issue of poverty into the campaign, by saying that one out of every four Americans were going to sleep hungry every night. On the basis of the later study, the Council of Economic Advisers defined as poor any family of two or more persons with income for the year less than $3,000.[34] In 1959 about a quarter of the American population -- 39,490,000 -- lived below the poverty level.

During the campaign, President Kennedy has set up a course leading to his New Frontier programs, with an euphoric spirit of invincibility which says, in part, that "... if we faced up to the nation's problems and applied bold, new ideas with common sense and hard work, we would overcome whatever challenged us," as described by one official who had served in the Kennedy administration.[35] President-elect Kennedy, in November, established a task force on public assistance headed by Wilbur J. Cohen whom he later appointed as Under Secretary of the HEW (and later served as the HEW Secretary under LBJ). This became one of many study groups established by the Kennedy and Johnson administrations to put the public assistance programs under close scrutiny. In 1961 Abraham Ribicoff, Kennedy's first HEW Secretary, formed two new study groups, one called Ad Hoc Committee on Public Welfare -- made up of representatives of the National Association of Social Workers and others representing the welfare profession and schools of social work, and the other group to study the administrative aspects of the public assistance programs headed by George Wyman (who had a wide experience in various states' public assistance programs). Instead of relying upon the HEW as a sole source of information, President Kennedy also asked the Department of Labor to come out with new ideas as to how the problems of unemployment and inadequate family income can be resolved. As a result, in 1963 Patrick D. Moynihan became the first Assistant Secretary of Labor for Policy Planning and Research and began to engage in a long range planning on family income (as well as on negative income and guaranteed income issues).[36]

Such actions taken by Kennedy were in line with his managerial approach which has been characterized as "colleagial" approach -- a midway between the polarities of Eisenhower and Franklin Roosevelt. In seeking quality decisions that were at the same time implementable, he had emphasized teamwork as the critical factor in his decision making process and "brought the semblance of a system to his staff by organizing it like a wheel, with himself at the hub and the spokes connecting him to his individual aides." His four operating principles were: first, it was person-centered in that he was committed to search for talent to serve in his administration; second, he sought diversity through the choice of men with conflicting views; third, he was to serve as the central focus in holding these centrifugal forces together by demonstrating his capacity to smooth over rifts and draw his team together; fourth, and finally, his system of management was based on his constant search for facts, "making sure that he had the final decision on whom he would see and what he would read."[38]

President Kennedy's first Executive Order in office dealt with the problems of hunger in 1961. Without any specific statutory authority --as President Theodore Roosevelt had conceived the president as a steward of the people -- President Kennedy expanded sharply the surplus food distribution program for the poor (by using funds from customs reserves). In the absence of any Congressional concern, he again instituted an emergency guidance counselor program to ease youth unemployment in the summer of 1962, using White House Special Projects Fund for contingencies (which has been in existence for the last two decades).[39] Through such executive actions the Kennedy presidency was trying to dramatize the serious nature of poverty to the nation.

On February 1, 1962, President Kennedy became the first president to send a special message to Congress concerning public assistance as its exclusive issue (not even as a primary issue). The President, in appealing to Congress for the passage of his reform proposals (containing a "services" strategy), said:

> Public welfare, in short, must be more than a salvage operation sucking up the debris from the wreckage of human lives. Its emphasis must be directed increasingly toward prevention and rehabilitation -- on reducing not only the long-range cost in budgetary terms but on the long-range cost in human terms as well. Poverty weakens individuals and nations. Sounder public welfare policies will benefit the nation, its economy, its morale, and most importantly, its people.[40]

Moynihan, in commenting on the relationship between President Kennedy and Congress, stated that "Kennedy's years had produced something very like a constitutional crisis ... [because] Congress just wasn't responding to presidential initiatives, and there seemed no way to get it to respond."[41] In this instance, however, Congress responded quite positively to the above presidential initiatives.

In July, 1962 Congress passed the Public Welfare Amendments of 1962 and Social Security Amendments of 1962. These laws, although most of the provisions were temporary and would have expired at June 30, 1964 (which were later extended to June 30, 1967 and many of them were made permanent during the Johnson presidency), had the following effects: 1) the AFDC was expanded to include the Aid to Dependent Children of Unemployed Parents program, thus involving the federal government in a kind of general assistance (Social Security Amendments of 1962, Title IV, sec. 407); 2) it provided AFDC payments in nonprofit child care institutions for children whose placement and care is the responsibility of the public welfare agency (Title V, sec. 408); 3) it provided for protective payments to a qualified individual interested in the welfare of an AFDC family when states have evidence that there is inability to manage money and that continued money payments would be contrary to the benefit of the child (Title IV, sec. 406 (b) (2)); 4) it authorized for the expenditure of appropriated funds to support demonstration projects in state and local public assistance agencies so that new methods, techniques, and practices can be tested (Title XI, sec. 1115); and 5) it provided federal participation in certain costs of community work and training programs designed to conserve and develop work skills of the unemployed parent receiving AFDC (Title IV, sec. 409).

The most important part of the 1962 Public Welfare Amendments was the formal acceptance of a services strategy (which was essentially the same as the 1956 "reform" legislation, but the major difference was that while the latter provided no funding authorization for its implementation the 1962 legislation did that). It was designed "to encourage the states to undertake more 'services' of the casework variety and to provide or arrange for other specialized forms of help, such as legal advice, child care, prenatal confinement for unmarried mothers, foster care for children, employment counseling, training and job placement."[42] These rehabilitative aspects of public assistance would be offered not only to current relief recipients but also to those likely to become recipients of relief (if the individual involved requested or agreed to such services). The federal government was authorized to pay 75 per cent of these rehabilitative services as prescribed by the Secretary of the HEW.

The central thrust of the Kennedy legislative efforts in the poverty issue was (which was later reenforced by the Johnson presidency) to restore the poor to self-sufficiency through education, training and work[43] rather than fight poverty by means of the dole. This was the way Kennedy justified social services as a means of "self-help" and "rehabilitation," and during the Johnson years Congress responded further by establishing work-training programs to enhance the employability of the relief recipients. In signing the Public Law 87-543 (the Public Welfare Amendments of 1962), on July 25, 1962, President Kennedy said, in part, that:

> I have approved a bill which makes possible the most far-reaching revision of our Public Welfare program since it was enacted in 1935.
>
> This measure embodies a new approach -- stressing services in addition to support, rehabilitation instead of relief, and training for useful work instead of prolonged dependency. This important legislation will assist our States and local public welfare agencies to redirect the incentives and services they offer to needy families and children and to aged and adisabled people. Our objective is to prevent or reduce dependency and to encourage self-care and self-support -- to maintain family life where it is adequate and to restore it where it is deficient.[44]

5. The Presidency of Lyndon B. Johnson

Once such a presidential commitment (with the concurrance of Congress) to the idea of a services strategy was made, even after Kennedy's death, the Johnson administration felt obligated to follow through such commitment.[45] Moynihan, in commenting on the mood of the new administration and Congress at the time of Kennedy's death stated that:

> The issue of poverty was there waiting; it proved attractive to the new president, and to the Congress as well. It was a unifying subject. The poor were deserving of help, and various kinds of help were contrived. More accurately, a great number of laws enacted in the name of helping the poor.[46]

However, what should be pointed out is that in early 1963, President Kennedy was aware of the shortcomings of a services strategy (which he had accepted largely from the welfare professionals and social workers -- men like Wilbur Cohen -- who oversold the usefulness of social services) and instructed his aides to plan for a more comprehensive Economic Opportunity Act.

Nevertheless, the Johnson administration followed through what was considered as the Kennedy Anti-poverty program based on a services strategy, thus persuading Congress to increase, not only federal support for training and for programs in the social services, but also, embarking on new and more massive programs for the poor. President Johnson officially announced his war on poverty in the Economic Report of the President in January 1964. Congress, in the same year, responded positively, officially declaring a national policy of eliminating the paradox of poverty in the midst of wealth, and began to undertake "... an unprecedented range of social initiatives, designed to put an end to racial and ethnic discrimination, to poverty, and eventually, also, to unequal levels of achievements as among groups variously defined by race, class, religion, national origin, and sex, primarily through a strategy of providing new, or 'enriched,' social services."[47]

The Economic Opportunity Act of 1964 authorized the establishment of the Office of Economic Opportunity (OEO) as part of the Executive Office of the President to symbolize the presidential commitment and leadership concerning the war on poverty.[48] It also instituted, for the first time, the Work Experience and Training Program (Title V of the Economic Opportunity Act) to give special attention to the program of work-training for welfare clients (originally directed at AFDC fathers) as a way of restoring the poor to self-sufficiency through education, training and work. In addition, this and other acts provided other Great Society programs such as Hot Lunches, Job Corps, Head Start, Public Housing, Community Action, and Legal Services.

By the time Johnson's Great Society programs became a reality, the federal government had altogether some 500 social programs designed to provide new solutions to persistent social problems. The number of the federal domestic programs more than doubled during the Johnson presidency. For example, during the 89th Congress, between 1965 and 1966, Congress passed 181 new legislative programs (in the First Session, 84 became law out of 87 major measures proposed by the president; in the Second Session 97 were passed into law, out of 113 presidential proposals). In the 90th Congress, Congress added more than 100 new programs at the recommendation of the president. As Joseph A. Califano, Jr., who became the president's special assistant (for domestic affairs) in July 1965, related it later, that almost every conceivable grant-in-aid program was launched by the federal government from rat control to birth control to pollution control. He thus stated that:

> For poor children there were school breakfast, Head Start, day care, and foster grandparent programs. For the elderly, there were nursing homes, medicare, and special housing. For the minorities, there were civil rights, voting rights, and fair housing laws. For the consumers, there were truth-in-packaging and truth-in-lending acts and all sorts of safety legislation ranging from automobiles and highways to children's toys and housewives' draperies. For the environmentalists, there were scenic rivers and trails, clean air and water legislation, and any number of conservation and

wilderness area preservation bills. The people in the country got rural development grants; the urban dweller a safe streets act; and the American Indians, their own Indian Bill of Rights. The federal government began training more workers than did the Fortune 500 largest corporations. Its position as the single most important factor in financing and building the homes in which most Americans live was cemented and enhanced. Legislation was passed to help drug addicts, retarded children, students, teachers, and scientists.[49]

Such massive federal programs were bound to produce some concrete results.[50] Available statistics indicate that by 1969 the proportion of the poor had declined to 12.2 per cent of the total population, or to 24,289,000 persons, from the 1959 estimate of about 25 per cent, or 39,490,000 persons. The non-whites experienced sharpest decline -- from 56.2 per cent of the non-whites who were in poverty in 1959 to 31.1 per cent in 1969 (although as per cent of total, the non-whites' poverty level rose slightly from 27.9 per cent to 31.4 per cent). The real earnings of non-white men gained more than an average of 55 per cent during this period, doubling the increase of the whites who had generally a higher base to start with. The most significant thing about such an improvement in the fortunes of the non-whites, especially among the blacks, was that by 1968 "the median income of young husband-wife black families outside of the South reached parity with those of white families."[51] There was no doubt that these gains were made due to a long sustained period of economic expansion the country had experienced during the 1960's, but credit must also go to the billions of dollars expanded by the new federal programs.

