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W. Joseph Heffernan, Jr.

UNIVERSITY OF WISCONSIN - MADISON



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## ABSTRACT

The purpose of this paper is to provide a historical perspective on the evolution of American welfare institutions up to the 1950 amendments to the Social Security Act. It seeks to demonstrate the reluctance with which welfare functions were adopted by government in the early period of American history. It also illustrates that while the form of welfare in each historical period is principally influenced by the major thrusts of the time--wars, depressions, and so forth--the shape of American welfare is influenced by trivial incidents that occurred at portentous times. It also notes that the historical development has been such that what evolved was not a coherent welfare system but a bewildering array of ad hoc programs. The lack of integration of programs is seen as the stimulus for the welfare reform demands of the 1960s.

## A HISTORIC PREFACE TO WELFARE REFORM

### I. Structure and Goals of Welfare

The social welfare system in any large complex society is the product of many fundamental forces. It is also the product of trivial incidents which by accident occurred at portentous times. Full historical description of American social welfare institutions would require a study of enormous scope and detail.<sup>1</sup> The task of this paper is considerably more modest: to set the stage for a political analysis of the welfare policy debate by illustrating the reluctance with which governments have accepted the responsibility of providing aid to poor persons. Grant but three assumptions and most of the major public welfare programs automatically unfold. The first assumption is that the community cannot turn its back on those who are in trouble. This is in accord with elementary principles of Western morality. It is also a matter of simple prudence, since troubled people, left on their own, are likely to disrupt government. The second assumption is that there will be a large number of persons who will experience difficulty without having had the foresight, resources, or capacity to make individual preparation for such a contingency. The third assumption is that the cost of care for these troubled persons needs to be distributed through the whole of society--thus, that a public program is required.

Since the state replaced the church as the dominant institution of society, public programs for aid have not been seriously challenged. What has been seriously challenged is the amount of aid, who gets the

aid, the manner in which the aid is distributed, and the conditions that are placed on the receipt of aid.

Following the decline of the Roman world and the rise of the feudalistic economy of the Dark and Middle Ages, the church became the chief supplier of aid to the poor. As C. R. Steinbecker has shown, early Christianity with its emphasis upon high ideals, love of one's enemies, and entry into heaven through mercy and charity became the driving force compelling people to give to those who were in need.<sup>2</sup> As the power of the Empire declined and the power to tax on behalf of the poor was lost, it was necessary to find another compulsion that would direct those who had to share with those who had not. This compulsion was provided by the church with its pronouncement that entry into heaven was possible only through charity.<sup>3</sup> The basic notion of public assistance during the Middle Ages was that superabundant wealth in the hand of one person had been placed there by God to serve the needs of others. To deny aid to those in need was thus a denial of God. This theological compulsion to give fostered a pattern of indiscriminate giving, which was both expensive and ineffective. It worked, however, because most of the poverty of the period was case poverty (that is, poverty resulting from blindness, old age, dependent children without support, physical disability, and so forth). Structural poverty was unknown during the Middle Ages of Western civilization because the feudal economy had established a thoroughgoing welfare state. While the serf and the slave had a responsibility to work for the master, the master, in his turn, had a responsibility to provide for the care of those on the fief.<sup>4</sup> As the feudal economy declined and the serfs left the fiefs in search of more rewarding work, they lost their claim on the

master, and, when hit by destitution, had nowhere to turn except to begging. Professor Brian Tierney has pointed out that with this new horde of beggars in the relief market the church's pattern of indiscriminate and unsupervised giving of aid to the poor became completely unworkable.<sup>5</sup> The new order required a new system just as the new feudal order had required a new system when it replaced the declining Roman Empire.

The new system was provided by Juan Luis Vives (1492-1540) and is described in his major work, De Subventione Pauperum (On the Supervision of the Poor). Vives's plan anticipated modern public assistance legislation in three important respects. It suggested (1) that the community has a duty to care for the poor and that the obligation to provide for those in need is more than an individual obligation.<sup>6</sup> (2) That there be diligent inquiry into the conditions of the poor so that aid be given only to those who are truly in need. In order to halt the indiscriminate giving, responsibility for the administration of relief should be placed at the local or parish level.<sup>7</sup> (3) That there be developed a classification and analysis of the facts regarding different kinds of poor people and that different laws be developed to meet the needs of these various categories of the poor.<sup>8</sup> Vives's commentary is of special significance, however, because for the first time a treatise on the destitute focused on the needs of the destitute rather than on the benefits to the soul of the relief giver.<sup>9</sup> Vives had clearly anticipated a trend whereby the state would supplement the church in supplying the needs of the destitute.

By the time of Vives's writings one could already identify certain basic tenets of the welfare controversy. As the functional role of

government had expanded, the welfare structure had become far more complex. Conflict had arisen over the distribution of the welfare functions as the older welfare media--the family, the church, mutual benevolence societies--had had their function assumed by government. By the time of Vives it was virtually impossible to identify a distinct philosophy of public assistance, but it was possible to identify the basic areas of antagonism in the debate over public assistance.

1. There is no practical limit to the number of welfare functions that can be assumed by government in behalf of the poor. The number and level of services offered will, except in a univalued society, be a subject of debate.
2. Need is a relative thing; there is no such thing as an absolute minimum assistance level.
3. Any need that is associated with the destitute class can be viewed as the legitimate responsibility of government. Simultaneously, any need, except those necessary for biological existence, can be denied to be a legitimate function of government.
4. Institutions will compete to assume these functions and there is no single rational criterion by which to decide which institution is the most rational purveyor of which services.

In a word, the basic decisions in welfare policy had, by 1525, become political decisions.

