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SECTIONALISM AND WELFARE POLICY IN THE UNITED STATES:
THE FAILURE OF PRESIDENT CARTER'S INITIATIVES

by

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THE FAILURE OF PRESIDENT CARTER'S INITIATIVES

ABSTRACT

President Jimmy Carter twice attempted to enact major reforms of the US welfare system. Using archival material from the Carter Presidential Library, this paper argues that one major reason for the failure of both initiatives was the persistence of regional divisions between representatives from the North and South in the Congress. This factor is as germane to the welfare failure as poor presidential-congressional relations and changes to the committee seniority system in the Congress. American welfare programmes were institutionalised in such a way, from the 1930s, that building a coalition across sectional interests (as represented by members of the Congress) was nearly impossible: gains to one region constituted losses to the other. The consequence of the way Carter pursued and failed to achieve welfare reform was to enhance the priorities, particularly 'working for welfare', exploited by Reagan in the final year of his Administration when the Family Support Act was enacted.
INTRODUCTION

Early in his Administration President Carter was sent a lengthy memorandum by two of his domestic White House staff, Jack Watson and Jim Parham, assuring him that welfare reform was achievable. As they noted, welfare reform is an area of public policy that arouses deep passions, and much of the controversy reflects historical legacies of slavery, segregation, poor schools, job discrimination, and economic exploitation. Nonetheless, they continued:

we believe you have an historic opportunity to establish new ideals for social and economic justice that will set the pattern in this country for the next several decades.¹

This optimism proved unfounded. Carter's two initiatives to reform welfare, in the 95th and 96th Congresses, disintegrated. These failures reveal the difficulties facing a Democratic president hoping to mobilise an unravelling New Deal political coalition for social reform and the tenacity of the interests embedded in the founding legislation. In this paper I argue that these sectional interests contributed equally, with poor congressional liaison, to Carter's failures.

Two principal arguments have been developed by scholars in analyses of the Carter administration's poor domestic policy record.

First, the changes to the seniority system in Congress implemented from the mid-1970s have been identified by several scholars as making the legislative process more complicated.² They argue that within Congress, as a consequence of the reforms of the early 1970s, power was less effectively concentrated in the hands of chairmen than it had been.³ Carter was the first president to face the centrifugal effects of these congressional reforms. These latter resulted in a different policy-making and presidential-congressional environment than that confronting his Democratic predecessor,
Lyndon Johnson. In Eric Davis’s view, for members of the 95th Congress how the president performed bore little relevance to their own re-election prospects reducing any incentive to support him unless it suited their own interests. Comparable appraisals by members of the 89th Congress produced loyalty to the president. Despite similarities between the 95th and 89th Congresses in "partisan and geographical breakdown", Davis maintains that the conservative coalition was far more effective in the Congress confronting Carter than that with which President Johnson had dealt.®

However, the change to the congressional principle of seniority affected Carter’s welfare reform initiatives less than it did some of his other programmes such as energy, for which the complexity and multiple committee jurisdiction consequences were greater.® First, the House Speaker, Tip O’Neill helped to expedite the passage of Carter’s reforms, particularly in 1977 when he formed a special subcommittee with representation from each of the committees whose jurisdiction included welfare.® Second, the change to seniority was not that great in the case of the crucial Senate committee, Finance, whose chairman Russell B Long was a considerable force.® This judgement is less valid for the main House Committee, Ways and Means. The departure of Wilbur Mills in 1975 as chairman left a leadership vacuum on this committee, and under chairman Al Ullman it lacked the cohesion of its Senate counterpart. This was a contributing factor to Carter’s difficulties but less fundamental than the regional division. These two congressional committees (Finance in the Senate and Ways and Means in the House), crucial to welfare reform, were controlled by members hostile to liberalising the Federal welfare system through such measures as establishing minimum federal standards of benefit. Hence, in each case, though especially in the Senate, despite congressional reform the power of the chairpersons remained a force in the policy-making process.® However, I argue that this power was significant
principally as an expression of sectional interests.

Second, many scholars have identified poor presidential-congressional relations as a damaging failure of the Carter Administration and contrasted this with the success of his predecessors and immediate successor. Poor liaising encumbered Carter's ability to legislate. Former Speaker Tip O'Neill observed: "Carter was a great ideas man, but he didn't always appreciate the difficult process of moving a bill through the House." As I suggest below there is some validity in this view. However, the records of the Congressional Liaison Office have yet to be opened in the Carter Presidential Library and this limits scholars' capacity fully to evaluate the Office's work. It is possible to gain some sense of the Office's work from other records in the archives (and I use some of these below) and from other sources such as Tip O'Neill's memoirs. In an interview President Carter cited the controversial nature of his proposals to explain his difficulties with Congress but did not include welfare amongst these. Problems of congressional liaison undoubtedly contributed to the President's failures but it was not paramount: as I show below the modifications to Carter's reforms required by influential congresspersons were so extensive that no amount of liaising would have produced agreement.

There is a third factor relevant to explaining the failure of Carter's welfare reform initiatives. The regional cleavages institutionalised in New Deal welfare programmes, manifest in different congressmembers' interests, themselves constituted an obstacle to reform. In contrast to scholars who have focussed upon either Carter's difficulties in liaising with the Congress or the effect of the changes to the committee system in the 1970s, I marshal these divisions (and their irreconciliability) as a major reason for the failure of the President's welfare initiative. The interests mobilised and protected by the relevant committees' members were rooted in the
institutionalisation of the 1930s New Deal programmes.

As a feature of the US polity, this third factor was of course explicated most powerfully by V O Key", and it has been advanced by several scholars, notably Richard Bensel, in the framework of 'sectionalism'. Bensel rigorously defines and applies a measure of North-South sectionalism to the political development of the US in the hundred years after 1880. He argues that,

sectional competition - grounded in a geographical division of labor between the economically advanced northern core and the underdeveloped southern and western periphery - has been and remains the dominant influence on the American political system. Despite the frequent masking of regional claims in class or ideological rhetoric, the development of government institutions and the party system cannot be properly understood without a clear recognition of the persistent impact of this sectional competition. Applying a measure of sectional stress Bensel offers an illuminating account of national American politics in terms of this dichotomy. For some observers this sectional division coincides, at least implicitly, with racial attitudes, particularly in welfare policy.

As my analysis demonstrates, explaining the failure of President Carter's two welfare reform initiatives requires reference to all three factors: congressional liaison, committee seniority, and entrenched sectional interests. However, of the various forces impeding Carter's initiative the conflict between Southern resistance to minimum standards of benefits (thus eroding their local control of rates of benefit) and the desire of representatives from larger states for additional fiscal relief, articulated by Senators Russell Long (LA) and Patrick Moynihan (NY) respectively, constituted a principal obstacle.
Carter's experience demonstrates also how themes and aims, which were to dominate welfare reform in the ensuing decade, were established. Through an analysis of the abortive Carter reform initiatives, I argue that the principle of 'work for welfare' was forced upon the Democratic President as a condition of achieving any reform (though even this modification proved insufficiently persuasive for Congress). For Carter (in contrast to Reagan) the work injunction was combined with cash assistance programmes for those unable to work and a belief that most citizens preferred employment to idleness. By 1988 when Reagan's welfare reform was enacted, the emphasis was solely upon work requirements. Carter's inclusion of, and emphasis upon, work facilitated the punitive approach to welfare reform adopted by the Reagan Administration.\textsuperscript{21}

The paper is structured as follows. First, the US welfare policy framework, originating with the New Deal, is outlined. Second, I examine in detail Carter's welfare reforms proposals presented to the 95th and 96th Congresses. Third, the fate of the two bills in Congress is analysed. I examine the congressional committees (and their leading members) most crucial to the enactment of Carter's bills and explain the interests structuring their behaviour. Both sections are based upon archival material from the Carter Presidential Library. Fourth, in a partial test of my thesis I contrast the fate of Carter's efforts with that of Nixon's abortive Family Assistance Plan (FAP), arguing that both inadequate presidential support and sectional interests in Congress stalled reform. In the conclusion, I argue that the dilution of Carter's proposals paved the way for Reagan's harsher programmes, the Family Support Act in 1988.

