

“THE NEW AMERICAN MAJORITY” AND THE CHANGING POLITICS OF WELFARE IN THE NIXON ERA

I

A month before the 1972 Presidential election, President Richard M. Nixon explained his political vision to his two top advisors:

New American Majority appeals across the board for the same reasons. Basics: Strong U.S.; Patriotism; Moral Values; Non-permissive; Welfare/work; against elites who take their money... Patriotism, morality, religion are real issues...taxes and prices...Dems always promise more....¹

The President touched on themes familiar to historians of this period: “Square America,” “heartland values,” patriotism, the “Southern Strategy.” However, Nixon’s plan for building this “New American Majority” did not rely exclusively on the so-called “Social Issue.”² Rather, the President’s imagined politics depended on a powerful socio-economic appeal to “Middle America” as taxpayers. Significantly, Nixon linked “welfare” to the “elites who take their [taxpayers’] money.”

The four-year struggle over the Administration’s Family Assistance Plan (FAP) had shaped President Nixon’s understanding of the politics of “welfare.” In August 1969, the President unveiled a “new and drastically different approach to the way this country cares for those in need.” The proposed Family Assistance Plan would have required the federal government to take responsibility for ensuring that every American family – including those in which both parents worked – received at least a minimum

¹ John D. Ehrlichman (JDE) Notes, 10/14/72, Nixon Presidential Materials Project (NPMP), White House Special Files (WHSF), Staff Member Office Files (SMOF), JDE, Box 6, File, #12

² Kevin Phillips, *The Emerging Republican Majority*, (New Rochelle, NY: Arlington House, 1969). For a Democratic response to Phillips’s work that similarly focused on the “Social Issue,” see Richard Scammon and Ben Wattenberg, *The Real Majority*, (New York: Coward-McCann, 1970).

income each year.³ Essentially a guaranteed annual income proposal for families with children, the FAP would have dramatically increased the size the U.S. welfare state, and revised the terms of the relationship between state and citizen.⁴

Three years later, the FAP lay abandoned, rejected twice by the Senate Finance Committee, reviled by conservatives and liberals alike, and disowned by the Nixon Administration. As a *policy*, the Family Assistance Plan had failed. After almost four years of debate, the Nixon Administration had convinced neither the full Congress nor the American public that its plan was a good one. As a question of *politics*, however, the FAP was hardly a defeat for the Nixon team. As Bruce Schulman has noted, by “introducing a guaranteed income program, Nixon divided his opponents and torpedoed more generous proposals for welfare reform” at the same time as he protected himself from criticism that he “fiddled while New York and other cities burned (or at least went broke.)”⁵

However, President Nixon did not introduce the FAP only to see it fail. Rather, the President was persuaded by his advisors’ arguments that the policy would help to build a “New American Majority” from the ashes of the New Deal Democratic coalition. Nixon had backed the FAP in large part because he was convinced that the program would allow him to co-opt a Democratic issue – poverty – and recast it as a Republican

³ Richard M. Nixon, “Welfare Reform Message,” Reprinted in Congressional Quarterly, August 15, 1969, pp. 1520-1523.

⁴ The concept of “citizenship” builds on the pioneering work of the postwar British sociologist T.H. Marshall. For a review of some recent work on citizenship theory, see Will Kymlicka and Wayne Norman, “Return of the Citizen: A Survey of Recent Work on Citizen Theory,” Ethics Vol. 104 (January 1994): 352-381. For a recent analysis of gendered dimensions of citizenship in American social and fiscal policy, see Alice Kessler-Harris, In Pursuit of Equity: Women, men and the Quest for Economic Citizenship in 20th Century America, (New York: Oxford University Press, 2001). See also T.H. Marshall, Class, Citizenship and Social Development: Essays by T.H. Marshall, (Westport, CT: Greenwood Press Publishers, 1973).

⁵ Bruce Schulman, The Seventies: The Great Shift in American Culture, Society and Politics, (New York: The Free Press, 2001), Chapter 1.

initiative. Because the FAP would heap the lion's share of the *new* benefits on two groups –Northern white workers and the Southern states in general – Nixon believed that it would help him to build and consolidate his “New American Majority.”

Only two years later, however, the President turned against his own policy when he recognized it as a political “loser” for both his Administration and his dreams of political realignment. At the same time, the President understood that the FAP – and the host of liberal alternatives it had spawned – could further fragment the already tenuous Roosevelt coalition. Political pressure from the right, Congressional intransigence, a flagging economy and voter hostility convinced Nixon that neither Northern workers nor poor Southerners wanted a bigger “welfare” state – even if they benefited from it. The World War II tax system had incorporated the vast majority of Americans into the state as taxpayers.⁶ At the same time, postwar compensatory liberalism had all but hidden the positive relationship between “Middle America” and the national state.⁷ Nixon understood that a politics based on an appeal to the immediate interests of the taxpayer/citizen would be more powerful than one that appealed to the *potential* interests of the citizen as a recipient of federal assistance. The ultimate defeat of the FAP in turn strengthened the political power of the taxpayer/citizen and undermined hopes for an expansive welfare state based on a more positive relationship between state and citizen.

⁶ John Witte, The Politics and Development of the Federal Income Tax, (Madison, WI: University of Wisconsin Press, 1984). See also Carolyn Jones, “Mass-Based Income Taxation: Creating a Taxpaying Culture, 1940-1952,” in W. Eliot Brownlee, ed., Funding the Modern American State, 1941-1995: The Rise and Fall of the Era of Easy Finance, (New York: Woodrow Wilson Center Press, 1996), 107-148.

⁷ Alan Brinkley, The End of Reform: New Deal Liberalism in Recession and War, (New York: Alfred Knopf, 1995); Lizabeth Cohen, A Consumers' Republic: The Politics of Mass Consumption in Postwar America, (New York: Alfred A. Knopf, 2003); Robert Collins, More: The Politics of Economic Growth in Postwar America, (New York: Oxford University Press, 2000); and Christopher Howard, “The Hidden Side of the American Welfare State,” Political Science Quarterly Vol. 108, No. 3 (1993): 403-436.

II.

On Sunday, January 8, the New York Times carried a cover story detailing fraud and abuse in the New York City welfare system. Outraged, President Richard Nixon directed his staff to get to work immediately on the “welfare” problem, telling them, the “whole thing [AFDC] smells to high heaven and we should get charging on it right away.”⁸ At the President’s request, the White House staff and Cabinet officials worked in early 1969 to draft a welfare reform plan the President could endorse.

One of the presidential aides tasked to investigate the “welfare mess” was Daniel Patrick Moynihan, the White House “liberal-in-residence.” The former Johnson Administration official urged his new boss to take decisive action to stem the welfare tide and condemned previous administrations for their failure to do so.⁹ Moynihan used his boss’s interest in the “welfare situation” in New York City to push for “national minimum standards” in the welfare program, as well as a requirement that all states participate in the optional welfare program for families of the unemployed (AFDC-UF). Convinced by Moynihan’s arguments, Nixon endorsed a national minimum standard for AFDC benefits in early February 1969.¹⁰ Soon, however, the debate within the Administration went far beyond minimum standards. On February 17, Worth Bateman, a HEW official in the Johnson Administration, wrote a memo that suggested that the working as well as non-working poor be included in any federal welfare program. Bateman argued that the Administration should pursue a welfare reform strategy that

⁸ Quoted in Vincent and Vee Burke, Nixon’s Good Deed: Welfare Reform, (New York: Columbia University Press, 1974), 45.

⁹ DPM to RF, Memorandum, 2/5/1969, NPMP, WHCF, Sub F, Executive, Box 1.

¹⁰ Burkes, 48-52.

sacrificed depth (higher payment levels) for breadth (expanded eligibility) to minimize present “inequities in the treatment of male and female headed families.”¹¹

In late February and early March, a sub-Cabinet level task force and a “working group” of technical experts developed a plan embodying these principles. Cheekily named the “Christian Working Man’s Anti-Communist National Defense Rivers and Harbors Act of 1969,” the task force proposal abolished AFDC as a federally aided program, created a negative income tax to benefit poor families and established a national welfare standard for needy adults. HEW Secretary Robert Finch approved the plan – later re-named the Family Security System (FSS) – on March 3.

Some of Nixon’s advisors, led by the economist Arthur Burns, were taken aback by these developments. To prevent the President from taking what he believed would be a disastrous political step, Burns developed his own welfare reform plan that increased the level of aid to AFDC families, but retained the categorical structure of the existing system. The proposal would have established a national minimum floor under assistance payments, required states to extend public assistance to families with an unemployed parent, improved present training programs, and imposed a work requirement while retaining state-level administration. The Burns plan was also far less expensive than the FSS alternative. According to one estimate, the FSS could cost anywhere between \$3.575 – \$4.175 billion in its first year, while the Burns plan would likely cost only slightly more than \$500 million plus \$570 million in revenue sharing payments to the states.¹²

¹¹ Quoted in Burkes 53.