## II. Our English Poor Law Heritage

The history of public responsibility for the poor in America cannot be appreciated without an understanding of the developments in Great Britain. In very simple terms, public welfare policy signifies the acceptance by society of a responsibility to provide a portion of the needs of some of the persons who are unable to meet those needs

through the "normal" working of the economic order and/or private exchange mechanisms. Anglo-American governments have assumed this responsibility with great reluctance. The public record of poor relief in England and the United States reflects two traditions. Blackstone's Commentaries on the Laws of England states succinctly one theme--that public care of the destitute is one of the fundamental responsibilities of government:

' "The law not only regards life and member and protects every man in the enjoyment of them, but also furnishes him with everything necessary for their support; for there is no man so indigent or wretched, that he may not demand a supply sufficient for all the necessaries of life from the more opulent part of the community by means of the several statutes enacted for the relief of the poor."<sup>10</sup>

The second tradition is that public agencies are charged with the responsibility to disburse aid in a fashion that promotes thrift, sobriety, and a cohesive family. Of particular concern has been the fear that "vagabonds, vagrants and mischeats" will live a life of opulence and indulgence.<sup>11</sup>

The legislative history of public assistance is replete with statutes, but the single piece of legislation that has had the greatest impact is 43rd Elizabeth I, chapter 2; the Poor Laws of 1601. This law, which was as much a culmination as a new beginning, stands, even today, as the watershed in public relief policy. The law was not designed to be the sole public response to industrial economic distress, but it became such for three centuries. The law was designed to facilitate the transition from a feudal to capitalistic economy. It did so by recognizing that the paupers--essentially those being forced off the land--were distinct from the rest of the population

and could be treated in a distinct legal manner. Thus the principle of the peculiarity of the poor was established, a principle that has sanctioned the relaxing of constitutional civil liberties safeguards in public relief policy. The Poor Laws of 1601 also set the organizational pattern of relief giving that has persisted into the final quarter of the twentieth century. The organizational form can be briefly summarized. First, national law was used to impose on local governments the obligation to care for the poor who were their legal residents. Second, a citizen's board made up of property owners and at least one clergyman, called the "overseers of the poor," was given the responsibility of providing for the basic needs of the poor and the authority to force able-bodied persons to work. Third, the right of the overseers to enforce upon children the support of their parents was established. Fourth, the poor had no right of transit or domicile and were to be physically returned to their county of birth for the aid to be given. This fourth part of the law was made more enforceable by the 1662 Settlement Act, which, in order to prevent "squatters" from taking over the land, allowed the forcible removal of paupers, whether or not they requested aid.

The use of relief legislation to accomplish domestic controls as well as to provide succor to the needy has been the subject of much debate (see, for example, Piven and Cloward, Regulating The Poor). Whether the history of relief is a history of incremental public acceptance of responsibility for the poor or a history of insidious encroachments on the liberty of the poor cannot be evaluated here. What is clear is that in England there were periods of liberalization

followed by periods of public unresponsiveness. Cloward and Piven argue that relief giving arises from a need to control the working population: "First when more unemployment leads to outbreaks of turmoil, relief programs are ordinarily initiated or expanded to absorb and control enough of the unemployed to restore order; then as turbulence subsides, the relief system contracts expelling those who are needed to populate the labor market."<sup>12</sup>

### III. Pre-Social Security Public Assistance in the United States

Six years after the passage of 43rd Elizabeth I, the first permanent English settlement in the new continent was established at Jamestown, Virginia. Almost immediately there was a problem of caring for the poor in this country. As the colonies adopted other English political institutions, so too with the poor law. Accordingly, the principles, structure, and philosophy of October of 1601 were transplanted to these shores; in some instances exact wording was copied.

Thus, the history of public responsibility for indigent persons in the early American colonies was very similar to the history in England during the same period. The aspect of the legislation that fostered local responsibility also fostered a pattern of public assistance that was highly influenced by the local customs and practices of the various colonies, countries, and vestries.<sup>13</sup> In New England, poor relief was administered through the township, the old parish of England shorn of ecclesiastical authority. The county had this responsibility in southern colonies, while in New York and Pennsylvania

there was a mixture of both patterns. Despite the similarities to the English system, there were also some very important differences. The American pattern of relief was affected by the presence of the frontier, the more agrarian economy, and a stronger extended family structure. As a consequence of these factors, pauperism did not appear in this country on anything like the scale present in nineteenth-century Europe or England. While this country accepted from English practice the legal notion of a right to assistance, social or political acceptance of that right lagged behind English acceptance by more than a century.

There were a number of reasons for the difference of acceptance of the practice of relief. One reason was that while in England the poor were another class, in "classless" America, the poor were the other class.<sup>14</sup> Our federal system further inhibited the growth of a public welfare system in this country. While state activity was slow to develop, federal participation in welfare programs was virtually non-existent. Largely as a consequence of the reform efforts of Dorothea Dix, the Congress did once pass a piece of legislation that would have set aside federal land grants as a form of federal aid for state programs to care for the insane. This was a precursor of the land grant college program, which was adopted eight years later. President Franklin Pierce vetoed the first land grant program with the following message:

If Congress is to make such provision for such objects, the fountains of charity will be dried up at home, and the several states instead of bestowing their own means in the social wants of their own people, may themselves, through the strong temptation, which appeals to the states as individuals, become humble supplicants for the bounty<sup>15</sup> of the federal government, reversing their true relation to the Union.

The fountains of charity to which President Pierce referred did not flow free at the local level. It was not indifference that inhibited the growth of public welfare in America, but a deeply held belief that public relief at any governmental level was inimical to freedom and to the true development of man's highest potential. The philosophical doctrine of social Darwinism has been identified as the peculiarly American contribution to political thought; this doctrine was antithetical to the development of public aid for those in trouble.

As Richard Hofstadter has demonstrated, in the second half of the nineteenth century social Darwinism dominated the established intellectual houses of America. Largely because of William Graham Sumner, Herbert Spencer had a much firmer place in American thought than he had in England. Social Darwinism, the Puritan ethic, and the Horatio Alger myth were combined as scientific, moral, and practical rationales for policies already in practice. While English critics had stopped short of a demand for abolition of all public welfare, American critics often cited this passage from the work of Sumner:

In our modern state, and in the United States more than anywhere else, the social structure is based on contract. . . . In a state based on contract sentiment is out of place in any public or common affairs. It is relegated to the sphere of private and personal relations, where it depends not at all on class types, but on personal acquaintance and personal estimates. . . . A society based on contract is a society of free and independent men, who form ties without favor or obligation, and cooperate without cringing and intrigue. . . . It follows. . . that one man, in a free state, cannot claim help from, and cannot be charged to give help to, another.<sup>16</sup>

#### IV. The Depression and Relief Legislation

The depression made the propositions of social Darwinism absurd. Those who had quoted Sumner with approval now found themselves seeking relief from churches, charity, and local governments. The story of relief legislation from 1929 to the passage of the Social Security Act in 1935 has been told in some detail, because within that brief span of time a rapid succession of events brought important changes in the philosophy, policies, politics, and programs of public welfare.<sup>17</sup>

The first warning of the impending disaster appeared in the spring of 1929, when the usual decrease in relief expenditures did not occur. During the first two years, 1929-1931, the private family agencies "made a valiant attempt to carry staggering loads, and under the greatest pressure to justify the faith of their leaders in the superiority of their methods over those of the public 'dole' system."<sup>18</sup> At this time also, a new notion about why people experienced difficulty developed: an idea that those in need were less mature than the rest of us and that if they were to compete, they would have to receive special help.

