Chapter Four
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The "Crisis of 1967" was climactic but not unexpected. The events of the preceding year constituted an ominous prelude which exemplified some of the more harrowing apprehensions of those most concerned with the success of the war on poverty. Because of the sensitive mix of its programs, and the areas of their application, the OEO had been uniquely susceptible to the vagaries of Congressional behavior and the more pressing preoccupations of the Administration. A preview of things to come occurred when the 89th Congress focused its attention on OEO's fiscal 1967 budget.

While Congress spent the entire year working out authorizations and appropriations in 1967, in 1966 it took roughly half that time; yet all the ingredients for troubles to come were already present in ample proportions. Several basic factors were common to the struggles of both years: the rising costs of the war in Viet Nam and the consequent budgetary cuts of domestic programs; riots in the cities which ignited the fears of a number of legislators who held OEO programs as partly responsible; and less than the degree of operative pressure needed from the Administration, a portion of which could have made a decisive difference. The crisis of 1967, to some extent, was an amplification of the experience of 1966.

The 1966 Congressional session, notable for its partisan alignment, witnessed a concerted attack by the Republican minority on OEO. During

the hearings, reports, and floor action, Republican critics in the House and the Senate expressed their distaste for the abuses and foibles of the War on Poverty in near unanimity. Desultory charges were made in the form of weekly "Poverty Memoranda," issued by minority members of the War on Poverty Subcommittee of the House Education and Labor Committee, while the Republican National Committee prepared position papers extolling the virtues of the "Opportunity Crusade."[1] The bulk of these materials formed the basis for the minority reports.

The minority reports recapitulated and updated charges made as early as in the 1964 session.[2] Republicans still objected to the program, charging that it raised the expectations of the poor without providing effective means for fulfilling them. Moreover, OEO had failed to address itself to the abuses of its programs. The Republicans contended that the 1966 Administration bill omitted provision for greater involvement of local officials and talented leaders in communities; it failed to create a viable partnership between OEO and the states; its priorities were in error; and it made no attempt to increase the participation of private enterprise.

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1 See, for example, "The Alleviation of Poverty," Republican National Committee, June 1966, and "Housing and Urban Development," Republican National Committee, June 1966.

2 The following is taken from the Minority Report #1568, June 1, 1966, pp. 21-162.

The hearings, according to House Republicans, were a farce, "an 8-day parade of Administration spokesmen and apologists who spent hours relating self-serving statistics and stressing debatable accomplishments." An extensive investigation, promised by the majority, had apparently bogged down, and the results were unobtainable--a typical arbitrary action taken by the Chairman, Representative Powell, who exercised dictatorial powers. The minority had recommended 67 witnesses of its own choice, but were denied; consequently, the hearings "were so loaded that the most critical witness turned out to be Sargent Shriver himself."

The War on Poverty, Republicans charged, was a "political tool which seeks to decrease and abolish poverty by Government fiat." As such, it was characterized by extravagant costs, mismanagement, abuse and scandals. The programs were in a shambles: the Job Corps was "faced with failure because of excessive costs, political profiteering, permissive disciplinary policy, and a distant unenlightened centralized control." The location of facilities was improper, there were alarming incidents of violence at the centers, inadequate screening procedures, and a sputtering administration. The Neighborhood Youth Corps was a story of kickbacks, political patronage, enrollment of fictitious persons, displacement of the elderly by enrollees, gross disregard of guideline controls, and other forms of dishonesty. Corpsmen projects and "training" consisted of make-work, which failed to provide useful work experience.

Community action, their bane in the antipoverty war, was "the most

confused, mismanaged, and ineffective effort of the entire war-on-poverty program." CAP was "bogged down in a variety of perplexing situations, including problems of composition of boards of directors, power structure versus the poor, lack of involvement of the poor at all levels, fiscal irresponsibility and chicanery, and generally clogged communication lines between OEO and the various community action programs." CAP encouraged high salaries and political favoritism , and alienated many community and civil rights leaders. No clear definition of "maximum feasible participation" of the poor had been established, and Head Start was "sliding into the same trough of bureaucratic confusion as other poverty programs," with no national coordination, shifting eligibility criteria, and local uncertainty about standards.

Throughout the session, Republicans attempted with some success to impose a number of severe restrictions on the operations of OEO programs. In the House and Senate over twenty-five amendments were introduced, intended, among other things, to substantially reduce authorizations, abolish OEO entirely, limit legal defense aid for Job Corpsmen, restrict the scope of Legal Services, prevent new contracts for Job Corps centers, impose a ceiling on the number of Job Corpsmen and lower the overall cost, alter the funding arrangement of community action, and spin off the programs to the established federal bureaucracies.[3]

If Republican amendments and criticisms stung the poverty program, as Shriver bitterly complained at the session's end, equally as obstructionist and hurtful were the actions of Chairman Powell. While

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3. See Congressional Quarterly Almanac, 1966

his "dictatorial" conduct of the Committee outraged minority members, his delaying tactics (connected to the revolt of the House Committee membership) and call for Shriver's resignation posed serious complications for OEO.

Powell's turnabout was superficially capricious. He had once been a prime if quixotic advocate of OEO. As Chairman of the committee which controlled the program, his advocacy had carried considerable and persuasive weight. In 1966, however, Powell had been besieged by a number of compelling factors. He was attacked from within his own committee for the rigorous, and at times suffocating, control he had over its operations; there were charges that his wife, who lived in Puerto Rico, was on his payroll for nonexistent services for which he received the pay checks. The accelerative pressures of racial conflict in the country apparently made it imperative for him to exercise more direct power over the activities of the agency which, more than any other, was involved in the daily life of the Negro ghetto.

In February, 1966, following a six-month investigation of the Federal anti-poverty program by his committee's investigators, during which they visited 78 projects in 28 states and the District of Columbia at a cost of $250,000, Powell defended the program against the recurrent criticism that it was badly administered and wasteful. "The Office of Economic Opportunity," he said in Baltimore, "comes out smelling not of scandals, but of the sweet smell of success. The scandals are not in a misplaced penny here or an unrecorded dollar there. The scandals in the War on Poverty really are the scandals of America:

182 counties where the median family income is below $750 a year; the nine million families who earn less than $3,000 a year. . . Those are the scandals that should scorch our souls."[4] On WCBS-TV, "Legislative Hearing, Washington Edition," televised that same day, Powell said: "Out of the thousands of anti-poverty projects in America there has been a remarkable absence of outright dishonesty and corruption. There have been isolated--and let me emphasize that word--cases of mismanagement, poor administration and bad judgment."[5]

Six months later, on September 1, 1966, Powell reversed his attitude and unexpectedly mounted a severe attack on Shriver. Before the Senate Subcommittee on Government Reorganization,[6] when Powell testified on behalf of his plan, "Solving the Black-Urban Crisis in America," Senator Robert F. Kennedy expressed his own, and others' confusion. Displaying a sheaf of press clippings reporting Powell's comments in praise of OEO, the Senator said, "I thought that was so impressive I relaxed a little." Asked what had made him change his mind, Powell explained that his comments were "campaign oratory."

Before the year was out Powell was stripped of most of his powers as chairman of the Education and Labor Committee by a 27-1 vote of his colleagues on the committee (three members merely voted "present").

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4 New York Times, February 28, 1966.

5 Ibid.

6 The 1966 urban riots had focused Congressional attention on city problems. Much of the testimony in the 1967 hearings on riots and civil disorders was simply a duplication of the findings of the Ribicoff Committee; Congressional Quarterly Weekly Report, 1966, pp. 1838-56; Congressional Quarterly Almanac, 1966, pp. 231-244.

This action was subsequently followed by his exclusion from the House of Representatives in January, 1967, when the House refused to seat him when the 90th Congress convened.

Powell's swift reversal of attitude toward OEO was based, according to observers at the time, on Shriver's insistent refusal to act upon a number of recommendations he had made for programmatic changes. In one case, having to do with the "Can Do" community action program in Jersey City, Powell requested that Shriver stop funding the program. In another, involving a Powell-approved projected training program to be set up in Washington, D.C., Shriver withheld funds. The controversy emerged in public in August, three months after Powell's committee received the Administration's request to fund OEO, and during which time no substantive action had been taken on the fiscal-1967 legislation.

