

SUMMARY OF POSITIONS TAKEN BY

PRESIDENT NIXON ON

DOMESTIC PROGRAM REFORM

On October 12, in a message reviewing the work of his Administration, President Nixon said:

We do not seek more and more of the same. We were not elected to pile new resources and manpower on the top of old programs. We were elected to initiate an era of changes. We intend to begin a decade of government reform such as this nation has not witnessed in half a century ... That is the watchword of this Administration: REFORM.

The pages that follow highlight reform actions that have been taken by the President.

November 4, 1969

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On September 19, 1968 then Presidential candidate Richard Nixon discussed The Nature of the Presidency. The role of the Federal Government received special attention. In that speech the candidate said:

For years now, the trend has been to sweep more and more authority to Washington. Too many decisions that would better have been made in Seattle or St. Louis have wound up on the President's desk.

I plan a streamlined Federal system, with a return to the States, cities and communities of decision-making powers rightfully theirs.

The purpose of this is not only to make government more effective and more responsive but also to concentrate Federal attention on those functions that can be handled on the Federal level.

The Presidency is a place where priorities are set, and goals determined.

We need a new attention to priorities, and a new realism about goals.

We are living today in a time of great promise -- but also of too many promises. We have had too much wishful imagining that all the ills of man could be set right overnight, merely by making a national commitment.

In keeping with this statement of purpose, the Nixon Administration has reformed major domestic programs and structures of the Federal Government.

#### I. REFORM OF MAJOR PROGRAM SYSTEMS

On August 8, 1969, the President on national television announced the new federalism -- pulling together his major domestic policy recommendations.

My purpose tonight, however, is not to review the past record, but to present a new set of reforms -- a new set of proposals -- a new and drastically different approach to the way in which government cares for those in need, and to the way the responsibilities are shared between the State and Federal Government.

He set forth three purposes.

The purpose of all these reforms is to eliminate unfairness; to make government more effective as well as more efficient; and to bring and end to its chronic failure to deliver the service that it promises.

The President's August 8 message proposed revenue sharing, welfare reform, a new comprehensive manpower act, and a reorganized OEO.

Revenue Sharing

Revenue sharing legislation was transmitted to Congress five days later on August 13.

This week, I am sending to Congress for its approval for Fiscal Year 1971, legislation asking that a set amount of Federal revenues be returned annually to the States to be used as the States and their local governments see fit -- without Federal strings. (August 13, 1969)

The President said revenue sharing "marks a turning point in Federal-State relations."

Our ultimate purposes are many: To restore to the States their proper rights and roles in the Federal system with a new emphasis on and help for local responsiveness; to provide both the encouragement and the necessary resources for local and State officials to exercise leadership in solving their own problems; to narrow the distance between people and the government agencies dealing with their problems; to restore strength and vigor to local and State governments; to shift the balance of political power away from Washington and back to the country and the people. (August 13, 1969)

The President stressed the link between revenue sharing and his program for basic structural reform of welfare.

It (revenue sharing) is integrally related to the national welfare reform. Through these twin approaches we hope to relieve the fiscal crisis of the hard-pressed State and local governments and to assist millions of Americans out of poverty and into productivity. (Aug. 11, 1969)

## Welfare Reform

In his August 8 address the President described the failure of the present welfare system.

What began on a small scale in the depression '30's has become a huge monster in the prosperous '60's. And the tragedy is not only that it is bringing States and cities to the brink of financial disaster, but also that it is failing to meet the elementary human, social and financial needs of the poor.

The President presented his proposal for basic reform of the welfare system in his message to the Congress on the Administration's Family Assistance Plan August 11.

I propose a new approach that will make it more attractive to go to work than to go on welfare; and will establish a nationwide minimum payment to dependent families with children.

-- that the Federal government pay a basic income to those American families who cannot care for themselves in whichever State they live.

-- that dependent families receiving such income be given good reason to go to work by making the first sixty dollars a month they earn completely their own, with no deductions from their benefits.

-- that we make available an addition to the incomes of the "working poor" to encourage them to go on working and to eliminate the possibility of making more from welfare than from wages.