What was obvious, however, as the Johnson years were coming to close, was that there was an increasing general recognition that there were limits as to what the government -- and the president -- could do in dealing with the complex social problems which have been accumulating over the years, if not centuries. What happened during the Johnson presidency was that as President Johnson launched his Great Society programs, Congress generally took the back seat and almost blindedly accepted the presidential leadership to such an extent that the government of the United States was almost transfored into a presidential nation and government.[52] Califano, in fact, stated that "what happened to the executive branch during those Great Society years increased the potential of presidential power more significantly than during any other five-year period in our history."[53]

However, such a geometric rise of the presidential power also had a cause for its sharp reversal. As the Vietnam conflict intensified, the nation's resources were being diverted to international arena. At the same time, when the urban rioting became a common phenomenon, especially in cities where the government's efforts to remedy social ills were most visible, angry political backlash began to set in. To begin with, Congress had not provided adequate funding for most of the programs it endorsed as part of the Great Society programs, and consequently, these programs had not achieved their objectives. Also, due to the bureaucratic bickering among different executive agencies (such as among the OEO, Labor, HUD, and HEW), for example, President Johnson's proposal of establishing "one-stop service centers" in every ghetto in the nation, to provide neighborhood access to all the federally available social services at single locations, did not become a reality.[54] (Subsequently, President Nixon asked Congress to enact a similar "services integration" legislation, but Congress never passed it into law.)

During the peak of the Great Society programs, in the meantime, the number of welfare recipients was not only increasing at a faster pace, but also, becoming more problematical than before 1960. For example, in 1969 it was found that welfare rolls in the AFDC showed the greatest growth, largely due to the casework intervention authorised indthe 1962 Amendments. As revealed later, statistics indicated that the number of public assistance recipients rose by 41 per cent, while the number of persons classified as poor decreased 36 per cent during the period between 1959 and 1968. The nature and character of the poor families were also changing. In 1968, for the first time in the history of the AFDC program, it was found that a majority of poor black children lived in female-headed households. For the decade, the number of poor female-headed black families increased by one-third, while the number of male-headed black and other minority races' families in poverty dropped 54.8 per cent. A typical welfare mother was increasingly becoming a black, with several children, without any job skills, who became dependent due to illegitimacy, desertion, or divorce, and living in the ghettoes of the big city.

Geographically, by the end of the 1960's, half of all the poor families -- two in five of the poor whites, and two in three of the poor blacks -- lived in the sixteen states (plus the District of Columbia) which federal statistics define as the South. The other half were generally concentrated in the northern industrial states -- mainly in New York, California, Illinois, and a few others. These northern "welfare" states were spending some 75 per cent of all the AFDC and public assistance funds spent by the states throughout the country. In 1967 only 21 states paid 100 per cent of the minimum need as defined by their state legislatures, while the others paid anywhere from a deficit of 80 per cent to three per cent of the unmet need. For the standard family of four, the welfare payments varied from $280 per month in New Jersey to a low of $40 per month in Mississippi. Such unmet needs and inequities were considered one of the main reasons why the poor families moved from the South to the North, thus creating enormous financial burdens on the newly adopted states.[55]

Congress, realizing the shortcomings of the "liberal" services strategy of the New Frontier and Great Society programs, began to impose restrictive measures on the new programs. In 1967, Congress passed the 1967 Social Security Amendments to tighten up the AFDC program.[56] The reforms of 1967 were largely the work of Congressman Wilbur Mills, then Chairman of the House Ways and Means Committee and Senators Long and Talmage of the Senate Finance Committee. These members of Congress, among others, called for greater federal controls over the welfare system, in general, and social services policy, in particular. Thus, the 1967 Amendments provided the following changes:

1) The proportion of children on AFDC as of January 1, 1968 should not be increased (so that the proportion of children on AFDC because of illegitimacy or desertion would not increase);

2) A system of work incentives was built into the program -- by

establishing a rule that the first $30 and one-third of the remaining monthly earnings, plus reasonable work related expenses (including child care), would not be included in calculating AFDC budget levels and payments (for the purpose of providing a financial work incentive for AFDC recipients);[58]

3) A work training (WIN) program would be established under the auspices of the Department of Labor (in cooperation with the HEW) to assure "to the maximum extent possible that each relative, child, and individual participating in the [AFDC] program will enter the labor force and accept employment so that he will become self-sufficient";

4) Day care arrangements were provided so that nearly all AFDC parents would be eligible for WIN participation, including even mothers with pre-school children;

5) The NOLEO (Notification of Law Enforcement Officers) Amendment of 1950 was further strengthened by closer definition of state responsibility for apprehending deserting fathers;

6) And, a birth control and family planning counseling program was established for welfare recipients "for the purpose of preventing and reducing out-of-wedlock births."

These measures were criticized by some as punitive because of the number of restrictions and penalties enacted, while others have praised the reforms because of the generous provisions for the training and work requirements leading to self-sufficiency.[59]

One of the most "generous" provisions of the 1967 Amendments was the provision which permitted the states' departments of public welfare to purchase services from private and other public agencies for the purpose of providing social services for the welfare recipients leading to self-sufficiency. It was an open-ended matching program, for such expenditures would be matched 3 for 1 with federal dollars. It quickly became a form of federal revenue sharing with the states, in that every state soon found a way of tapping the federal Treasury with whatever program it can justify as social services. In 1967, when this provision was first made, federal social service expenditures amounted to $235.5 million. By fiscal year 1971, it grew to $741 million. The estimate for 1972 was $1,712,100,000. For fiscal year 1973, it was estimated at $4.6 billion and $5.1 billion to $6 billion for fiscal year 1974, if all the states took full advantage of the provision. One state (namely Mississippi), which spent $1.8 million in fiscal 1972, estimated that its cost in federal dollars would increase to $269 million in fiscal year 1973. In October, 1972, Congress did put a fixed ceiling of $2.5 billion on social services as a "non-germane" amendment to the $30 billion General Revenue Sharing Act, which was passed in the final days of the 1972 presidential election. Since then, however, the HEW attempts to implement the law by issuing its departmental regulations were prevented by Congress (which was supported by both public and special interest groups such as the National Governors' Conference and the Conference of Mayors). Finally, Congress wrote and passed its own social services regulations (with the assistance of HEW) at the end of 1974, when the presidency was considerably weakened by Watergate and preoccupied with other pressing matters such as the nation's economy, inflation, and unemployment.[60]

President Johnson, too, was well aware of the shortcomings and "false" promises of a services approach to poverty reduction, because much of the New Frontier and Great Society programs were pushed through Congress without any critical thought given to the benefits, costs, and limits to new services programs. As the services strategy came to its age, during the 1960's, a good deal of money was being expanded as the programs for the poor multiplied. However, it was soon found that in large degree money was going to purchase services, which could neither be shown to benefit directly the poor nor reduce measurably the number of hard-core poor. Instead, the actual effect of service programs was to benefit materially the welfare professionals and social workers and other professionals (such as teachers, researchers, evaluators, and consultants) who became the major beneficiaries of new method of reallocating societal resources as dictated by the new social programs. It became a peculiar system of income redistribution up the social scale, instead of being the reverse -- income redistribution down the social scale to benefit the most underprivileged and the poor -- which was the original purpose of the Kennedy and Johnson presidencies' war against poverty. Against such criteria, there was no doubt that the services strategy proved to be a less efficient approach to follow.[61]

What was, then, the alternative to the services strategy? It was in this context that the idea of an income strategy was born, on the belief that for the most persons living in poverty, a negative income tax system (with direct cash payments for those families whose income fall below a nationally determined poverty level) -- designed to meet their basic needs (along with an incentive system leading to self-sufficiency and individual independence) -- would show the best return of the public assistance funds. The opportunities for such consideration of alternatives was made possible by the president's executive order issued in 1965 to all the domestic agencies of the government to adopt the Planning-Programming-Budgeting System (PPBS) that had been developed earlier in the Pentagon. The purpose of PPBS was for the governmental agencies to define clearly the major goals and objectives which they choose to pursue (for the coming year, as well as for the next five years), and also to apply systematic analyses to the alternative ways in which those objectives are being -- or may be -- sought. An income strategy was one of the alternatives such PPBS analyses recommended for serious consideration to the president, from within such executive agencies as OEO, HEW, and DOL. Thus, the president in his Economic Message of January 1967, at the urgings of the OEO and CEA, announced that he would establish a Commisson on Income Maintenance programs. However, this commission was not appointed until a year later.

The Commission's report (with a set of recommendations) was made public on November 12, 1969, almost ten months after President Nixon took over the control of the government, thus losing whatever influence it may have had with the previous administration because of the changing emphasis of the new Nixon presidency. In its report, it made the recommendation to establish a universal income supplement program which would establish a guaranteed income policy for families, including childless couples and individuals (these were excluded in the Nixon's FAP proposal made two months earlier), but otherwise similar to the FAP plan of the Nixon administration. (The proposed level of benefit for a standard family of four was same in both plans: $2,400 without food stamps, in one case, and $1,600 plus $860 with food stamps in the other.)[62] It then recommended that federal participation in existing public assistance programs be terminated, and during the transition period, the federal government should participate in a new, locally-administered, noncategorical, Temporary Assistance Program on a 50-50 basis (the estimated federal share will be $300 million out of the total $600 million). The total cost of the basic plan, plus a few remedial programs, would be under $10 billion. The Commission, however, rejected the immediate action to set payment levels at the poverty line (in 1968 there were 25 million poor Americans as measured by the federal government's poverty index of $3,553 per year for a non-farm family of four), because it would cost an estimated $27 billion and, therefore, must be adopted in steps.[63]

In August 1968, meantime, under the OEO contract, the University of Wisconsin Institute for Research on Poverty (in conjunction with Mathematica, Inc.) had started a Graduated Work Incentive Experiment in New Jersey. Such negative income tax experiments (later co-sponsored by HEW) were also to be conducted in Indiana, Iowa, North Carolina, and Washington (Seattle), and to be concluded in 1972. These projects proved tentatively that the negative income policy in general would be more effective and less expensive to administer than the existing public assistance programs in the long run.[64]

Within the Johnson administration, especially among the policy planners in HEW and OEO, there were numerous attempts to make the president to accept and then propose various negative income tax plans to Congress. But such efforts were either blocked by HEW Secretary Wilbur Cohen, an ardent supporter of a services strategy, or by the White House staff. Joseph A. Califano, Jr., who served as President Johnson's chief assistant for domestic affairs, established, on July 26, 1968, a presidential task force on income maintenance headed by Merton Peck of the CEA. The idea of negative income tax was one major idea which could have been bequeathed to the Johnson successor, but in the end, the task force report of November 4 did not make any commitment to the idea, except to state that it could become a reality sometime in the future. By this time the 1968 presidential election was already over. This, surely, was the last chance for the outgoing administration to propose a bold negative income tax program that would have fulfilled the Johnson presidency's promise to put an end to poverty, because the Great Society programs, in general, and the public assistance programs, in particular, were not working as well as they were intended. And, yet, the Johnson presidency did nothing about it.