On August 24, capping a running series of communications,[7] Powell sent Shriver a letter beginning "Dear Sarge" which continued:

> I plan to call a press conference and issue a major statement on the War on Poverty and the Office of Economic Opportunity this weekend.
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> I would deeply appreciate your reaction and response within 48 hours of receipt of this letter to the following 8 questions:

Powell then went on to ask:

> What are OEO's minimum requirements for suspending funds for an OEO subsidized project?
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> When Alabama Governor Wallace demanded suspension of funds for a project in Lowndes County, it was granted, even though no

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7 See the volume of appendices for the full text of the Powell-Shriver exchange.

improprieties had been proved prior to the suspension. Yet, when I requested suspension of funds for Jersey City based on an extensive investigation outlining specific administrative improprieties, my request was denied.

Shriver's reply, dated August 26, said:

> This Office considers suspension of a grantee's funds to be a most serious step and it is taken only after full consideration of all the factors involved. In the case of Lowndes County, the suspension of funding authorization took place before the program had started to operate and no funds had actually been released. In the case of the Jersey City CAN DO project, however, a suspension would have caused serious disruption of an on-going project. Among other considerations, the suspension would have meant payless paydays for a large number of poor people employed by CAN DO. Furthermore, as I pointed out in my letter of August 11, nearly 2,000 children would have been dropped from the Head Start program.
>
> OEO is now completing its own audit of the project. In addition, the regular annual audit will be made by an independent firm other than the project's own comptroller. . .

Powell went on to ask why OEO turned down Project Spin-Off: why did OEO, "flatly turn down this proposal which is specifically action-oriented and designed to materially assist low income persons to enter the field of business vis-a-vis research or 'survey' programs funded by OEO? Should not the entire thrust of OEO's programs be action or job-oriented with almost no emphasis on research, evaluation or surveys?"

Shriver, who had already given the Spin-Off proposal reconsideration at Powell's request, but had rejected it on August 9, referred Powell to the covering letter of explanation. In the reconsideration Shriver had assigned one office and two divisions of OEO to re-examine the project. The staff had written:

> The proposal boiled down to a business training course of classroom instruction and travel for three months and, as far as we can tell, an additional nine months of guidance.

> The outline for the three months course suggests an offering that does not seem to vary greatly from the usual business-type course. The cost of training these 60 people and providing guidance is $945,000.

The project called for 19 staff officials for 60 trainees, with an average salary of $16,000 and four persons to receive $20,000 per year. Powell himself had earlier submitted a proposal to change the law to limit community action salaries to $12,000 unless the cities or sponsoring agencies used their own resources as supplements to the maximum figure.

As he was "well aware," Shriver continued:

> . . .a relatively small amount of money is spent by OEO on research, evaluation, or surveys. We are constantly seeking innovative ideas and new approaches for poverty programs. Before we fund major programs which demand so much of our limited resources, we need to test their effectiveness. And once programs are in effect, we need to evaluate them in order to assure maximum effectiveness of every dollar spent.

Other questions from Powell involved the funding of the CDGM Head Start program in Mississippi, OEO responsibility for protecting premises and employees of programs in the South, the adequacy of grants to the Woodlawn Organization in Chicago, the percentage of Negro girls for the Women's Job Corps, the funding of self-help housing projects, and OEO's manner of implementing the stipulation that the poor be represented on community action advisory boards.

Shriver's reply to the last point asserted that OEO had "insisted that all community action agencies adhere to the policy of including a significant degree of representation from the residents of the areas and members of the groups to be served." The need for Shriver to make

this point to Powell was curious since OEO, more than any office in the country, and more than any individual as well, had from the very beginning been the strongest and most insistent supporter of the law's mandate to include the poor programmatically as well as in every other way in the nation's anti-poverty program. The issue had, in fact, involved OEO in its most controversial and difficult conflicts.

Shriver also pointed out that OEO could not give grant assistance for the construction of permanent housing in Mississippi, that this was the kind of assistance provided by agencies such as the Department of Housing and Urban Development and the Farmers Home Administration under detailed statutory guidelines. OEO was nevertheless convinced that it could be of help, and had been helpful, in supplementing such assistance in meeting managerial, professional, organizational and other costs which had to be met before construction financing could be secured. OEO was ready and willing to help applicants secure the assistance it could not itself provide. To the other charges, Shriver wrote:

- Funds for the CDGM Head Start program in Mississippi had not been terminated. In fact, the grant had been extended beyond the original termination date of August 31 through September 30, and that OEO was reviewing CDGM's request for a new grant;

- OEO did not have the authority to make grants to establish official protection for premises and workers, nor was it an appropriate agency to exercise law enforcement powers. It was, however, concerned about the protection afforded property and employees of grantees and had always taken immediate steps to inform the Justice Department and local authorities "whenever such an incident has occurred or is threatened. Indeed, in menacing situations we have consistently advised our grantees to contact FBI field offices and local law enforcement authorities directly so that time can be saved. We have had excellent

cooperation at the Federal, state, and local level;"

- OEO had funded projects of The Woodlawn Organization to carry out a family oriented early childhood educational program and a high school tutoring project;

- The percentage of Negro female teenagers in the Job Corps far exceeded the proportion of those girls to the female teenage population as a whole. Negro female teenagers comprised more than 60% of the Women's Job Corps.

Finally, he wrote:

> I cannot agree that the particular cases you cite provide any evidence of 'inconsistencies in the administration of the War on Poverty by the Office of Economic Opportunity.' Quite to the contrary, we have endeavored to follow faithfully the guidelines set forth in the Economic Opportunity Act, as amended, and strive to ensure in the War on Poverty like cases are disposed of in like fashion.
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> However, it is crucial to remember that the War on Poverty, from the outset, has been oriented to local responsibility and local decision-making. Rather than attempt to impose a monolithic bureaucratic apparatus upon the Nation, OEO, reflecting the intent of Congress, has attempted to maintain the maximum flexibility consistent with the Act, and to give the greatest possible weight to local judgment--whether in Mississippi, or Alabama, Jersey City or Harlem--so long as the basic purposes of the Act, and the interest of the poor, would thereby be served. I think the extraordinary degree of commitment to and involvement in the War on Poverty demonstrated by the American poor--from Harlem to Watts, from Chicago to Mississippi, from Florida's migrant stream to Alaska's desolate villages--provides a rather eloquent vindication of the policies of this agency.
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> Specifically, Mr. Chairman, I want to reject any suggestion of favoritism, bias, or unfairness in our administration of this program.
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> I hope that this letter satisfactorily answers the point which you raised, and I look forward to a continued cooperative effort in seeking to overcome the ravages of poverty in our land.

Shriver's reply to the "Dear Sarge" letter was addressed: "Dear Mr. Chairman;" previously it had always been "Dear Adam."

Within a week of his receipt of the "Dear Mr. Chairman" letter Powell was calling for Shriver's resignation.

In a televised interview on August 29, Powell said: "Sarge Shriver is one of the greatest talents to appear on the bureaucratic scene in my 22 years in Congress. He is the greatest salesman in Washington and probably one of the poorest administrators. Therefore, I think his talents should be transferred to another area of government where he could do a better job than he has been doing with the War on Poverty." The interviewer (Mike Wallace) then asked if Powell thought Shriver had been doing a good job. Powell replied: "I don't think he can. I don't think he has the ability. The War on Poverty demands a top administrator and Sarge should give up the War on Poverty and Peace Corps. I think he would make a marvelous Under Secretary of State or something like that." Shriver had resigned his directorship of the Peace Corps more than seven months earlier.

The following day a spokesman for Powell told reporters that the Chairman would issue a full statement proposing a "total approach to the problem of the ghetto." He added that the statement would include a formal suggestion that Shriver resign as head of OEO.[8]

Questioned by reporters the night of the Powell broadcast, an OEO spokesman said Shriver had no intention of resigning. "OEO stands on its record," he said. "That record speaks for itself. More new programs have been initiated and carried out successfully

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8 The Washington Post, August 30, 1966.

in less time and with greater efficiency, reaching more people than any other government agency in peacetime history." The next day Shriver issued a statement expressing his surprise at Powell's assertions. "I have never known," Shriver said, "that Congressman Powell considered himself an expert on administration--either public or private." During the previous 21 months, Shriver said, "genuine experts in administration have evaluated the performance and administrative record of the agency." Among them he named former Cabinet members, business and industry leaders, labor officials and others who served on OEO's Business Advisory Council: "They have approved of the administration of the Office of Economic Opportunity after detailed and continuing evaluation." He added, "It is the approval of men like these which I have sought and which I respect because they are experts in administration."