¹² Peter Flanigan, “Memorandum for the President,” NPMP, WHSF, SMOF, JDE, Box 38, File: Unlabeled.

A memorandum written by Presidential aide Peter Flanigan aptly described the differences between the Burns plan and the FSS as “philosophical” and pointed out the “long term political implications” of each.¹³ The Burns group believed that the FSS was not only “objectionable on moral grounds” but also “not supported by the public.”¹⁴ This faction doubted the feasibility and desirability of including the “working poor” in any “welfare” program and warned that the FSS would weaken the “moral fibre of America” by thrusting “many millions of people... suddenly...onto the welfare rolls.” Moreover, Burns and others argued that the FSS promised the President little or no political advantage because there had been “no clamor by the working poor for income supplements.”¹⁵

The Burns plan reflected its author’s belief that the existing welfare system had distorted the labor market economy by providing benefit levels that outpaced unskilled wage rates in the regular economy. Burns argued that welfare rolls had swelled dangerously in the 1960s because the states, with the acquiescence and even approval of the federal government, had raised welfare benefits to a level where it became “increasingly attractive, from a financial viewpoint, for people to get on welfare or to stay on welfare.” Like House Ways and Means Chairman Wilbur Mills had in 1967, Burns argued that any effective welfare reform proposal must discipline and regulate not only welfare recipients, but also prodigal state governments determined to provide outrageously high public assistance payments. While certain high-benefit states bore some responsibility for increasing benefit levels, Burns believed that the federal government had encouraged the “rise in benefits” in these states. True welfare reform

¹³ Flanigan, Memorandum.

¹⁴ Maurice Stans to RMN, May 7, 1969, NPMP, WHSF, JDE, Box 40.

¹⁵ Arthur Burns, “A Plan for Welfare Reform,” July 14, 1969, NPMP, WHSF, JDE, SSF, Box 38.

would not only require recipients to work in order to qualify for benefits but would give the states a “financial incentive for keeping down the number of people on the welfare rolls.”¹⁶

As the FSS began to gain favor with the President, Burns produced increasingly dire warnings about the proposal. In July, he cautioned the President that the FSS posed the “very gravest danger for [the President], [his] Administration and the nation’s welfare.” Admitting that the FSS was an intriguing idea, Burns argued that it was ultimately and irretrievably flawed. Touching on an issue central to Nixon’s campaign to realign American politics by assembling a “new American majority” of conservative working and middle class voters in both the North and the South, Burns asked if the President had not considered whether the “addition of many more millions to the welfare rolls” might not “dangerously inflame social passions,” and add to the “uneasiness about handouts that already exists among urban white workers earning \$6000 or more?”¹⁷

Vice President Spiro Agnew too believed that the FSS would be a political nightmare for the President. Four days before the announcement of the new program, the Vice President warned that the Administration was “veering off course in considering any system which brings the addictive philosophy of welfare to those who are presently self-reliant.” Countering Moynihan’s assertions the program would help the President construct his coveted “new American majority,” the Vice President cautioned that the FSS would never “be a political winner” because it would not “attract low income groups to the Republican philosophy.” Rather, Agnew argued, the proposal would start off a bidding war among political opponents in Congress. Likewise, Flanigan cautioned that

¹⁶ Burns, “A Plan for Welfare Reform.”

¹⁷ Burns to RMN, July 12, NPMP, WHSF, JDE, SSF, Box?.

once the federal government had assumed responsibility for the finances and administration of welfare, the political pressure to raise benefits would be extraordinary and directed exclusively at the federal government.¹⁸ Moreover, neither the press nor the public would praise the President for his far-sightedness but rather would compare unfavorably his “niggardly ideas against the progressive proposals of the Kennedy/Muskie Democrats.”¹⁹

While the Burns group pressed for its less comprehensive reform plan, the group led by Finch, Moynihan and Labor Secretary George Shultz dedicated itself to selling the FSS to the President. FSS proponents usually framed the issue in broadly political terms urging President Nixon to take a bold step to solve the welfare “mess,” ensure his own political legacy, and deal a death blow to the Democratic party. While Agnew warned that the FSS would alienate the white working class, the plan’s supporters argued just the opposite, framing the proposal as a key ingredient in the recipe for the new American majority.

An April 4 draft report of Moynihan’s Committee on Welfare argued forcefully that the FSS would “appeal to conservatives and liberals alike who are distressed by present welfare policies” and “demonstrate that the new Administration is addressing itself to underlying issues rather than tinkering with narrow, single purpose programs.”²⁰

In late April, Finch defended the program as a fundamentally conservative one, and stressed the program’s commitment to both market principles and individualism.

According to the HEW Secretary, the Shultz plan’s inclusion of the working poor was

¹⁸ Flanigan, “Memorandum to the President.”

¹⁹ Agnew to RMN, “Memo: FSS”, August 4, 1969.

²⁰ Committee on Welfare of the Council for Urban Affairs, “Draft Report,” April 4, 1969, NPMP, WHSF, JDE, SSF, Box 38.

“not basically a ‘leftish’ or liberal initiative, but rather an essentially conservative one.”

Sensing Nixon’s interest in the political implications of the proposal, Finch argued that while the plan would appeal to liberals, it also advanced, rather than undermined, conservative principles. According to the HEW Secretary, the plan was “essentially a move toward placing government assistance directly in the hands of the poor themselves, so that the individual has the option to deal with his own problems.”²¹

Proponents of the FSS capitalized on Nixon’s overwhelming desire to differentiate his administration both from its Democratic predecessors and Republicans in Congress. Those favoring the FSS claimed that their plan would provide the Nixon administration with a “vision of its entire strategy on domestic programs,” something uniquely Nixonian, distinct from and superior to the failed Great Society vision.²² Moynihan especially exploited Nixon’s hostility toward the Johnson and especially Kennedy Administrations and in early 1969, skillfully manipulated Nixon’s known antipathy toward the Great Society to push Nixon into endorsing the FSS. Arguing that the new program would diffuse Congressional pressure to “use up whatever extra resources you have” to expand existing social programs across the board, Moynihan urged the President to propose a “genuinely new, unmistakably needed program.” In case Nixon had missed the rather obvious point, Moynihan then reminded the President that the FSS could be an important weapon in the war on the War on Poverty because it would allow him to resist the “pressures endlessly to add marginal funds to already doubtful [Great Society-era] programs.”²³

²¹ Robert Finch, “Memo: Response to Burns Memo,” April 30, 1969, NPMP, WHSF, JDE, SSF, Box 40.

²² HEW Memorandum, July 14, 1969, NPMP, WHSF, JDE, SSF, Box 38.

²³ Moynihan to RMN, DATE?, NPMP, WHSF, JDE, SSF, Box 38, File: Welfare Book, 2 of 2.

Moynihan also argued that the FSS gave Nixon the opportunity to steal the poverty issue from the Democrats. In April, he suggested that the President needed to act quickly to prevent the new “Kennedy-McGovern issues” or “old Johnson programs” to dominate the domestic reform agenda.²⁴ A month later, Moynihan urged Nixon to “dominate the social transformation” of fundamental welfare reform: “I would argue that if you move now, you will dominate the discussion. Congress will be discussing your proposal. It hardly matters what final form it takes or how many times we change position in the process. The end result – if you wish it to be – will be your change.”²⁵ In other words, the FSS would allow Nixon to argue that existing social programs had become redundant and permit his Administration to oppose their continuation – and the political benefits that might accrue to the Democrats as a result – without being seen as an enemy of the poor.²⁶

Contemporary critics and later historians have accused – or praised – the Moynihan and Finch group of cloaking an essentially “liberal” program in “conservative” rhetoric in order to sell it to the President and to the public. On August 9, for example, a New York Times columnist praised the President for hiding a “remarkably progressive policy in conservative language.”²⁷ This interpretation, however, assumes a static and monolithic definition of both “conservatism” and “liberalism.” If anything, debate over the Nixon welfare plan – both before and after its introduction – suggests the shifting terrain of both political ideologies. Close study of Nixon’s welfare proposals, and its

²⁴ Moynihan to RMN, April 11, 1969, NPMP, WHSF, JDE, SSF, Box 40.

²⁵ Moynihan to RMN, May, 1969, NPMP, WHSF, JDE, SSF, Box 38, File: Welfare Book, Reports and Speeches, 2 of 2.

²⁶ For an example of President Nixon’s antipathy toward Great Society programs, see RMN to JDE, January 9, 1970, NPMP, WHSF, SMOF, JDE, Alphabetical Subject Files, Box 18, File: “Scrapbook 2 of 2.”

²⁷ Quoted in Robert Asen, “Nixon’s Welfare Reform: Enacting Historical Contradictions of Poverty Discourses,” Rhetoric and Public Affairs, Vol. 4, No 2 (2001): 263.

contested legislative history and political legacy, shows that this fluidity reached beyond the narrow confines of AFDC policy, and indicates that the political history of the late 1960s and early 1970s is as much about the victory of a specific version of conservatism as it is the decline of a unique iteration of liberalism.²⁸

III.