There were, according to Moynihan, two basic reasons why President Johnson failed to propose a negative income tax system before he left the presidency. One reason was that in terms of his administrative style, President Johnson felt that the HEW Secretary (Cohen) should decide such an important issue before he would intervene himself. He was not to overrule Cohen, because the latter was not only the Secretary of the Department which was mainly in charge of the existing program, but also, an expert who devoted almost all of his life with such an issue. In terms of his own personal philosophy, also, he "genuinely reflected the Southern and Southwestern aversion or professed aversion to any form of dependency -- a machismo style." Hence, even his principal staff assistant (Califano) was not given that much power to overrule Cohen either. The other reason was that political considerations played an important role in the Johnson decision not to propose it. President Johnson was to have believed that "the Democratic party was exceedingly vulnerable to the charge of piling people onto the dole" and that he was not going to be the first to propose the negative income tax. Moynihan also suggests that "by the end of the 1960's the Democratic party was near to having exhausted its potential as an agent of social change," and that "the Johnson Administration opposed a negative income tax, not because it was politically risky, but primarily because the men in charge did not believe in such boldness."[65] More than anything else, another reason was that President Johnson's disappointment and preoccupation with the Vietnam conflict had prevented him from taking any new bold initiatives in the waning days of his presidency. According to Califano, who remained to the end as one of the closest associates of the President, President Johnson did not want to burden the new president with such a comprehensive plan proposed by the outgoing administration. President Johnson believed that a new president should be free to embark his own programs without being tied down by the outgoing president.[66]

6. The Presidency of Richard M. Nixon

On August 8, 1969, President Nixon, who less than seven months took the control of the government, proposed a Family Assistance Plan (FAP) in a nationwide address. It was a plan similar to other proposals drafted by Democratic advocates (including one proposed by Democratic Congressman William F. Ryan of New York, a draft bill prepared by James Lyday of OEO), but rejected by the Johnson administration.

It was the first of the eight major legislative proposals made by the Urban Affairs Council staff in the spring of 1969. Earlier, on January 23, the President had established the Urban Affairs Council (UAC), as his first executive act. The Council was to become the policy making machinery in domestic affairs, as the National Security Council (NSC) was to become the predominant decision making body in foreign affairs. His purpose was twofold: 1) to hold a regular UAC meeting with his several domestic cabinet officers in order "to strengthen their positions and possibly to avoid the difficult situations that arise in dealing with individual cabinet members with respect to matters that involve the interests of several"; and 2) to minimize "a steady growth in the size and influence of the White House staff, a development which a succession of presidents ... had been in the habit of deploring and abetting."[67] The UAC was hence composed of the President, the Vice President, the Attorney General, and the Secretaries of Agriculture, Commerce, Labor, Housing and Urban Development, Transportation, and Health, Education, and Welfare. As its first Executive Secretary, he appointed Daniel P. Moynihan, who continued to serve as the President's Assistant for Urban Affairs (the post to which he was appointed in December before the inauguration).

There were, however, many (sometimes bitter) conflicts within the

Nixon administration in the development of FAP policy, largely due to the president's appointment of Arthur F. Burns as Counsellor to the President with special responsibility for program development. This dual system of policy development was bound to create a built-in conflict between the two main actors -- Moynihan and Burns -- and their staffs in competing for the president's attention. In the meantime, as early as March 1969, the president was relying more and more on his legislative assistant Bryce N. Harlow and especially on John D. Ehrlichman, his legal counsel, who was resuming a pre-eminent role in domestic affairs. The president thus, whether by accident or design, "has built a fairly considerable measure of conflict and advocacy into his White House staff."[68]

In the beginning, such a conflicting system was what the president wanted in the first place. During his campaign, he promised to have a small White House staff and an "open" administration with a strong cabinet of "independent" thinkers.[69] His selection of such able independent politicians as George Romney, Walter Hickel, and John Volpe as cabinet members seemed to be consistent with his intended policy. Moreover, his selection of presidential advisors such as Kissinger, Moynihan, and Burns was interpreted as his effort to secure diverse and independent voices in his administration. However, as soon as these diverse viewpoints -- especially between Moynihan and Burns -- came into open conflict, the president began to restructure his White House staff system to avoid his personal involvement into the squabbles of his advisors and staff. Thus, Ehrlichman was appointed as his chief of the domestic policy staff (like Henry Kissinger was in foreign affairs) to screen and coordinate domestic policy. Soon, Ehrlichman, under the president's directives, eliminated the adversary system, by "promoting" Moynihan to an advisory position (by removing him from the position of executive secretary of the UAC) and by appointing Burns to the Chairmanship of the Federal Reserve Board (by removing him from the position of Counsellor). Ehrlichman then became the sole spokesman of the newly reorganized Domestic Affairs Council. This new arrangement not only completely insulated the president from staff conflict, but also, had the effect of greatly widening the distance between him and the reality of situation. In retrospect, such a formalistic, closed system had succeded completely in isolating Nixon and then his eventual downfall.[70]

There were, however, some positive sides to President Nixon's formalistic approach. In the foreign policy arena, it was this formalized staff system that produced the new arrangement with China and the formal ending of active U. S. military involvement in the Vietnam War. He relied more extensively than any other president before him on the NSC staff, headed by Kissinger, in the making of his foreign policy decisions. Kissinger, in turn, was given more power and responsibility than any other presidential assistant in charge of the NSC in screening and providing policy options for the president. President Nixon, on the other hand, was not necessarily a prisoner of the formalized system. It is understood that the president often went against the wishes of his cabinet officers and staff aides (including Kissinger) in such decisions as the taking of military action in Cambodia, the siding with Pakistan in the Bangladesh crisis, and the ordering of the Christmas bombing of Hanoi. In the domestic side, too, the president has acted against the advices of his Attorney General John Mitchell and the entire White House Congressional liaison staff in the signing of the Voting Rights Act of 1970. Against the wishes of the majority of his cabinet (including vice president Agnew, Burns and Harlows), he proposed welfare reform -- the FAP proposal.[71] An analysis of these decisions indicates that President Nixon was to be his own president making the important decisions, relying on thorough staffwork while stressing the merits of an issue or problem.

In appraising the president's decision to impose wage and price controls as the administration's Phase I Economic Policy, one official who served the Nixon presidency stated that the decision was significant in three respects:

> First, it demonstrated the capacity of the Nixon system to set ideology (or political considerations) aside and concentrate on the substance of an issue. This is a strength of the formalistic approach. Second, ... the president injected himself deeply into the issues, and his personal involvement made a difference. But thirdly, and most importantly, the incident represented an exception to the president's normal way of doing business. He did not rely on his advisers to present him with the set of options they had defined. Instead, snatching a chapter from Franklin Roosevelt, we find the president working covertly with one adviser (John Connally, his new Secretary of the Treasury) and pitting his views against others. During one shining managerial moment, at the inception of Phase I, we saw the synthesis of the competitive and formalistic approaches. And it worked. The competitive approach with its power to develop new options and the formalistic approach with its capacity for thorough analysis, were fused. The decision profited from it.[72]

The president's decision to propose a FAP plan to Congress was reached in almost the same manner as the Phase I decision. The new HEW Secretary, Robert D. Finch, who was the closest of the president's political associates, became the chairman of the UAC's subcommittee on welfare, one of the nine subcommittees, each headed by the cabinet officer principally concerned or who has personal interest in the policy area, was given the responsibility for providing welfare policy options for the president through UAC. The Finch group was aided initially by the work of the Task Force on Public Welfare (which was headed by Richard P. Nathan of the Brookings Institution), one of the several task forces the president-elect had appointed soon after the election to prepare reports for him on issues to which he would want to give priority decisions. The Nathan task force report (which was "leaked" to the press on January 12, 1969) recommended, among others, that 1) the federal government establish minimum benefit standards of AFDC and categorical programs for the aged, blind, and disabled (the latter should be, in addition, federalized) for the purpose of closing the gap between the states with the highest payments and those with the lowest; 2) while the minimum AFDC benefit level alone would cost the federal government $1.4 billion more per year, the complete federal financing of all welfare programs should be considered; and 3) in the long run, however, the best solution would be to institute some form of negative income tax or children's allowances or some other alternatives, because the existing public assistance programs could not be changed incrementally to provide a workable basic income maintenance system.[73]

Such ideas were nothing new. In the course of the 1968 presidential campaign and primaries, Senator Eugene J. McCarthy proposed the federal takeover of a minimum income policy for all Americans, while Robert F. Kennedy and Hubert H. Humphrey were somewhat hesitant to come outright as McCarthy (but nevertheless committed to the idea in general) because of the fear that they might be accused for proposing a mass welfare society. Even candidate Nixon has talked, in general, about the idea of equalizing welfare payments, as well as the government's obligation to provide help to those who cannot help themselves.[74]

In March of 1968, the Kerner Commission advocated a "national system of income supplementation" to aid both the working poor and the dependent poor, by pointing out the fact that Senator Robert A. Taft, one of the most conservative Republicans, had proposed in 1949 that the federal government guarantee all Americans a "minimum standard of decent living" through a "minimum standard floor under subsistence policy." In fact, it was Milton Friedman -- who in the 1964 presidential election served as Barry Goldwater's chief economic adviser -- while working in the Treasury Department in 1943 originally came out with the idea of a negative income tax to help low-income workers so that they would have added incentives to increase their incomes.[75]

Thus, by the time President Nixon proposed FAP the issue of welfare dependency occupied a center-stage of national politics and involved the presidency in a direct way.