In his September 1 appearance before Senator Ribicoff's Subcommittee on Executive Reorganization, Powell offered his program for solving the black-urban crisis in America, and again called on Shriver to resign.[9] The War on Poverty, Powell said, should not be fought in "a pitiful little vacuum," nor should the Public Works and Economic Development Act be expanded with no relationship to the Manpower Development and Training Act. He continued:

> They should be under a single office--OEO, for example, and a single administrator--again, possibly a <u>future</u> OEO Director--who has the highest authority to speak and act for the Administration.

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9 "Solving the Black-Urban Crisis in America," Testimony of Representative Adam Clayton Powell before the Senate Subcommittee on Executive Reorganization, August 30, 1966.

I can think of no more able, nor more competent person committed to the full equality of black people to coordinate such a broadly based program than our beloved Vice President Hubert Humphrey.

. . .Because such a program could achieve this administrative unity, I also submit it would be expedient for Sargent Shriver to resign as Director of the Office of Economic Opportunity.

Mr. Shriver's capability as a brilliant salesman for democracy can be equalled by few public servants. His dedication and service are well-known.

But an expanded Office of Economic Opportunity which would encompass the War on Poverty, administration of Manpower Programs and the Economic Development Act requires an unusually capable administrator--somebody, for example, with the exceptional administrative talents of a Willard Wirtz or Robert McNamara.

I think the Federal Government should not be deprived of Mr. Shriver's considerable talents and hopefully, he could be persuaded to remain in Federal service. I think he would make an excellent Undersecretary of State.

But it is clear that the War on Poverty, in particular, needs a more vigorous generalship, a more fearless, and obviously more consistent administration than has been characteristic to date.

The important central fact in this proposal is to assign to a high-level Administration official responsibility for immediate and direct authority to mobilize all of the Federal power, all of the Federal programs and all of the Federal funds on a coordinated, singular assault on the root causes of racial discrimination.

Previously, when Powell had suggested that ex-Congressman Gillis Long of Louisiana, who had been a former head of OEO's Office of Congressional Relations, would be a likely replacement for Shriver as OEO Director, Long told reporters in New Orleans that the suggestion was "the most ridiculous thing I've heard in my life."[10] Long had

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10 The Washington Post, August 31, 1966.

only praise for Shriver and added he would not accept the job if it were offered.

While Powell was testifying before the Ribicoff Committee and suggesting that Vice President Humphrey should be assigned the task or coordinating the nation's anti-poverty programs, the Vice President was engaged in telling a Cabinet-level meeting at the White House--with Shriver in attendance--what an outstanding job the OEO Director was doing. Shriver, the Vice President said "has taken very seriously the requirements of the legislation to encourage and to obtain coordination and cooperation of the federal agencies involved in the War on Poverty, and the whole program of economic opportunity."[11]

Meanwhile, Powell's refusal to send the OEO amendments to the floor had put the agency in the awkward position of spending money it did not have. Another seriously complicating factor was that the amendments included mandatory allocation of funds for certain programs and OEO had no idea of how much it would have left over to administer its on-going programs, or which ones would have to be cut-back to meet the demands of the legislation. On top of it all was the knowledge that the November elections were drawing closer with more and more Congressmen directing their efforts and their time in their home districts and less on Capitol Hill where they were needed to vote the legislation into effect. In fact, the legislation, reported by the House Education and Labor Committee on June 1, 1966, was not passed

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11 Christian Science Monitor, September 2, 1966.

by the full House until September 29, and amended by the Senate until October 4. The Conference report was adopted by voice vote by the Senate on October 18 and by the House (170-109) October 20. The bill was signed into law November 8.

Early that summer Powell had told Shriver that there would be no anti-poverty legislation before the November elections.[12] His prophesy very nearly proved accurate.

For fiscal 1967, OEO finally received an appropriation of $1,612,000,000--$138 million less than the Administration had asked, an amount which OEO had insisted was the "irreducible minimum" needed to keep the program moving forward. The appropriation was $112 million more than the agency had received the previous year. Evidence of the differences in attitudes of OEO, the Budget Bureau, and Congress toward the War on Poverty was graphically displayed in the fact that on the basis of its experience and its programmatic planning, OEO had initially asked the Administration for $3.5 billion.

The amendments of 1966 (HR 15111 - PL 89-794) extended the anti-poverty program through fiscal 1970. For the first time funds were earmarked for specific programs.

On November 23, well before the new legislation was a month old, Shriver issued a bitter statement citing communications from across the country expressing "serious concern about the impact of recent legislative action on the War against Poverty."[13]

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12 See William Selover, Christian Science Monitor, September 15, 1966.

13 For the full text, see Appendices.

The impact of the legislation, he said, "would be great and grave. A triple blow has been struck at our ability to extend the War on Poverty to the poor of urban and rural America." If the President's bill had been passed, he said, OEO would have been able to "meet a reasonable part of local demand. All programs would have moved ahead in a coordinated attack on poverty. But now, instead of modest progress in all programs, we are forced to project some greatly and retreat on others almost entirely. This falls most heavily on locally initiated Community Action programs." He continued:

> First, $740 million was earmarked for Head Start, Neighborhood Youth Corps, and Neighborhood Health Centers, 45% of the total War on Poverty budget. We are very much in favor of these programs, having first proposed them and gained Congressional support for them. But the result of this legislative action is to reduce money available for local solutions to local poverty.
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> Second, the already 'irreducible minimum' appropriation the President requested was cut by $138 million. Almost all of this was taken out of Community Action funds. In fact, because of the combined effects of earmarking and cuts in appropriation, this agency will have $166 million less in earmarked Community Action funds than the minimum need expressed in our budget request. And $66 million less than communities actually spent in 1966.
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> Third, programs were added which we did not ask for, without additional funds provided to finance them. This has further reduced funds available to maintain existing programs already mounted by local Community Action agencies.

There would be no money for summer programs; teenage programs would be curtailed; Legal Services would fall short of the goals the American Bar Association determined were minimum for 1967; and 8,000 young men would be refused placement in the Job Corps.

"In summary," Shriver said, "Congressional action has curtailed the War on Poverty in 1,000 communities of America for fiscal 1967.

And hundreds of additional communities, especially in rural America, will be unable to join the battle."

Because of the delay in passing the fiscal 1967 legislation, only six months transpired before OEO applied for fiscal 1968 funds. If the situation had been complicated and critical in 1966, by retrospective comparison, it could be considered a mere seasonal inclemency. 1967, by any standard, was a raging storm at sea.

The year began on a somewhat ominous note. In his January 10 "State of the Union" address, President Johnson recommended an intensified national effort to "give the poor a chance to enjoy and to join in this nation's progress." But while he urged newer programs and special methods with greater sums of money, the tone of his address, to many observers, was less than enthusiastic. The war against poverty, he had said, like the war in Viet Nam, was "not a simple one. The enemy was difficult to perceive, to isolate, to destroy." The war's progress has been impeded by mistakes and setbacks. Some programs, unable to "absorb well or wisely all the money that could be put into them," required reshaping and tightening up. Administrative skills, a vital tactical ingredient of the war, had to be strengthened; accordingly, new weapons would be accompanied by "certain administrative changes suggested by the Congress--as well as some that we have learned from our own trials and errors."[14]

Two weeks later, the President devoted only a brief portion of his

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14 Transcript of the President's State of the Union Message to Congress, January 10, 1967, Congressional Quarterly Almanac, 1967, Appendix 3-A.

"Economic Message to Congress" to the poverty effort. The stress was on the difficulties: "There is no wonder drug," he said, "which can suddenly conquer this ancient scourge of man. It will be a long and continuing struggle, which will challenge our imagination, our patience, our knowledge, and our resources for years to come. Our capacity to stay with the task will be a test of our maturity as a people." Again, in the President's "Message on Urban and Rural Poverty," he stated: "We have made substantial gains. But we have also come to see how profound are the problems that confront us, how deeply ingrained are the customs and practices that must be changed, how stubbornly the heritage of poverty persists from one generation to the next."[15]

Reaction to the President's addresses was immediate and sharp, especially from liberal quarters. The New Republic termed the tone "diffident" and the proposals "modest," while the New York Times, emphasizing the destructive effect the Viet Nam war had on the domestic effort, stated that the message reflected "a sober recognition" that the conquest of poverty took "time, hard work, money and perserverance." To many, the question was whether the Congress and the nation had the "staying power" to wage effective war on two fronts. Johnson appeared to say that "he knew the Congress (was) willing to vote him money for Viet Nam but not for domestic rehabilitation."[16]

Most critics pointed to the war in Viet Nam as the prime reason

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15 The President's Economic Message, and the President's Message on Urban, Rural Poverty, Congressional Quarterly Almanac, 1967, Appendix, pp. 22-A, 102-106-A.