An important antecedent to Reagan's conservative republicanism developed while the Democrats had control of the White House, signalling the further erosion of that party's linkage with the social reforms of the 1960s and early
1970s. Not only did Carter's welfare reform initiatives anticipate Republican legislation but they pointed the direction through which many Democratic Party members believed the Party could win elections. Concurrently governors and politicians in the 'New South' became more interested in improving training and education rather than expanding welfare as a mechanism to modernising their states.

THE WELFARE POLICY CONTEXT: "A CRAZY-QUILTED PATCHWORK SYSTEM"

Modern American welfare policy began during Roosevelt's New Deal. The Social Security Act of 1935 established contributory old age pensions and unemployment insurance available to all working citizens and noncontributory means-tested programmes, including aid to dependent children (ADC, subsequently renamed aid to families with dependent children (AFDC)). Both unemployment insurance and ADC were administered by the states. They were empowered to set their own rates of benefit and conditions of eligibility, receiving federal matching grants for their programmes. This federal-state arrangement was a condition for successful enactment reflecting the precarious politics of the New Deal coalition which included urban working class voters, southern whites, liberals and northern blacks. Devolving power to the states enabled Southern white politicians to design and implement programmes in such a way that black workers were either excluded or severely discouraged from applying; and to maintain benefit levels far below the poverty rate. Since most Committees were chaired by Southern Democrats, the Roosevelt White House had no option but to agree to this arrangement in order that legislation might be enacted. The welfare legislation of the 1930s thus did not disrupt either the fragile balance of the New Deal coalition (principally the distinct and contradictory interests of white Southerners and blacks) or the exploitative white landlord-black tenant relations established in the South after
Reconstruction. It was this political configuration which ensured that US welfare policy, especially noncontributory means-tested programmes, was administered as a federal-state arrangement, with the states exercising considerable discretion. Distinguishing between contributory insurance based welfare and means-tested noncontributory programmes and giving administration to the states had important institutional consequences. These effects were rehearsed in a letter from Senator Daniel Patrick Moynihan to Carter during the President’s reform initiative:

the New Deal made the basic policy decision -- some have bemoaned it, others not -- to leave the administration of programs such as Aid to Dependent Children (as it then was) and Unemployment Insurance with the individual states, allowing them to set their own levels of payments in accordance with Federal matching formulas. This meant, from the outset, that Southern states had low payment levels. It has also meant, from the outset that ‘Washington’ has recurrently sought to raise those levels, by various devices."

After the New Deal decade successive administrations tried to create minimum standards for AFDC benefits throughout the states (see table 1). Such a reform would have weakened and even reversed the principle of state control embodied in the New Deal programme. The principle still held when Carter attempted reform. In sum, by the time Carter undertook reform the AFDC programme had the following characteristics: first, it was controlled by the states in that they could set their own rates; second, the extent to which states’ programmes met the minimum poverty level varied significantly; and third, the cost to individual states of AFDC varied sectionally, north-eastern states spending proportionately more than southern and western states. By implication northern congressmembers had an incentive to federalise the system, while southerners had an incentive to retain the status quo except for the enactment of more
stringent conditions for receipt of the benefits. This division corresponded with one based on liberality (northeast) and conservatism (southern and western) in attitudes to welfare.

<table>
<thead>
<tr>
<th>President</th>
<th>Congress and Year</th>
<th>Act or Bill</th>
<th>Main components</th>
</tr>
</thead>
<tbody>
<tr>
<td>Roosevelt</td>
<td>74th 1935</td>
<td>Social Security Act</td>
<td>pensions; U insurance; ADC</td>
</tr>
<tr>
<td>Kennedy</td>
<td>87th 1962</td>
<td>Social Security Act Amendments</td>
<td>ADC to AFDC; AFDC-UP</td>
</tr>
<tr>
<td>Johnson</td>
<td>89th 1967</td>
<td>Work Incentive Programme (WIN)</td>
<td>employment skills for AFDC recipients</td>
</tr>
<tr>
<td>Nixon</td>
<td>91st 1969</td>
<td>Family Assistance Plan</td>
<td>Negative income tax</td>
</tr>
<tr>
<td>Nixon</td>
<td>93rd 1973</td>
<td>Comprehensive Employment and Training Act (CETA)</td>
<td>federal employment creation programme</td>
</tr>
<tr>
<td>Carter</td>
<td>95th 1977</td>
<td>Program for Better Jobs and Income + Work and Training Opportunities Act</td>
<td>Basic income scheme/ cash benefits</td>
</tr>
<tr>
<td>Carter</td>
<td>96th 1979</td>
<td>Social Welfare Reform Amendments</td>
<td>Reform of AFDC</td>
</tr>
<tr>
<td>Reagan</td>
<td>97th 1981</td>
<td>Omnibus Budget Reconciliation Act</td>
<td>State workfare 'demos' permitted</td>
</tr>
<tr>
<td>Reagan</td>
<td>100th 1988</td>
<td>Family Support Act</td>
<td>mandatory workfare for AFDC recipients (JOBS)</td>
</tr>
</tbody>
</table>

The New Deal political coalition survived until the mid 1960s. By then it was insufficiently robust to prevent civil rights legislation or the expansion of welfare programmes under the impetus of President Johnson. The former change marked the weakening of Democrat candidates in presidential politics, while the latter developments did not alter the contributory-noncontributory institutional framework. This framework was propped up by the
divergent interests of congressional members from Southern and Eastern states, the sectional division.

It was in this context that President Carter attempted welfare reform. The administration's conception of the welfare problem was articulated by the President's Secretary at Health, Education and Welfare (HEW), Joseph Califano: "the facts are that the vast majority of household heads in poverty are working; that nearly a third work fulltime, all year round, and still remain poor. The poor are poor, not because they won't and don't work, but because they do work, they do not earn enough money to lift them out of poverty." The Carter Administration's early assumption that welfare recipients were not work-shy but lacked the skills to enter the labour market was, unsurprisingly, at variance with the traditional conservative charge that welfare recipients are idle.

CARTER'S PROPOSALS: A JOB-ORIENTED PROGRAMME

Carter attempted to assuage these conflicting interests by mobilising a traditional American emphasis upon employment (both the need to include penalties for failure to work and increasing the opportunity to work) and combining this consideration with cash assistance for those unable to work. At the centre of his reforms was an emphasis upon employment. Carter proposed to create public sector jobs to give the unemployed and those on welfare an opportunity to enter employment. Speaking to Congress, in July 1977, the President declared:

it is time to take our people off welfare and put them to work, with maximum emphasis on creating jobs in the private sector. But it will take time for an expanding private economy to provide a large number of jobs for the unemployed. In the meantime we must expand temporary public service jobs for those who would find it difficult to obtain work in
private industry. In the months before Carter's proposals were unveiled several members of Congress, including members of the relevant committees, stressed the importance of work by welfare recipients. For instance, the ranking Democrat on the Senate Finance committee, Herman Talmadge of Georgia, declared that: "I believe all employable persons should work and be productive," an aspiration which did not include state benefits. The vehicle for this aim was expanded income security and employment opportunities, the latter linked closely to the controversial Comprehensive Employment and Training Act (CETA) programme.