Basically, the FAP proposal contained the following six elements. First, it was a guaranteed income plan under which direct federal payments would be given to all families -- whether they are "dependent families" or "working poor" families (the latter is excluded in the existing AFDC) with children with incomes below stipulated amounts. Families of four with earnings up to $3,920 per year would be eligible for payments (they would be allowed to "disregard" $60 per month, or $720 per year, as work-related expenses, while benefits would be reduced by 50 per cent as earnings increased above $720 per year). For the families of four with no earnings the basic federal benefit would be $1,600 per year ($500 per person for the first two family members and $300 for each additional family member). Second, the new system would require the continuation of state benefits for the AFDC recipients equal to the difference between the proposed federal minimum and a state's present benefit level. Under no circumstances the present benefit levels would be reduced for the AFDC persons. States, however, would not be required to supplement "working poor" families. Under the system, all the states would gain fiscal relief, particularly the southern states. Third, it emphasized the work requirement in that all applicants for benefits who are not working would be required to register with the Employment Service, and if they are employable, they must accept training or employment, or lose their portion of the family benefits (For this purpose, there will be sharp increase in training opportunities and day-care services). Fourth, there will be a national administration of the basic federal benefits for families, to be handled by the HEW's Social Security Administration. States, however, would continue to administer their own benefits systems. Fifth, the estimated additional cost in the first full year of operation of the new system would be $4 billion, on top of the present fiscal year 1970 total of federal spending for public assistance of $4.2 billion. Sixth, and finally, estimated fiscal relief to state and local governments under the proposal (as well as the $1 billion revenue sharing proposal) would be $5 billion in the first year of operation (Since the 1972 Revenue Sharing Act provided for $5 billion a year, the estimated relief would have amounted to $9 billion).[76]

This final version of the FAP was not different in any essential way from the Family Security System (the original Finch proposal) made to the UAC Committee on Welfare on March 24. It originally called for a basic income guarantee for a family of four of $1,500 per year, without any work requirement.[77] Later, the work requirement and day-care services were added to the Finch plan at the insistance of Burns and Agnew, who to the end had misgivings about the FAP proposal. Moynihan had tried to lead the fight for the plan after Finch became ill and could not handle it against the opposition of Burns (Finch later became the president's Counsellor after he resigned his post at the HEW). But, in the final stage, it was Erhlichman who managed the decision making process leading to the president's FAP proposal.

In the end, there was an irony in the Nixon decision to propose the FAP. President Nixon had been put into office by the constituencies of "silent majority" or frustrated middle Americans and working class voters.[78] In 1968, public mood rapidly changed from a great sympathy for the underprivileged and blacks in the early 1960's, when the civil rights movement precipitated a confrontationist style of politics, leading to sometimes destructive assault on the nation's civil and social order. Under these "deteriorated" environments people were looking back for a stable, settled society of the 1950's. Public opinion surveys began to reveal that people (the majority) became more increasingly alarmed over the steady erosion of morality and social responsibility than with the "bread-and-butter" issues (of adequate housing, employment, or food) or the question of racial equality.[79]

The new president had won a very closely-contested election with his appeal to law and order, by condemning the failings of the Johnson administration which he charged was responsible for war abroad (at Vietnam) and war at home (because of the frequent occurrance of assassination, riot, and protest). His largely "negative" campaign was endorsed by a new coalition of "silent majority" voters -- including white southerners, conservatives, Republican party regulars, suburbanites, upper and middle-working class voters, old ethnic groups' voters, and blue-collar Wallace voters (who voted for Governor George Wallace who engineered the largest third-party movement during the last 50 years). And, yet, the same president was making his real "rewards," not to the group of voters who elected him who normally expect a fair share of redistribution of government "spoils" as well as symbolic rewards, but to the underprivileged "other Americans" -- the blacks and the poor who to the end never fully trusted him. In early 1969, the Gallup Poll revealed that 62 per cent of the American people were opposed to a guaranteed income policy.[80]

During his presidency, President Nixon, in addition to his FAP proposal, had proposed substantial number of social programs such as a health insurance for the poor, scholarship aid for youth from low-income families, and a national acceptance and equality of education opportunity program -- all designed to eliminate poverty and inequality. On April 21, 1969, the president had also proposed to abolish income tax on the poor by adopting a system of low income allowance at a cost of $625 million, which Congress promptly adopted to make it effective in

1970. Such a policy had the effect of removing some two million low-income families from the federal tax rolls, thus a beginning was made in the income strategy as a means of helping the poor. However, "few grasped that Nixon was putting forth a set of administrative and legislative proposals designed fundamentally -- and deliberately -- to fulfill the promises of the 1960's [Kennedy and Johnson promises]." Whether by design or accident, this reality was, however, "hidden from the public at large, which grew steadily more genuinely concerned that a major social retreat was under way at a time when, in fact, unprecedented social advances were being proposed."[81]

Initial public reaction to the president's FAP proposal was generally favorable, if not skeptical (in the latter case until the true or hidden intent of the president was clearly known). A HEW survey of newspaper editorials in the country revealed that over 95 per cent were favorably disposed to the new system; in the twenty-five largest metropolitan areas they were universally "enthusiastic" about the Nixon plan.[82] The black press, on the other hand, were generally negative, and some were even hostile.[83] Public opinion, as revealed by Gallup Poll indicated that only three out of four knew something about Nixon's new proposal; of these 65 per cent were favorable, 20 per cent unfavorable, and 15 per cent had no opinion on the subject. The October Harris survey indicated that 66 per cent of those who heard about the plan (one out of three were not familiar with the FAP) were favorable to the new provision for the working poor while 13 per cent opposed it; they also favored the work incentive features by 63 to 18 per cent.[84]

As pointed out earlier, almost three months after President Nixon made his FAP proposal, former President Johnson's Commission on Income Maintenance came out with a similar proposal for a negative income tax system in November 1969. In early 1970, when the welfare rolls had grown to one in seven persons in New York City, Mayor John V. Lindsay declared that the city can no longer pay for the increased welfare costs or accept additional welfare cases, and began to demand that the federal government take over the entire welfare burdens. He had already worked directly with the UAC in urging the president to federalize the entire public assistance system. In March, 1971, Governor Nelson A. Rockfeller after announcing his proposals for tightening the eligibility requirements (including one year residency rule) convened a meeting of several heads of the largest corporations of the nation at Arden House and asked them to come out with some new ideas as to how the welfare problems can be dealt with. The Arden House Conference recommended the establishment of the welfare system with a program of automatic income maintenance. The Governor also became an articulate spokesman for the new FAP proposal.[85]

As to the organized labor, in general, the AFL-CIO never officially opposed the FAP, but at the same time it was not either enthusiastic. The organized religion was generally receptive to the plan, but as the September 12 resolution of the General Board of the National Council of Churches indicated it wanted to raise the FAP payment level of $1,600 because it was "less than adequate." Business community (led by the National Association of Manufacturers, although the National Chamber of Commerce was opposed to it) and citizen action groups such as the Urban Coalition (led by John Gardner) were generally enthusiastic about the plan, and the latter in particular intensively lobbied in Congress for its passage. The strongest opposition came, on the other hand, from the militant welfare groups (led by the National Welfare Rights Organization, or NWRO) and the welfare professionals -- mainly social workers. NWRO advanced the slogan of "Fifty-five hundred or fight," implying that a minimum adequate income of $5,500 a year was needed for a family of four to live in the nation's urban areas (as it was determined by the federal government). If such a benefit level was adopted in 1971 it would cost the federal government "some $71 billion and cover some 150 million persons." In 1971, a compromise figure of $3,600 was advanced by a number of organizations to pacify the militant demands, but such a figure would require some $25 billion and involve some 69 million people. NWRO, in response, raised its minimum level to $6,500 per year, a position adopted by the Black Caucus in the House of Representatives. As to the Social Welfare profession, it was opposed to the plan because of its radical shift from a services to an income strategy, which may very well adversely affect their "profession." Their grounds for opposing it were, however, similar to the militant welfare recipients -- NWRO -- in that the new system was not only oppressive and regressive but also benefit levels were too low. The National Conference on Social Welfare in 1970 adopted a resolution calling for a $5,500 base level.[86]

In Congress, too, the FAP received a mixed reception. President Nixon was in the opposition territory, not only because Congress was one of the three co-equal branches of the government, but also due to the fact that as an incoming president he faced a Congress in which the opposition Democratic party controlled both houses -- an incident not repeated since the presidency of Zachary Taylor. During the less than six years of his presidency, his Republican party never controlled even one house of Congress. Congress's primary responsibility has been that of representing individual members' constituencies, as perceived by each member of Congress, rather than engaging in decision making -- in response to the presidential legislative initiatives. As the modern presidency became more powerful, resourceful and action-oriented in initiating and implementing policy decisions, Congress in general became more defensive. Rarely, thus, Congress automatically responded to the presidential wishes. This was particularly true with the Senate, in recent years, which was becoming less responsive to and independent of the presidential initiatives. This was what happened to the FAP proposal as it went through the prescribed legislative course.

Technically, a tax bill because it would amend the AFDC and Adult categories of the Social Security Act and because once enacted it would make automatic claims on the federal Treasury, the bill was referred to the House Ways and Means Committee. Once it passed there it would require the final approval of the House, the Senate Finance Committee, and finally, the Senate. In the House moderates of both parties were able to get the H. R. 16311 (as it was introduced by Chairman Wilbur D. Mills and Republican ranking member John W. Byrnes) passed by almost a two-to-one vote margin on April 16, 1970.

However, in the Senate a strange coalition of the liberal Democrats, the southern Democrats and the conservative Republicans prevented its passage in the 91st Congress. The liberal Democrats did not support the FAP because they either complained about the low level of benefit (without offering their own bill) or defended about the past performance of the Democrats on welfare. The conservative Republicans, in and outside of Congress, like William F. Buckley, Jr., Ronald Reagan, and even Milton Friedman, rejected it on the grounds that to establish a negative income tax system without completely disestablishing the public assistance and other devices (such as food stamps, Medicare, Medicaid, and welfare bureaucracies) would result in calamity.[87] The southern Democrats -- and the South in general (including blacks) -- never fully supported the idea from the beginning, although the South was to become the major beneficiary under the system than any other region in the country. The basic reason was racial, but no one in power came outright and said so. The reason was that the program would have benefited the blacks and the poor most, but these were the ones the South was glad to "lose" to the North. With the new system, not only the blacks and the poor would remain there, but the others who went up to the North might be likely to return, once the federal base level is established and subsequent steps are taken to increase such base lines.[88] Politically, and socially, the South was not ready to accept the FAP in the early 1970's.