Both the Burns group and the FSS group recognized that the President was less interested in the policy details of the respective proposals than their political implications. Nixon historian Allen J. Matusow has written of President Nixon: “In his conduct of domestic policy and management of the U.S. economy, politics provided whatever consistency there was and dissolved the apparent contradictions.”²⁹ The history of Nixon’s welfare proposal bears out this conclusion. From the start, Nixon worried about both the long and short-term political implications of the FSS.

In late May 1969, Nixon had read Pete Hamill’s “Revolt of the White Lower Middle Class” in New York Magazine and directed Burns and others to summarize its salient points and “indicate what the government can do about it.” Burns’s response, which Nixon read carefully, used Hamill’s article to convince the President to reject the FSS. According to Burns, the article suggested that the white working class had become increasingly angry at a government that ignored its needs and declining standard of living, while providing ever-greater welfare benefits to “some fat welfare bitch.” According to Burns, the Hamill article provided a “clear, and perhaps a not too early, warning to government that new spending programs, higher taxes, and romantic promises

²⁸ Asen, 276.

²⁹ Alan J. Matusow, “Nixon’s Economy: Booms, Busts, Dollars and Votes,” (Lawrence, KS: University of Kansas Press, 1998), 1.

of urban reconstruction are not welcomed as words of wisdom by many millions of the white working class.”³⁰

Burns noted too that the standard of living among the white working class had declined in the previous three or four years and pointed out the “growing tendency for the ordinary white worker in the larger cities to blame the government, the intellectuals and the Negro for this condition.” Calling the President’s attention to the “bitterness of the urban white worker, who feels he is supporting Negroes on relief as a result of the machinations of vote-hungry politicians,” Burns concluded that this “social and political fact of first rate importance” should convince the President to back quickly away from the FSS. Still pushing his own plan, Burns argued that the FSS would “guarantee an income to people who refuse to work or otherwise improve their condition” and so necessarily would “enhance the growing bitterness of the white lower middle-class and may lead to disaster.”³¹ Nixon believed this point was “crucial” and directed presidential aide John Ehrlichman to tell “Shultz, Finch, Moynihan, et al” to “consider the implications and find an answer.”³²

Shultz responded to the President’s request by ceding the validity of Hamill’s observations – which largely mirrored Nixon’s own – but rejecting the policy conclusions drawn by Burns. In a memo to the President, Shultz described the white working class as “immigrants or sons of immigrants” who felt “insecure about their own place in the

³⁰ Burns to RMN, “Memorandum: A Review of the ‘Revolt of the White Lower Middle Class’ by Pete Hamill,” May 26, 1969, NPMP, WHSF, SMOF, JDE, Box 39, File: “Attitudes toward Welfare.” For a reprint of the Hamill Article, see Louise Kapp Howe, ed., The White Majority: Between Poverty and Affluence, (New York: Random House, 1971), Chapter 1.

³¹ Burns to RMN, “Memorandum: A Review of the ‘Revolt of the White Lower Middle Class’ by Pete Hamill,” May 26, 1969, NPMP, WHSF, SMOF, JDE, Box 39, File: “Attitudes toward Welfare.” See also, Burns to RMN, June 6, 1969, NPMP, WHCF, Sub F, DHEW, Executive, Box 1,

³² Butterfield to JDE, Memorandum, June 2, 1969, NPMP, WHSF, SMOF, JDE, Box 39, File: “Attitudes toward welfare.”

mainstream of American society.” Shultz continued, “they tend to live in neighborhoods that blacks are most likely to move into and whose schools black children might attend. They sometimes have jobs that they feel blacks might aspire to.”³³ However, Shultz argued that the FAP would ameliorate rather than exacerbate this hostility and insecurity because it would extend federal largesse to the white working class unfairly excluded under the existing system.

Nixon further directed his staff to focus on the politics of the program, rather than the policy details. His instructions reflect both his belief and his hope that the Family Assistance Plan – the name FSS was discarded after Commerce Secretary Maurice Stans noted that it sounded too “New Dealish” – would earn him support among the white working and lower middle classes. According to Ehrlichman’s notes, the President directed his speechwriters to address the welfare message to the “working poor and taxpayers,” rather than those currently on welfare, or the “black unemployed,” and to use the phrase “off the welfare rolls and onto the tax rolls” as often as possible. Seizing on the welfare message as a way to mark poverty policy with his own imprimatur, Nixon wanted the speech to stress that his was “a brand new approach,” necessary because the current welfare system, implicitly the product of Democratic Administrations and Democratic Congresses, was an “utter failure” whose continued existence could have “dire results for the nation.”³⁴

Nixon’s directions to his staff to direct the welfare message toward the implicitly white “working poor and taxpayers” and not toward the implicitly black welfare recipients or the explicitly “black unemployed” also suggest that the president planned to

³³ Shultz for President, May 16, 1969, quoted in Matusow, 28.

³⁴ JDE Notes, No Date, NPMP, WHSF, SMOF, JDE, SSF, Box 38, File: “Welfare Book, Domestic Speech, August 8, 1969.”

use “welfare” as a way to woo the white working and marginally employed poor into his “new American majority.” Nixon was swayed by the demographic and regional evidence the FAP group marshaled in defense of its preferred program. The FAP specifically redirected federal welfare funds toward the Southern states and the white working and lower middle classes, reversing the existing system’s tilt toward non-white urban families.³⁵ According to a White House briefing sheet released on August 8 to coincide with the Presidential welfare message, the “principal new group made eligible for cash assistance under the proposal is ‘working poor’ families headed by males employed full time.”³⁶

Nixon also hoped use the FAP to shore up his support in the South. Although the 1968 election had shown the South to be disenchanted with the national Democratic party – although still loyal to local elected officials – George Wallace’s third party candidacy had demonstrated that the Southern states were not yet ready to give their votes to the Republican party. By directing federal dollars towards the South, Nixon hoped to reverse that region’s historical allegiance to the Democrats.³⁷ Immediately following his speech, Nixon had deputed Ehrlichman to find out how the proposal had gone over in the South, and was doubtless gratified to learn that it had met with “very favorable comments.”³⁸

³⁵ JDE to RMN, “Memo,” August 12, 1969, NPMP, WHSF, SMOF, JDE, SSF, Box 38, File: Welfare Book, Reports and Speeches, 2 of 2.

³⁶ White House, “Fact Sheet: President’s Welfare Reform Proposals,” August 8, 1969, NARA, RG 233, WM, Bill Files: HR 1, Box 34.

³⁷ According to the Ways and Means Committee, the vast majority of the new benefits would go to the Southern states. See Bill Fullerton to John Martin, February 6, 1970, NARA, RG233, File: HR 14173: Byrnes. The exception to this regional distribution was California which received more in projected savings than any other state (\$107,000,000). New York, the next highest saver would receive an estimated 44,000,000. This distribution had the political benefit of helping out two Republican governors, Ronald Reagan in California and Nelson Rockefeller in New York.

³⁸ Harry Dent to JDE, Memorandum, August 11, 1969, NPMP, WHSF, SMOF, JDE, SSF, Box 38.

Nixon delivered his welfare address to a nationwide television audience on August 8, 1969. The President lamented the nation's "urban crisis...social crisis...and...crisis of confidence in the ability of government to do its job." This "crisis rhetoric" both called attention to the abject failure of the present system and made immediate action imperative.³⁹ The speech also condemned previous administrations for their complicity in creating the crisis, accusing them creating a "bureaucratic monster." Nowhere, Nixon claimed, was this monster, this "failure of government" more "tragically apparent than in its efforts to help the poor and especially in its system of public welfare."⁴⁰ Reflecting contemporary critiques of the War in Vietnam, another "policy disaster" associated with the Johnson Administration, Nixon bemoaned the "quagmire" of the present system and judged it a "colossal failure."

While the speech implicitly attacked the policies of previous administrations it *explicitly* attacked the national state and questioned the "continuing capacity of government to master the challenges we face." Because this challenge to the state was contained within an address on "welfare," Nixon's speech both reflected and reaffirmed the discursive link between the two. Robert Asen has astutely noted that Nixon's speech encouraged his auditors – the public – to see "welfare" as a representative of government, and its problems a synonym for "government failure." This rhetorical device "heightened a mood of crisis as audience skepticism toward government coupled with hostility toward welfare."⁴¹ However, Nixon's speech also reflected a belief that the state could do better

³⁹ Asen, 269.

⁴⁰ "Text of President's Welfare-Workfare Speech," Congressional Quarterly, Vol. 27, no 33 (August 15, 1969): 1517.

⁴¹ Asen, 270.

for both the poor and the taxpayer – a faith in government notably absent from contemporary conservatism.

According to an informal internal poll taken by the White House, initial public reaction to the speech and to the President's proposal was by and large favorable.