The reforms considered by the White House were designed either to modify existing arrangements or significantly to reform the extant income support framework. Within the former category, most ideas included limited expansion of the AFDC and food stamps programme or refundable tax credit schemes. The second category included various jobs/cash schemes and a "consolidated cash program with a jobs component". The jobs/cash programme, which came to be favoured by the Carter White House, defined all households receiving assistance in terms of employability and provided jobs in place of cash assistance. The Carter administration wanted a major structural reform centred around work incentives and the creation of minimum welfare benefits throughout the states (replacing the discretion to vary benefits granted states in 1935, a practice resulting in significant variations). Carter's 1977 initiative included: "national minimum benefit; large scale commitment of jobs to low-income persons; cash-out [that is, replacement with cash benefits] of Food Stamps; extension of cash benefit to two-parent families, single persons, and childless couples; and substantial fiscal relief."
The proposals: 95th Congress: During the 95th Congress a proposal was formulated and presented to President Carter by Secretary Califano at HEW and the Secretary of Labor Ray Marshall.\textsuperscript{33} Titled the Program for Better Jobs and Income (PBJI),\textsuperscript{34} it had two components - a jobs programme for low-income Americans and a consolidated cash assistance structure - and proposed to replace existing welfare programmes. It was designed to make employment the leitmotif for those able to work by providing the assistance necessary to find jobs, with cash assistance for those not falling into this group, as a memorandum from Secretary Califano explained:

"to the greatest extent possible, the proposal emphasizes work. Those who can and should work will be required to seek employment in order to be eligible for cash supplements to inadequate earnings. For those who are not required to work, a simplified Federal program will provide cash support.

To provide a strong work incentive, the cash assistance program will have two separate tiers - an income support tier for households whom we do not require to work, and a work supplement tier with lower cash benefits for households that contain a wage earner who is required to work.\textsuperscript{35}

Introducing the legislation to Congress, Carter stressed similar points:

"As I pledged during my campaign for the Presidency I am asking the Congress to abolish our existing welfare system, and replace it with a job-oriented program for those able to work and a simplified, uniform, equitable cash assistance program for those in need who are unable to work by virtue of disability, age or family circumstances.

The Program for Better Jobs and Income I am proposing will transform the manner in which the Federal government deals with the income needs of the poor and begin to break the welfare cycle.\textsuperscript{36}
Carter's reform extended benefits to hitherto excluded childless couples and single unemployed persons, significant enlargements of existing legislation. A four-person family would receive a guaranteed income of $4,200, which included the 'cashing out' of food stamps (that is, replacing food stamps with cash benefit). If a family of four had employable members it received only $2,300, though this amount was brought up to the full $4,200 if they were unemployed after eight weeks. The programme was to be complemented with new training places and public sector jobs, over a million in number, which paid at or just above the minimum wage. These places were intended for members of so-called "working poor" families, rather than for welfare recipients. Benefits under PBJI were designed to encourage recipients to work by ensuring that it always paid to work rather than not to.

These proposals were formulated in the departments of HEW and Labor, and coordinated by Stuart Eizenstat, President Carter's Domestic Policy Adviser. The departments' proposals had different emphases though not dissimilar themes and programmatic solutions. The Department of Health, Education and Welfare (HEW) remained attached to the negative income tax principle advanced in Nixon's abortive family assistance plan (FAP). This principle significantly influenced the final proposals reflecting Califano's influence in the process. Secretary Califano had extensive governmental experience. He succeeded Bill Moyers as an adviser to Lyndon Johnson on domestic issues. In April 1977 Califano prepared a document with ten "Principles for Guiding Welfare Reform". These included:

1. simplify administration and introduce efficient systems management by consolidating in one cash assistance program: SSI, AFDC, food stamps, 'Section 8' housing, earned income tax credit, extended unemployment benefits (26 to 39 weeks). 2 Redirect CETA public service employment and training to jobs for the poorest people who can work.
3. Freeze the state supplement to AFDC and SSI at current level. 4. Provide a universal minimum federal benefit, with some variation to reflect different community costs of living. 5. No non-working family will have higher income than a comparable working family. 6. Provide special health, education and training programs to those who need them to be prepared for redirected CETA jobs. 7. Set up priorities for CETA jobs. 8. Provide maximum incentive to work. 9. Place as many incentives as possible for keeping the family together and eliminate all incentives for breaking up the family."

The Department of Labor, under Secretary Ray Marshall, proposed to combine low-paying jobs with cash assistance. Marshall broadly endorsed Califano's nine points."

Eizenstat also received proposals from the independent adviser Tom Joe who advocated an integrated welfare and manpower programme structured around labour market participation. In presenting his proposals to Eizenstat, Tom Joe alluded to the "welfare mess" and "the ten year welfare reform debate" as background and to the complexity of the "welfare problem". Joe termed his reform programme the "triple track approach" to reflect the three components of manpower services for the unemployed, income supplementation for the working poor and income assistance for the non-working poor. All three elements featured in the final proposals though the latter two predominated. Work was the lynchpin of this proposal: "if the triple track approach to welfare reform is to be real, to be something other than a reshuffling and relabeling of large numbers of people, the manpower system must respond with a new effectiveness in preparing people for employment and in providing employment opportunities." Joe's triple track reform created an integrated system of manpower services through the statement of federal policy aims, integration of CETA with the employment service, and fuller use of public
sector jobs.

The formulation of the White House proposals was based on meetings between the two departmental secretaries. Before presenting the proposal to Congress, Califano had consulted the state governors, 100 mayors and county officials, 100 representatives from public interest organisations, 50 academics and 51 members of Congress (contrary to the claim that Carter failed to consult before submitting legislation). The department also convened an advisory committee, chaired by Henry Aaron assistant secretary for planning and evaluation and former Brookings member, which held public hearings.

The proposals: 96th Congress: After the failure of the 1977 initiative (see below) a fresh document was prepared by Secretary Califano in November 1978, again with the cooperation of Marshall and also of Secretary of Agriculture Bob Bergland. Califano stressed modest reform: "we believe that a Congressional consensus can be forged on an 'incremental' welfare reform bill (i.e., one that retains the current AFDC, Food Stamps, and SSI programs). We should begin consultation soon with the Hill and interest groups to move from the broad consensus on goals that now exists to the specifics of a proposal that would pass in the 96th Congress." The reforms aimed to "increase work effort in the welfare population"; and to "place primary reliance on the provision of employment and training opportunities as a method of assisting the employable poor to maintain incomes of families whose primary worker cannot find a job." To appease larger states they included greater fiscal relief to sub-federal governments and establishing federal minimum standards.

There was continuity between the 1977 and 1979 proposals. The latter retained the effort to achieve a Federal minimum standard of benefit provided throughout the states, the commitment to providing cash assistance to all families, working or not working, below a certain income level, and the
commitment to expanding public sector jobs. There were some concessions to congressional pressures. First, the number of public sector jobs proposed was significantly lower, thereby reducing the programme's cost. Second, instead of proposing to abolish and integrate the existing programmes such as AFDC, Carter now proposed to modify these programmes. Third, more fiscal relief was proposed, a benefit to the larger states. Finally, there was a greater emphasis upon the role of work in welfare programmes and the creation of incentives to enter employment. This last element was designed to appease conservatives in the Congress. The views of Democrat James Jones of Oklahoma are representative: "in my part of the country, welfare reform means helping those who need it and requiring work from those who can work." As I discuss below, such a view was shared by many members of the Finance Committee in the Senate and Ways and Means in the House.

The 1979 initiative was presented to the Congress by the President on May 23 1979 in the form of two bills: the Social Welfare Reform Amendments of 1979 and the Work and Training Opportunities Act of 1979. Carter argued that: "enactment of these proposals will be an important step in addressing the key failings of the present welfare system - promoting efficiency, improving incentives and opportunities to work, and substantially improving the incomes of millions of poor people." Rehearsing themes which were to be central to the 1980s' debates, and which revealed a more conservative thrust than in 1977, Carter declared that:

for too many years, we have lived with a welfare system universally recognized to be inadequate and ineffective. It is a crazy-quilt patchwork system stitched together over decades without direction or design. It should offer opportunity, but often breeds dependency. It should encourage and reward useful work, but often penalizes those who find jobs.
The guiding principles of my proposals are simple: those who can work should; and there should be adequate support for those who cannot." This last clause was intended to deflect objections from conservative Democrats and Republicans.