In the 92nd Congress, the FAP reappeared as H. R. 1, but it did not get enacted because, in a sense, the country -- and Congress in particular -- was not ready for such a drastic, comprehensive change in public assistance policy. In the Senate, discussion centered upon H. R. 1 and other proposals such as the Heineman Commission Report (Johnson's 1968 Commission on Income Maintenance), the Senate Finance Committee bill, and the demogrant approach (under which a cash benefit is paid to all residents without regard to need).[89] None of these, however, ever became a law (except the section of H. R. 1 dealing with the federalization of the Adult categories -- the Supplemental Security Income program). Caspar Weinberger, who became the HEW Secretary in February 1973 during the major reshuffling of the cabinet at the beginning of the second term of the Nixon presidency, subsequently proposed another drastic welfare reform proposal, which would eliminate the three existing programs -- AFDC, food stamps and Supplemental Security Income -- and substitute simple cash grants to those in need as long as they need it. This cash grants system would be tied with rigid work requirements. Congress, again, did not respond positively to the Weinberger plan. The nation was accustomed to a system of incremental changes, and Congress became the chief instrument through which such incrementalism prevailed as the main method of pronouncing policy decisions, instead of more radical policy changes that would be made through more comprehensive rational policy making process such as PPBS. (However, in recent years, Congress seems to be much more serious about its primary law making function since the passage of the 1974 Congressional Budget and Impoundment Act.)[90]

7. The Presidency of Gerald R. Ford

The Ford presidency has not taken any new policy initiative in social policy in general or public assistance policy in particular. Since August 1974, when Ford suddenly succeeded to the presidency, the President has been preoccupied mainly with the political problems of transition and re-election (which he indicated, at the time of his vice presidential confirmation, that he would not consider under any circumstances). The remainder of his time has been spent on the country's economic and energy problems. As far as other domestic programs are concerned, President Ford has decided to restrict government spending on new programs in an effort to contain the federal government deficit. And, yet, during his little more than two years' presidency the country has experienced the worst economic recession since the Great Depression; at one time the unemployment rate reached about 10 per cent of the labor force, while the rate of inflation increased at more than 12 per cent per annum. In the meantime, the federal budget and deficit have increased to the highest level during his administration.

President Ford has remained an authentic conservative in the White House, as when he served in the House for over 25 years (representing a Republican district in Michigan). Cronin states that "Ford is likely to produce us a brand of activist-conservative leadership that runs contrary to many of our textbook expectations of the Presidency," because "most Americans have come to expect their presidents to be the source of a national agenda for action." In this tradition, "Presidents are ... viewed as priority setters and architects of national public policy."[91] Even his predecessor, Nixon, did fit into this role, because during his presidency he had established and actively campaigned for such national goals as family assistance plan, general and special revenue sharing, new federalism, decentralization, government reorganization, etc.

If there is Ford's new domestic agenda, it seems that his priority is directed at "... a cut back on social programs, tightened restrictions on Federal assistance, a reorganization of human resource agencies, and an attempt to weed out 'nonproductive' programs." So far, he has not created any new program; instead, he has opposed bills authorizing an increase in social security payments, higher education, emergency jobs, veterans' rehabilitation benefits, or housing.[92] As of August 4, 1976, almost two years in office, President Ford has issued at least 55 vetoes, of which ten have been overridden by Congress, which is a record for any president -- in modern times. The ninth veto was overridden on July 22, 1976 when Congress (House by 310 to 96 and Senate by 73 to 24 votes) made the $4 billion public works bill into law (which, according its sponsors, would create or preserve at least 350,000 jobs).[93]

In conducting his presidency, President Ford has not used even the Domestic Affairs Council as the administration's major domestic policy making body, although he has taken some steps to make it as such. In February, 1975, Vice President Nelson A. Rockfeller was appointed by the president as jurisdictional head of the Council. Since then, the Rockfeller people (James M. Cannon, Executive Director and Richard L. Dunham, Deputy Director) have been in control of the Council; however, they have been careful not to step on any Ford people's toes. The Council has been reorganized internally to accommodate three types of people -- the Nixon holdovers, the new Ford appointees, and the Rockfeller people -- in it. As far as substantive policy planning is concerned, the Council has been so far inactive (largely because of the uncertainty surrounding the president's re-election, and because Rockfeller pulled himself out of the vice presidential nomination in the heat of Ford-Reagan struggles for the presidential nomination in the spring of 1976). On June 10, 1965 the Council met for the first time in several years, to conduct a broad overview of long-range issues and organize task forces to develop a Ford program; however, no such program has been offered since. Under the auspices of the Council, as decided at the same meeting, the Council has conducted a series of community forums throughout the country in a two-way effort, first, to inform the community leaders of the administration's domestic policy activities and, second, to get new ideas from them for possible solution to national and local problems.[94]

In the welfare reform area, the Ford administration is said to be waiting for the result of a study being conducted by a Domestic Affairs Council study group on welfare headed by John G. Veneman, former HEW Under Secretary (1971-73), who has been appointed as Counsel to the vice president in early 1975. The future of the Veneman study group itself is, however, uncertain at present because Rockfeller would not be on the 1976 Republican presidential ticket which is now consisted of Ford and Dole. In the meantime, the Ford presidency has been emphasizing Child Support Enforcement Program (as authorized by Public Law 94-88, signed by the president on August 9, 1975, as amendment to Public Law 93-647) to locate absent parents and obtain child support payments from them for their children.[95] Other program emphasis includes AFDC Quality Control, Medicaid Eligibility Quality Control, Indochina Refugee Welfare Program, and Family Planning Services.

The problems of public assistance are still with us (For a detailed analysis, see the following tables I and II). The latest figure for AFDC,

Table I

FEDERAL/STATE/LOCAL PUBLIC ASSISTANCE COSTS (in millions)

Year	AFDC	Medicaid	Social Services	Other**	Total
*1969	3,111	4,261	473	509	8,354
*1970	3,926	5,156	713	1,292	11,087
*1971	5,477	6,713	923	1,502	14,615
*1972	6,554	8,434	2,161	1,372	18,521
*1973	6,955	9,111	2,150	1,533	19,749
*1974	7,262	10,229	2,084	1,557	21,132
1975	8,412	12,637	2,622	1,796	25,475
1976(est)	9,499	14,654	2,951	2,091	29,203
1977(est)	9,882	16,623	3,200	2,335	$32,049

*Excludes adult categories which were transferred to the SSI program on January 1, 1974, with the exception of those for Guam, Puerto Rico, and the Virgin Islands ($8 million a year, 1975-77). **"Other" includes emergency assistance, maintenance administration, repatriation, state and local training, research, training, and child welfare services.

Table II

BREAKOUT FOR FY 1977 PUBLIC ASSISTANCE COSTS (Estimated) (in millions)

Categories		Federal	State/Local	Total
Adult		4	4	8
AFDC		5,455	4,427	9,882
Social Services		2,400	800	3,200
Medicaid		9,292	7,331	16,623
Other		871	1,465	2,336
	Total	18,022	14,027	$32,049*

*People served by HEW-SRS: 1974, 24.3 million; 1975, 24.7 million; 1976, 25 million (est.); and 1977, 30 million (est.).

Source: U. S. Department of Health, Education, and Welfare, Social and Rehabilitation Service, Facts Sheet on Welfare Recipients (July 1, 1976).

which is the nation's biggest cash assistance welfare program, is 11,485,701 persons (including 8,133,012 children) as of the end of March 1976. This represents an increase of 31,341 individuals and 18,663 families over February, and up 109,220 individuals from March 1975. Sixty per cent of the increase was attributed to more needy families headed by unemployed fathers joining the welfare rolls in 20 states.[96] The average monthly payment for a family of four was $286, but inequities in payments varied from state to state, as it has always been since the program began in 1936.

Each state still administers its AFDC program under a federally approved plan, in accordance with federal statutes. Each state determines its standard of need and payments levels. Federal law requires that a family's income and resources be considered in determining need and, with certain exceptions, that all AFDC applicants and recipients register for employment or job training under the Work Incentive (WIN) program administered jointly by the Department of Labor and the HEW. State expenditures for payments are matched by federal funds in accordance with one of two formulas: 1) The federal government pays five-sixths of the first $18 of the average monthly payment per recipient and from 50 to 65 per cent of the next $14 of this average monthly payment; or 2) the federal government pays 50 to 83 per cent of the total payment (as in the case of the Medicaid formula). Under both systems, states with higher per capita income get lower matching and states with lower per capita income get higher percentages. Most of the states use the second formula. Federal funds are also available for administrative costs on a 50-50 basis. The purpose of the program still remains essentially the same (as it was originally devised in 1935): to encourage the care of eligible dependent children in their own homes by enabling states to furnish financial assistance and other services to such children and their parents or relatives with whom they are living. The eligible population are children under 18 (with their adult caretakers) who are deprived because of the death, continued absence, or disability of at least one parent (or in some states, by the unemployment of the father -- in 20 states as of 1976), and who meet state standards of financial need; and, at state option, such children under 21 attending an approved school.

The total number of people served by Social and Rehabilitation Service, a welfare arm of the HEW, in additional welfare programs -- such as Medicaid, social services, emergency assistance, repatriation, state and local training, research, training, and child welfare services -- is estimated at 25 million persons in 1976, (as compared to 24.3 million in 1974, 24.7 million in 1975, and estimated 30 million in 1977). The total cost of estimated 1976 public assistance costs is $29,203,000,000. In 1977, it is estimated that the figure will reach $32 billion, of which federal government will pay out some $18 billion while the cost to the state and local governments will be about $14 billion.[97]

IV. Perspectives on the Presidential Role in Public Assistance Policy

A few observations can be made on the role of the president in the making of public assistance policy. First, the presidential involvement in public assistance policy began when the nation was in the Great Depression, in which traditional public assistance agencies -- the private sector (voluntary charitable organizations), first, and, then, the state and local governments -- were unable to meet the minimum subsistance needs of the dependent poor. Prior to the Depression, there were opportunities for the federal government to enter the field of public assistance, but each time the president turned it down. For example, in 1854, Congress passed a bill which would have provided federal land grants to states to help pay for mental hospitals; but, President Franklin Pierce vetoed it, by saying that:

> Can it be controverted that the great mass of the business of Government that involved ... the relief of the needy, or otherwise unfortunate members of society, did, in practice, remain with the States; that none of these objects of local concern are, by the Constitution, expressly or impliedly prohibited to the States, and that none of them are, by any express language of the Constitution, transferred to the United States? Can it be claimed that any of these functions of local administration and legislation are vested in the Federal Government by any implication? ...
>
> In my judgment you cannot, by tributes to humanity, make any adequate compensation for the wrong you would inflict by removing the sources of power and political action from those who are to be thereby affected ....
>
> If the several States, many of which have already laid the foundation of munificent establishments of local beneficence, and nearly all of which are proceeding to establish them, shall be led to suppose, as they will be, should this bill

> become a law, that Congress is to make provision for such objects, the fountains of charity will be dried up at home, and the several States, instead of bestowing their own means on the social wants of their own people, may themselves, through the strong temptation, which appeals to States as to individuals, become humble suppliants for the bounty of the Federal Government, reversing their true relation to this Union.[98]

Again, in 1909, President Theodore Roosevelt held the first White House Conference on Children and Youth, which concluded that "home life is the highest and finest product of civilization" and that "children should not be deprived of it except for urgent and compelling reasons," poverty alone not being one of them. However, the Conference also pointed out that voluntary charity is the preferred means of caring for "worthy" mathers and their children,[99] and not the federal government. President Roosevelt concurred with that opinion.