16 "No Staying Power?" New Republic, January 21, 1967, p. 7.

for modest increases[17] citing the gap between rhetorical support and performance. The Boston Globe challenged the President to "speak with candor as well as fervor for a change and admit that an all-out war against poverty cannot be launched while the more demanding war in Vietnam continues." It was obvious, the paper continued, that the President's "unconditional war on poverty" had begun to flag a little," and that Johnson, "with an eye to right-wing critics in Congress, is taking a conservative line." Others saw the President's proposals as merely a "buffer designed to hold the line," or a "holding operation," meeting in advance anticipated cutbacks by a penny-pinching Congress. Of some significance was the avoidance by the President of the term "Great Society," while the "war on poverty" had been supplanted by a "strategy against poverty." The older terms, editorialized the Providence Bulletin, "apparently are viewed as exaggerated and inflammatory, and their use impolitic under the circumstances."[18]

On February 16, Joe Califano, the President's assistant for domestic legislation, answered those who felt the Administration had abandoned the antipoverty program. At a conference with newsmen in attendance, he quelled rumors that the Administration intended to transfer Project Head Start and dismantle OEO. Some programs, he conceded, as they "matured," might possibly be spun off to other departments, but programs would continue to "spin off and spin into OEO

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17 In May, 1967, Martin Luther King made a major speech in which he demonstrated how the Viet Nam war hampered the anti-poverty effort in the United States. In the address, Dr. King urged poor people to oppose the war.

18 Boston Globe, March 16 and April 11, 1967; Albany Times Union, March 17, 1967; Providence Bulletin, March 17, 1967; New York Post, March 16, 1967; New York Times, March 16, 1967.

as long as OEO exists, and it will exist for a long, long time." Asked about the prospects of OEO generally before the Congress, Califano replied that the President would "fight for it with everything he's got." No one fought harder for OEO than the President, he emphasized. "I might say that the stuff in the newspapers over the past several months about the President not fighting for the poverty program is just a lot of hogwash and trash. It's just not true. I think he spent as much time working with Sarge on putting together this program as he did on any program that's going up there this year." And the President himself later told a group of anti-poverty workers, "we are not backing off from our commitment to fight poverty, nor will we so long as I have anything to say about it. We have just begun."[19]

But the outlook seemed bleak. Congress, lamented T.R.B. of the New Republic, awaited Mr. Johnson's poverty bill with "knives," and the conservatives "are all set up again this year." Given the results of the 1966 off-year Congressional elections, which had conformed to the traditional mid-term losses of the party in power, such forebodings seemed justified. House Democrats were diminished by nearly fifty seats, and in the Senate by three. Moreover, OEO speculated that the hostile 89th Congress would be supplanted by a 90th even more recalcitrant: the opposition had increased by forty-three, with six listed as "doubtfuls." OEO would have to survive attack from two sources--House Republicans, and urban-based Democrats. GOP members

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19 Transcript of OEO Press Seminar, Ace-Federal Reporters, Inc., February 16, 1967; Wall Street Journal, May 16, 1967.

of the House Committee on Education and Labor were expected to resurrect the "Opportunity Crusade" and exploit Republican gains. The anticipated summer riots would undoubtedly bring new pressures upon big city Democrats, who would be held accountable for the "failures" of the Federally-sponsored anti-poverty programs.[20]

Congressmen from poor districts, who normally favored increases in poverty funds, were less able to support raises in the face of requests to enact the proposed surtax, and to vote increased military expenditures. The persistence of the attitude that the anti-poverty war was a "give-away" program for the "shiftless and lazy" was an ubiquitous OEO obstacle. But the largest single issue that nagged Congress was community action. In some localities, CAP officials and affiliates, engaged in the reorientation of the political structure, were critical of their representatives in the Congress; some community action programs actually threatened to build counter-political power bases, pitting their own choices against the incumbents, who found it more necessary to accomodate the established local political machinery. For these, and other reasons, the status of community action, and OEO itself, was a matter for speculation.

The feeling at OEO was that 1967 would witness a bitter legislative battle, and with friendly forces reduced, the outcome was far from certain. The principal concern was that OEO, squeezed between

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20 T.R.B., New Republic, March 25, 1967, p. 4; Congressional Quarterly Weekly Report, November 11, 1966, p. 2804.

the spiraling costs of the Viet Nam war and the pressures engendered by unpopular poverty programs, would suffer authorization cutbacks, if not complete dismemberment. The Republicans' stated intention to disband OEO prompted Shriver to announce before the House Committee on Education and Labor that the "single basic issue" of the session was whether OEO would be continued as "the central command post of the war on poverty." Having revealed the poverty, launched the programs, and achieved the consensus, would Congress "tear the engine which powered the progress?"[21]

The Administration's bill, submitted to Congress in April, was the product of joint labor between the White House and OEO staff, and substantially revised the 1964 Economic Opportunity Act, by including measures aimed at tightening up the operation of the various programs. S. 1545 was designed to write into law programs and procedures which previously had been defined only in OEO guidelines or regulations, or left to the initiative of the local community agency. It was, as both Shriver and the President emphasized, the result of "the lessons we have learned through the successes and failures of the past two and a half years." The thrust of the bill in the direction of strict administration was the product of OEO/White House concensus, as well as the recognition of political necessities. If OEO was to be dismantled, as many felt it would in the 1967 session, Shriver wanted the language of the programs to be explicit and well-defined. Thus, despite the spin-off, there would be ample guarantee that the programs would remain intact,

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21 Congressional Quarterly Almanac, 1967, p. 1058.

whatever the operating agency.[22]

The President has asked for a 25% increase over the previous year's appropriations, from $1.61 billion to $2.06 billion, "hardly a revolutionary sum," wrote one critic, "considering the scale of the problems to be faced and the fact that many communities are moving from the planning stage to the more expensive business of operating programs."[23] Of the $460 million increase, more than half was earmarked for new programs, including a Follow Through program for Head Start children and a "special urban employment impact" program for hard-core unemployed. Consequently, the existing programs received but slight increases. The bill was divided into three titles: the first consisted of amendments to the 1964 Act; the second established a summer camp program for children of the poor; and the third incorporated provisions stipulating penalties for embezzlement, theft, willful misapplication or extortion of federal funds by anti-poverty workers.

The bill would promote cooperation and coordination between urban and rural communities, authorized a migrant farm worker program, required concentration of poverty programs in rural areas, and it established an Assistant Director for Rural Affairs to give new direction to the rural programs. Emphasis was on strengthening the role of the states in the poverty programs, especially in rural areas. Private enterprise was encouraged to play a larger role in the war on poverty.

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22 Interview conducted by Mary Jo Kelly with Donald Baker, Director, Office of General Counsel, September 23, 1968; See also, "Proposed Legislative Improvements in the Economic Opportunity Act," Paper for Mr. Shriver prepared by the General Counsel's Office, January 3, 1967.

23 One critic noted that the requested annual appropriations was considerably less than one month's expenditure for Viet Nam." See: Edward Shanahan, "Drumming up Votes for the Poverty Program," New Republic, June 17, 1967, p. 7; "Legislative Background Material on DHR," League of Women Voters, May, 1967.

The bill established tighter cost controls, firmer discipline and more effective recruitment in the Job Corps.

Recurring time and again in the bill, it was noted, was a theme "signaling specific reactions to arguments of opponents of the programs," such as administrative regulations, disciplinary procedures, and the emphasis on coordination. As a result, the bill's general tone downgraded the "innovative role of EOA programs, the role that has been disturbing to some people."[24]

The heart of the Administration bill, and the section which provoked greater comment and controversy, was that concerning community action. The bill required CAA's to provide key roles to public officials and community leaders, as well as to the poor. CAA's were to have full control over all basic poverty programs, plans, budgets and personnel policies. The bill prescribed the "minimum functions" of local CAA's--clarifying the distinction between locally-designed and national "special emphasis" programs, such as Head Start, Legal Services, Comprehensive Health Centers and Upward Bound. It barred partisan political activity by anti-poverty personnel, or the use of funds for illegal picketing or demonstrations. It prescribed "standards of evaluation of overall effectiveness," and required improved accounting and auditing procedures, as well as specifying new administrative and personnel standards.[25]

Critics jumped on the provision widening the role of local mayors and city officials, charging that the President "sought to relieve any Congressional fears that strong, independent rival political bases will be built up around local community action boards." In the face of the

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24 "Legislative Background Material on DHR," League of Women Voters, May, 1967.