According to White House documents, the overwhelming majority of telegrams and telephone calls received by the White House on the subject in the two weeks following the August 8 speech were in favor of both the plan and the President. Other polls indicated positive reaction to the President's speech and program as well. A Gallup poll taken a week after the President's speech, for example, indicated that 65% of those who knew of the program approved of it.

IV.

Nixon's Family Assistance Plan would have guaranteed every American family an annual income of \$500 for the first two members of the family with \$300 for each additional member. The proposal also provided a "work incentive" by allowing recipients to keep the first \$720 of any earnings, plus one half of any additional income. Families would retain FAP eligibility (with declining FAP benefits) until total family income reached \$4000/year. According to the program's architects, the plan was designed so that families would always be better off if they worked than if they did not. More importantly, this program design would extend benefits to the working poor who had been excluded under the existing program.⁴² The proposal also required individual states to "supplement" the federal FAP benefit in order to maintain current standards of relief.

⁴² Davies, 214.

The Nixon Administration knew that it needed the support of Ways and Means Chairman Wilbur Mills to get its bill passed, and did not expect this support to come easily. The Administration ran into trouble early. In October, Labor Secretary George Shultz noted the committee's "skepticism and hostility" toward the proposal. Expecting stiff resistance from Mills, however, the Administration had designed both its program and its presentation to address the Chairman's specific concerns about the existing system. Mills especially was concerned to discipline both high benefit states and profligate welfare recipients. Knowing this, the Administration witnesses often tailored their testimony before the Ways and Means Committee to these concerns. The FAP, the Administration argued, would allow Congress to regain control over federal welfare dollars and to control extravagant state spending. Nixon aide Robert Patricelli followed this script in his October 1969 testimony, arguing that the current system denied Congress the ability to "control...the allocation of its own resources to poor children."⁴³ Calling AFDC an "open invitation to raids on the Federal Treasury," Patricelli claimed that the FAP would grant Congress more power to control federal welfare spending.⁴⁴

The Administration eventually convinced both Mills and Ranking Member John Byrnes (R-WI) to support their welfare proposal. On April 13, 1970, with the support of both men, the Ways and Means Committee reported out a bill (HR 16311) embodying most of the President's welfare reform proposals. Like the Administration plan, the Ways and Means bill established a \$1600/year federal income guarantee for a family of four and required that states supplement the federal benefit with state money to ensure

⁴³ Robert Patricelli, WM Hearings, 2 of 7, 360.

⁴⁴ Patricelli, WM Hearings, 1 of 7, 343-344.

that no one would be “worse off” under the new system.⁴⁵ The Committee bill also increased fiscal relief for the states and raised the federally mandated floor on adult minimum payments by \$20 over the Administration proposal. On April 16, the full House voted to approve the welfare legislation by a comfortable margin (243-155).

Most observers expected the Senate Finance Committee to report the “welfare measure in a form not to different from that of the House.”⁴⁶ The Senate panel, however, defied expectations and dealt a serious blow to the policy’s chances in late April when it postponed hearings on the House-passed legislation and directed the Administration to “reassess the adequacy of the Family Assistance Plan in light of the comments and observations of the Committee Members.”⁴⁷ Attacks came from both the left and the right. The Committee’s conservative chairman, Russell Long (D-LA), called the proposal the “most extensive, expensive and expansive welfare legislation ever” which both increased welfare expenditures and included significant “disincentives to work.”⁴⁸ Committee liberals took the opportunity to lambaste the Administration’s plan as grossly inadequate. Senator Abraham Ribicoff (D-CT), a former DHEW Secretary in the Kennedy Administration, introduced a series of amendments to liberalize the program by raising the minimum benefit level and including childless couples. The Finance

⁴⁵ States were required to supplement the federal FAP benefit up to the level of its January 1970 AFDC benefit, or the poverty line, which ever was lower. The legislation did not require state supplementation for the “working poor.”

⁴⁶ “Nixon Welfare Plan Attacked in Senate,” New York Times, April 30, 1970, p. 1, in NARA, RG 46, SFC, Box 69A, File: Administration Material.

⁴⁷ SFC, Press Release: “Family Assistance Plan Finance Committee Hearings Postponed,” May 1, 1970, NARA, RG 46, SFC, BF: HR 16311, Box 65.

⁴⁸ These disincentives included “notches” created by the interaction of the FAP with in-kind public assistance programs like Medicaid or public housing assistance. Senator John Williams, a conservative Republican from Delaware, exploited these “notches” to torpedo the Administration’s proposals during the first days of the Finance Committee’s hearings. Using charts prepared by the DHEW, Williams demonstrated that these notches created perverse incentives for people to stay on welfare or risk losing other public assistance benefits. For a description of these charts, see Burkes, 153-157.

Committee's decision to postpone hearings slowed the FAP's momentum and fatally injured its chances for passage in the 91st Congress.

In late June 1970, the Administration submitted a revised plan to the Finance Committee. Although the Administration had addressed many of the Committee's concerns, Long, Senator John Williams (R-DE) and others' hostility to the program had deepened, even as their attacks shifted to new ground. According to Long, the new proposal was a "worse bill – and a more costly bill – than the measure which passed the House." Perfectly willing to sacrifice ideological purity or logical coherence to undermine the proposal, Long attacked not only the Administration proposal's high price tag, but its also failure to provide recipients with higher benefits. The Finance Committee Chairman at once castigated the program as a "massive and costly experiment" that would "cost...a staggering \$9.1 billion," *and* attacked the Administration plan for shortchanging the working poor.⁴⁹ In short, the Administration was damned if it did, and damned if it didn't. And Russell Long was damned if he was going to let the FAP – whatever version – become law.

While the Administration struggled to find a proposal that would pass Committee muster, Chairman Long directed the Finance Committee staff to draft an alternative welfare reform plan based on the principle that only those deemed unable to work should be eligible for any "welfare" payment at all. Long's alternative proposal, completed in August, 1970, distinguished "between welfare and workfare" by creating one welfare program for single mother families with children under the age of four and a voluntary "workfare" program for all other groups. Like the House-passed FAP, these "workfare"

⁴⁹ Russell Long, "Hearings on the Administration Revision of the Family Assistance Plan: Opening Statement," Press Release, July 21, 1970, NARA, RG 46, SFC, Bill Files: HR 16311, Box 65, File: Finance Press Release.

and “welfare” programs would be federally funded. The Finance Committee argued that its alternative would limit the pool of “welfare” eligibles and reduce the number of persons in families receiving “welfare” by about four million.

Chairman Long’s “workfare” plan offered a different and competing conservative welfare vision than the Administration proposal. Under the committee bill, the new “workfare” program – which the Committee tentatively named the “Family Self Help Plan” – would be fully voluntary and provide everyone who wanted one with a job. To ease the transition from welfare to work, the Committee alternative would have provided an additional \$4 billion over current AFDC spending levels for “massive day care programs and massive job development programs.”⁵⁰ By dividing the welfare poor into those “able to work” and those “unable to work” and establishing different programs for each group, the Long plan re-enacted the historical division between the “undeserving” and the “deserving” poor. However, this conservative welfare reform also saw an expansive role for the state in the provision of job training and public works, as well as a massive new childcare infrastructure.

With a fully developed alternative of its own, the Finance Committee was in no mood to pass the President’s proposal. The Committee’s conservatives disagreed with it on principle, and the Committee’s liberals had no reason to give Nixon a political win when his own party seemed unwilling to do so. Although the Administration had almost no chance of getting its Family Assistance Plan through the Finance Committee, Nixon continued to support the bill publicly and reject any Congressional compromise proposals. For the President to abandon the FAP, after labeling it the Administration’s

⁵⁰ Staff, SFC, “Outline of an Alternative Proposal: Staff Draft,” August 19, 1970, NARA,, RG 46 SFC, Bill Files: HR 16311, Box 65, File: Staff Material/Pink Copies.

“number one domestic legislative priority,” in order to endorse a *Democratic* (albeit conservative) alternative would be an unforgivable sign of weakness. As Nixon told his domestic staff on August 27, the Administration, whatever its reservations “must be for it [FAP]” and that it must “just get something done” or risk losing the “only major social reform of this Admin[istration]”⁵¹

Despite his misgivings about the proposal, then, Nixon felt he was wedded to the FAP and following the conclusion of the Senate’s public hearings, the Administration began an intense lobbying campaign on behalf of its program. On September 2, the President met with five key members of the Finance Committee to work out a compromise. Telling the Senators that they were the “future of the proposal,” the President reiterated his support for the FAP and his commitment to work requirements. Nixon knew that Americans, especially those in the lower income brackets who had to “live with the welfare recipient” were “fed up” with the entire mess, and would insist that any new welfare program include a strong work requirement. The “blue collar man,” Nixon told the Committee members, “must be sure we aren’t adding a great number to the rolls.”⁵²

Despite the President’s personal appeal to the Finance Committee leaders, however, the panel decisively rejected the FAP by a vote of 1 to 14 on October 8, 1970.⁵³ The Committee also rejected, by a narrower margin (4-9) a compromise proposal negotiated between Senator Ribicoff and the Administration. The Ribicoff alternative, worked out between the Connecticut Democrat and Ehrlichman after the President’s September 2 meeting, would have provided for a one year test of the Administration

⁵¹ JDE Notes, August 27 1970, NPMP, WHSF, SMOF, JDE, Box 4, File #3.