These examples suggest that the presidency can positively contribute to the making of social policy in general and public assistance policy in particular when the country and Congress perceive the existing social problems seriously, in an atmosphere of crisis, and are ready to accept the presidential leadership in resolving them.[100] This is what happened during such crisis environments as the Great Depression and in the early 1960's (the latter, with great concern for civil rights and the poor, in the midst of riots and burnings in cities). The more serious and destructive the "human suffering" crisis becomes, the greater the chance for the president to exercise his positive leadership in the making of social policy (because our polity is institutionalised with a process of making incremental policy changes in reaction to perceived crises rather than in anticipation of such crises).

Second, the president's ability to influence positively the outcome of his social policy initiatives depends largely upon how the nation -- and the people -- perceive his philosophy, ideology, and interest in the social problem areas requiring federal action. In the case of those presidents -- Franklin D. Roosevelt, John F. Kennedy, and Lyndon B. Johnson -- who were positively able to contribute to the making of their own social policies (including public assistance policies), the public -- and Congress -- were well aware of their deep commitment to the problems of the poor and underprivileged. What they have proposed -- whether they FDR's New Deal, JFK's New Frontier, or LBJ's Great Society programs -- were not perceived as either empty gestures or gimmickry, but sincere attempts to resolve the immediate crises at hand. In the case of President Nixon's FAP and other social programs, however, the public did not necessarily consider them in such genuine, sincere terms (as the president himself viewed them). The voters who voted President Nixon into office felt that it was an effort to reduce welfare payments. The poor people -- who would benefit most under the FAP system and who did not support him -- were contemptuous and suspicious of him (because in their mind there were no reasons as to why Nixon would help them at all). The public at large felt that the Nixon presidency was undertaking a major social retreat, while, in fact, the opposite was true. The concerned public resented Nixon because of his "symbolic" actions (appealing to the Right), while ignoring his "real" substantive policies designed to improve the lot of the poor.[101] The real reason behind the FAP proposal was that President Nixon was convinced that the services strategy of the Kennedy-Johnson era cannot effectively deal with the problems of poverty, as a number of experts at the time had stated. Steiner, for example, stated that "the Kennedy-Johnson public assistance legacy to the new Republican President was a services approach that had failed, a work and training approach that could not get off the ground, an asserted interest in day care but no viable day care program, a reorganization of the welfare apparatus in HEW, some procedural changes mandated in the lame duck period, and a steadily increasing number of AFDC recipients."[102]

Third, when policy issues are made clear and well understood by the public, the president's ability to influence social policy decisions would be correspondingly increased. However, when the reverse is true, regardless of his commitment to the policy in question or the power resources at his disposal, the president's ability to influence the policy decisions in Congress would be limited. This is again what happened to President Nixon's FAP proposal. Most of the public -- Congress, interest groups, the wealthy and the poor, conservatives and liberals, South and North -- either misinterpreted or misunderstood Nixon's motives or intents. The proposal was a difficult one to understand, in the first place, because it was new and never tried elsewhere. People are usually hesitant to accept abrupt change because they are not sure of its consequences, unless such change was forced upon them because of emergencies or crises. No such crisis atmosphere existed in 1969, at least in the minds of the general public, about public assistance. To be sure, some northern cities like New York City were experiencing financial difficulties but even there no city ever went bankrupt as it happened during the Depression. Welfare became a "crisis" in the mid-1960's "not because it was consuming large amounts of money, or involved large numbers of people," but "because of the rate at which the rolls commenced to grow."[103] This was an expert's appraisal of the situation, not the general public perception. The public had neither the ability nor the need to think about it to the extent of supporting the president's proposal. The president, on the other hand, was proposing the FAP because of his belief that 1) the poor -- especially the black poor -- were being destroyed by the existing welfare system; 2) the South which, in a sense, created a public assistance crisis in the northern states must be brought back into the mainstream of American life; and 3) the government must prove that it can do its job because of an increasing "crisis of confidence in the capacity of government to do its job."[104]

Fourth, the president's ability to initiate social policy proposals and to make Congress accept them (as nearly as he intended in the first place) depends upon the closer working relationship he develops with it and whether the party in control of Congress is of his own party. Again, those presidents who have had a great success of their program acceptance by Congress had the same party controlling both or at least one house of Congress -- Wilson, Roosevelt, Kennedy, and Johnson. Aside from the party ties, there is also a need for ideological-symbolic attachment between the president and Congress. All of the above presidents had such ideological-symbolic ties with the majority of members in Congress. In the case of President Nixon (or Ford) such ties did not exist between the presidency and Congress. As Moynihan relates it, President Nixon was almost alone in the fight for the FAP proposal from the start. He states that:

> Apart from those pernally and directly involved, the Nixon Cabinet never really fought for the president's most important domestic proposal. It wasn't theirs. They didn't quite understand it. It was enough that a Republican Administration had proposed it. Surely it was up to the Democrats in Congress to enact it. But in the upshot the Democrats, most of them, had much the same reaction. It wasn't their proposal; they didn't quite understand it. Moreover, it didn't sound New Dealish.[105]

Fifth, and finally, unless the above conditions are well synchronized -- that is to say, unless the social policy issues are perceived seriously, in a crisis atmosphere, with a closer working relationship being developed between the president and Congress (preferrably through the same party controlling both the executive and the legislature) and a strong symbolic attachment bonding the president and the nation, the president's ability to bring about comprehensive (and/or rational) social policy changes is very much limited.

As in the past, in ordinary situations the presidential leadership in social policy making is confined to making proposals and policy implementations that can best be described as incremental changes (of the Lindlom style).[106] In fact, even before Nixon formally proposed the FAP, Cavala and Wildavsky, after interviewing some 50 Congressmen, stated that the president (in the spring of 1969, or even sometime later) was not likely to propose it nor would Congress approve it if he did. The reasons they advanced were: 1) a guaranteed income policy would be contrary to the American work ethic; 2) great sums of money would have to be raised by taxation to pay for such a program; and 3) labor unions, as well as militant blacks, would oppose it because it would render them superfluous. As it happened, all these things happened except that the president did indeed propose it, and at least, the House passed it, although in the end, it did not get through the Senate.

V. Prospects for Reforming Public Assistance Policy

The prospects for immediate reform in the area of public assistance are not bright. However, a comprehensive reform package similar to the FAP has a good chance of being enacted in the next administration, especially if the Democrats happen to win the control of the White House as well as retaining the control of Congress. Today's situation is drastically changed from that of 1969 when the Nixon's FAP proposal was made. There is certainly a crisis atmosphere -- cities like New York City are on the verge of bankruptcy and states like New York State are also faced with enormous fiscal burdens not only from public assistance but other programs as well. With economy not recovering fast enough and unemployment rate remaining high in recent years, over $32 billion will be required to provide money and services to the dependent poor in 1977. Some 30 million people would receive some form of welfare services. AFDC alone is already providing welfare money to some 11 million people. There are also public pressures being brought upon the federal government through the normal governmental channel as well as through the presidential electoral process. Advisory Commission on Intergovernmental Relations, as early as 1969, demanded that the federal government should entirely take over the cost of public assistance (including AFDC, Medicaid and Adult categories -- the latter was since federalized), largely to relieve inequities of resource capacity among the levels of government.[107]

In July 1976, the Committee on Economic Development (CED), in its new study, recommended a federal takeover of assistance payments, a national establishment of a minimum floor for welfare payments equal to two-thirds of the government's official poverty level (For a non-farm family of four, the poverty level is currently $5,800 per year). The program would cost the federal Treasury $9.1 billion, according to its estimate, but this can be reduced to $2.7 billion, by improved administration of public assistance programs, tightening other related programs like food stamps, and by discontinuing the current revenue sharing programs (these figures were based on 1975 base).[108] The 68th National Governors' Conference, on July 5, 1976, adopted a two-year study report by the Governors' study group, which recommended that the federal government consolidate all public assistance programs, establish a national minimum welfare payment, determine uniform eligibility rules, and require most welfare recipients (between the ages of 17 and 60) to register for work.[109] Other public interest groups representing Mayors, cities and counties have adopted a similar position demanding a drastic change in the existing public assistance laws.

The Democratic National Convention meeting in New York City (which has the worst public assistance problem of all the cities in the nation), on July 13, 1976, adopted a platform (on welfare) which pledged that the next Democratic administration, if elected, would 1) combine existing welfare programs into "a simplified system of income maintenance," providing "an income floor both for the working poor and the poor not in the labor market," substantially financed by the federal government; 2) require persons able to work to do so or lose welfare benefits; and 3) accomplish a federal assumption of local welfare costs and a phased reduction of state costs. Other related programs pledged by the Democratic Convention were: national health insurance, federally guaranteed jobs, a Marshall plan for rebuilding urban America, government reorganization, etc.[110]

The details and estimated costs of these programs when they are made available would be subjected to close scrutiny as the FAP proposal of Nixon. What is certain at this stage is that most of these programs would require drastic, if not rational or comprehensive, social and economic policy changes which must be related to and coordinated with each other, including that of welfare, if they are to succeed. For example, the federal and state unemployment compensation system has recently experienced a phenomenal rise in the benefits paid to those unemployed. In 1975, unemployment benefits nationally totaled $17.8 billion, as compared to little more than $5.4 billion in 1974 and $2.16 billion in 1965. To be sure, such an explosive growth in unemployment payments was caused by the worst post-war recession of the 1974-75 period, which still account for more than five million people receiving benefits today. In 1975, the average length of time for which payments were received amounted to 23.8 weeks, from about 13.4 weeks in 1973. Today, as Congress allotted more federal dollars to help states deal with rising unemployment, it is possible for persons, under certain circumstances, to receive benefits for as long as 65 weeks at a stretch. In 1965, such benefits (which were then all financed at the state level from payments levied on employers) lasted a maximum of 13 or 26 weeks (under special conditions). Finally, at the end of 1975 it was reported that because some 21 states had exausted their unemployment funds, they were forced to borrow a total of $31 billion from the federal Treasury.[111] This rapidly rising unemployment benefit system is certainly closely intertwined with a the public assistance program. Should the former fail to deal with the rising unemployment, the latter had to be made to accommodate the needs of the jobless. (In 20 states, in fact, AFDC grants welfare benefits to the dependent children and their unemployed fathers.) The contrary would have been true in the sense that if the latter was able to take care of the unemployed, there should have been less pressure put on the jobless benefits system. What is important to realize is that many of the public assistance recipients are chronically unemployed, and the working poor -- and the underemployed -- are not eligible for benefits under either system (the unemployment compensation system or public assistance system). There is an obvious need to coordinate and, if necessary, to reform both programs to serve the needy, with the maximum efficiency -- and economy -- with the least cost to the society.