25 Congressional Quarterly Almanac, 1967, pp. 1062-1063.

critical question regarding the CAP anti-establishment potential, the President seemed to "veer away" from encouraging community action by the poor. Congress and the Administration, the New York Times editorialized, had "jettisoned the most controversial element," and with Congressional critics seeking to divide the remaining functions of OEO among other government agencies, further attrition of the program was expected. It was apparent, the Times concluded, that Congress and the Administration had been listening to criticism "from racists who object to special help for minorities, from politicians who want to run the program all by themselves and from bureaucrats yearning for bigger bureaus."[26]

Specifically, the community action concept, by the terms of the 1967 Administration bill, was defunct, according to the New Republic. "The President has officially bid farewell to the original poverty program by asking Congress. . .to tie local community action programs to city hall." Johnson's ban on "partisan political activity" was just "another way of saying this Administration won't tolerate 'maximum feasible participation of the poor.'"[27]

Bookbinder replied to the New Republic's charge, and stated that Johnson was "merely reiterating what has always been the concept and the goal of community action: the involvement of the poor themselves, the involvement of the private sector (labor, business, education, social agencies, etc.), and the involvement of the local government.

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26 New York Times, March 16, 1967; Springfield Union, March 16, 1967; "Retreat on Poverty," New York Times, April 11, 1967.

27 "It's Official," New Republic, March 25, 1967, p. 6.

The only compulsory involvement, incidentally, is that of the poor. . . There are mayors who will probably continue to stay out." The proscription against partisan political activity, continued Bookbinder, "adds to the assurance that a community action agency will not be controlled by a local 'political machine,' thus advancing meaningful participation by the poor. The ban does not prevent effective action by poverty groups to obtain rights and services to which the poeple are entitled."[28]

In mid-March, C. Kenneth Clark, noted psychologist and co-founder of HARYOU, testified before the Senate Subcommittee on Employment, Manpower and Poverty on the community action program. He represented the Metropolitan Applied Research Center, funded by the Stern Family Fund, which had undertaken an analysis of CAP programs in twelve major cities throughout the nation.

Dr. Clark maintained that the program had produced few significant changes in the predicament of the poor. In fact, the program was more likely "to reinforce the dependency and powerlessness of the poor." He said the poor had been used as "window dressing," without genuine involvement in policy-making on CAP boards. When CAP programs challenged the status quo, local governments and OEO were prone to slap them down. The purpose of CAP apparently had become the elimination of social chaos rather than the abolition of poverty; and in the government's attempt to prevent summer disruptions, what appeared to be peace and stability to middle-class leadership was in fact "dry rot and stagnation." The key to CAP success, Clark continued, lay in its ability to challenge the power structure, and in that attempt CAP

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28 "It's Official," New Republic, April 15, 1967, p. 35.

"was at least an effort in the direction of social justice." The criteria for success, he concluded, was in CAP's political independence and integrity, or when they were supported or protected "by an empathetic, progressive local government."[29]

OEO replied that it had itself conducted an in-depth analysis of CAP, supplemented by the funding of independent evaluations, whose results were expected shortly. Joseph Kershaw, former Assistant Director of OEO, testifying on behalf of OEO, pointed out that on the very day Clark condemned CAP for its desuetude, Raymond Watson, Harold Wright, and Blue Carstenson of the National Farmer's Union presented a contrary view to the subcommittee, charging that OEO had been working "on the overthrow of the power structure." To Kershaw, neither view was accurate. The war on poverty, recognizing the existence of political conditions that perpetuated poverty, did not aim for conflict or overthrow. Rather, OEO aimed at changing the causative conditions of poverty, which included, but was not limited to, the political organization of the poor.[30]

Kershaw cited an independent evaluation of CAP Neighborhood Multiservice Centers, concluding:

> The evidence indicates that it is extremely rare to find both agressive community action and well-executed service programs within the same center. The attitudes and organizational arrangements associated with agressive community action appear to preclude effective service programs most of which involve well-established agencies.

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29 The Washington Post, March 13, 1967; New York Times, March 25, 1967.

30 Statement by Joseph A. Kershaw before the Senate Subcommittee, OEO release, March 18, 1967.

The difficulty in evaluating CAP, said Kershaw, lay in the uncertainty of criteria, the complexity of the task, and necessity of long-range study, unaccomplished at that date. Kershaw quoted Shriver to illustrate that difficulty:

> Any evaluation of CAP must begin with the admission of the vagueness and intangibleness of the criteria for determining success. Added to this fundamental problem is the paucity of usable data from the agencies. Despite this caveat, however, we do have evidence that the better urban programs are having substantial and demonstrable impact on the slum communities of poverty. They are providing services to the poor that were simply not available before, and we can quantify this claim. We have hard data to show that they are giving people non-poverty jobs. They are changing the community structure which has kept the poor down, and we can demonstrate that, although it is not quantifiable. Even the best urban programs, however, are reaching a fraction of the problem at current funding levels. If I were to sum up in a single sentence the major evaluative results of Community Action, it is that we have demonstrated what can be done for people where programs are run well, but we have demonstrated (also) that current funding levels are not going to change the world fundamentally for a long, long time. One additional problem of many programs is that they have not yet reached the really hard-core in any important way--in some sense, they are 'creaming.' The above statements concern the best urban Community Action programs. We can also demonstrate that we have some pretty bad ones.[31]

On April 10, Carl Perkins, Chairman of the House Committee on Education and Labor, introduced H.R. 8311, the Administration's poverty bill. Four days later, Senator Joseph Clark introduced S. 1545, the Senate equivalent. At the time, Senators Clark and Javits were sponsoring an amendment to another bill which would provide $137.5 million in supplemental funds for OEO summer programs--the full difference between the 1966 Congressional authorization and appropriation.

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31 The Senate Labor and Public Welfare Committee was sufficiently impressed by testimony such as Kershaw's, and in its Report on S. 2388 stated: "Community action agencies which have had the greatest success in bringing about changes which benefit the poor are those where the CAA is part of the governing coalition committed to community improvement, and in such communities CAP funds are used as a multiplier to effect institutional change." Senate Committee Report, 1967, p. 36.

On May 2, the Administration requested that Senate amend the House-passed Second Supplemental Appropriations Bill, to include a supplemental appropriation of $75 million. The supplemental funding was for short-term summer projects aimed, in President Johnson's words, at "idle youths in our teeming cities." The President told a press conference he asked for the money after receiving evaluations from federal officials on racial and slum programs in ten cities across the nation. In support of the summer programs, Shriver stated that "it is in summer that the contrast is sharpest between poverty and abundance, mobility and confinement, joy and frustration." He specified that the money was not based "on any worry or principal concern with the hot summer," and that the war on poverty was not "some sort of fire brigade operation." The funds were to go to NYC and CAP projects. In June, the money was approved.[32]

On June 8, Congressmen Quie and Goodell introduced H.R. 10682, the Republican's alternative poverty program, the "Opportunity Crusade." According to Goodell, Opportunity Crusade would increase money for promising programs, maximize the involvement of the poor in community action, and transfer some OEO programs into HEW. The Crusade was a response to what Goodell termed the confusion of "national innovation with spontaneous spending." OEO, he said, had entered into a phase of "administrative adolescence," a "regressive tendency" portending "calcified adulthood." Regional offices were burgeoning into bureaucratic mazes, evaluation techniques were "superficial and self-serving," while the

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32 See: "Domestic Pacification," New Republic, July 1, 1967, p. 7; "Senate OK's Bill to Spend More Billions," Chicago Tribune, May 20, 1967.

entire program was characterized by "overlap, waste and duplication." OEO had developed into "bureaucratic fiefdoms," stagnated by vested interest in outworn programs; consequently, "the poverty program is in serious trouble with the Congress and the American people." The solution would be to abandon erroneous policies, improve the administration, unshackle the programs from the "rigidity of earmarked funds," and "discard its failures and expand its successes."[33]