⁵² JDE Notes, September 2, 1970.

⁵³ The sole vote in favor of the motion was Sen. Harris.

proposal in several areas, followed by the automatic enactment of the program nationwide “unless Congress acted to prevent it.”⁵⁴ Instead, the Committee voted in favor of a much weaker test program that required only that a report be submitted to Congress for further study at some future date.

Nixon took the Finance Committee’s failure to act on the FAP as a personal affront, and reacted angrily both toward the Committee members and the inept and impotent Senate Republican leadership. In an early morning meeting on December 19, the President told Shultz and Ehrlichman to make “no deal” with the Senate and to “force a vote” on the FAP, even if it meant that the Senate would have to hold “all-night sessions” on “every day but X-mas.”⁵⁵ Over the next few days, however, GOP leaders in Congress, including Senate Minority Leader Hugh Scott (R-PA), managed to convince the President that keeping the Senate in session any longer than necessary would only hurt the Republicans – and the President – politically. The President’s party, not the Democrats, would be blamed for sinking not only the FAP, but other domestic legislation, including a widely popular social security increase. Rather than push the Senate further and risk a political backlash, President Nixon and his advisors agreed to shelve the FAP and reintroduce it in the next Congress as the Administration’s “top priority.”⁵⁶

⁵⁴ Yeas: Ribicoff, Harris, Bennett, Long; Nays: Anderson, Talmadge, McCarthy, Byrd, Williams, Curtis, Miller, Jordan, Hansen. Ribicoff and Ehrlichman had agreed that this was a “good campaign position” for members of both parties insofar as it allowed time to “work out the bugs” in the system. JDE Notes, September 2, 1970.

⁵⁵ JDE Notes, December 19, 1970, NPMP, WHSF, SMOF, JDE, Box 4, File: #7.

⁵⁶ JDE Notes, December 21, 1970, NPMP, WHSF, SMOF, JDE, Box 4, File:7.

V.

On December 30, 1970, the President met with Shultz, Ehrlichman, Moynihan, members of the Senate Finance Committee and the GOP Congressional leadership to agree on a legislative strategy for achieving welfare reform in the coming Congress. Moynihan had already left his official White House post, but, agreed to “come down and help on the lib[eral]s”; Richardson would “work the committee” and newly appointed Treasury Secretary John Connally would “work [conservative Georgia Democrat Herman] Talmadge.” The President recognized that this turn to the right “may be hard for ER [Eliot Richardson] and DPM [Pat Moynihan] to take” but believed that “practical politics require leaning to (Talmadge) middle-roads.”⁵⁷ The President, his staff and Congressional leaders all agreed that the FAP must have the support of conservative Southern legislators, “stop some of the cheating, and “do more for people, but [include] no disincentive to work” in order to have a chance. The Nixon team decided to “sell” the program to the “center.”⁵⁸

To drum up Congressional and public support for the FAP, the Administration knew it had to address the politically treacherous question of work incentives. Before introducing the bill (HR 1) in late January, Chairman Mills warned HEW Secretary Richardson that if the Administration did not address the work disincentives Long and others had found in the 1969 proposal, the FAP would “not be well enough protected” to pass Finance Committee muster.⁵⁹ In February, the Department of Labor submitted a

⁵⁷ JDE Notes, December 30, 1970, NPMP, WHSF, SMOF, JDE, Box 4, File: #8

⁵⁸ The Administration hoped that this rightward shift would not alienate liberal Democrats and Republicans, and hoped these lawmakers would support the President’s program, if for no other reason than they had no “where else to go.” See JDE Notes, December 30, 1970, NPMP, WHSF, SMOF, JDE, Box 4, File #8.

⁵⁹ Mills to Richardson, January 12, 1971, and Martin, “Memorandum for the Chairman: Proposed Letter to Secretary Richardson, attached,” January 13, 1971, NARA, RG 233, Bill File, HR 1, Box 35, File: None.

memorandum to the President regarding its plans to modify the FAP proposal to “remove any doubt with respect to the intentions of the Administration to include a strong and credible work requirement.” These proposals included a system of public employment, expansion of training programs and the imposition of more severe penalties for the refusal to accept work or training.⁶⁰

Following a month of closed meetings with the Ways and Means Committee, the Administration submitted a modified welfare reform bill to the House panel. The revised proposal aimed to short circuit criticism that the program discouraged work by appropriating the Finance Committee’s concept of separate programs for “employables” and “unemployables.” The Administration proposed to create two new programs, the Family Assistance Plan for “unemployables” and the Opportunities for Families (OFF) for the “employable.” The OFF would be administered by the Department of Labor, while the FAP would remain with the DHEW. According to an internal DHEW memorandum, this transfer of administrative authority would be more than an “exercise in paper processing” but could be expected to “yield very real programmatic, administrative, political, fiscal and social results.” Specifically, the memorandum argued, “public misunderstanding about the responsibility of welfare or FAP in regard to employables would be allayed.... This administration could truly take credit for removing unemployed but employable persons from welfare.”⁶¹ President Nixon put it more succinctly when he observed that putting the DHEW in charge of welfare was like “having an alcoholic bartender”

⁶⁰ DOL Memorandum for the President: Strengthening the Work Requirement, February 23, 1971, NPMP, WHCF, Sub. F, DHEW, Executive, Box 3, File: Ex FG23, 1/1/71-3/31/71.

⁶¹ DHEW, Memorandum: “Transferring Trainable Welfare Recipients to the Department of Labor,” NARA, RG 233, WM, Box 31. File: None.

The Ways and Means Committee reported the bill on May 26. Arguing before the Rules Committee, Chairman Mills invoked the rhetoric of crisis that so often characterized debates about AFDC, urging his colleagues to immediate action. According to Mills, the Committee had “found a large and growing lack of confidence on the part of the *taxpaying public* that assistance goes only to those who need it.... we found understandable bitterness from those who must depend for help on...[the] system....We found incentives for more and more welfare less and less work, and for family disintegration.”⁶² A few days later, Mills ratcheted up the rhetoric even further. In his address to the full House, the Chairman argued that AFDC allowed “high paid seasonal workers to get welfare benefits,” permitted families with incomes up to \$11,000 a year to collect benefits, enabled women to go “into the welfare office three and four times” and permitted them to collect “three or four benefits for the same family.” Mills urged his colleagues to support HR 1 not because it would provide the poor with much needed financial assistance, but rather because the alternative was to “keep this [welfare] monster alive.”⁶³ On June 22, the House voted in favor of the bill by a solid 288-132 margin.

Despite his insistence that the Ways and Means Committee bring up and pass the Family Assistance Plan quickly, President Nixon had cooled on the proposal as early as March 1971 – two months before the Ways and Means Committee had even reported a bill. Republican losses in the 1970 mid-term elections had undermined the President’s faith in his plan to attract lower middle and working class voters into a political coalition

⁶² Wilbur Mills, Statement to Rules Committee, NARA, RG 233, WM, Bill Files: HR 1, Box 34, File: None.

⁶³ Mills, “Statement of the Honorable Wilbur D. Mills on the Motion to Strike Title IV,” NARA, RG 233, WM, Bill Files: HR 1, Box #35, File: None.

by extending to them the benefits of the “welfare state.”⁶⁴ Equally important, conservative grumbling grew louder immediately before and after the midterm elections. In August 1970, a columnist for the conservative National Review had warned the Administration that its “move to the left” would “serve no useful political purpose.” Just before the November elections, another National Review columnist noted that “nearly everything required for Republican success” was visible. Given the “power of the suburbs...the splintering of the liberal labor alliance, and the susceptibility for the South to GOP penetration,” the magazine noted that only a failure of “political leadership” could explain anything but large Republican gains. The author concluded that the Administration was ill-served by programs, like the FAP, that were “geared to the idea of co-opting the welfare-liberal vote of yesteryear.” Following the election, the magazine noted a “mounting disquiet” among conservatives “concerning the course of the Nixon Administration,” especially with regard to those programs “borrowed from the agenda of liberal paternalism.”⁶⁵

President Nixon’s more conservative advisors, including speechwriter Patrick Buchanan, shared these concerns and had long doubted the “efficacy and political wisdom” of the FAP. In early February 1971, Buchanan warned that if the FAP passed, the President was “liable to go down in history...as the President who doubled the welfare rolls.” Buchanan also argued that the FAP would hurt rather than help the President among working class voters. “By bringing the working poor into welfare,” he warned, the President risked “dragging back” those “men and women who were

⁶⁴ “Effects of the ’70 Vote...” US News and World Report, November 16, 1970, 22.