-- that these payments be made upon certification of income, with demeaning and costly investigations replaced by simplified reviews and spot checks and with no eligibility requirement that the household be without a father.

-- that all employable persons who choose to accept these payments be required to register for work or job training and be required to accept work or training, provided suitable jobs are available either locally or if transportation is provided. Adequate and convenient day care would be provided children wherever necessary to enable a parent to train or work. The only exception to this work requirement would be mothers of pre-school children.

-- a major expansion of job training and day care facilities, so that current welfare recipients able to work can be set on the road to self-reliance.

-- that we also provide uniform Federal payment minimums for the present three categories of welfare aid to adults -- the aged, the blind and the disabled.

The President summed up the Family Assistance Plan.

This would be total welfare reform -- the transformation of a system frozen in failure and frustration into a system that would work and would encourage people to work.

#### Food Stamp Program

The food stamp program is an integral part of a broad income strategy to meet the needs of the poor.

On May 6 President Nixon asked the Congress for the

spending authority and reform of the food program necessary to end hunger in America.

More is at stake here than the health and well-being of 16 million American citizens who will be aided by these programs and the current Child Food Assistance programs. ... the moment is at hand to put an end to hunger in America itself. For all time. I ask this of a Congress that has already splendidly demonstrated its own disposition to act. It is a moment to act with vigor; it is a moment to be recalled with pride.

### Social Security Program

In a move related to reform of other income assistance programs, the President asked the Congress on September 25 for fundamental reform of the Social Security System. He proposed a change in the system that would encourage and reward the workers who want to go on working past age 65. In addition, the President called for automatic benefit increases to keep pace with the cost of living.

... I propose that the Congress make certain once and for all that the retired, the disabled and the dependent never again bear the brunt of inflation. The way to prevent future unfairness is to attach the benefit schedule to the cost of living.

By acting to make future benefit raises automatic with rises in the cost of living, we remove questions about future years; we do much to remove this system from biennial politics; and we make fair treatment of beneficiaries a matter of certainty rather than a matter of hope.



RICHARD P. NATHAN, Assistant Director  
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Nov. 4, 1969

TO: MR. MOYNIHAN

The attached paper on  
Positions Taken by President  
Nixon on Domestic Program  
Reform was compiled by  
Budget Bureau staff.

Nick

## Unemployment Insurance System

In a related reform the President proposed a major revision in the Unemployment Insurance system. His program would add 4.8 million persons and would provide for automatic response to major changes in national economic conditions. In a special message to the Congress on July 8 the President said:

Now the Federal-State system of unemployment insurance should move to provide adequate benefits in accordance with the goal that has been set and will full recognition of the diversity of economic conditions among States. Such action is most important to protect the individual and to achieve the anti-recessionary potential of unemployment insurance.

## Reform of Manpower Programs

President Nixon's proposed Manpower Training Act of 1969 was the third major proposal in his television address to the Nation (August 8). He stressed the need for reform of existing manpower programs.

Manpower training, in order to work on all rungs of the ladder, requires the efficient allocation by private enterprise and government of these human resources. We must develop skills in a place, in a quantity and in a way to ensure that they are used effectively and constantly improved.

We can answer a national need by decentralization power, setting national standards, and assigning administrative responsibility to the States and localities with community needs.

Specifically, the Manpower Training Act of 1969 would:

- Consolidate major manpower development program administered by the Department of Labor.
- Provide flexible funding of manpower training services so that they can be sensitive to and focused on local needs...
- Decentralize administration of manpower services to States and metropolitan areas...
- Provide more equitable allowances for trainees...
- Create a career development plan for trainees...
- Establish a National Computerized Job Bank to match job seekers with vacancies...
- Authorize the use of the comprehensive manpower training system as an economic stabilizer...

(Manpower Message, August 12, 1969)

### Organized Crime

Reform of laws to permit more effective action against organized crime has been a key Presidential objective.