Social work had turned to psychiatry for help in developing a method of dealing with the individual who was facing problems of maladjustment. It [psychiatric thinking] took over, however, more than a method of treatment! It took over also a view of the nature of man and his social arrangements. It saw personal anxieties and maladjustments as rooted in the individual and his psychological past to the neglect of 'structural maladjustment--that is maladjustment rooted in quite objective social disorders.' Concern for social institutions was almost neglected in the naive belief that if one worked with enough individuals, the social institutions would indirectly improve.<sup>19</sup>

Given this philosophy, the social work profession was ill-equipped to step in and rebuild a crumbling social institution for handling the

problem of relief. A change in thinking occurred between the onset of the depression and the inauguration of Franklin Delano Roosevelt.

In the midst of, and undoubtedly because of, the losing struggle to raise adequate funds to care for the growing army of unemployed. . . [the social agencies]. . . moved rapidly to an almost complete reversal of position. [It was recognized that]. . . public relief and public welfare had arrived, and had come to stay. Throughout the entire Depression there was a continuous development of public relief agencies, at first, uneven, sporadic and entirely local; later, becoming stronger and more orderly during 1932 and 1933 as one state after another, and finally the Federal Government, went into the business of unemployment relief.<sup>20</sup>

In September of 1931, the Charity Organization Department of the Russell Sage Foundation called a conference of private family welfare agency representatives to discuss alternative ways of meeting the relief demands of the coming winter, which was expected to be the worst yet.<sup>21</sup>

The social work publication Survey Midmonthly carried a report of these discussions. It said, in part,

If private contributions cannot carry the load, the family agencies should push for the establishment of public departments giving both service and relief. Since it has been demonstrated that good standards can be maintained under public auspices, this seems a logical position for them to take in such circumstances, and is the only statesmanlike way of forestalling the setting up of temporary emergency relief measures, the results of which have often hampered their work for years after past emergency periods.<sup>22</sup>

In June of 1931, the National Conference of Social Work met in Minneapolis and held a symposium on the question of public versus private relief. At that conference, the social work profession finally put its full weight behind governmental activity in the field of relief.<sup>23</sup>

As the social workers began to move toward recognition of the necessity of governmental involvement in relief, there was also a move from local to federal relief, culminating in the passage in 1935 of the Social Security Act.

In the summer of 1930, at the invitation of President Hoover, a conference of governors had been held to explore the problems of relief and unemployment; that October, the President appointed a committee, chaired by Colonel Arthur Woods, to develop a federal program for aid to the unemployed.<sup>24</sup> Shortly after the committee began its operations, Colonel Woods issued a news release:

Increased funds for local relief and social agencies are needed if human suffering is to be prevented. Various community chests, sectarian and non-sectarian, are financing this direct and indirect burden of unemployment. They should be encouraged.<sup>25</sup>

The method of providing encouragement was not spelled out. Throughout the year, the Administration stuck to the notion that the situation was temporary and that only emergency methods were needed. President Hoover made this position clear in his annual message to Congress on December 2, 1930, when he went on record in favor of still further expansion of the temporary programs. The only mention of extending new patterns of federally subsidized relief was in connection with the drought areas in the Ohio and Mississippi valleys.<sup>26</sup>

Despite the lack of leadership from the President, Senator Constigan introduced a bill that provided for federal aid in the amount of \$125,000,000 for the remainder of that fiscal year and twice that amount for the following year. These funds were to be administered by the Children's Bureau, under a Federal Board of Unemployment Relief.<sup>27</sup> Senator La Follette of Wisconsin introduced another bill, also calling for federal aid.<sup>28</sup> These bills were combined into a consolidated bill providing for federal relief expenditures up to \$375,000,000.<sup>29</sup> This bill came to a vote on February 16 and failed to pass in a roll call vote that seemed to shatter party lines.<sup>30</sup>

Throughout both sessions of the Seventy-Second Congress, various bills for federal involvement in relief were introduced. These bills either died in committee or failed to pass.<sup>31</sup>

Each proposal for a new technique for handling relief was met with the same stock arguments: (1) the government's credit would be seriously impaired; (2) the age-old principle of family and local responsibility would be impaired and the government would have to continue giving relief forever; (3) states' rights would be violated; (4) a headless bureaucracy would be created; and (5) federal aid could only be a dole and could never get to the cause of the need.<sup>32</sup> The only real relief bill that did pass--the Wagner-Rainey Bill--provided funds for public works and authorized the Reconstruction Finance Corporation to make loans and advances for unemployment relief. This bill was vetoed by President Hoover on July 11, 1932.<sup>33</sup> Thus, by the second and third quarters of 1932, public relief expenditures were actually decreasing at a time when the number of applicants for relief was increasing. There appeared to be little chance of additional state appropriations; municipalities themselves could not provide additional funds, as some of them were falling into receivership, and the appropriated Reconstruction Finance Corporation funds were woefully inadequate. It was against this background that Hoover campaigned for reelection with the promise to continue his policies; this alternative was summarily rejected by the American people.

The presidential election of 1932 thus presaged a radical change in the role of the national government in relief. Much has been written about the recovery and the reform aspects of the New Deal. Our attention

here is directed to those measures that laid the groundwork for our present public assistance operation. Chief among these was the development of the Federal Emergency Relief Administration (F.E.R.A.). In the spring of 1933, when the Federal Emergency Relief Act was under consideration, some 18 million persons were receiving emergency assistance of one kind or another. In some states 40 percent of the population was on relief; in some counties the rate was as high as 90 percent.<sup>34</sup> The F.E.R.A. bill, which finally emerged and became law in May of 1933, was modeled closely after the Temporary Emergency Relief Administration (T.E.R.A.), which Roosevelt had pioneered in New York. In fact, Harry Hopkins, a social worker who had been the director of T.E.R.A., became chief of F.E.R.A. Unlike the T.E.R.A., the F.E.R.A. made no provision for a citizen policy-making board and the director was responsible only to the President. This fact, combined with the fact that Mr. Hopkins was later accused of having extralegal influence on the Roosevelt Administration, may account for what some consider to be the excessive lay control of public assistance under the Social Security Act. Congress enacted almost no substantive legislation concerning the structure, powers, and scope of the new agency. Mr. Hopkins virtually had a free hand. Rules and regulations were promulgated setting forth the conditions of relief administration that the states had to meet in order to be eligible to receive the grants. These, for the most part, reflected the forward thinking of the outstanding representatives of the social work profession of that day.<sup>35</sup> Each state was required to establish an emergency relief authority to receive and disburse federal money. Further, only public agencies could be employed as administrative units for distributing the funds to the needy families. The grant to an