⁶⁵ Cato, “What about Ehrlichman,” National Review, Vol. 22, No. 31, August 11, 1970, 830.; M. Stanton Evans, “In Quest of the New Majority,” National Review, Vol. 22, No. 43, November 3, 1970, 1161; Frank Meyers, “Mr. Nixon’s Course,” National Review, Vol. 23, No 3, January 26, 1971, 86.

themselves moving into the lower middle class.”⁶⁶ Like the contributors to the National Review, Buchanan feared the President’s plan to co-opt some Democratic Party positions had cost him the support of the “conservative foot soldiers” of the “Goldwater Legions” who had grown “sullen, bitchy and angry” since the 1968 election.⁶⁷ Buchanan later concluded that the President’s primary liability within his own party was the “appearance that he has been behind some welfare giveaway program.”⁶⁸

The President himself grew more and more anxious that the FAP was a political “loser” that “would add numbers to the rolls to malingers,” and privately began to back away from the most progressive aspects of his own program.⁶⁹ In early April, Nixon expressed fear that the Administration was “on a bad wicket” on welfare. That same day, he ordered his deputies to “drop the working poor” because they “had always existed.” More importantly, however, Nixon suspected that the majority of voters had no interest in adding to the welfare rolls and would likely come out against “providing aid to working families.”⁷⁰ The President later described the idea that his plan might add more people to the rolls as “political dynamite.”⁷¹ On April 4, the President directed speechwriter William Safire to draft a “hard tough” welfare message that stressed “getting people into jobs” while “taking care of those in need.” The President also told Safire to highlight the

⁶⁶ Patrick J. Buchanan to JDC, Memorandum, February 3, 1971. NARA II, NPMP, WHSF, SMOF, PJB, Box 1, File: “2/71.”

⁶⁷ Buchanan and Richard Khachigian, “Assault Strategy,” June 6, 1972, NARA II, NPMP, WHSF, SMOF, PJB, Box #2, File: “June, 1972.” On the grassroots conservative movement, see Lisa McGirr, Suburban Warriors: The Origins of the New American Right, (Princeton, NJ: Princeton University Press, 2001). See also Rick Perlstein, Before the Storm: Barry Goldwater and the Unmaking of the American Consensus, (New York: Hill and Wang, 2001).

⁶⁸ Buchanan, “Memorandum to the President, Per John Ehrlichman,” December 15, 1971, NARA II, NPMP, WHSF, SMOF, PJB, Box 1, File “12/71.”

⁶⁹ JDE Notes, March 8, 1971, NPMP, WHSF, SMOF, JDE, Box 5, File: #1; JDE Notes, March 5, 1971, NPMP, WHSF, SMOF, JDE, Box 5, File: #1

⁷⁰ JDE Notes, April 2, 1971, NPMP, WHSF, SMOF, JDE, Box 5, File: #2.

⁷¹ JDE Notes, May 13, 1971, NPMP, WHSF, SMOF, JDE, Box 5, File: #3.

alleged injustice of welfare to the “working man,” and tailor his remarks to the man who was justifiably “mad” at the “horrible example” of the welfare recipient next door.⁷²

Governor Ronald Reagan’s efforts to bring the California welfare system under control in the spring of 1971 provided yet another alternative model for “conservative” welfare reform. Like the President, Reagan hoped to use “welfare reform” to consolidate his support among the “silent majority” of American workers. In a March interview with U.S. News and World Report, the California Governor noted that the “rank and file of organized labor,” were “fed up to the teeth” with AFDC.⁷³ Resisting the trend toward greater federalization, Reagan instead proposed to tighten eligibility requirements, increase local and state control, reduce costs and coerce increasing numbers of recipients into paid work. The California plan decisively rejected both the President’s guaranteed income approach and the rehabilitative ethos of the 1950s and 1960s.⁷⁴ Instead, the Governor imagined a drastically scaled back welfare system in which only the “truly needy” would be eligible for any kind of public assistance. Defending his program, the Governor often focused on the costs of the current system or the FAP alternative to the individual taxpayer.⁷⁵ The California model for “welfare reform” appealed to the working and lower middle classes not as a group unfairly excluded from the benefits of

⁷² JDE Notes, April 14, 1971, NPMP, WHSF, SMOF, JDE, Box 5, File: #3.

⁷³ “Interview with Governor Reagan: Welfare, America’s No. 1 Problem,” U.S. News and World Report, March 1, 1971, 39.

⁷⁴ For more on the “rehabilitative” consensus, see Edward Berkowitz, Mr. Social Security: The Life of Wilbur J. Cohen, (Lawrence, KS: University of Kansas Press, 1995); See also Jennifer Leigh Mittelstadt, “The Dilemmas of the Liberal Welfare State, 1945-1964,” (Ph.D. diss., The University of Michigan, 2000).

⁷⁵ In the summer of 1970, for example, Reagan claimed that the FAP would “increase federal spending by as much as \$15 billion a year.” According to the governor, this meant “an average increase of \$275 a year from every taxpayer.” Quoted in National Review, Volume 22, No. 27, July 14, 1970, 718.

the liberal state, but rather as “taxpayers” who bore the unfair burden of supporting the “loafing classes.”⁷⁶

In addition to skewering the federal government and implicitly condemning the FAP, Reagan’s message drew on well-established notions of the deserving and undeserving poor, recasting these tropes in the modern language of tax politics. The Governor characterized the existing welfare system as “replete with inequities that overpay the less needy...while underpaying the truly needy” and subjecting the taxpayers to increasing burdens each year. The present system, Reagan argued, “satisfies no one – neither the taxpayer who is forced to shoulder an ever greater burden to feed its avaricious appetite, nor the person who depends on it as his only source of life support.” Forbearing to attack the “destitute...who have nowhere else to turn for the most basic minimum requirements of living,” Reagan instead blamed the spiraling rolls on the chronic welfare cheat and her federal enabler. This rhetorical strategy not only absolved the Governor of any malicious intent regarding the truly needy (or “deserving poor”) but also indicted the federal government as an accessory in a corrupt scheme to defraud taxpayers of their hard-earned tax dollars and the truly needy of even the “minimum requirements of living.”⁷⁷

Posing an explicit challenge and alternative to the FAP, the California plan forced the Nixon Administration to defend more vigorously and more specifically its own welfare reform policy – to Congress, to the public and to itself. The interplay of Nixon’s welfare reform and Reagan’s alternative suggests a conservatism both contested and

⁷⁶ “Interview with Governor Reagan,” 39.

⁷⁷ Ronald Reagan, “Meeting the Challenge: A Responsible Program for Welfare and Medi-Cal Reform,” Gubernatorial Message, transmitted to the California Legislature, March 3, 1971, NARA, RG 46, SFC, Bill Files: HR 1, Box 2.

evolving. The Family Assistance Plan derived, in part, to an authoritarian conservative tradition dedicated to the preservation of the social order. Like Bismarck in late nineteenth century Germany, Nixon had hoped that the FAP would help to restore order to the country and secure political support among those at the bottom of the economic ladder.⁷⁸ In meetings with his advisors, Nixon often compared himself to Benjamin Disraeli, admonishing them that progress had been made only by “Tory men” with “liberal policies.” Nixon, then, embodied a version of conservatism that believed in, and indeed depended on, an activist government in domestic policy.

Reagan’s welfare reform plan, however, appealed to a more libertarian variant of American conservatism by rejecting as not only ineffective but also dangerous and immoral all government intervention into the economy. Nixon’s retreat on the Family Assistance Plan not only suggested but also contributed to the ascendancy of Reagan’s brand of conservative Republicanism. Indeed, in the early 1970s, “welfare” provided the political and policy context in which this strain of American conservatism was most clearly articulated.⁷⁹ As Kenneth Hoover has argued, Reagan’s stand against the Family Assistance Plan, and the plan’s eventual defeat, “strengthened Reagan’s hand as the leader of the national conservative movement – a strength derived directly from his involvement in the welfare policy area.”⁸⁰

In the spring of 1971, the President came to believe that FAP was a political “loser.” Reagan’s California experiments had impressed Nixon as more politically “sellable” than his own. Perhaps the final nail in FAP’s coffin came when new Treasury

⁷⁸ Robert Collins, *More*, 103.

⁷⁹ For more on the ideological tensions within late twentieth century conservatism see, Kenneth R. Hoover, “The Rise of Conservative Capitalism: Ideological Tensions within the Reagan and Thatcher Governments,” *Comparative Studies in Society and History* Volume 29, No. 2 (1987): 245-268.

⁸⁰ Hoover, 250.

Secretary John Connally, President Nixon's most trusted political advisor, and the only man Nixon saw as a potential successor, told his friend that the plan was a "loser."