To intensify the national effort against organized crime I have asked for an arsenal of new legal weapons:

. A doubling of existing resources for the organized crime effort;

. Authority for Justice Department agents to enter any community and shut down large-scale gambling operations;

. A modern general witness immunity statute under which witnesses in federal criminal cases could be compelled to testify under threat of a prison sentence for contempt;

. Finally, because organized crime would shrivel up without its enormous gambling resources and because illegal gambling on a large scale cannot go on without cooperation of corrupt law enforcements, I have asked Congress to make corruption of local authorities who are tied in with such gambling operations a federal crime.

(October 12, 1969)

#### Draft Reform

On May 13, President Nixon sent a special message to the Congress asking for reform of the military draft system. He said:

"Essentially, I would make the following alterations:

1. Change from an oldest-first to a youngest-first order of call, so that a young man would become less vulnerable rather than more vulnerable to the draft as he grows older.

2. Reduce the period of prime draft vulnerability-- and the uncertainty that accompanies it-- from seven years to one year, so that a young man would normally enter that status during the time he was nineteen years old and leave it during the time he was twenty.

3. Select those who are actually drafted through a random system. A procedure of this sort would distribute the risk of call equally--by lot--among all who are vulnerable during a given year, rather than arbitrarily selecting those whose birthdays happen to fall at certain times of the year or the month.

4. Continue the undergraduate student deferment, with the understanding that the year of maximum vulnerability would come whenever the deferment expired.

5. Allow graduate students to complete, not just one term, but the full academic year during which they are first ordered for induction.

#### Postal Reform

On May 27 the President asked the Congress for the reform of a system which touches the lives of all Americans-- reform of the Postal System.

The reform that I propose represents a basic and sweeping change in direction; the ills of the Postal Service cannot be cured by partial reform. The Postal Service Act of 1969 provides for:

- . Removal of the Post Office from the Cabinet.
- . Creation of an independent Postal Service wholly-owned by the Federal Government.
- . New and extensive collective bargaining rights for postal employees.
- . Bond financing for major improvements.
- . A fair and orderly procedure for changing postage rates, subject to Congressional review.
- . Regular reports to Congress to facilitate Congressional oversight of the Postal System.
- . A self-supporting Postal System.

Other important program reforms that have been accomplished or proposed by President Nixon are contained in Presidential messages on the proposed creation of a Commission on Population Growth and the American Future (July 18, 1969); a Public Transportation Program (Aug. 7, 1969); and Consumer Affairs (October 30).

## II. STRUCTURAL REFORM

Reforms of policy-making mechanisms and government structure are necessary to the successful implementation of these program redirections. In his statement on restructuring government services the President said:

By rationalizing, coordinating, and decentralizing the systems through which government provides important social and economic services, we can begin at last to realize the hopes and dreams of those who created them. (March 27, 1969)

### Council for Urban Affairs

On January 23, 1969, President Nixon signed the Executive Order creating a Council for Urban Affairs. On that occasion the President said:

... The American National Government has responded to urban concerns in a haphazard, fragmented, and often woefully shortsighted manner ... What we have never had is a policy: coherent, consistent positions as to what the National Government would hope to see happen; what it will encourage, what it will discourage.

Having a policy in urban affairs is no more a guarantor of success than having one in foreign affairs. But it is a precondition of success. With the creation of the Urban Affairs Council we begin to establish that precondition: the formulation and implementation of a national urban policy.

The Council is chaired by the President and membership includes: the Vice President, the Attorney General and the Secretaries of the major domestic program departments and agencies.

The Executive order establishing the Council provides that the Council shall:..

"advise and assist the President with respect to urban affairs and shall perform such other duties as the President may from time to time prescribe. In addition to such duties, the Council is directed to:

- (1) Assist the President in the development of a national urban policy, having regard both to immediate and to long-range concerns, and to priorities among them.
- (2) Promote the coordination of Federal programs in urban areas.
- (3) Encourage the fullest cooperation between Federal, State and city governments, with special concern for the maintenance of local initiative and local decision making.
- (4) Ensure that policies concerning urban affairs shall extend to the relations of urban, suburban, and rural areas, to programs affecting them, and to the movement of population between them...."

OEO

The restructuring of OEO to perform tasks appropriate to the Federal Government is another important reform.