"Opportunity Crusade" would transfer community action programs to HEW, which, under the direction of an Assistant Secretary, should receive more funds. Neighborhood boards should be truly representative of the residents to be served, and should be free to set their own priorities within broad guidelines. The Job Corps would be phased into new residential skill centers, and a Military Career Centers program would be set up along with a new Industry Youth Corps that would displace the out-of-school NYC program. A Human Investment program, providing a tax credit as an incentive for private employers to hire and train unskilled youth, would also be added. Head Start would go to HEW's Office of Education, and be administered through state agencies representing private and public educational and poverty-oriented groups. VISTA would be transferred to HEW, and its reach extended through a Hometown VISTA of local volunteers. Goodell reasoned that a Congressional authorization of only $1.7 billion, through increased state and business involvement, would mushroom

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33 Release from the offices of Congressmen Charles E. Goodell and Albert H. Quie, March 7, 1966; see also: "End OEO Now," New Generation, Summer, 1967, pp. 6-9.

into a potential $2.4 billion program.[34]

The "Crusade," said Hyman Bookbinder, "would destroy the agency that did the innovating. . . It would cut the top off--creating a sort of topless poverty program."[35]

House hearings began on June 12, concentrating on the administrative difficulties experienced by OEO, and the comparative merits of the agency's structure as opposed to the Republican Crusade. Testimony was given by Administration spokesmen, OEO opponents, private groups and representatives of various organizations. Shriver could point to support from every major civil rights organization, religious groups, businessmen's councils, American Bar Association, the American Medical Association, etc.

Support was marshalled in other quarters: two hundred House members were treated to a fifteen minute film entitled "Beyond the Hills," co-starring the Reverend Billy Graham and Shriver, touring a Job Corps center and a community action project in western North Carolina. Graham, speaking before a Congressional luncheon, said, "Now, when this program was started, I was somewhat against it. . . But I am a convert. . . I believe we have a moral and spiritual responsibility as a people to attack this problem with even greater vigor than we have thus far." Chairman Perkins publically declared, "It would be the height of folly to divide our forces and dissipate our strength

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34 See OEO's "Comparison of President's Budget and Republican Opportunity Crusade" (undated) in Appendix.

35 Hyman Bookbinder, "We Need an OEO," New Generation, Summer, 1967, p. 13.

at this critical point in the effort." And President Johnson himself came out strongly for the program when he said, "The War against Poverty is the most significant domestic effort in which our nation is now involved. I feel confident Congress will continue to give its unstinting support to this most compassionate of all our commitments." In this year, he said, more money would be spent on poverty than would be spent in Viet Nam.[36]

In February, the Senate had authorized the Subcommittee on Employment, Manpower and Poverty to investigate the effectiveness of the poverty program. For four months, the Subcommittee traveled throughout the country holding hearings in Albuquerque, Detroit, San Francisco, Jackson, Mississippi, Providence, New York, Chicago, Boston, and elsewhere. The findings of the committee, made public in June, gave OEO reassuring backing. Said Clark:

> I would comment that we found a number of strengths in the program, in particular there are a number of splendid community action programs underway throughout the country. With respect to many of them, there is intense controversy--what might be called a struggle between the poor and the power structure in the particular communities.
>
> Our hope has been, and the hope has been realized in several communities, that these struggles of the power structure to assure adequate administration are gradually but slowly being ironed out or hammered out on the anvil of controversy.
>
> We learned that in these areas OEO speaks for the poor, and this, I believe, to be helpful. It is sometimes charged it

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36 "Shriver Sets Film 'Special,'" Washington Star, June 11, 1967; "Shriver Gets an Ally in Evangelist Graham," Washington Star, June 15, 1967; OEO Transcript of the Remarks by the Reverend Dr. Billy Graham, June 14, 1967; Release from the Office of Representative Carl D. Perkins, June 30, 1967; UPI Newsclip, June 27, 1967; "Shriver Quotes President Johnson in Support of OEO Programs," OEO release, June 11, 1967; Commencement Address by Sargent Shriver at St. Peter's College, June 11, 1967.

speaks for the poor too strongly, and not enough for the power structure. This is a controversial matter which we will not resolve and on which we need to get more testimony.

Every witness we heard, no matter where we went, would continue the OEO as an independent, high-level agency charged with the over-all responsibility of directing that part of the war on poverty which comes within the purview of the basic legislation, and also every witness we heard believed that OEO should have its finger in the larger poverty pie where the many billions of dollars which are not under the direction of OEO and are done by other agencies, would nevertheless be affected in their philosophy and in their administration by the advice of the OEO agency.

Great expectations have been aroused in America for the poverty program and those great expectations have largely been aroused by the work of the OEO and its dynamic director, Mr. Shriver.

The poor are participating in their own programs, sometimes clumsily, sometimes ineffectively, but these expectations have been aroused, and in my judgment they will not be satisfied until many more significant victories over poverty have been won than have been won so far.[37]

The regular House and Senate hearings on the Administration anti-poverty amendments were held throughout June and July. Indicative of the gruelling examination OEO underwent: in the Senate, more than 33 days of public hearings transpired, involving 144 hours of testimony, 401 witnesses, 7 executive sessions, 18 staff reports, 15 consultant studies, and 11 inspection trips to sites nationwide; in the House, six weeks of testimony produced six volumes of testimony of the approximately 100 witnesses, extending to over 4,000 pages.

The hearings had concentrated on the administrative difficulties

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37 "Examination of the War on Poverty," Hearings before the Subcommittee on Employment, Manpower and Poverty of the Committee on Labor and Public Welfare, United States Senate. 90th Congress, 1st session. on S. 1545. p. 2694.

experienced by OEO, and the comparative merits of the agency's structure as opposed to the Republican "Opportunity Crusade." The hearings were characterized by detailed, extensive and exhaustive questioning and cross-examination, each partisan side scoring its own points. By mid-summer, it appeared as if the expressed fears of OEO's fate had been exaggerated: while OEO would not sail through the Congress, the overwhelming favorable testimony by public officials, voluntary service groups, social welfare organizations, representatives of community action agencies, and the poor themselves had ratified the basic thrust of the poverty program and the necessity of OEO as a continuing agency.[38]

In July, OEO Director Shriver could state to the House Committee: "The question at which you have taken a long, hard look is this: Should there be an OEO? Of the 97 public witnesses who have appeared before you, 64 have addressed themselves to this question in their testimony. Of these, only one has called for the elimination of OEO." Chairman Carl Perkins seemed to sound the death knell of the "Opportunity Crusade" by stating: "I think without exception almost all of the witnesses have acclaimed their positiveness in getting results under the Economic Opportunity Act. All of them have expressed the

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38 Chet Huntley, on NBC's "Emphasis, Plain Talk," said that Mr. Shriver's personal statistical record with the Congress was "staggering." The OEO Director had "spent almost 41 hours in front of the House Committee and the Senate Subcommittee on Employment, Manpower, and Poverty. Not only that, but at the same time, Mr. Shriver was carrying on a crash investigation of his own agency, knocking down the rumors and charges that some people employed by the OEO had taken part in the rioting in the cities where there was both violence and an OEO program." August 23, 1967.

fact that the act should be continued and all have stated that additional funds should be provided to strengthen existing programs". [39]

But even as the hearings were drawing to a close, outside events significantly altered the status of the legislation almost overnight. In late July and early August, violent riots broke out across the country, causing widespread destruction and scores of deaths in many cities. The chances of the program's passage and OEO's survival were again put into jeopardy when questions were raised in the press about OEO's involvement in the riots. Charges that anti-poverty workers helped incite the riots, and in some cases participated, were easier to broadcast than to disprove.