In the principal liberal continuity between these new proposals and the one which failed to be enacted in the 95th Congress, Carter highlighted both the continuing inequalities between states' levels of benefit and the 24 states not providing Federally-funded cash benefits to two-parent families. His new bill (HR 4904) included creating an AFDC welfare minimum standard set at 65% of the federal poverty level (by combining the sum with food stamps), a standard which 13 (southern) states failed to meet in 1979. To win political support the bill also included increased federal aid to states' welfare costs. While the President accepted that the "great majority of family heads receiving cash assistance want to work," he argued that: "the present system provides insufficient opportunities for families to move off cash assistance and into productive jobs." Five components were outlined for the reform: increased employment and training opportunities; greater fairness and adequacy in cash assistance programmes; improved administration; expansion of the earned income tax credit; and the provision of further fiscal relief to state and local governments. Carter declared that his bills would improve the incomes of 2.3 million families (6.5 million people) and remove 2.2 million from poverty.

PURSUING REFORM IN CONGRESS: THE POLITICS OF SECTIONALISM

Neither initiative succeeded. The President's first reform bill was sent to Congress in August 1977. Almost a year later it had died in the House Ways and Means Committee, its members concluding that the bill too closely resembled Nixon's failed family assistance plan. In 1979 the bill passed successfully
in the House but was not marked-up at the committee stage in the Senate.56

On each occasion that Carter pursued reform the Democrats had majorities in the House and Senate. The relevant subcommittees of both Finance and Ways and Means were chaired by Carter supporters. Despite the failure in 1978, the White House adhered to the belief that legislation could be enacted. In May 1979 the President was advised that welfare reform could be achieved by building an appropriate coalition:

although Congressional concern about spending poses substantial difficulties, it now seems possible to build a broad, centrist coalition, tapping liberals who favor raising the lowest welfare benefits and providing greater work opportunities, conservatives who favor improving welfare administration and making work requirements meaningful, and state and local governments that support both of the above aspects but most of all want relief from welfare costs.57

Why was Carter unable to mobilise sufficient Democratic party support to enact his reforms? I argue that two factors were most relevant: poor liaising with Congress by the White House and the irreconcilable sectional interests manifest in congressmembers' committee behaviour. (Both factors also impeded Nixon's earlier family assistance plan proposal.) The fundamental problem confronting Carter's welfare reform was the persistence and durability of interests created in the New Deal order. The regional interests embodied in extant welfare programmes were too great to be reconciled in a major reform. One manifestation of these regional interests is provided by the so-called 'conservative coalition' in Congress, a term used to denote common voting patterns by a group of Republicans and Southern Democrats sharing conservative tenets. This regional conflict coincided with political differences about welfare, principally concerning the role of work incentives
and requirements, differences between on the one hand conservative Democrats and Republicans and on the other hand liberal Democrats. These regional conflicts were articulated by the dominant members of the Senate Finance and House Ways and Means committees, as I explain below. They also reflected the way welfare programmes were enacted in different states.

The congressional actors:

In both the 95th and 96th congresses a number of members of the House and the Senate played pivotal roles in supporting or thwarting Carter's proposals. On each occasion two types of cleavages emerged. First, a division between representatives from southern states (supported by Republicans) implacably opposed to the establishment of federal minimum standards in programmes administered by the states or to the expansion of these programmes' coverage and unsympathetic to increasing federal fiscal assistance to the states for welfare programmes; and representatives from northern states intent upon establishing federal minimum standards and increasing fiscal relief. Second, a division which overlaid the first one, between those congressional members who wanted sharper work requirements in the reforms and those who considered this priority less important than providing greater training opportunities and creating public sector jobs. Tables 2 and 3 (see below) list the members of the crucial committees in the two congresses.

As early as September 1977, Senator Russell Long of Louisiana, chairman of the Senate Finance committee, criticised the Carter proposal, questioning in particular the claim that more people would gain employment and the Administration's cost estimate. Long succeeded in appending amendments to the Administration's first bill imposing work requirements on AFDC recipients. In the 96th Congress, Long continued to oppose parts of the reform. Discussions between White House domestic policy staff and Finance Committee staff were not promising:
Senate Finance staff reminded us that Long’s philosophy and approach to welfare reform are different from that adopted by this Administration and included in the House-passed bill. He is opposed to the two key liberalisations in the House-passed bill -- the minimum benefit and the universal coverage of two-parent families. In Senator Long’s view, both of those provisions reduce work incentive."

---

**Table 2**

**Senate Finance Committee Members**

**95th Congress:**

**Senate Finance Committee:**

**Democrats**

Russell Long (LA), chairman  
Herman E Talmadge (Ga)  
Abraham Ribicoff (Ct)  
Harry F Byrd Jr (Va)  
Gaylord Nelson (Wis)  
Mike Gravel (Alaska)  
Lloyd Bentsen (Texas)  
William D Hathaway (Maine)  
Spark M Matsunaga (Hawaii)  
Daniel Patrick Moynihan (NY)

**Republicans**

Carl T Curtis (Neb)  
Clifford P Hansen (Wya)  
Robert Dole (Kan)  
Bob Packwood (Ore)  
William V Roth (Del)  
Paul Laxalt (Nev)  
John C Danforth (Mo)

**96th Congress (new Ctte members):**

Max Baucus (Ma)  
Bill Bradley (NY)  
David Boren (Okla)

**Subcommittee on Public Assistance:**

**Democrats:**

Moynihan, chairman  
Long  
Hathaway

**Republicans:**

Danforth  
Curtis  
Roth  
Heinz III

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Long was a staunch supporter of work incentives, and supported the establishment of the Work Incentive (WIN) reforms (passed in 1967) which included mandatory job search requirements for benefit recipients. By mid-1980 Long’s priorities remained unaltered: "tougher work requirements, and
more money in the Work Incentive (WIN) program." On the Finance Committee, Long was the dominant influence. His consolidation of power contradicted the general trend for a weakening in the position of chairmen, as one observer noted:

the [Finance] committee... has changed remarkably little over the past decade of general congressional turmoil. While committee chairmen in both the House and Senate have grown weaker, Long has grown stronger. While subcommittees have generally taken over more and more of the legislative workload, the subcommittees on Finance do little of importance... The current system, in which all important bills are considered only by the full committee, keeps all subjects under Long's personal control."

With the exception of Moynihan, in both the 95th and 96th Congresses none of the other members of the Finance Committee was interested in welfare reform especially. One partial exception to this assessment concerns Georgia's Herman Talmadge who was politically close to Long, especially on welfare:

next to Long in seniority, and by common consent next to him in influence, is Talmadge. One of the things they talk about is their shared belief that too many people are on welfare who ought to work. Long invented the earned income tax credit, through which welfare families are given tax incentives to find jobs. Talmadge's program is the Work Incentive (WIN) program, which requires them to search for jobs and offers training to success in them."

Only Senators Ribicoff (CT) and Nelson (WI) were liberal on welfare, but they were not active on this reform. The third ranking member, Harry Byrd (Va) an Independent who took the Democrats' whip, was deeply conservative and opposed to liberal welfare reform. In the second session of the 96th Congress, Byrd voted most frequently with the conservative coalition. " The retirement in
1974 of Senator Wallace F Bennett (Utah) left the Republicans without a strong presence, thereby enhancing Long's control by removing partisan opposition. The two ranking Republicans, Carl Curtis (Neb) and Clifford Hensen (Wya), lacked political clout either with their colleagues or on the Committee. In the 96th Congress both ranking Republicans departed from the Senate, making Robert Dole the ranking minority member. The Committee was embroiled in health reform and budgetary matters in 1978, and in 1980 economic and electoral issues were uppermost in members' minds. Taxes and their consequences for energy-producing states were priorities for most members of Finance.

Moynihan chaired the Finance Committee's subcommittee on Public Assistance, to which welfare proposals were referred. Under Long's chairmanship, subcommittees of Finance were weak and Moynihan was the junior ranking Democrat. Long's agreement to establish subcommittees did not affect his control of the full committee, or his powerful role in passing legislation. However, Moynihan's experience in the Nixon administration (where he was responsible for drafting the President's welfare proposals) and his high national profile gave him some independent influence, particularly on welfare issues.