individual or family was to be closely policed:<sup>36</sup> Rent was to be paid directly to the landlord; medical care was to be provided on a "vendor" basis,<sup>37</sup> and so forth. Discriminatory treatment of clients was to be avoided. Work relief projects were to be encouraged; only trained professionals (social workers) were to be employed in the supervisory positions; and the project workers were to receive cash compensation.<sup>38</sup> Despite what has been considered quite superior administration, two fundamental problems plagued the F.E.R.A., problems that still plague the incumbent Social Security Administration. The first problem was that of relative allocation to the various states and the second was the perennial question of work versus direct relief.

Both President Roosevelt and Mr. Hopkins seemed firmly convinced that, under normal conditions, the business of relief was essentially a state and local matter. Thus, definite efforts were made to see to it that the states and the lesser political subdivisions paid "their share." At no time did the F.E.R.A. work out any coherent or consistent plan for determining that share. A serious national welfare reform problem, then as now, was to secure congressional approval of any plan that was perceived by a congressional delegation as a net fiscal cost to the state. All proposals for national uniform standards had to either find funds to bring all state grants up to the level of the highest state or face the prospect of lower aid to some persons. Also, the states with the greatest welfare needs had the fewest resources. Richer states were reluctant to provide those resources to poorer states.

The second problem, work relief versus direct relief, was equally complex. It was not primarily a question of choice between the two approaches, for everyone seemed to agree that work relief was preferable

to a dole.<sup>39</sup> The problem arose in making a distinction between a work relief program and a public works program.<sup>40</sup> In fact, these two highly similar recovery-relief operations became enmeshed in a power conflict between Harold Ickes and Harry Hopkins.<sup>41</sup> Furthermore, when, by terms of the F.E.R.A. Act, funds were cut off from direct relief and channeled into work relief, the lame and the unemployable would again become the sole responsibility of the state, as they had been under the poor law. The federal government was assuming responsibility only for the unemployed, whose needs would be met through work relief. However, it was administratively impossible to make a distinction between an unemployed man and an unemployable man.

#### V. The Passage of the Social Security Act

As the depression continued, it became apparent that many of the problems associated with public dependency were long-range issues that had to be dealt with by means of continuing programs of assistance. President Roosevelt declared on June 8, 1934, that in the next session of Congress the Administration would present a bill to provide security against several of the great disturbing factors of life--especially those related to unemployment and old age.<sup>42</sup>

It is instructive to note at this point that the things mentioned by the President were later incorporated into the bill under the principle of insurance rather than that of assistance. Edwin E. Witte, who served as the technical director of the citizens' committee that drew up the bill, pointed out that uppermost in the minds of those who worked most closely with the Administration in developing the bill was the notion of an insurance approach to the problem of insecurity.<sup>43</sup> The President

seemed to prefer a total insurance approach.<sup>44</sup> The assistance provisions were placed in the Social Security Bill only after it was decided that the insurance approach did not afford an effective means of dealing with the problems of dependency arising out of forces other than temporary, involuntary unemployment or old age.<sup>45</sup> According to Altmeyer, the assistance provisions were thought of as temporary in nature, soon to be replaced or made redundant by the expanding insurance system. The entire bill was drawn up with this in mind. Initially, the technical staff responsible for administering the program did not include any social workers.<sup>46</sup> In contrast to the insurance provisions of the bill, the sections dealing with public assistance were not subjected to extensive study and deliberation by experts. In fact, during the very intense discussion and careful scrutiny of the bill both before its introduction and during congressional debate, the assistance part received very little attention.<sup>47</sup>

The Social Security Bill was born in the depression. The depression gave impetus to the bill and ultimately made its passage possible, while also creating opposition to the bill and making its passage difficult. The depression so channelized the forces of reform that major features of the bill were almost predetermined. Both the Administration and the Congress were reluctant to add to tax burdens or to increase governmental deficits, particularly at the state and local levels. It was these considerations that resulted in the low beginning social security tax rates and the step-plan of the introduction of both old-age and unemployment insurance and also in the establishment of completely self-financed social insurance programs, without government contributions--to this day a distinctive feature of social insurance in this country.

The major obstacle to the passage of the Act was the Townsend Plan. This plan proposed an automatic pension of \$200 per month for everyone over age sixty on the sole provision that the recipient spend the money during that month. Originally, the plan was to operate on a state basis in California; it gained so much momentum in 1934 and 1935 that members of the technical committee feared it would block passage of the entire Social Security Act. Support for the Townsend Plan spread like wildfire; Townsend Clubs were created all over the country and some still exist almost forty years later. Thus, the Administration feared it would be deprived of the support of old people for the Social Security Bill. Also, while there were few in Congress who felt the Townsend Plan was feasible, many were reluctant to oppose it or to support the Administration's much milder bill for fear of earning the enmity of older citizens.<sup>48</sup> Dr. Townsend became a very important national figure. He made his first appearance before the House Ways and Means Committee when it was considering the Social Security Bill. His appearance was widely advertised in advance, attracted the largest audience of the entire hearings, and received front-page publicity in daily newspapers throughout the country. Mr. Witte has characterized Dr. Townsend's appearance in these terms:

Dr. Townsend and his witnesses did not so much attack the economic security bill as champion their own plan as a substitute for the titles on old age security in the Administration's bill. They were given unlimited time and treated courteously, but the committee members subjected them to a merciless questioning to bring out the weaknesses in their plan. Dr. Townsend and his witnesses made many damaging admissions, which encouraged many members of Congress to come out openly against the Townsend Plan.<sup>49</sup>

The widespread publicity surrounding the Townsend Plan has often caused the authors of texts to overlook other opposition to the bill. The supporters of the Lundeen Bill were more violent in their attack on

the Administration's proposal. The Lundeen Bill, which had been written by Mary Van Kleeck, proposed unemployment benefits at prevailing wages for all workers, to be administered by commissions composed of rank and file members of workers' and farmers' organizations. At the time, the Lundeen Bill became the focus of radical demands.<sup>50</sup> The principle statement in behalf of this group was made by Herbert P. Benjamin, the Secretary of the National Joint Action Committee for Genuine Social Insurance. According to Witte's account, Mr. Benjamin was very insulting to the House Committee and was finally ejected by a policeman. Earl Browder, Executive Secretary of the Communist Party of America, described the Lundeen Bill as the principal method of propaganda of the Communist Party, U.S.A.<sup>51</sup> Mary Van Kleeck, the reputed author of the bill, made a much more dignified statement, but the net effect of the testimony on the Lundeen Bill was to identify it as a Communist proposal.