On February 19, President Nixon said of OEO:

From the experience of OEO, we have learned the value of having in the Federal Government an agency whose special concern is the poor. We have learned the need for flexibility, responsiveness, and continuing innovation. We have learned the need for management effectiveness. Even those most thoroughly committed to the goals of the anti-poverty effort recognize now that much that has been tried has not worked.

OEO's greatest value is as an initiating agency -- devising new programs to help the poor, and serving as an "incubator" for these programs during their initial, experimental phases. One of my aims is to free OEO itself to perform these functions more effectively, by providing for a greater concentration of its energies on its innovative role.

Environmental Quality Council

On May 29, President Nixon created, by Executive order, the Environmental Quality Council and the Citizens' Advisory Committee on Environmental Quality. He said:

"Each day we receive new evidence of the declining quality of the American environment. . . . The deterioration of the environment is in large measure the result of our inability to keep pace with progress. We have become victims of our own technological genius. But I am confident that the same energy and skill which gave rise to these problems can also be marshaled for the purpose of conquering them. Together we have damaged the environment and together we can improve it."



He asked the Council and Advisory Committee to

". . . examine the full range of variables which affect environmental quality. I expect the group to review existing policies and programs and to suggest ways of improving them. Its members must project the impact of new technologies and encourage scientific developments which will help us protect our resources.

I am hopeful that the Environmental Quality Council will foster greater cooperation in this problem area between our Government and the governments of other nations, between the various levels of American government, and between governmental and relevant nongovernmental organizations.

Finally, I would suggest that this new body must anticipate new problems even as it focuses on present ones. It is not enough that it provide answers to the questions we are asking today. It must also pose the new questions which will face us tomorrow."

#### Reform of the Grant-in-Aid System

In addition to reform in major functional program areas the new Administration has undertaken an across-the-board reform of the grant-in-aid system. In describing the existing system, President Nixon said:

In the field of social legislation, we now have a hodge-podge of programs piled on programs, in which too often the pressure to perpetuate ill-conceived but established ones has denied needed resources to those that are new and more promising.

We have learned that too often government's delivery systems have failed; though Congress may pass a law, or the President may issue an order, the intended services never reach the intended recipients.

Reducing grant-in-aid "proliferation" has been singled out as a priority objective.

In the administration of Federal programs, one of the principal needs today is to improve the delivery systems: to ensure that the intended services actually reach the intended recipients, and that they do so in an efficient, economic and effective manner. (April 30, 1969)

A major way of reducing grant-in-aid proliferation is consolidation. On April 30, the President proposed to the Congress that grant consolidation authority be provided the President.

As a major step toward improved administration of these programs, I urge that Congress enact a Grant Consolidation Act.

The legislation I propose would be patterned in part after procedures used successfully for the past 20 years to reorganize Executive Branch functions. It would give the President power to initiate consolidation of closely related Federal assistance programs, and to place consolidated programs under the jurisdiction of a single agency. However, it would give either House of Congress the right to veto a proposed consolidation within 60 days and it would establish stringent safeguards against possible abuse.

### Establishment of Common Regional Boundaries

To set the Federal Government's own house in order, the President on March 27 directed the establishment of common regional boundaries and common regional office locations for the major service delivery agencies.

In his statement the President said:

The performance of the men in the field is directly linked to the administrative structures and procedures within which they work. It is here that the government's effectiveness too often is undermined. The organization of federal service has often grown up piece-meal -- creating gaps in some areas, duplication in others, and general inefficiencies across the country.

The first concern is to rationalize the way our service delivery systems are organized. I have therefore issued a directive which streamlines the field operations of five agencies by establishing -- for the first time -- common regional boundaries and regional office locations.

### D.C. Government Reform

On April 28, the President proposed an action agenda to come to grips with the long-standing problems of the District of Columbia.

Full citizenship through local self-government must be given to the people of this city. The District Government cannot be truly responsive until it is made responsible to those who live under its rule. The District's citizens should not be expected to pay taxes for a government which they have no part in choosing -- or to bear the full burdens of citizenship without the full rights of citizenship.

I therefore ask Congress to create a Commission on Self-Government for the District of Columbia, to be charged with submitting to Congress and the President a proposal for establishing meaningful self-government in the District.