Moynihan was the President's most important Democratic supporter in the Senate, though his support was inconsistent. He poured praise on the 1977 proposal: "the most important piece of social legislation since the New Deal." And describing his role two years later Moynihan asserted, "I was for the President's bill and none other. I introduced it; held hearings; talked it up, as it were." This interpretation was not shared by the White House. In a memorandum for the President, jointly prepared by Eisenstat and Congressional Liaison Office Director Frank Moore, the authors wrote: "..although Senator Moynihan agreed to be the chief sponsor of our welfare reform bill, he subsequently switched his position on that legislation back
and forth at least four times." The rejection of Carter's bill by Ways and Means in June 1978 led Moynihan to support and steer through a limited initiative giving fiscal relief (that is, additional financial assistance) to the states for their welfare bills. Moynihan made federal fiscal relief, which larger states urgently sought for their welfare responsibilities, a priority. The White House believed this measure would damage their subsequent reform initiatives. Furthermore, while pursuing this initiative Eizenstat and Moore observed: "the Senator was repeatedly critical of the Administration for not supporting his efforts, and charged 'treachery' in that you [ie Carter] allegedly have abandoned welfare reform forever." According to a briefing paper prepared for the President in July 1978 the Moynihan bill (supported by Senators Cranston and Long) would undercut the Administration's ambitions:

- the Administration plans to propose a major incremental welfare package that will include simplification of welfare program administration, more jobs, some extension of coverage, larger EITC, and fiscal relief. We shouldn't give up the meaningful parts of welfare reform for fiscal relief, and [the Moynihan bill] will probably kill any hopes for significant incremental reform."

Tension between the White House and Moynihan was a consistent feature of welfare reform during the Carter presidency. In October 1977, Eizenstat wrote a memorandum to the President about the New York Senator: "Moynihan apparently feels badly treated by the Administration. In his view he has been advocating the Administration position on a number of bills while we have opposed his bill to provide $1 billion in immediate fiscal relief to the states. He also feels that our failure to support his initiatives had endangered the building of the necessary coalition for welfare reform in the Senate Finance Committee." He added: "Moynihan's position on welfare reform indicates a
disturbing pattern of first endorsing Administration proposals and then backing-off in order to obtain further concessions. We should not put ourselves in the position of encouraging this. However, the Senator could be a useful advocate for the Administration's welfare reform proposal, if he chooses to do so."

Although both Democrats, Senators Long and Moynihan held distinct positions on welfare reform. These reflected the conflicting interests of their states and their different approaches to welfare. For Long, incorporating tougher work requirements and maintaining state control of programmes were more important priorities than winning additional fiscal relief or agreeing to national minimum standards, both of which Moynihan supported. Long never wavered in his opposition to setting national minimum standards, a position he held before the Carter presidency. White House aides were aware of these views, and Administration staff (though only infrequently coordinated by the Congressional Liaison Office) did their best to win over the senators, especially Long, but in the event failed to offer sufficient compromise. Thus in 1979 Califano was clearly aware of Long's views: he acknowledged that compared with the House, the "Senate is a more difficult proposition because of Senator Long's longstanding problems with a national minimum benefit." The Administration's retention of the principle of a Federal minimum standard in their second initiative made it unlikely that a compromise could be agreed given the sectional divisions facing such a scheme. Moynihan's agreement to cosponsor the 1979 bill was granted despite his serious reservations about the inadequacy of the fiscal relief offer.

It was not uncommon for Western state representatives to share the views about welfare held by southerners. In the first session of the 95th Congress the conservative trend was most pronounced amongst members from Western states in both the House and Senate. Some Westerners, such as Gus Hawkins and
Table 3
House Ways and Means Committee Members

95th Congress:
Democrats
Al Ullman (Ore), chairman
James A Burke (Mass),
Dan Rostenkowski (Ill)
Charles A Vanik (Ohio)
Omar Burleson (Texas)
James C Corman (CA)
Sam Gibbons (Fla)
Joe D Waggonner Jr (La)
Otis G Pike (NY)
Charles B Rangel (NY)
William R Cotter (Conn)
Fortney H (Pete) Stark (CA)
James R Jones (Okl)
Andy Jacobs Jr (Ind)
Abner J Mikva (Ill)
Martha Keys (Kan)
Joseph L Fisher (Va)
Harold E Ford (Tenn)
Kenneth L Holland (SC)
William M Bradhead (Mich)
Ed Jenkins (Ga)
Richard A Gephardt (Mo)
Jum Guy Tucker (Ark)
Raymond Lederer (Pa)

Republicans
Barber B Conable Jr (NY)
John J Duncan (Tenn)
Bill Archer (Texas)
Guy Vander Jagt (Mich)
William A Steiger (Wis)
Philip M Crane (Ill)
Bill Frenzel (Minn)
James G Martin (NC)
L A (Skip) Bafalis (Fla)
William M Ketchum (CA)
Richard Schultze (Pa)
Bill Gradison (Ohio)

96th Congress (new Committee members):
Thomas J Downey (NY)
Frank J Guarini (NJ)
James M Shannon (Mass)
Sam B Hall (Texas)
Cecil Heftel (Hawaii)

Subcommittee on Public Assistance and Unemployment Compensation
Democrats
Rangel
Stark
Jacobs
Keys
Fisher
Burke
Bradhead
Tucker

Republicans
Jagt
Bafalis
Ketchum
Gradison

James Corman from California, were very liberal but they formed a minority amongst representatives from this region. In the House, Al Ullman, a Democrat from Oregon, was chairman of the Ways and Means Committee during both the 95th and 96th Congresses (see table 3)." Ullman represented the 5th District in
Oregon, historically a Republican area. (Ullman was unexpectedly defeated by a Republican (Denny Smith) in 1980, arguably because of Carter's early acceptance of defeat.) Thus the scope for Ullman to be a liberal on welfare was limited. Representative Ullman's early pronouncements broadly but cautiously supported Carter's 1977 reform. He placed a stronger emphasis upon work than cash assistance: "our primary objective should be the expansion of employment opportunities available to welfare recipients and other low-income Americans, coordinated with measures that will effectively encourage and assist these individuals to obtain jobs that pay adequate wages." Within six months, Ullman's public statements were less than positive about Carter's proposal, as he adopted a position closer to the southern regional one:

[the plan] would treat several million working persons as part of the welfare population rather than clearly distinguishing between those expected to work and those not. For those not expected to work I do not oppose a benefit schedule which reflects family size and I am in favour of supplementing the wages of the working poor. But I do not believe we should assist working individuals by adding them to the welfare system. Family size does not determine anyone's pay scale and family size should not determine the amount of income supplements for the working poor."

Early in 1978 Ullman complicated the reform process significantly by introducing his own bill, and although this was defeated in subcommittee (by a small majority) he did his best to keep it alive on the full committee. Ullman's plan was defeated only by 13-16. The voting breakdown provides a good picture of the regional divisions confronting liberal welfare reformers (see table 4). Ullman's bill increased the number of public sector jobs created in order to underpin his work requirement component and gave a lower cost estimate for the whole scheme.** Ullman supported the second reform
initiative in 1979 but again sought tougher work requirements. An Ullman-inspired amendment, supported by conservative Democrats and Republicans giving states block grants to spend as they wished and the power to set tough work requirements for recipients, was defeated by a mere 5 votes on the House floor (200-205) on November 7 when Carter's bill (HR 4904) was approved.

### Table 4

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<tr>
<th>Supporting Ullman:</th>
<th>Opposing Ullman:</th>
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<td><strong>Democrats:</strong></td>
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<td>Ullman (Ore)</td>
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<td><strong>Republicans:</strong></td>
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<td>Corman (Ca)</td>
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The crucial subcommittee in the House, the Ways and Means Subcommittee on Public Assistance and Unemployment Compensation, was chaired by James C. Corman, a Californian Democrat and fifth ranking member of the Committee. This subcommittee had greater autonomy than its equivalent in the Senate, but chairman Ullman's interest in welfare limited Corman's independence. Corman was not unsympathetic to the White House's reforms and advocated in particular an improved manpower and jobs programme. He described the 1977 initiative as an "excellent blueprint." Corman was the most liberal of the major players in welfare reform and grew disaffected as the White House proposals were diluted. Although he cosponsored the 1979 bill he was disappointed with its contents and an unenthusiastic supporter.