Connally advised the President that the FAP would undercut Nixon's support among white working class voters. However, the President could still use the issue of *welfare reform* to his advantage by continuing the attack on the present system, but dropping any plans to change it. "Labor are taxpayers," Connally told the President, "Denounce welfare. Praise blue-collars."⁸¹ In July, the President signaled to the Finance Committee that it should not take up welfare reform any time soon. Under the pretense of focusing first on important economic matters, the President abandoned decisively his welfare reform plan in July 1971.⁸²

Just as his decision to endorse the FAP had been fundamentally political, so too was his decision to abandon it. Nixon's advisors – chief among them Pat Moynihan – had once convinced the President that the FAP would attract new voters to the President and cut into the Democratic Party's monopoly on the "poverty issue." However, only two years later, that calculus had changed significantly. Nixon had come to believe that the political benefits of the program had not materialized, but its liabilities had multiplied. As he noted in his margin notes to the weekly press report prepared by his staff, his image as the "enemy of the poor and unemployed" had "persisted despite" the FAP.⁸³

⁸¹ Connally, JDE Notes, July 20 and July 21, 1971, NPMP, WHSF, SMOF, JDE, Box 5, File: #7.

⁸² JDE Notes, JDE Notes, July 1, 1971, NPMP, WHSF, SMOF, JDE, Box 5, File #7; DHEW Memorandum to Dwight Chapin, August 30, 1971, NPMP, WHCF, Subject Files, DHEW, Executive, Box #3, File: Ex FG 23 8/1/71 – 9/30/1971; and Richardson, Memorandum for the President, September 9, 1971, NPMP, WHCF, Subject Files, DHEW, Box 3, File: Ex FG 23 8/1/71-9/30/71.

⁸³ John Huntsman to JDE, Memorandum Re: HR 1, October 30 1971, NPMP, WHSF, SMOF, JDE, Alphabetical Subject Files, Box 18, File: Scrapbook 1 of 1.

VI.

A year later, Chairman Russell Long renewed his attack on the FAP. This time, however, the proposal was almost entirely unprotected, abandoned by the Nixon Administration and reviled by liberals and conservatives alike. The Finance Committee Chairman lamented the “alarming increase in dependency on the taxpayer” and indicted not only the poor who engaged in “dysfunctional behavior,” but also the system which allowed and even encouraged it. In a June 6 television interview, for example, the Chairman criticized the “Lilliputians...in the Department of Health, Education and Welfare” for their dedication to and defense of the welfare status-quo.⁸⁴ According to Long, the House bill – which he claimed simply added more money to a failed system – would only lead the nation “further along a road that has proven so unsuccessful up to now.”⁸⁵

The bill reported to the full Senate by the Finance Committee rejected entirely the substance and basic philosophy of the House-passed bill and original Administration proposal.⁸⁶ In place of the FAP, the Committee offered what it viewed as a genuine “workfare” program that included a “guaranteed job opportunity,” a “work bonus” and a “wage supplement.” Claiming that the Finance Committee’s proposal was “real reform,” Long called the amended HR 1 “one of the greatest forward strides in the history of this country in providing for those who truly need help.”⁸⁷

⁸⁴ Senate Finance Committee, Press Release, “Television Interview with Senator Russell B. Long, June 7, 1972,” June 9, 1972, NARA, RG 233, WM, Bill Files: HR 1, Box 39, File: HR 1: “Conti.”

⁸⁵ Long, “Opening Statement,” 7.

⁸⁶ Senate Finance Committee, “Brief Description of Senate Amendments,” 92nd Congress, 2nd Sess.. and Russell Long, “Opening Statement to Senate Debate.”

⁸⁷ Senate Finance Committee, Press Release, “Television Interview with Senator Russell B. Long, June 7, 1972,” June 9, 1972, NARA, RG 233, WM, Bill Files: HR 1, Box 39, File: HR 1: “Conti.”

The Finance Committee had completed work on HR 1 in early June, but did not report it until September – after both the Republican and Democratic National Conventions. In early June, the Nixon Administration feared that the bill would come to a vote the next month, creating a potentially awkward political situation for the President’s re-election campaign. On June 6, he reminded his staff: “HR 1, down the tube, no compromises.”⁸⁸ Later that month, Casper Weinberger warned the President that the House-reported bill would add “too many people to the rolls,” including the “working poor” who would be difficult “later [to] get...off.” Unfortunately for Nixon, however, Wilbur Mills had included the welfare proposal in a popular election-year measure to both increase Social Security benefits and index them to inflation. Vetoing the Social Security provisions would undoubtedly give the Democratic party a potentially winning issue in the upcoming Presidential and Congressional elections. Weinberger and the President agreed that to veto the entire measure was politically impossible.⁸⁹

The next day, the President met with the Republican members of the Senate Finance Committee to discuss welfare legislation. The President told the Committee that he felt that HR 1 was a “Pandora’s Box” and advised them that the general “directions [of the Finance committee’s “workfare” proposal] appealed to” him. The President also assured the assembly that he would not “move toward Ribicoff” because costs were already “at outer limit” and the more liberal proposal would “go further” than the President wanted at an “astronomical cost.”⁹⁰ The President further promised that he would not “kick” the Finance Committee for failing to pass the FAP,” but suggested that

⁸⁸ JDE Notes, June 6, 1972, NPMP, WHSF, SMOF, JDE, Box 6, File: #3.

⁸⁹ JDE Notes, June 26, 1972, NPMP, WHSF, SMOF, JDE, Box 6, File #4; Memorandum “Welfare Reform and Social Security Amendments (HR 1), NPMP, WHSF, SMOF, JDE, Box 6, File #4.

⁹⁰ JDE Notes, June 27, 1972, NPMP, WHSF, SMOF, JDE, Box 6, File #6.

if the committee could detach the Social Security and adult program provisions from the bill, he could veto the welfare measure on the grounds that it would bust the budget.⁹¹

The full Senate began debate on HR 1 in late September, 1972. Soon, it became clear that none of the alternatives – the House passed bill, the Long workfare proposal nor the more liberal Ribicoff plan – had a chance of passing. The Senate voted to table the Ribicoff amendment on October 3 by a vote of 52 to 34. Publicly, the Administration continued to support the House-passed bill as the “compromise welfare reform bill which the country urgently needs.” The White House also rejected a proposal by Senator Harry Byrd of Virginia (I-VA) to authorize a test of each of the three alternatives with pilot programs on the grounds that it would not “solve the current welfare situation quickly enough.”⁹²

Despite these public pronouncements, and HEW Secretary Richardson’s continued, albeit increasingly quixotic, faith in the chances for reform, by the fall of 1972 the White House was clearly far more concerned in manipulating FAP and “welfare reform” to its political advantage than in passing any kind of welfare reform legislation. On October 3, Senate Minority Leader Hugh Scott told the President what he already knew; that they were not “getting a bill,” and that all was left was the question of “how we look in the rubble of the loss of the bill.” Nixon noted that the Administration’s next move was a “pure political call,” and Richardson finally agreed that they were “dealing in perceptions.” Nixon again apologized for putting his HEW Secretary in a tough spot but

⁹¹ JDE Notes, June 27, 1972.

⁹² White House memorandum, October 2, 1972, NPMP, WHCF, Subject Files, DHEW, Executive, Box 4, File: Ex FG 23 5/1/72 [8/1/72-11/15/72], 2 of 3.

insisted “HR 1 [is] bad for us now.” In closing the President made the following observations: “Attitude re welfare every different....Doubt I would start it again now.”

On October 5, the Senate passed HR 1 by a vote of 68 to 5. In addition to authorizing tests of the three leading welfare reform alternatives, the bill also included a 20% across the board increase in social security benefits and created a new federal program – Supplemental Security Income (SSI) – to replace the state/federal Aid to the Blind and Old Age Assistance programs.⁹³ During the Conference, representatives of the House and Senate were unable to come to an agreement on competing welfare provisions. The House representatives, led by Mills, argued that the “tests” authorized by the Senate bill were both grossly inadequate and ultimately useless. Unmoved by the House conferees’ arguments that the “current welfare crisis cannot wait 2 to 4 years,” the Senate conferees were equally unwilling to endorse the House-passed welfare plan.⁹⁴

As a result of this fundamental impasse, the bill the Conference reported on October 14 did not include *any* welfare reform proposals. Rather, the Conference had agreed to report out a \$5.4 billion Social Security bill, which left the AFDC system as it was – although severely bruised and beaten by more than three years of concerted attack – and instead created a new national, and reasonably generous, “welfare” program (SSI) for the adult poor.⁹⁵

⁹³ The Senate bill also included the wage supplement, child support enforcement provisions, the Child Care Corporation and other various welfare programs included in the Finance Committee’s reported bill.

⁹⁴ Ways and Means Staff, “Sections of Senate Passed HR 1 that Subcommittee Staff Feels Should be Dropped in Conference,” NARA, RG 233, WM, Bill Files: HR 1, Box 39, File: Binder, “Mr. Mills.”