Whether the Democratic presidential candidate Jimmy Carter and his vice presidential candidate Walter Mondale can win the electoral approval will, surely, determine their ability to influence the policy outcomes in these areas. Presidential candidate Jimmy Carter himself said that "when he [Kennedy] got to the White House, many of the things he promised were blocked, because there was no feeling of mutual commitment from Congress and the country." Kennedy had won a very close election over Nixon in 1960. Carter therefore asked that he be given a clear mandate from the voters and Congress in order to carry out the program he has promised, by saying that "I cannot keep the promises I've made the American people, or that I will make this fall -- and I intend to keep every one of them -- unless I have a solid base of support in both houses of Congress, unless I get a good mandate ...."[112] Should the Democrats win the election -- the odds seem to favor them at this juncture -- besides a clear mandate from the voters, the next president would need to have a mutual commitment from at least his own party members in Congress. What strategies he would then adopt in persuading his administration's priority social policies through Congress, by establishing a close working relationship with it, will also determine the results.

On the other hand, should the Republicans win the presidential election, the prospect for any comprehensive reform in public assistance policy is not bright, unless such a victory is accompanied by their majority control of both houses of Congress (which is very unlikely to happen this year). The Republicans, in their National Convention meeting in Kansas City on the early morning of August 18, 1976, agreed with the Democrats that there should be drastic reform in the public welfare policy. However, unlike the Democrats, they adopted a platform which pledges an eventual end to the federal role in public assistance policy and return it to the states and cities, as well as to the voluntary private agencies. They also opposed the federalization of the welfare system and any federal role in a nationally-guaranteed income policy. Other Democratic human resources' proposals such as the Humphrey-Hawkins full employment guarantee policy or the establishment of a national planning body were outrightly opposed by the Republican Convention.[113] There is no doubt that the Republican platform had a definite imprint of the Reaganite conservatism rather than that of moderate-conservative Ford. A few days after the Convention, it was reported that Caspar Weinberger, a conservative Californian who served as the HEW Secretary under both Presidents Nixon and Ford (from February 1973 to August 1975) still wants a simple cash grants system (which he proposed while in office) to those in need as long as they need it, by eliminating three existing programs -- AFDC, food stamps and SSI. (The Weinberger plan, which failed to win Congressional approval would also contain rigid work requirements.)[114] However, as far as the two major parties' platforms are concerned, a clear ideological line has been drawn between the Republican and the Democratic parties with regard to the federal role -- and the presidential role -- in social policy in general and public assistance policy in particular.

President Ford was finally nominated as the Republican candidate, beating challengor Ronald Reagan who has mounted the strongest challenge against an incumbent president since Theodore Roosevelt did likewise against his own protege Howard A. Taft in 1912. His selection of Robert

J. Dole as his running mate was said to be based on his own selection criteria of philosophical and personal compatibility rather than that of getting any help from his vice presidential candidate in "winning" the election (which may not be entirely true for Senator Dole is well known as a hard-hitting campaigner). Prospects for his returning to the White House in 1977, however, look very dim. The Gallup Poll, in its nation-wide survey conducted on August 9, 1976, a week before the opening of the Republican Convention, revealed that Democratic candidate Carter was an overwhelming choice of the voters, leading by 52% to Ford's 33% (while 7% were undecided, 6% would vote for Eugene McCarthy, and 2% were for other minority candidates). In a two-men race (between Carter and Ford, without McCarthy), Carter led by a 23 points margin -- Carter's 56% to Ford's 33%.[115] The Harris survey gave Carter 61% to Ford's 32%. Even in California, a Reagan home base, a Marvin Field state poll indicated that Ford trailed Carter by 53% to 33%. Since the scientific poll taking began in the 1920's, no incumbent president was that war behind his challenger. Certainly, it is doubtful that such a wide margin could be maintained by Carter, as the November 2nd election day approached; however, as of now, Carter has a good chance of being elected to the presidency.

Various power centers, political necessities and advantages, electoral mandates or considerations, interest group pressures and lobbies, bureaucratic and other institutional rivalries, all play their part in the making and unmaking of public policy in the United States. As our analytic capabilities and our communicative skills improve, the future president (as well as Congress) may be able to initiate far more significant, comprehensive social policy changes in the above and other areas through the close scrutiny of social problems and their solutions. However, in the end how the various publics in American polity perceive of the social problem issues will ultimately decide the social policy matters in the long run. Here, a president can truly demonstrate his capacity to lead the country through prioritizing issues, initiating sound policy proposals, communicating and informing the nature and reasons for policy decisions, and finally, (as Harry S. Truman used to say about the job of a president in the American system of government,) persuading and motivating the people to do the things they themselves wanted to do in the first place.

VI. Footnotes

1. Daniel P. Moynihan, The Politics of A Guaranteed Income: The Nixon Administration and the Family Assistance Plan (New York: Vintage Books, 1973), p. 18.

2. Joseph A. Califano, Jr., A Presidential Nation (New York: W. W. Norton and Co., 1975), p. 13.

3. Moynihan, op. cit., pp. 10-12.

4. Don Benafede, "Administration Signals 1976 Programs," National Journal, Vol. 7, No. 34, August 23, 1975, p. 1197.

5. Alfred de Grazia and Ted Gurr, American Welfare (New York: New York University Press, 1961), pp. 3-4.

6. For a detailed historical development, see Blanche D. Coll, Perspectives in Public Welfare: A History (Washington, D. C.: U. S. Government Printing Office, 1969), pp. 1-16.

7. Ibid., p. 17.

8. de Grazia and Gurr, op. cit., p. 4.

9. Coll, op. cit., p. 19.

10. Ibid., p. 29.

11. Ibid., p. 20.

12. Ralph E. Pumphrey and Muriel W. Pumphrey, The Heritage of American Social Work: Readings in Its Philosophical and Institutional Development (New York: Columbia University Press, 1961), p. 16.

13. For a detailed description, see Coll, op. cit., pp. 21-28.

14. Paul H. Douglas, Real Wages in the United States, 1890-1926 (Boston: Houghton Mifflin Co., 1930), p. 477.

15. Coll, op. cit., pp. 79-80.

16. Anne G. Geddes, Trends in Relief Expenditures, 1910-1935 (Washington, D. C.: Works Progress Administration, Division of Social Research, 1937), pp. 10 & 15.

17. For a detailed account of his presidential style, see Richard T. Johnson, Managing the White House: An Intimate Study of the Presidency (New York: Harper and Row, Publishers, 1974), pp. 5-6, 9-38.

18. For a detailed history, see Edwin E. Witte, The Development of the Social Security Act (Madison: University of Wisconsin Press, 1962).

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21. For a historical treatment on this subject, see Winifred Bell, Aid to Dependent Children (New York: Columbia University Press, 1965); Gilbert Y. Steiner, Social Insecurity: The Politics of Welfare (Chicago: Rand McNally and Co., 1966) and his The State of Welfare (Washington, D. C.: The Brookings Institution, 1971); Bureau of Social Science Research, The Legislative History of Aid to Dependent Children (Legal Action Support Project, Report No. 2) (Washington, D. C.: Bureau of Social Science Research, 1969); and Social Security Board, Bureau of Public Management, Training Division, The Development of Public Measures for the Relief of Need (Washington, D. C.: U. S. Government Printing Office, 1939).

22. See U. S. Department of Health, Education, and Welfare, Welfare Policy and Its Consequences ..., op. cit., p. 5; and Joseph Heffernan, "Public Assistance and Social Services," Studies in Public Welfare (Issues in Welfare Administration: Intergovernmental Relationships) Paper No. 5 (Part 2), prepared for the use of the Subcommittee on Fiscal Policy, The Joint Economic Committee, Congress of the United States, 93rd Congress, 1st Session (Washington, D. C.: U. S. Government Printing Office, 1973), p. 110.

23. See Advisory Commission on Intergovernmental Relations, State Aid to Local Government: A Commission Report, (A-34) (Washington, D. C.: U. S. Government Printing Office, 1969), p. 61 (See also Chapter IV: Financing Welfare and Health Programs).

24. The New York Times, October 4, 1968, p. 28.

25. The Wall Street Journal, October 14, 1968, p. 8.

26. ACIR's Recommendation No. 2 urged that the federal government assume full financial responsibility for public assistance (including general assistance and Medicaid). See ACIR, State Aid to Local Government, op. cit., p. vi.

27. Heffernan, "Public Assistance and Social Services," Studies in Public Welfare, op. cit., p. 110.

28. For a detailed study, see Stephen K. Bailey, Congress Makes a Law (New York: Columbia University Press, 1950).

29. U. S. Department of Health, Education, and Welfare, Welfare Policy and Its Consequences ..., op. cit., pp. 5-6.

30. Ibid.

31. Ibid., p. 6.

32. Heffernan, "Public Assistance and Social Services," Studies in Public Welfare, op. cit., pp. 110-111; and see, Alan Keith-Lucas, Decisions About People in Need (Chapel Hill: University of North Carolina Press, 1957).

33. Moynihan, The Politics of A Guaranteed Income, op. cit., pp. 43-44.

34. The poverty base line was computed on the basis of a study conducted by the Social Security Administration which had estimated $3,165 as the minimum income needed in 1961 for a non-farm family of two adults and two children.