The more substantive questions had been previously resolved in the confines of technical staff meetings of the Advisory Council. The principal questions concerned unemployment insurance. A variety of plans were offered, but, aside from essentially inconsequential modifications, there were three basic plans: (1) an unemployment insurance program financed by a tax offset system (the Wagner-Lewis Bill), (2) a federal subsidy plan financed by a federal grant-in-aid (the Dill-Connery Bill), and (3) a wholly national approach.<sup>52</sup>

By the spring of 1934, both the Wagner-Lewis and the Dill-Connery bills had developed momentum. It was clear that if the Administration did not take action soon its hand would be forced. The President's advisors were divided on the question of which plan to support, and at

the insistence of Rex Tugwell a decision was postponed for further study.<sup>53</sup> The arguments swayed back and forth throughout the life of the technical committee. The Advisory Council, headed by Dr. Frank Graham of the University of North Carolina, voted nine to seven in favor of the subsidy plan, but by this time the technical committee had finally settled on the Wagner-Lewis approach. To add further complications, some outstanding experts like Abraham Epstein, Paul Douglas, I. M. Rubenow, and Eveline Burns favored the national system. Political activists of considerable power, like Rex Tugwell and Henry Wallace, also favored a national system. However, the President clearly favored a state system because he doubted that a bill reflecting any other approach could pass and because he had very real questions about the constitutional vulnerability of the national approach. The President said that whatever approach was considered, the Administration must have a final version ready for Congress by January of 1935. On November 9, 1934, the Advisory and Technical committees decided to abandon the thought of an exclusively federal approach. One month later they wrote into the Administration bill the Wagner-Lewis approach. This portion of the act was passed without substantial change.<sup>54</sup>

As indicated, the assistance portions of the bill were added without the kind of deliberations that went into the old-age and employment insurance portions. Because it was felt that the insurance would, in time, meet all of the needs of dependent people, the assistance portions were thought of as temporary.<sup>55</sup>

Thus, in addition to the old-age and unemployment insurance systems, the committee called for a grant-in-aid program to the states for assistance to the needy aged, the blind, and dependent children. This provision was based on the provisions of the Dill-Connery Law of 1934. Federal

grants were also proposed for maternal-and-child-health aid and for child-welfare and public health services. The question of a health insurance program was dropped entirely out of fear that the American Medical Association's opposition to this would endanger the entire Social Security Act.<sup>56</sup>

When the bill was introduced into Congress it immediately ran into a jurisdictional fight between Senator Harrison of Mississippi and Congressman Doughton of North Carolina. To the embarrassment of Mr. Witte, he was called as the first witness to both committee hearings, which were to proceed simultaneously. After a few days with Mr. Witte, appearing first at one committee and then at the other while sending a replacement to the "slighted" committee, the Senate postponed hearings until the studies had been completed in the House.

The major question considered by the House Ways and Means Committee concerned conflict between the Administration's insurance approach to the aged on the one hand, and the Townsend Plan and other "hot money" schemes on the other. The committee concluded its work with an entirely new bill. This bill did not differ very much in content from the original administration proposal, but it differed greatly in arrangement and language. The bill was given a new number and even a new title, the "Social Security Act"; it had previously been termed the "Economic Security Act."<sup>57</sup>

The measure was then introduced as a committee bill and as the Administration's proposal in the House and Senate respectively.

The committee's favorable report was filed on April 5, 1935, and consideration before the House began on April 11. The bill was given an open rule by the House Rules Committee. The House and Senate were

afraid that the bill would be mutilated on the floor of Congress; on the other hand they also felt that the bill was of such importance that every effort should be made to avoid the appearance that it was being railroaded through by the Administration. However, the word was passed from the leadership in Congress that all amendments were to be killed. In all, fifty amendments were introduced from the floor, but none ever came close to passage. Difficulty had been anticipated over a proposal to substitute the Townsend Plan for old-age insurance provisions of the bill. Congressman Greenway of Arizona did propose such a substitution and went directly to President Roosevelt to get support for his revision. The President's refusal to back his proposal was a major factor in the defeat of the amendment. According to Witte, the vote on the Townsend Amendment was taken by division rather than by roll call, but members voting for the amendment were listed in the newspapers; a majority of them were conservative Republicans who had opposed the entire Social Security Bill. Although the supporters of the amendment to substitute the Lundeen Bill were not listed, Witte reports that most of them were opponents of the Social Security Bill rather than supporters of the Lundeen Bill. Final House passage came on April 19, by a vote of 371 to 33. The minority was composed of a handful of diehard supporters of the Townsend Plan or the Lundeen Bill, and a somewhat larger number of conservatives who were opposed to all social security legislation.<sup>58</sup>

The bill fared somewhat better in the Senate, perhaps because the drive behind extreme alternative approaches had been dissipated in the debate in the House. The conflicts in the Senate surrounded two essentially technical amendments, the Clark and Russell amendments,<sup>59</sup>

Because of the inclusion of these two amendments, it was necessary that the bill be sent to a conference committee to resolve the differences between the House and Senate versions. The committee reported back on July 16. Further deliberation was necessary, and, finally, a compromise was reached whereby the Clark Amendment was to be dropped with the understanding that a special committee of the House and Senate would meet for the purpose of drawing up a bill that would incorporate the principles of the Clark Amendment and that this new bill would be interpreted as an amendment to the Social Security Act at the next session of Congress. The compromise bill was passed by both the House and the Senate on August 8 and 9 respectively. On August 14, 1935, the Social Security Act was signed by President Roosevelt and became the law of the land.