⁹⁵ Finance Committee Staff, Memorandum to Tom Vail, “Welfare,” 11/17/72, NARA, RG 46, SFC, Bill Files, HR 1, Box 7, File: Staff Material, Pink Copies, 2 of 2.

VII.

The nomination of Senator George McGovern ensured that President Nixon would distance himself as much as possible from his own welfare reform proposal. The South Dakota Senator had opposed the Administration plan as early as January 1970, and had proposed, in its place a far more generous “guaranteed income plan” in line with the income demands of the National Welfare Rights Organization (NWRO).⁹⁶ Although McGovern later dropped his “demogrant” proposal in favor of a more traditional strategy of paying for new programs for the poor by reducing the tax privileges of the rich and cutting defense spending, the “demogrant” proposal continued to haunt his campaign.⁹⁷

In the spring of 1971, Nixon told his staff that if the Democrats nominated a “liberal” the following year, the Administration should not move to the center, but rather could campaign on a more orthodox conservative platform of a limited state. The following summer, after McGovern had clinched the nomination, Nixon directed H.R. Halderman to “turn off our people who want to move the P to the center or to the left” because he wanted “to carve out a clean cut position on the right, away from McGovern.”⁹⁸ McGovern’s nomination all but ensured that the President would at best “hold the line” on his welfare reform proposals and would likely use those proposals as a weapon against his political opponent.

⁹⁶ McGovern’s plan, dubbed a “demogrant” would have provided a federal subsidy to all families earning less than \$12,000 a year, and taxed families above that break-even point at a progressively higher rate to pay for the new benefits. The Senator’s Democratic opponents attacked the plan during the primaries as ridiculously expensive, suggesting that it could cost as much as \$210 billion each year. For an analysis of the NWRO’s welfare “rights” claims see Elizabeth Bussiere, (Dis)Entitling the Poor: The Warren Court, Welfare Rights and the American Political Tradition, (University Park, PA: Penn State University Press, 1997). For a narrative account of the NWRO’s legal strategy, see Martha Davis, Brutal Need: Lawyers and the Welfare Rights Movement, 1960-1973, (New Haven, CT: Yale University Press, 1993).

⁹⁷ See Matusow, Chapter 7. See also, Davies, Chapter 9. For a narrative history of the McGovern campaign, see Theodore White, The Making of the President, 1972, (New York: Atheneum Publishers, 1973).

⁹⁸ Haldeman Diaries, June 2, 1972, quoted in Matusow, 204.

Nixon understood the political value of “welfare reform” to the coming election cycle. He had initially proposed the FAP because he was convinced by his advisors that by giving income supplements to the “working poor” he could attract white blue collar workers into his new political coalition. This promise proved to be false; however, “welfare” continued to offer the President a political advantage with this coveted group of voters. Instead of a carrot to lure working class voters into the Republican fold, welfare had become a “stick” with which to beat both Democratic “elites” and poor welfare recipients.

The President’s concerns about the “Economic Issue” also shaped his electoral strategy in 1972. Two years earlier, in the 1970 midterm elections, the working and middle class regulars Nixon had hoped to lure to the Republican party with the “Social Issue” had returned home to the Democratic Party when the economy went south. As Alan Matusow has argued, Nixon feared that “unless he neutralized the Economic Issue before 1972, his reelection, not to mention the New Majority, stood imperiled.”⁹⁹ In the fall of 1971, the President took special note of a poll showing that the economy was hurting him in Warren, Michigan, a suburb of Detroit, and that his stand on the “social issue,” had not much improved his standing there.

“Welfare reform” gave Nixon a way around this tricky issue. While internal campaign polling suggested that a majority voters disapproved of the President’s handling of the economy, the same polls also showed that these same voters “specifically oppose[d] the McGovern proposal to give direct financial aid to those with less than \$12,000 income and thereby resulting in higher taxes for those with incomes over

⁹⁹ Matusow, 83.

\$12,000.”¹⁰⁰ In early July, the President and his decided to paint McGovern as a “big spender” and “tax-raiser” whose Presidency would lead to “big government” and “smaller people.” Nixon also directed his staff to maneuver McGovern into a position where he “must vote for big spending, big gov’t, big taxes” and directed his advisors to “price out all bills offered by McG” in an attempt to frame him as an irresponsible spender.¹⁰¹ By showing the “McGovernites” in the Democratic Party to be “big spenders” on a “wild spending spree,” Nixon hoped to convince voters that McGovern would “raise taxes” and “raise prices.” At the same time, the spending question also allowed Nixon to veto programs perceived as in the “people’s interest” and to appeal to voter sentiment against big government.¹⁰² An election strategy calendar, which explicitly directed the President’s surrogates to talk about welfare, taxes and spending in tandem reveals clearly the relationship between these three issues in Nixon’s campaign strategy.¹⁰³

McGovern’s support of the NWRO welfare plan made this strategy much easier. Knowing that the majority of wage earners with annual incomes under \$12000 opposed the demogrant proposal, Nixon directed his re-election team to “scare” voters with incomes between \$10,000 and \$20,000 per year by focusing on the cost of the McGovern platform, and its “wreckonomics.”¹⁰⁴ This strategy appealed directly to the working and middle class voters as “taxpayers.” In late August, Nixon told his advisors to hit McGovern hard on the “welfare” issue and raise the point that “taxes [were] not enuf

¹⁰⁰ CREEP, Memorandum, July 31, 1972.

¹⁰¹ JDE Notes, July 11, 1972, NPMP, WHSF, SMOF, JDE, Box 6, File: #7.

¹⁰² JDE Notes, July 20, 1972, NPMP, WHSF, SMOF, JDE, Box 6, File: #8.

¹⁰³ White House, Memorandum, No Date, NPMP, WHSF, SMOF, JDE, Alphabetical Subject File, Box 18, File: “1972 Election Strategy.”

¹⁰⁴ JDE Notes, July 31, 1972, NPMP, WHSF, SMOF, JDE, Box 6, File #8.

(sic)” to pay for all of the Democratic candidate’s proposed programs. In his speech to the Republican National Convention, the President called the “demogrant” proposal an insult “to the intelligence of the American people.”¹⁰⁵ A month later, his advisors rehashed the same “simple points” regarding the domestic agenda. McGovern should be seen as in favor of putting more people on welfare, paying “more to loafers” and raising taxes on everyone else.¹⁰⁶ Nixon told Ehrlichman to launch a new attack, hit McGovern on “higher taxes, more money for those on welfare than for those who work” and to criticize the “McGovern budget” as a budget for “higher prices, higher taxes and recession/ unemployment.”¹⁰⁷

Nixon’s 1972 campaign strategy spoke to working and lower middle class white voters as taxpayer/citizens. The President’s 1972 Convention speech invited these traditional Democrats to join his new American majority: To those millions who have been driven out of their home in the Democratic party, we say come home. We say come home not to another party, but we say come home to the great principles we Americans believe in together....I ask you to join us as members of a new American majority bound together by common ideas.”¹⁰⁸ In November, Nixon claimed a “landslide” victory over his Democratic opponent – winning every state but Massachusetts and the District of Columbia. Nixon made apparently significant inroads into the Democratic coalition, attracting 50% of blue collar industrial workers and significant portions of traditionally Democratic ethnic groups.¹⁰⁹

¹⁰⁵ Richard Nixon, Public Papers of the President, 787-795.

¹⁰⁶ JDE Notes, September 6, 1972, NPMP, WHSF, SMOF, JDE, Box 6, File: #10.

¹⁰⁷ JDE Notes, September 5, 1972, NPMP, WHSF, SMOF, JDE, Box 6, File: #9.

¹⁰⁸ Quoted in Matusow, 209.

¹⁰⁹ Arthur Pearl, *Landslide: The How and Why of Nixon’s Victory*, (Secaucus, NJ: The Citadel Press, 1973), 12. Although Nixon dominated the Presidential election, it is difficult to call his election a total victory. Most importantly, Nixon’s victory did NOT extend to Republicans in Congress or State Houses.

VIII.

The legislative history and political legacy of the FAP suggest a turning point in American political history. Nixon had originally planned to use the FAP to lure working and middle class voters to his “New American Majority” by incorporating them into an expanded welfare state. Beginning in 1971, however, President Nixon skillfully used “welfare” to assign a dollar value (i.e. tax burden) to the liberal establishment’s attack on the mores and morals of Middle America. This new politics, which appealed directly to citizens as taxpayers, simultaneously helped to inoculate the Right from criticism that its free market economic policies *hurt* “Middle America” by narrowly defining the “economic” in terms of taxes levied and money spent on programs like “welfare.” This sleight of hand, perfected by Ronald Reagan, not only helped to neutralize the “Economic Issue” for the GOP, but, indeed, transformed it into a political advantage rather than liability.

Indeed, the GOP lost two seats in the Senate (increasing their deficit there to 14), and another Governorship. In 1972, then, Republicans controlled 19 state houses, while Democrats could claim 31.