35. Irving L. Janis, Victims of Groupthink (Boston: Houghton Mifflin, 1972), p. 36.

36. Moynihan, The Politics of A Guaranteed Income, op. cit., pp. 49-50.

37. Johnson, Managing the White House, op. cit., pp. 124-125.

38. Theodore C. Sorensen, Kennedy (New York: Harper and Row, 1965), p. 372; and Johnson, op. cit., pp. 125-136.

39. Theodore C. Sorensen, "Keep the Presidency Strong: Rev Up the Watchdogs, But Keep the Powers Intact," The Record (a daily newspaper) (Hackensack, New Jersey), July 25, 1976, Part D, pp. 1 & 4.

40. Wilbur J. Cohen and Robert M. Ball, "Public Welfare Amendments of 1962," Social Security Bulletin, XXV (October 1962), p. 5.

41. Moynihan, The Politics of A Guaranteed Income, op. cit., p. 18.

42. U. S. Department of Health, Education, and Welfare, Welfare Policy and Its Consequences ..., op. cit., p. 8.

43. These themes became the spirit of the Economic Opportunity Act of 1964. See James L. Sundquist, "Jobs, Training, and Welfare for the Underclass," in Kermit Gordon, ed., Agenda for the Nation (Washington, D. C.: The Brookings Institution, 1968), p. 56.

44. Wilbur J. Cohen and Robert M. Ball, "Public Welfare Amendments of 1962," Social Security Bulletin, op. cit., p. 10.

45. Lyndon B. Johnson, The Vantage Point, 1963-1969 (New York: Holt, Rinehart and Winston, 1971), pp. 1-11.

46. Moynihan, The Politics of A Guaranteed Income, op. cit., p. 18.

47. Ibid., p. 53.

48. Califano, A Presidential Nation, op. cit., p. 36.

49. Ibid., pp. 20-21.

50. Ibid., Chapter 1.

51. Moynihan, The Politics of A Guaranteed Income, op. cit., p. 36.

52. The titles of new books appeared since then suggest it well. For example, Schlesinger's Imperial Presidency, Burns' Presidential Government and Califano's A Presidential Nation.

53. Califano, A Presidential Nation, op. cit., p. 19.

54. Ibid., pp. 32-33.

55. ACIR, State Aid to Local Government, op. cit., pp. 62-72; Moynihan, The Politics of A Guaranteed Income, op. cit., pp. 37-42.

56. It should be noted that an impetus for the 1967 legislative changes came as a result of the soon-to-be expired temporary laws which were originally enacted in 1962 and 1964. The Johnson administration's legislative position still reflected a services strategy, as it was later affirmed by the Advisory Council on Public Welfare appointed by the HEW Secretary in 1964. See the Advisory Council on Public Welfare, "Having the Power, We Have the Duty," Report to the Secretary of Health, Education, and Welfare (Washington, D. C.: June 29, 1966), pp. xxi, 148.

57. This "freeze" however was never implemented, and finally repealed in July, 1969.

58. This Congressional intent was not fully realized inspite of the policy implementation began in 1968. For a detailed evaluation of this policy, see Interstudy, Welfare Earnings Policy: The Impact of the AFDC Income Disregard, an evaluation study conducted by Interstudy (Minneapolis, Minnesota) for the U. S. Department of Health, Education, and Welfare, Social and Rehabilitation Service (1975).

59. James J. Graham, "Public Assistance: Congress and the Employable Mother," University of Richmond Law Review, Vol. 3, No. 2 (Spring 1969), p. 259.

60. See Committee on Finance, U. S. Senate, Social Services Regulations, Hearings before the Committee, 93rd Congress, 1st Session, Part 1 of 2 Parts (Washington, D. C.: U. S. Government Printing Office, 1973), pp. 5-6; Karen E. De Witt, "Welfare Report/ HEW Social Service Regulations to Take Effect Despite Congressional Action," National Journal, November 17, 1973; and National Journal, June 17, 1972, p. 1007.

61. Moynihan, The Politics of A Guaranteed Income, op. cit., p. 55.

62. The President's Commission on Income Maintenance Programs, Poverty Amid Plenty: The American Paradox (Washington, D. C.: U. S. Government Printing Office, November 1969), p. 7; and Moynihan, op. cit., pp. 248-249.

63. The President's Commission on Income Maintenance Programs, Poverty Amid Plenty: The American Paradox, op. cit., pp. 7-9.

64. Moynihan, op. cit., pp. 127, 191-192; and Office of Economic Opportunity, "Preliminary Results of the New Jersey Graduated Work Incentive Experiment" (Washington, D. C.: OEO, February 18, 1970). For a critical view, see Peter H. Rossi and Katharine C. Lyall, Reforming Public Welfare: A Critique of the Negative Income Tax Experiment (New York: Russell Sage Foundation, 1976).

65. Moynihan, op. cit., pp. 130-134.

66. Califano related this and other matters of the Johnson presidency in a private meeting held at New York University in July, 1976.

67. Moynihan, op. cit., pp. 73 & 161.

68. Ibid., pp. 79, 163-165, 179-186, & 194.

69. James Reston, "A 'Small Staff' and 'Open' Administration," The New York Times, June 17, 1970, p. 1.

70. See Johnson, Managing the White House, op. cit., pp. 199-200, & 214-216.

71. Ibid., p. 228.

72. Ibid., p. 227.

73. Moynihan, op. cit., pp. 69-72, & 74-75.

74. Ibid., pp. 61-3, & 67.

75. Ibid., pp. 50, 61-63, & 67.

76. See U. S. Department of Health, Education, and Welfare, Social Security Administration, Welfare Reform Fact Sheet: Background Material (Washington, D. C.: August, 1969).

77. Moynihan, op. cit., pp. 136-146.

78. A Republican view of the changing nature of the traditional Democratic voters, leading to the formation of a silent majority, is well expressed in Kevin P. Phillips, The Emerging Republican Majority (New York: Ancher Books, 1970).

79. See James Q. Wilson, "The Urban Unease," The Public Interest, Summer 1968, pp. 25-39; and Moynihan, op. cit., pp. 109-110.

80. Moynihan, op. cit., p. 182. See also U. S. House of Representatives, Committee on Ways and Means, Social Security and Welfare Proposals, 91st Congress, 1st Session (1969); and U. S. Senate, Committee on Finance, Family Assistance Act of 1970, Hearings on H. R. 16311, 91st Congress, 2nd Session (1970).

81. Moynihan, op. cit., pp. 114-115, 158-159.

82. Ibid., p. 253.

83. Ibid., pp. 253, 264-268.

84. Ibid., p. 268.

85. Ibid., pp. 27, 32-34, 54-58.

86. Ibid., pp. 247-248, 272-308.

87. Ibid., pp. 365, 370-375.

88. Ibid., pp. 376-379, 395-396.

89. See Joe F. Handler, "Federal State Interests in Welfare Administration," Studies in Public Welfare, Paper No. 5 (Part 2), op. cit., pp. 1-35.

90. On August 4, 1976, the Senate Government Operations Committee approved what is known as the "sunset" bill, which is the legislative branch's counterpart of the executive's "zero-based budgeting" embraced by Jimmy Carter. If approved by Congress, it would end nearly all federal spending programs unless each one was specifically approved again over a five-year review cycle. See The New York Times, August 5, 1976, pp. 1, 13.

91. Thomas E. Cronin, "The Ford Presidency," in Dom Bonafede and Richard E. Cohen, The Presidency, 1975-76 Edition (Washington, D. C.: National Journal, 1976), p. 41.

92. See Dom Bonafede, "Administration Signals 1976 Programs," National Journal, Vol. 7, No. 34 (August 23, 1975), p. 1197.

93. The New York Times, July 23, 1976, p. 1; and Ibid., August 5, 1976, p. 12.

94. See Dom Benafede, "Presidential Focus: Domestic Program Still Being Sought," National Journal, Vol. 7, No. 25 (June 21, 1975), p. 928.

95. U. S. Department of Health, Education, and Welfare, Social and Rehabilitation Service, Fact Sheet: Child Support Enforcement Program (Washington, D. C.: May 1, 1976).

96. U. S. Department of Health, Education, and Welfare, Social and Rehabilitation Service, Fact Sheet on Welfare Recipients; and ____________, AFDC Program (Washington, D. C.: July 1, 1976); and The New York Times, August 3, 1976, p. 58.

97. Ibid.; for a complete text of the present law, see U. S. Senate, Committee on Finance, The Social Security Act and Related Laws (including Amendments through January 2, 1976), 94th Congress, 2nd Session (Washington, D. C.: U. S. Government Printing Office, February 1, 1976).

98. President Pierce's veto of the bill, Congressional Globe, 33rd Congress, 1st Session, May 3, 1854, pp. 1061-63, as quoted in Ralph E. Pumphrey and Muriel W. Pumphrey, The Heritage of American Social Work: Readings in Its Philosophical and Institutional Development (New York: Columbia University Press, 1961), pp. 133-34.

99. As quoted in Roy O. Lubove, The Struggle for Social Security, 1900-1935 (Cambridge: Harvard University Press, 1968), p. 98.

100. Moynihan, op. cit., pp. 240-241.

101. Ibid., p. 214.

102. Steiner, The State of Welfare, op. cit., p. 105; also, for a more detailed study on the shortcomings of the War on Poverty, especially on Job Corps, Neighborhood Youth Corps, Work Experience, and on the role of private enterprise, see U. S. Senate, Committee on Labor and Public Welfare, Examination of the War on Poverty: Staff and Consultants Reports, prepared for the Subcommittee on Employment, Manpower, and Poverty, 90th Congress, 1st Session, Volume I (Washington, D. C.: U. S. Government Printing Office, August 1967).

103. Moynihan, op. cit., p. 25.

104. Ibid., p. 214.

105. Ibid., p. 216.

106. See Charles E. Lindblom, "The Science of 'Muddling Through,'" Public Administration Review, Spring, 1959, p. 84 and his "Policy Analysis," American Economic Review (1958), p. 301; and Bill Cavala and Aaron Wildavsky, "The Political Feasibility of Income by Right," Public Policy, Spring, 1970, pp. 321-354.

107. Advisory Commission on Intergovernmental Relations, State Aid to Local Government, op. cit., p. vi.

108. David T. Cook, "CED Urges U. S. Assume Full Welfare Costs," The Christian Science Monitor, July 6, 1976, p. 19.

109. The New York Times, July 6, 1976, pp. 1, 15.

110. Ibid., July 14, 1976, pp. 1, 16.

111. Robert Lindsay, "Abuse Common in Jobless Benefit System," The Milwaukee Journal, August 23, 1976, pp. 1, 7.

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