For the purposes of this study, it is important to note that the public assistance provisions of the act seemed to glide through both the preparatory stage and the passage stage of the bill. Because of this, the formulation of federal participation in the public assistance phases was not to be determined until the amendments to the act were passed in the intervening years. How these amendments developed, where their support came from, and how they affected the structure of the contemporary public assistance agency will be the subjects of a future section.

#### VI. Amending the Social Security Act

It is perhaps instructive that the intensely debated social insurance feature has come to enjoy widespread public acceptance, while the assistance features, particularly the Aid to Dependent Children program, have been among the most controversial public programs ever legislated. It was years before public attention was focused on public aid. The tensions

that were to produce the political conflict were, however, written into the initial legislation. Those tensions are (1) the conflict between federal direction and local option; (2) the tensions between the demands of a structured governmental program and the unstructured traditions of local philanthropy, which the program replaced; (3) the tension between a cash strategy of providing income and a service strategy of providing "rehabilitation"; (4) the tension between the tailoring of a program to the unique needs of a specific subpopulation of the poor and the demand for equal treatment of all citizens; (5) the tension between a program that is adequate to meet the needs of those who have no other income and the desire to encourage recipients to seek alternate forms of income; and, most significantly, (6) the tension between programs for those who can and for those who cannot work.

While all of these tensions were present at the inception of the legislation, they did not become political problems until visible interest groups arose and demanded particular resolutions. All of the tensions are closely related but none is easily resolvable. One of the central tensions between the individualized social work approach and the demands of equal treatment was perceptively recognized by Alan Keith-Lucas in a dissertation written at Duke University in the early 1950s. Keith-Lucas argued that the Social Security Act's guidelines for determination of aid were hopelessly vague and produced a variance in response that was subject to the slightest whim of local governing bodies or even to the personality of the individual caseworker. He further showed that unlike the situation in traditional bureaucracies, the discretion ceded to the public employee in the Social Security bureaucracy actually increased as one descended the bureaucratic ladder.

This made political accountability of the program an almost complete impossibility. Keith-Lucas recommended a separation of service programs and income programs that would make income a matter of "right" and leave service a residual function of government focusing primarily on the protection of children from abuse and neglect. Keith-Lucas had little faith in the ability of social work to magically transform welfare recipients into "productive citizens." Keith-Lucas was a faculty member at the University of North Carolina, one of the two schools of social work that seriously questioned the "individual pathology" focus that dominated social work in the 1950s. He was castigated by the majority of social workers, and his arguments were perceived as a threat to federal funding of a greatly expanded service program. Such a program would, social workers then believed, banish poverty through the magical "rehabilitation" of the poor. Under the leadership of the professional social work community--at that time a hearty band of perhaps 10,000 persons, mostly middle-class women, with Master's degrees in social work--public welfare veered in the opposite direction, emphasizing service over cash, discretion over accountability, local option over federal direction, open-ended budgeting at all levels of government, and an intensification of the move to categorize the poor and to subcategorize the forms of aid directed to them. This thrust culminated in the 1962 amendments to the Social Security Act. The consequences of that questionable "triumph" will be recounted in a later paper.

While the basic structure of public welfare is associated with Franklin Roosevelt's New Deal, welfare programs have a considerably longer history and their form has certainly not been static since the

1930s. The sudden intrusion of federal funding into welfare spending in the 1930s was the most dramatic change in welfare programs to occur in this country. That change has been explained in terms of the trauma induced by the depression, but both before and since, there has been an incremental expansion of federal assumption of responsibility to insure the levels of income for many nonpoor persons. The growth of public welfare spending is shown in Table 1.

The result of the expansion of welfare spending has been not a coherent welfare system, but a bewildering array of ad hoc programs that confer and deny aid with apparent whims and encourage demonstrably anti-social behavior such as uneconomic migration or real or feigned family splitting. The haphazard program proliferation has led to administrative complexity, client confusion, and results clearly antithetical to congressional intent. It was the lack of integration and the apparently arbitrary exclusion of some classes of persons that led to the demand for welfare reform in the 1960s.

Table 1. U.S. Public Welfare Expenditures  
(in millions of dollars)

Year	1 State & Local	2 Direct Fed.	3 Intergov. Fed.	4 State Cost Col. 1-3	5 Fed. Cost Col. 2&3
1902	37	4	1	36	5
1913	52	5	2	50	7
1922	119	9	1	118	10
1927	151	10	1	150	11
1932	444	1	1	143	2
1934	889	90	495	394	585
1936	827	170	290	537	460
1938	1,069	164	218	815	382
1940	1,156	158	278	878	436
1942	1,225	60	383	842	443
1944	1,133	17	420	713	437
1946	1,409	26	424	985	450
1948	2,099	45	724	1,375	769
1950	2,940	24	1,131	1,809	1,155
1951	---	25	1,194	---	1,219
1952	2,788	42	1,181	1,609	1,223
1953	2,914	42	1,332	1,582	1,374
1954	3,060	43	1,439	1,621	1,482
1955	3,168	42	1,429	1,739	1,471
1956	3,139	45	1,458	1,681	1,503
1957	3,404	49	1,557	1,847	1,606
1958	3,818	48	1,799	2,019	1,847
1959	4,136	57	1,973	2,163	2,030
1960	4,404	58	2,070	2,334	2,128
1961	4,720	59	2,178	2,542	2,237
1962	5,084 <sup>b</sup>	63 <sup>h</sup>	2,448 <sup>h</sup>	2,636	2,511
1963	5,481 <sup>b</sup>	118 <sup>h</sup>	2,752 <sup>h</sup>	2,729	2,870
1964	5,766 <sup>b</sup>	114 <sup>i</sup>	2,973 <sup>i</sup>	2,793	2,907
1965	6,315 <sup>a</sup>	105 <sup>c</sup>	3,098 <sup>c</sup>	3,217	3,203
1966	6,757 <sup>a</sup>	208 <sup>b</sup>	3,579 <sup>b</sup>	3,178	3,786
1967	8,218 <sup>a</sup>	1,374 <sup>d</sup>	4,234 <sup>d</sup>	3,984	5,608
1968	9,857 <sup>a</sup>	1,388 <sup>e</sup>	5,407 <sup>e</sup>	4,450	6,795
1969	12,110 <sup>a</sup>	2,620 <sup>a</sup>	6,358 <sup>a</sup>	5,752	8,978
1970	14,679 <sup>f</sup>	2,837 <sup>g</sup>	7,574 <sup>g</sup>	7,105	10,411
1971	18,226 <sup>f</sup>	2,220 <sup>f</sup>	9,766 <sup>f</sup>	8,460	11,986