By March 1978 White House aides were pessimistic about the likelihood
of legislative success in the 95th Congress. President Carter held a meeting on March 10 with Senators Long and Moynihan and Representatives Corman and Ullman to encourage them to enact his reform but also to discuss compromises. The special subcommittee, established by O'Neill, had reported the bill but getting this through the relevant full committees within the designated schedule was proving difficult. Although Moynihan maintained in May that "there is a very positive sense in the Senate that something can be done and should be done" on welfare, Congressman Ullman's assessment was more realistic and prescient: "we are in May of an election year and all the options that might be possible are not available to us. We cannot get $20 billion welfare reform under any circumstances. That just cannot be done." A compromise was agreed between the White House and Congress in June 1978, in which Carter's original proposals were significantly reduced but a national minimum standard for benefits was to be established. However, by the end of that month the bill's prospects of enactment were nil.

In 1979 the Carter White House attempted again to reach agreement with the Congress. The proposals were launched in May but by July White House staff had already formed doubts about the likelihood of achieving major reform. These doubts proved well-founded, particularly in the Senate. The proposals were less fiscally ambitious and programmatically comprehensive than the previous ones. It was costed at $5.7 billion in FY 82 compared with $17 billion. According to Eizenstat, "if the President signals his interest, our scaled-down proposal has a reasonable chance of passage despite a generally hostile climate for new spending, especially on social programs." The bill required the state programmes to provide benefits equivalent to 65 percent of the poverty level and to increase the federal share of AFDC costs.

This revised cash welfare bill passed the Ways and Means Committee in November 1979 by 222 votes to 184 garnering support from interest groups, the
states with the largest welfare rolls and some Southern Representatives.*

Not surprisingly, the White House considered this vote a success, given the failure of their earlier initiative even to reach the House floor in the 95th Congress. Both Republicans and conservative Democrats opposed the bill: a motion sponsored by them to let states design their own work requirements was defeated by 5 votes.** An analysis of the 222 votes for and 184 against Carter’s bill revealed a regional division of the sort I have emphasised: Northern Democrats were clearly distinguishable from a conservative coalition of Republicans and Southern Democrats (R 29-118, D 193-66 [ND 165-15, SD 28-51]).*** Division centred upon the appropriate content of welfare reform. Advocates of the bill considered the inclusion of a national benefit for welfare recipients and extending benefits to all 2-parent families, modest but consequential changes. For conservative opponents such incremental changes represented a dangerous move toward a national guaranteed income, echoing Nixon’s failed family assistance plan, and increased federal control of states’ discretion in welfare. In his book, Richard Bensel analyses the votes for HR 4904 in terms of party allegiance, the compatibility of a state’s existing programme with the 65 percent criterion and size of state welfare population. These indicators prove powerful:

those states which met neither the AFDC-U criterion nor the 65 percent threshold were overwhelmingly southern (eleven of thirteen), and within every one of these states AFDC dependency was largely associated with labor-intensive extractive economies (usually planation economies). Another eleven states, largely western and plains states, met the 65 percent of poverty income threshold but did not have AFDC-U programs. The remaining twenty-six states, representing nearly all of the major industrial regions of the country, met the criterion.***

In the Senate discussion of the welfare proposals was limited to
Moynihan's Subcommittee on Public Assistance. He held hearings in February 1980. In the White House's view these hearings were to "serve primarily an academic purpose," and not to advance the bill's enactment. Given Long's control of his Committee this assessment was probably accurate.

Corman's hostility to the revised 1979 proposal quickly surfaced, fuelled by Carter's concession to southerners about tougher work requirements and acceptance of state variations in AFDC benefits. He characterised the initiative as "so-called welfare reform" because of "the cap on federal match for UP benefits above 89% of poverty; omission of the food stamps cashout for SSI; 8 week eligibility periods rather than something longer; absence of a guarantee that the jobs themselves will actually appear when needed." In May of the same year, the White House assessed Corman's support to be more robust. He agreed to act as cosponsor, but "has made it clear that he will support welfare reform legislation only if it contains a cash-out of Food Stamps for the SSI population"; Corman's support was tenuous. He was joined by Congressman Gus Hawkins (a liberal reformer), who "wants a jobs entitlement for CETA prime sponsors, rather than a nebulous promise of necessary appropriations". The jobs bill was perceived as crucial to the fulfilment of Carter's campaign pledge to reshape the welfare system to a work-oriented one. Moynihan was unenthusiastic about the 1979 proposal. Again he sought a 100 percent pass-through of fiscal relief to the states and feared the bill would boost AFDC numbers in New York by changing eligibility for AFDC and medicaid. Representing a large state with a substantial welfare population, Moynihan's principal priority was achieving increased Federal fiscal support or 'relief'; he also remained, in Eizenstat's judgement, "as you know, hard to pin down on the type of welfare reform he favors."

Moynihan promoted his interests tenaciously. After a meeting with Carter, he wrote a lengthy letter to the President expressing his fears about
the bill’s effect on New York. He urged Carter to drop the effort to impose mandatory AFDC-UP and minimum standards on the Southern and Southwestern states and to maintain the commitment to welfare reform: "my candid, and caring, advice is that this new proposal will not be enacted. Or if it is, it will merely force on these Southern and Southwestern states what manifestly they do not want. In the meantime you will have dropped the party’s commitment to a negative income tax: a flawed idea no doubt; but surely a noble one. Come 1980 there will be no fiscal relief of the kind we have repeatedly promised." This position did not differ greatly from that of Senator Long, revealing perhaps how far Moynihan had moved in modifying his position and the power of those sectional interests associated with conservative southern positions. Carter replied: "my intention is to send to Congress a bill which will lead to a fairer and more efficient welfare system, encourage work in a more effective manner than present law, and provide additional help to the most needy." The White House had already assessed that there was little likelihood of Congress agreeing to transferring local costs of welfare to the Federal government.

Senator Long objected to aspects of the 1979 proposal including making the AFDC-UP (unemployed parents) programme mandatory. His opposition did not surprise White House staff. They calculated that simply achieving a bill successfully marked up by the Finance Committee would enable a more liberal version to be drafted at a conference committee between Senate and House members. Somewhat wistfully they hoped "more liberal House members" would facilitate appropriate reform in conference. Winning Long’s support required the President’s agreement to a programme capping federal expenditure on welfare, a position to which the Administration had maintained strong opposition. The bill was not marked up by the Finance Committee.

By March 1980 the Carter White House, cognisant of the approaching
election, hurriedly abandoned welfare reform, but not the commitment to public service job creation, in favour of a balanced budget. Writing to Californian Representative Gus Hawkins, Eizenstat assured him that the Administration remained "deeply committed to the goal of welfare reform, and especially to the proposition that public service employment opportunities ought to be available to those who are poor enough to be welfare eligible and those with families to support." Authority to reauthorise CETA with a public service component was achieved in 1978 and focussed on the poor: "the reauthorization establishes for the first time the requirement that CETA participants be economically disadvantaged, defined as having incomes at or below 70 percent of the Bureau of Labor Statistics lower family budget."

As the White House initiative to effect welfare reform was crumbling in 1980 Domestic Policy Adviser Eizenstat continued to urge President Carter to support Department of Labor welfare reform demonstration projects which included a work component. These projects would constitute evidence, according to Eizenstat, of the White House’s commitment to implement welfare reforms in which "we...offer employment as the alternative to public assistance." The record of CETA public service jobs proved to be an unhappy one and the Reagan administration quickly superceded it with the Job Training Partnership Act based in the private sector. However, Eizenstat’s proposal to allow ‘welfare demonstration projects’ was taken up by Reagan and established in his Omnibus Budget Reconciliation Act of 1981 (as a compromise to more stringent measures). These ‘demo’ projects served as models for the 1988 JOBS scheme.