In the aftermath of the rioting, newspapers publicized a number of accusations and allegations concerning the relationship between OEO, its programs, and the rioting. In Newark, Mayor Addonizio said that tensions that erupted in racial rioting had been "fueled" by the rash of wild and extremist statements and behavior of the past 10 or 12 weeks in our city", and he cited statements by anti-poverty workers as "contributing actions". Senator Prouty publicized a telegram sent to Shriver by Newark Police Director Dominick A. Spina predicting "riots and anarchy" erupting out of federally funded programs. OEO came under fire for funding "black power advocates, assorted agitators, and other foes of the status quo". Barron's financial weekly attacked OEO for subsidizing rioters, and the Republican National Coordinating Committee even indicted President Johnson. Congressional critics

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39 Economic Opportunity Act Amendments of 1967. Hearings before the Committee on Education and Labor, House of Representatives. 90th Congress, 1st session, on H. R. 8311. pp. 3415, 3534.

seized upon the headlines of isolated incidents where anti-poverty workers were charged with incitement and involvement; in the vanguard were Representative James Garner, Senators Eastland and McClellan.[40]

In mid-March, during the Clark subcommittee regional hearings, a prophetic, yet unheard, colloquy had occurred between Mayor Cavanagh of Detroit and Senator Kennedy of New York, about the expectations of the poverty program, the hopes of the poor, and the levels of funding:

> Mayor Cavanagh: What the poverty program has really done in its first year or two has just started to define the dimensions of poverty. . .It probably could be higher, but I know $3 billion would be a conservative estimate of the funds which could be effectively utilized in this program next year.
>
> Senator Kennedy: The discussion of the poverty program over an extended period of time raised the expectations of a great many people. The fact that there was not as large an amount of money made available as expected, caused some disillusionment which has created problems in our various urban ghetto areas around the United States, as well as in the rural areas.
>
> Mayor Cavanagh: I believe it's true. . .
>
> Senator Kennedy: Is that creating a serious problem, in your judgment, in our urban centers across the country?
>
> Senator Clark: Do you think this cutback might have some impact on the riot disorders in urban centers which have unhappily plagued us in the summertime during the last few years across the country?
>
> Mayor Cavanagh: Yes; unfortunately, I think that is true.
>
> Senator Kennedy: Those who need this kind of help feel they have been promised it and the only time they are going to receive attention is where they cause difficulty and cause disorder and violence and lawlessness?

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40 See: "Playing Politics with Riots a Sorry Way to Prevent Them," San Antonio Express, July 31, 1967; Rowland Evans and Robert Novak, "The Poverty Scapegoat," Washington Post, July 28, 1967; "Poverty: The Program Has Friends in Congress," New York Times, August 13, 1967; "Newark Strives to Restore Calm," New York Times, July 19, 1967; Barron's, July 31, 1967; "Subsidized Riots," Chicago Tribune, July 20, 1967.

> Mayor Cavanagh: I think it is becoming even more acute in some of our major industrial centers. . . So I think this coming year is going to be a most critical year. . .[41]

On July 31, after the Newark riots, and in the midst of the Detroit disorders, Cavanagh's sentiments were restated when Shriver appeared before the House Committee to explain OEO's official policy concerning urban uprisings, and to rebut the allegations about anti-poverty workers' involvement.[42] Focusing on the root causes of unrest and discontent, he said, "After the riots began, voices of reason and order swiftly announced: 'We will not tolerate violence. We will not permit lawlessness.' And they are right. But there are voices that say, 'We cannot, as a nation, tolerate the conditions that produce violence and lawlessness.' And they are right, too." The riots, he continued, were not simply "quaint 'happenings,'" but were symptomatic of the surface weakness in America's cities beneath which lay "an explosive store of discontent waiting for a random spark to ignite it." Discontent came from joblessness, inhuman housing, exploitation by money-hungry landlords and merchants, and "the raw difference between justice, health, and convenience for the poor and the rest of America." Even if there were no riots, he said, the conditions remained, and were wrong--socially, politically, morally; and they must be corrected.

To concentrate on the conditions that produced riots was not to condone lawless methods to overcome them, and Shriver emphasized OEO's

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41 Senate Subcommittee on Employment, Manpower and Poverty, Hearings, 1967, op. cit. pp. 113-114.

42 The following assessment is taken from the statement of Sargent Shriver before the House Committee on Education and Labor, Hearings, 1967, pp. 3415-3525; see also "OEO and the Riots," (undated).

resolute opposition to violence: "Let me make my position unmistakably clear. When I became Director of OEO, I took an oath--a simple oath to defend this country against all enemies, foreign and domestic. I consider those who would mock our laws, shatter our peace, burn our homes and kill our people to be enemies of our country. To promote, encourage, tolerate or excuse violence is against every intention I have had, against every action I have taken since I came to Washington in 1961."[43]

As to the "cynical attempts to create doubt and fear about the role of the War on Poverty in the aftermath of violence and disorder," Shriver said "such attempts are unworthy of any public official or private citizen." Such smear tactics "cannot be permitted to stay the hand or weaken the resolve of Congress in passing that legislation most needed to eliminate discontent and eradicate the causes of violence and disorder." OEO had investigated the charges that anti-poverty programs had been involved in stimulating, encouraging and participating in acts of violence, and had found the allegations "simply not true." To the contrary, he said: "In almost every one of the 1,050 communities where community action exists, there is ample evidence that the CAA is calming fears and frustrations; bridging the communications gap between the poor and the rest of the community;

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43 On July 20, Shriver wrote to all Regional Directors: "There will be absolute insistence that every OEO employee and every employee of an OEO grantee scrupulously avoid and resist participation by OEO-funded resources in any activities which threaten public order in any community. . .I shall insist upon the withholding of OEO funds from any grantee or delegate agency which is shown to be encouraging or tolerating such behavior."

providing the opportunities that put people to work, giving them training and education; and showing them that health and justice exist for them right where they live." Mayors, police chiefs, and public officials of every level of government had testified to the vitality and need of the program, as well as to the magnificant job anti-poverty workers had done during the riots.

In the twenty-seven cities that were shaken by riots in 1967, there were 12,128 persons who were direct employees of OEO-funded agencies, most of whom--neighborhood workers, health aides, clerical staff, community organizers--lived in or near the ghettos. "In these twenty-seven cities," said Shriver, "a total of 6,733 persons were arrested. In the same twenty-seven cities, six of the 12,128 paid poverty workers were arrested. To date, none of the six has come to trial, and none has been convicted."

The total estimated damage to property in the ghettos was $273,652,800. Of the 491 OEO-rented facilities, "not a single one was burned. Not a single one was looted. And the total damage was confined to a few broken plate glass windows. Why? Because like buildings displaying the Red Cross in time of war, the people recognized that these facilities were among the few places where they could find refuge and aid." Local officials had informed OEO that anti-poverty personnel had worked overtime during the riots, attempting to persuade the people to "cool it," providing communication, assisting police and firemen, cleaning up rubble, providing food and shelter to victims of the violence, quelling rumors, and generally helping

to restore order.

Shriver ended his testimony with an eloquent appeal to reason and understanding, compassion and resolve:

> Who then is responsible for the riots? I mean ultimate responsibility, not merely who shot the first gun or looted the first store.
>
> All America is responsible. All of us here in this room. We are all actors in this American tragedy. We are in trouble because too many Americans prefer not to know each other. Not to care about each other. As Governor Romney said just yesterday, 'Most white people do not know any Negroes. Most Negroes do not know any white people.' This terrible isolation is what breeds distrust and hatred.
>
> I am not saying Americans must all become friendly with each other or that privacy is evil. I'm just saying that ignorance of our fellow citizen's needs destroys more than it protects.
>
> Our country is destroyed when the man in the suburban house in Chevy Chase does not know the man in the ghetto house in Cardoza.
>
> Our country is destroyed when the affluent know more about the Beverly Hillbillies than the destitute poor in the Appalachian hollows in Kentucky or West Virginia.
>
> Our country is destroyed when a dog on Park Avenue eats better than a human being a few blocks over on First Avenue.
>
> Our country is destroyed when we are soft-hearted about sending slum kids to summer camp but then soft-headed about job training programs for their unemployed fathers.
>
> Our country is destroyed when the scourge of rat bites on the bodies of poor children is treated as a laughing matter and funds are denied which could put an end to this infestation.
>
> In Chicago, an OEO program has demonstrated that rats can be eradicated on a city-wide basis. Yet, we refuse to extend our knowledge to benefit the poor of every city.
>
> Our country is destroyed in a thousand ways like this.
>
> It is foolish to think the country can go on like this. More and more the poor who are cut off from American life are repeating

> the sentiment of Churchill when someone tried to ignore Britain: 'We will not be dealt with as part of a blob.' And we in America cannot treat the poor as a blob. Their needs must be met in the same manner and speed that the appetites of the affluent are satisfied.

The Senate Committee supported OEO's view, stating:

> The committee believes it is clear that the causes of civil disorder lie far deeper than the success or failure of a specific program, because it has never been funded at a level commensurate with needs, at its best is barely scratching the surface of community problems, and that the remedies will be far costlier and much more difficult than the limited efforts so far underway.[44]

In the House, however, where on the last day of the hearings, a special extension had been made to accomodate the demands of Representatives James Gardner, Ayres and Green to bring in emmisaries from Newark who charged the local CAP with promoting tinder-like conditions that led to the riot, the conclusions were quite different.