Note: This table prepared by Kathy Seivers from the following sources:

<sup>a</sup>U.S. Bureau of the Census. Governmental Finances in 1968-69.  
Washington, D.C., Government Printing Office, 1970. (Series GF69-No. 5)

Table 1 (continued)

<sup>b</sup>U.S. Bureau of the Census. Governmental Finances in 1965-66.  
Washington, D.C., Government Printing Office, 1967. (Series GF-No. 13)

<sup>c</sup>U.S. Bureau of the Census. Governmental Finances in 1964-65.  
Washington, D.C., Government Printing Office, 1966. (Series GF-No. 6)

<sup>d</sup>U.S. Bureau of the Census. Governmental Finances in 1966-67.  
Washington, D.C., Government Printing Office, 1968. (Series GF67-No. 3)

<sup>e</sup>U.S. Bureau of the Census. Governmental Finances in 1967-68.  
Washington, D.C., Government Printing Office, 1969. (Series GF68-No. 5)

<sup>f</sup>U.S. Bureau of the Census. Governmental Finances in 1970-71.  
Washington, D.C., Government Printing Office, 1972. (Series GF71-No. 5)

<sup>g</sup>U.S. Bureau of the Census. Governmental Finances in 1969-70.  
Washington, D.C., Government Printing Office, 1971. (Series GF70-No. 5)

## NOTES

<sup>1</sup>Some of the most frequently cited book-length historical works are the following: Philip Klein, From Philanthropy to Social Welfare (San Francisco: Jossey-Bass, 1968); Blanch Call, Perspectives in Public Welfare (Washington: U.S. Government Printing Office, 1969); Samuel Mencher, Poor Law to Poverty Program (Pittsburgh: University of Pittsburgh Press, 1967), and the seminal work, Richard H. Brenner, American Philanthropy (Chicago: University of Chicago Press, 1960). Shorter but very adequate historical treatment is found in the first two chapters of Russell Smith and Dorothy Zeits, American Social Welfare Institutions (New York: John Wiley, 1970); and J. Riesenfeld, "The Formative Era of American Public Assistance Law," California Law Review 43 (1955): 175 ff. Even a cursory historical note on the early period cannot omit the following works: E. M. Leonard, The Early History of the English Poor Relief (New York: Barnes and Noble, 1965); George Nichols, A History of the English Poor Laws (London: John Millay, 1854); Helen I. Clark, Social Legislation (New York: Appleton-Century-Crofts, 1957); C. R. Steinbecker, Poor Relief in the 16th Century (Washington: Catholic University Press, 1937); Brian Tierney, Medieval Poor Laws (Berkeley: University of California Press, 1959); and of course note must be taken of Sidney Webb and Beatrice Webb, English Poor Law History (New York: Longram Green, 1927).

<sup>2</sup>C.R. Steinbecker, Poor Relief, p. 7.

<sup>3</sup>Clark, Social Legislation, p. 439.

<sup>4</sup>C. W. Pipkin, "Poor Laws," in Encyclopedia of Social Science, vol. 12 (New York: MacMillan, 1934), pp. 230-234.

<sup>5</sup>Brian Tierney, Medieval Poor Laws, ch. 6.

<sup>6</sup>Sidney Webb and Beatrice Webb, English Poor Law History, vol. 1, parts 1 and 2.

<sup>7</sup>Ibid.

<sup>8</sup>Clark, Social Legislation, p. 447. Adequate summaries of Vives's thought are found in Webb and Webb, English Poor Law History, pp. 37 ff.; and William Ashley, An Introduction to English Economic History and Theory, vol. 7 (New York: Putnam, 1910), pp. 344 ff. Authors such as Helen Leland Witmer and Karl de Schweintz also add a great deal to our understanding of this thinking. Inquiry directly into De Subventione Pauperum is also of value. The translated portions are found in F. R. Salter's Early Tracts on Poor Relief (London: Melhuen, 1926).

<sup>9</sup>Steinbecker, Poor Relief, pp. 7 ff.

<sup>10</sup>Blackstone's Commentaries, quoted in Wayne Vasey, Government and Social Welfare (New York: Henry Holt, 1958), p. 25.

<sup>11</sup>Margaret Rosenhein, "Vagrancy Concepts in Welfare Law," in The Law of The Poor, ed. Jacobus ten Broek (San Francisco: Chandler Press, 1966).

<sup>12</sup>Frances Fox Piven and Richard A. Cloward, Regulating the Poor (New York: Random House, 1969), p. 3.

<sup>13</sup>Morcees W. Jernagen, Laboring and Dependent Classes in Colonial America, 1607-1783 (Chicago: University of Chicago Press, 1931) pp. 175-186.

<sup>14</sup>E. Wisner, "Puritan Background of New England's Poor Laws," Social Service Review 19, no. 3, (1945):381.

<sup>15</sup>Quoted in Vasey, Government and Social Welfare, p. 37.

<sup>16</sup>Richard Hofstader's Social Darwinism in American Thought (Boston: Beacon Press, 1955) is the single most useful secondary source. It concentrates on the antithetical interpretations of social Darwinism provided by William Graham Sumner and Lester Ward. Works like Arthur P. Miles, American Social Work Theory (New York: Harper, 1954), and Nathan Cohen, Social Work in the American Tradition (New York: Brylen Press, 1958) provide cogent individual statements of social workers. The "professional" view, if there is such a thing, can be extrapolated from the major social welfare texts, and particularly from Hilary M. Leyendecker's Problems and Policy in Public Assistance (New York: Harper, 1955). Two works, A. Delefield Smith, The Right to Life (Chapel Hill: University of North Carolina Press, 1955) and Alan Keith-Lucas, Decision About People in Need (Chapel Hill: University of North Carolina Press, 1957) address themselves to some aspects of conflicts between civil liberties and the operation of public assistance. Smith's view is presented in article length in the Harvard Law Review of 1949. Keith-Lucas has examined actual and potential conflicts between casework theory and democratic theory in his "Political Theory Implicit in Social Casework Theory." American Political Science Review 47, no. 4 (December 1953): 1076-1092. Other article-length works useful in the examination of the theoretical aspects of public assistance works are Richard M. Titnus, "The Welfare State: Images and Realities," Social Service Review 37, no. 1 (March 1963): 1-12; and Clark M. Chambers, "Social Service and Social Reform," Ibid., pp. 76-90.