A SHADOW CASE: NIXON’S FAP

To test, in a limited way, my claim about the importance of regional divisions and congressional liaison to the fate of Carter’s welfare initiatives it is useful to consider another instance of welfare reform. Anticipating Carter’s
initiative, Nixon tried to combine both a work and an income support component in his welfare reform. However, Nixon’s work component was dressed in harsher language and he made no effort to advocate his plan.

In 1969 Nixon submitted his welfare reform proposal, titled the Family Assistance Plan (FAP), to the Congress. Between 1961 (when Congress permitted states to include families with unemployed fathers in AFDC) and 1969 the numbers on AFDC had risen from 3.5 million to 6.7 million. Nixon proposed a guaranteed income strategy for both single and two-parent poor families; thus working poor families would have been brought into the welfare system through a negative income tax. The idea was advocated by Daniel Patrick Moynihan, newly appointed head of the Urban Affairs Council (in the White House) and opposed by two of Nixon’s other advisers Martin Anderson and Arthur Burns. Nixon addressed the nation on August 8 1969 and outlined his plan. He proposed two changes: a new family assistance programme to replace AFDC which would provide a national minimum benefit for a family of four and federal benefits for working poor families. Incongruously, the same speech included Nixon’s avowed hostility to a guaranteed income scheme, a portend of the problems likely to be associated with FAP’s enactment. The FAP provided for a minimum standard assistance payment to families with dependent children allocated on the basis of a uniform eligibility criterion applicable throughout the states; the provision of training and work for welfare dependents; and increased federal support for welfare expenditure by the states. The work component was intended to be mandatory for single-parent family heads whose children were over six years of age and in two-parent families at least one had to work; public sector jobs were to be created where the employment did not exist.

The FAP proposal was sent to Congress in October 1969 as part of Nixon’s complete legislative proposals. Nixon’s partisan support in Congress was weak with 43 Republican Senators and 192 Republicans in the House. The House of
Representatives passed H R 16311 in April 1970 by 243 to 155. However, 79 of the 155 voting against came from representatives of 11 Deep South states. A mere 17 southern Representatives voted for the programme. It was never reported by the Finance Committee in the Senate, despite this chamber's more liberal composition. The following year a similar pattern occurred and Nixon made no effort to win the support of either Democratic or Republican senators: unlike Carter, whose congressional liaison was inadequate, Nixon undertook no lobbying at all suggesting little commitment to the bill. Nixon was perfectly capable of effective lobbying on those issues to which he was committed. According to Moynihan, the Vietnam crisis was overriding and Nixon was reluctant to lobby senators for welfare since "he would be asking precisely those senators he could count on for support in Vietnam to change their minds about FAP." FAP was reviewed by Congress again in the summer of 1972, but its content remained unchanged and not surprisingly the Senate Finance Committee rejected it. Nixon remained aloof from the negotiations about FAP, presumably because it was a low priority for him or at least a less important priority than the major foreign policy issue.

The reaction of both conservatives and liberals in the Congress to FAP were not dissimilar to those subsequently marshalled against Carter's initiatives. Conservative Republicans decried it as a leftist interventionist scheme while liberal Democrats judged the new assistance level too low and the training proposals too punitive. Business interests articulated by the US Chamber of Commerce, lobbied ardently against the programme; welfare recipients were hostile to the work requirement. The FAP would also have affected the low wages common in the South. Neither had a political incentive to support the President and Nixon did not give them one.

The geographic distribution of FAP was also significant. HEW estimated that 30 percent of the new programme's funds would go to California alone, 38
percent to five Northeastern states and the remaining 32 percent to 44 states, a pattern reflecting the exceptionally low benefit levels set by southern states. Despite receiving the smallest proportion of the programme the effects on wages in the south were judged significant. It would expand the numbers eligible for AFDC from 10 to 28 million, the majority of new beneficiaries being concentrated in the South.

CONCLUSION: THE ANTECEDENTS OF REAGANISM

I have examined Carter's welfare reform initiatives and argued that this failure reflects a combination of both the Administration's inadequate liaison with Congress and sectionalism in Congress. The failure of Carter's welfare reforms reflected, to a significant extent, sectional divisions within the Congress between members from the North and the South manifest in senior committee members' votes and interests. These divisions were reinforced by the way in which welfare programmes were designed and implemented in the 1930s. Both dimensions were well represented by the competing agendas of Senators Long and Moynihan. In welfare, these divisions originated in the conflicts and cleavages exposed by the disintegration of the Democratic Party's New Deal coalition (which accentuated the problems for a Democratic president) and in the institutional structure of welfare programmes which reinforced these tensions.

There is undoubtedly some accuracy in criticisms of poor White House liaison. However, Carter's 1979 bill included concessions modifying the 1977 proposal. It still failed to garner support largely because the one liberal element the President sought to retain, achieving a federal minimum standard, could never transcend the regional divisions facing any welfare legislation in the Congress, as demonstrated by the failure of FAP and the success of Reagan's 1988 Act. Moynihan's analysis that Federal minimum standards was
unachievable proved accurate. It is difficult to imagine how legislation should have been drafted effectively to accommodate and compromise the priorities of pivotal congressional actors without abandoning every liberal ambition. No matter how refined the welfare proposal offered, it would still have faced the formidable regional divisions which undercut Carter's efforts and were still manifest when Congress enacted the Family Support Act in 1988.

By shifting his emphasis even more to the issue of work requirements and away from the principle of assistance and minimum standards for each family in a Federal scheme, Carter, unwittingly, helped create the conditions for welfare reform under Reagan. This reform was of a punitive character. As Carter's incumbency ended, the 'southern' version of welfare had achieved considerable prominence in the Congress. Toward the end of the second session of the 96th Congress, bills introduced by Russell Long in the Senate (S 1382) and by Californian Republican John Rousselot in the House (HR 4460) embodied measures taken up with enthusiasm by the new Republican administration. Reagan proposed cutting AFDC benefits and imposing a mandatory workfare plan (CWEP), a strategy unacceptable to the Senate Finance Committee despite Republican control agreeing only to state experiments. However, this first effort to impose a strict workfare scheme in 1981 was rejected by Congress, who permitted states to initiate 'workfare' plans if they wished to. By 1988 Reagan faced fewer barriers and as a condition of receiving presidential assent the Family Support Act of 1988 included mandatory work requirements without additional cash assistance. No effort was made to create federal minimum standards of welfare.

Reflecting the Reagan administration's neoliberal precepts the Family Support Act established a compulsory federal workfare programme, termed JOBS, under which each state was required to pass legislation establishing work or training activities to be discharged by welfare recipients in exchange for
their benefits. This work requirement was widely seen as not only constituting an important restatement of the welfare contract between citizens and the state, by emphasising the duties rather than the rights of citizenship, but as reflecting the ideology of the Reagan administration. Carter's two failures to reform welfare exposed the regional divisions within the Congress which any welfare proposal had to overcome. His combination of job opportunities and Federal minimum standards of cash assistance had been transformed by 1988 into a punitive employment scheme with no weakening in state control of welfare benefits.


7. For details see "Welfare Reform: Congress is Skeptical" Congressional Quarterly Weekly Report 1977 vol 35 no 39 September 24 p2013. O'Neill had also formed, with similar results, a special ad hoc committee in the House for the passage of the President's complex energy programme. The failure of this presidential initiative and O'Neill's frustration with the White House's ineptitude in its dealings with Congress cannot have warmed the Speaker's support for later initiatives. See Tip O'Neill Man of the House (London: Boldey Head, 1987) especially pp310, 320. O'Neill records his poor treatment by Carter's aide Hamilton Jordan on the night before the President was sworn in at the gala at the Kennedy Center pp310-311.