<sup>17</sup>The definitive history of this period written from a social work perspective is Josephine C. Brown's Public Relief 1929-39 (New York: Henry Holt, 1940). See also E. E. Witte, Development of the Social Security Act (Madison: University of Wisconsin Press, 1962), and Clark Chambers, Seed Time of Reform (Minneapolis: University of Minnesota Press, 1963).

<sup>18</sup>Brown, Public Relief, p. 63.

<sup>19</sup>Cohen, The American Tradition, p. 321.

<sup>20</sup>Brown, Public Relief, pp. 63-64.

<sup>21</sup>Ibid., p. 66.

<sup>22</sup>JoAnna C. Colcord, "Facing the Coming Winter," Survey Midmonthly (November 1930): 208.

<sup>23</sup>Brown, Public Relief, p. 80.

<sup>24</sup>Ibid., p. 68.

<sup>25</sup>E. P. Hayes, Activities of the President's Emergency Committee for Employment, 1930-31 (Concord: Tuford Press, 1936), pp. 3-4, as quoted in Brown, Public Relief, pp. 69-70.

<sup>26</sup>Brown, Public Relief, p. 71.

<sup>27</sup>U.S. Congress, Senate, S174, 72nd Congress, 1st Session, 1931.

<sup>28</sup>U.S. Congress, Senate, S262, 72nd Congress, 1st Session, 1931.

<sup>29</sup>U.S. Congress, Senate, S3045, 72nd Congress, 1st Session, 1931.

<sup>30</sup>Brown, Public Relief, p. 118.

<sup>31</sup>Adeline R. Hasse, compiler, Congressional Relief Programs: A Record of Action in the Congress of the United States, 1803-1933. Congressional Record 75: 4016-4017, cited in Brown, Public Relief, p. 111.

<sup>32</sup>Arthur E. Fink, The Field of Social Work (New York: Henry Holt, 1958), p. 53.

<sup>33</sup>Brown, Public Relief, p. 124.

<sup>34</sup>Leyendecker, Problems and Policy, p. 69.

<sup>35</sup>Ibid., p. 71.

<sup>36</sup>The total financial need is calculated for a family on the basis of standards set in a policy manual--so much for rent, so much for clothes per child, and so forth. The family's monthly income is subtracted from this total amount. The difference is the budget deficit and is equal to the grant.

<sup>37</sup>Payment is made directly to the person performing the service (the vendor).

<sup>38</sup>U.S. Federal Emergency Relief Administration, Monthly Report, December 1933, p. 39, cited in Leyendecker, Problems and Policy, p. 71.

<sup>39</sup>It is interesting to comment on the use of the term "dole." Originally, it was used during the depression period to connote an inadequate assistance grant--one so low that the recipient could not purchase the necessities of life even after he had received it. When work relief projects were begun, the size of the assistance check was increased so the individual on relief preferred to work because it meant his check would be larger. After a while, the word "dole" became

<sup>39</sup>(continued)  
 associated with any relief program that was not tied to work, and in time the word acquired a new meaning--a sum, regardless of its adequacy, given to maintain a person who does not give any service in return.

<sup>40</sup>For an extended discussion of the fundamental differences between these terms, see Leyendecker, Problems and Policy, ch. 13.

<sup>41</sup>For an intensive analysis of the Hopkins-Ickes controversy, see Arthur Schlesinger, Age of Roosevelt (Cambridge, Mass.: Houghton-Mifflin, 1957), vol. 2, ch. 8.

<sup>42</sup>Miles, An Introduction to Public Welfare (Boston: Heath, 1949), p. 232.

<sup>43</sup>Witte, Social Security Act, p. 169.

<sup>44</sup>Ibid., p. 18.

<sup>45</sup>Ibid., p. 165.

<sup>46</sup>Ibid., pp. 7 ff. Men like Witte, Altmeyer, and Cohen have since been considered social workers, but were not so considered at the time.

<sup>47</sup>Edwin E. Witte, "Birth and Early Days of Social Security in the United States," Public Welfare 18 (July 1960): 169.

<sup>48</sup>Ibid.

<sup>49</sup>Witte, Social Security Act, p. 85.

<sup>50</sup>Schlesinger, Roosevelt, Vol. 2, p. 296.

<sup>51</sup>Benjamin Gitlow, by no means a reliable source, but a top Communist and a principal in the famous case of Gitlow vs. New York, later

<sup>51</sup>(continued)  
 testified that Lundeen, a left-wing Farmer-Labor congressman from Minnesota, was a paid undercover agent of the Communist Party. Cf. Schlesinger, Roosevelt, vol. 2, pp. 29-62.

<sup>52</sup>Schlesinger, Roosevelt, vol. 2, p. 303.

<sup>53</sup>Witte, Social Security Act, p. 28. A list of the more important records and memoranda prepared by members of the staff appear in U.S. Congress, Senate, Committee on Finance, Hearings before the Committee on Finance, 74th Congress, 1st Session, 1935, pp. 323-324.

<sup>54</sup>Witte, Social Security Act, pp. 39-62. See also Schlesinger, Roosevelt, vol. 2, p. 306.

<sup>55</sup>Witte, Social Security Act, pp. 39-62.

<sup>56</sup>J. Douglas Brown, "The Development of the Old Age Insurance Provisions of the Social Security Act," Law and Contemporary Problems, April 1936, cited in Schlesinger, Roosevelt, vol. 2, p. 307.

<sup>57</sup>The term "Social Security Act" had been coined by Abraham Epstein and he had given that name--Social Security Administration--to a group of his followers who were pushing for broader social insurance legislation. As it turned out, Social Security became something of an "anger" word while economic security became a socialistically tinged "devil" word.

<sup>58</sup>Witte, Social Security Act, pp. 99 ff.

<sup>59</sup>Ibid., p. 106. The Clark Amendment, ostensibly technical in nature, would, as a matter of fact, have significantly altered the scope of the act. By the terms of the Clark Amendment, industries that provided

59 (continued)

industrial pensions would be exempt from the employer contribution to the proposed old-age and survivors insurance fund. Thus, the workers in those plants would not be covered by old-age social insurance.

Interestingly, Senator Clark assailed the experts who had drawn up the bill and contended his amendment would make it a congressional bill instead of an experts' bill.