9. It is also the case that a good deal of Carter's ambitious domestic reforms fell under the jurisdiction of these two committees and Peterson claims this presented a problem for the President: "...because of the issues Carter chose to pursue, and the manner in which he wished to approach them, the whole Congress did not get overloaded as much a parts of it did. By attempting comprehensive restructuring of federal energy policy, welfare, the tax system, health financing and the like, Carter sent to Congress a good deal of legislation with provisions that required favorable review of two committees, Ways and Means in the House and Finance in the Senate." M A Peterson Legislating Together (Cambridge MA and London: Harvard University Press, 1990) p221.


12. In his study C O Jones succeeds admirably in reconstructing the work of this Office from interviews: _The Trusteeship Presidency_ (Baton Rouge: Louisiana State University Press, 1988).


15. see also E C Hargrove _Jimmy Carter as President_ (Baton Rouge: Louisiana State University Press, 1988) pp59-60, whose assessment is not dissimilar to mine.


24. Quadagno explains how the political bases of the New Deal coalition shaped welfare programmes:

social policy was shaped by the ability of the southern planter class to wield a disproportionate share of political power in the broader nation-state. Southern planters gained political power through the establishment of a one-party South, which effectively stifled opposition to the dominant planter class, and through the structure of the committee system in Congress, which allowed southern representatives to exercise a controlling negative influence on national legislation.


25. JCPL Domestic Policy Staff (hereafter DPS) - Eizenstat, Box 317, Folder: Welfare Reform [CF,0/A 732][1] Letter from Moynihan to Carter February 8, 1979 p2.


28. For a summary and formulation of Carter's thinking on welfare before entering the White House see the statement in JCPL WHCF Box WE-12, Folder: WE10 1/20/77-4/30/77 Memo from Jack Watson and Jim Parham to Carter April 15, 1977 ppl-3, in which 12 points are documented.


32. JCPL DPS - Eizenstat Box 318, Folder: Welfare Reform 8/77 [0/A 6347][1], Memorandum: Briefing Paper on Moynihan/Cranston/Long Bill, July 12 1978.

33. At HEW Califano was assisted principally by former Brookings member Henry Aaron, assistant secretary for planning and evaluation. Aaron chaired the consulting group convened by Califano to advise on the welfare reform. Aaron defined the problem in terms which reflected the agreed initiative: "it is how to unite the almost universal desire to enable those with low income to earn enough to support themselves with the inevitable fact that many people with require cash assistance." K W Gest "Welfare Reform: Carter Studying Options" Congressional Quarterly Weekly Report 1977 April 30 no 18 vol 35 p792.
Richard Nixon, after six months in office, also proposed a significant reform of the US welfare system known as the family assistance plan (FAP). It constituted a basic income scheme, guaranteeing to each family of four an income of $1600 per year, a $750 per year (or $60 per month) earned income disregard (that is, not liable to taxation), and a reduction rate of 50 percent on additional earned income. This proposal was work orientated but it included no public job creation programme.


Eisenstat was a key official throughout the Carter Administration. For a profile see D Bonatede "Stuart Eisenstat - Carter's Right-hand Man" National Journal 9 June 1979.

Joe was a lawyer working with Lewin and Associates, which experience of working California in the late 1960s and early 1970s informed his recommendations.

This was at the request of the President: see JCPL WHCF Box WE-12, Folder: WE10 1/20/77-4/30/77, Memo from Califano to Carter February 5 1977. This pre-legislative consultation rather undercuts the view that Carter failed to consult widely in formulating his domestic agenda.
47. JCPL WHCF Box We-12, Folder: WE10 1/20/77-1/20/81 Memo from Califano to Carter November 28 1978 p1.

48. JCPL WHCF Box We-12, Folder: WE10 1/20/77-1/20/81 Memo from Califano to Carter November 28 1978 p1.

49. Quoted in "House Passes Welfare Reform Bill 222-184" Congressional Quarterly Weekly Report 1979 vol 37 no 45 November 10 p2534. He added: "This bill fails the test", a judgement which correctly anticipated the bill's failure to be enacted.


52. JCPL WHCF Labor-Management Relations Box LA-4, Folder: LA2 5/1/79-6/30/79 President's Address to Congress May 24 1979 p1. My emphasis.


54. The Senate Finance committee began hearings on 7 February 1978 but the bill did not go to the floor.


As a memorandum prepared for the President noted, "Moynihan is intellectually favorable to reform, but his most urgent political need is fiscal relief for New York." DPS - Eizenstat Box 318, Memo from Eizenstat and Frank Raines July 19, 1977 p1.


72. JCPL DPS - Eizenstat Box 318, Folder: Welfare Reform [O/A 6347][2], Memorandum from Eizenstat to Carter "Senator Moynihan and Welfare Reform" October 11, 1977 pp1,2.


76. See "Conservatives' Voting Strength Rises" Almanac 95th Congress 1st Session 1977 (Washington DC: Congressional Quarterly Inc) pp15-B - 20-B. Senator Clifford Hansen (Wyo) supported the conservative coalition on 93 percent of votes in the second session of the 95th Congress.
77. In the 95th Congress the Democratic members were:


81. Some of these objections were shared by the state governors and the American Public Welfare Association of administrators.


88. JCPL WHCF Welfare Box WE-13, Folder: WE10 1/1/79-6/30/79. In an internal memorandum (2.7.79) from Roger Altman to Secretary Blumenthal, Altman noted that "last fall, Moynihan, Cranston and Long co-sponsored a 'no-frills' welfare reform proposal, consisting only of fiscal relief to States. Moynihan's view is that Congress will not pass any major reform of the benefit structure - at least any reform involving new spending" p1.


93. R F Bensel Sectionalism and American Political Development 1880-1980
(Madison WI: University of Wisconsin Press, 1984) pp309-310. Bensel attributes importance also to party allegiance but this seems less convincing.


95. JCPL DPS - Eizenstat Box 317, Folder: Welfare Reform [CF, O/A, 732] [2], Memo from Christopher Edley to Eizenstat and Bert Carp "Welfare Reform Strategy Meeting - 2.00 p.m. in Room 208" February 6, 1979 p1.


100. JCPL DPS - Eizenstat, Box 317, Folder: Welfare Reform [CF,0/A 732][1] Letter from Carter to Moynihan March 21, 1979 p3. Eizenstat advised Carter to attach a handwritten note "authenticating" that the letter was from JC.


106. Big business opposed CETA. These views were expressed by the President of NAM in 1977. Writing to President Carter, NAM President E Douglas Kenna argued that, "it is industry's view that a far more effective, more enduring and ultimately less costly approach is through the encouragement of private sector employment." He continued by rehearsing traditional employers' antipathy to an active Federal government: "private sector employment stimulation would not require the development of additional government programs or administrative structures; government payrolls would not be
swollen to accommodate unnecessary employees and workers would be engaged in productive jobs."

JCPL WHCF Labor-Management Relations Box LA2 File: LA2 1/20/77 -3/20/77, Letter from NAM President E Douglas Kenna to JC January 14 1977 p2. However, CETA was authorised and extended despite this opposition. See also correspondence in JCPL WHCF Labor-Management Relations, Box LA-2, Folder: LA2 1/20/77-3/20/77 NAM "Unemployment and Job Creation", enclosed with a letter from NAM President McKenna to Carter January 14, 1977.


108. This proposal reflected trades unionis hostility to FAP because of its implications for the minimum wage if low-wage workers had to be found jobs. See J Quadagno *Unfinished Democracy: Rights, Race and American Social Policy* (New York: Oxford University Press, 1994) ch 5.

109. Hearings lasted two days. The bill was returned to the White House by chairman Long. A revised plan was given hearings in July 1970 when Long postponed consideration until after the November elections. A tentative vote on the proposal in October was defeated by 14-1 (all Republicans voting against) and in October another vote defeated the bill by 10-6.

The liberal from Minnesota Eugene McCarthy scheduled an unofficial hearing of the Committe in November 1970 at which the National Women’s Rights Organisation opposed the programme. Three of the Committee’s six liberal members voted against FAP and one abstained.


111. In the Senate by 52 votes to 34.