The Newark officials, among other things, informed the committee of the political nature of their city's CAP structure: that the political "outs," through the agency, were challenging the "ins." CAP was so organized that radical groups had taken over the area boards, agitated the people, made inflammatory statements, disrupted the normal city hall procedures, and generally contributed to an emotionally tense ghetto situation. All the witnesses denied knowledge of evidence that anti-poverty personnel had actually been involved in the riot, but one charged that they were "smart enough" not to actually throw molotov cocktails and loot. The brunt of their testimony focused on the

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44 Senate Labor and Public Welfare Committee Report on S. 2388. op. cit. p. 38.

fact that Newark officials had no control over the local CAP boards, and that CAP activities were almost entirely anti-establishment.[45] It was this key part of their statements that impressed some committee members, and Edith Green hinted at things to come when she said:

> I have a very serious question, in fact, I would heartily disapprove of the expenditure of Federal funds to finance people who are outside of Government and who are working for the express purpose of changing the political structure and changing the democratic process and upsetting or overturning the decisions which are made by mayors or duly elected officials or council people or anyone else that has been chosen by the majority of the people through the democratic process. . .if this is being done and if it is being done in a lot of places, then Congress most certainly--and when the bill gets on the floor--I think they would certainly want to take a look at it.[46]

The attempts to tie the agency with the summer disorders gave OEO opponents a new lease on life, and demonstrated to OEO friends the dangers of too close identification with a controversial program. Many otherwise friendly members of Congress consequently viewed the poverty program with suspicion.

Continuing insinuations regarding OEO's "responsibility" for the tensions in the ghettos and the riots led to an intensive investigation undertaken by OEO. Shriver had dispatched Edgar May, Director of the Office of Inspection, to put together a comprehensive evaluation of all OEO community action programs. In August, the Christian Science Monitor summarized the first findings, which told both the good and the bad. It pointed to occasional indiscretions and poor

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45 House Committee on Education and Labor Hearings, Part 4, August 1, 1967, pp. 3534-3660.

46 Ibid., pp. 3577-78.

judgment on the part of anti-poverty workers in a few cities, as in Dayton, Rochester, and Newark; but, "the major untold story of the riots is quite different and deeply impressive. It is a story of constructive response to emergencies by anti-poverty workers in community after community." In many cities efforts were being made to keep the peace, especially in areas where no rioting occurred.[47]

In September, an expanded survey of 64 cities undertaken by OEO was completed; it contained massive testimony by mayors and officials on the positive role of anti-poverty workers. The message was clear: keep the OEO administration and programs. As one newspaper put it, "they are needed and nobody knows it better than the American mayors who have endured the riots and who have seen the programs at work."[48]

Despite the investigations, Shriver's testimony, and the sentiment of great numbers of mayors and police officials, on August 9, Senator John D. McClellan (D-Ark.) said there was "enough indication" of involvement on the part of OEO workers to warrant a thorough investigation. Said one observer, "There is little need and less wisdom in dispatching Senator McClellan's committee to ferret out a handful of radical anti-poverty workers. . . It is painfully obvious that the national interest would be best served by upgrading the material for

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47 "OEO Cools Riot Cities Probe Hints," Christian Science Monitor, August 21, 1967.

48 Joseph Loftus, "Poverty Agency Praised on Riots," New York Times, August 10, 1967; Roscoe Drummond, "Mayors Know Most About Race Rioting," Galveston News, September 17, 1967.

the war on poverty, not by setting up senatorial snipers against the war's generalship."[49]

On August 2, Senator Eastland's Judiciary Committee began hearings on an anti-riot bill, H.R. 421, passed by the House in the wake of the Newark upheaval. In November, as he had promised, Senator McClellan's Permanent Subcommittee on Investigations opened hearings on riots, civil and criminal disorders. While neither committee had jurisdiction over the OEO authorization legislation, the course of their proceedings, coincident with the consideration of the poverty bills, had a direct and uncertain influence over the progress of the legislation. Much of the testimony before both Committees was simply a rehash of the accusations made by the Newark officials before the House Education and Labor Committee.[50] But as the hearings wore on, damaging evidence was submitted linking OEO with embarrassing and controversial local CAP programs. Especially hurtful were the cases of Nashville--the "hate whitey Liberation School"--and Houston--the "gun sights episode."

On the second day of the Senate Judiciary Committee hearings, John A. Sorace, the Nashville Police Captain, testified that OEO had subsidized a SNCC-run "liberation school" which taught racial hatred to Negro children. SNCC had been accused of involvement

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49 "Pot shots at OEO," Hartford Times, August 11, 1967.

50 An OEO official explained that liberals on the House Committee succeeded in "punching holes" in the testimony of Newark officials, and that McClellan's was "an ineffective job." Senators Muskie, Harris, and Javits, along with OEO officials Herb Kramer and Edgar May, were able to refute adverse testimony before the Senate Committee to the satisfaction of other Committee members.

in the April Nashville riots. The school purportedly instilled racial pride through the inculcation of Negro history neglected by the educational system. Its "director," Fred Brooks, former chairman of the Nashville SNCC, employed such techniques as the idolization of Malcolm X, the meaning of the third world, and the relevance of the draft to black people--inflammatory issues in a sensitive Congress. Brooks further alienated the Committee by advocating violent means for the attainment of rights, even to the point of shooting the President and his wife, "as a last resort."[51]

The hearings brought out the fact that the Metropolitan Action Commission, Nashville's anti-poverty agency created by an ordinance of the Nashville Metropolitan government, had funded the North Nashville Student Summer Project, sponsored by the Chapel of St. Anselm, and which had as a component, the Liberation School. MAC approved the summer project; on its board were 40 members, including representatives of the mayor's office. The Liberation School was to be supervised by a "watchdog committee," and the OEO Atlanta office, deferring to local community judgment, approved the program. Chief Sorace testified that Brooks was a paid employee, but OEO contended that because of his age and his controversial background, his directorship post was never approved. In the confusion of initial organization, John Martin, Director of NNSSP, unaware that Brooks had not received clearance, began the program on a volunteer basis. On July 23, federal funds were released for the program; on August 11,

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51 Hearings on H.R. 421, Committee on the Judiciary, United States Senate, 90th Congress, 1st Session, pp. 135-224.

in view of the charges made by Sorace, MAC Chairman Rev. J. Pashall Davis ordered the program suspended, and the Liberation School was cancelled. No OEO funds were expended on the school, and its liabilities, amounting to $775.00, were determined valid obligations of MAC.[52]

While OEO was exonerated of virtual responsibility, press and public reaction to the highly charged issue was sharp, and OEO suffered from the lingering accusation of bad judgment. Of particular concern was the fusion of anti-poverty programs--sometimes superficially, sometimes directly--to black militant groups whose rhetoric was less than commendatory to a Congress alarmed by urban violence. The Houston "gun sight" incident, following closely behind the Nashville affair, only compounded that concern.

In mid-August, Houston Police Chief Herman Short informed the press that a Harris County Community Action Committee employee had submitted a requisition for seven $111.00 22-inch telescopic rifle sights from the GSA surplus depot at Kelly Air Force Base. OEO had approved the order. Said Chief Short: "I would hate to guess what they are in for, but from what we have seen in the streets recently, I can imagine." Within days Senator John Tower and Representative George Bush of Texas were demanding a Congressional investigation. In the ensuing furor, it was also discovered that the Houston anti-poverty agency had purchased a dozen walkie-talkies and four radios

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52 "Nashville Background," OEO release, November 1967; New York Times "Nashville" series, August 4-20, 1967; Record of telephone conversation between Edgar May and George McCarthy, August 3, 1967; "OEO Statement on Nashville CAP," August 3, 1967.

for monitoring police broadcasts, purportedly used in a civil rights demonstration. Once again, the spectre of a federal agency funding black power militants aroused public suspicions and entrapped OEO in an untimely public controversy. [53]

On August 16, Shriver sent a letter of explanation to Senator Ralph Yarborough. The episode, he wrote, was a perfect example of the "charge now--someone else will pay later" technique, which "typifies many malicious allegations against OEO." The facts were that George Miller, property manager for HCCA, a former law enforcement officer, looking for ways to save money, felt that the rifle sights could be converted into microscopes: "He had previously ordered GSA microscopes, but found that none were available."[54] When the order was received at Kelly Air Force Base, both the FBI and the OEO Office of Inspection were notified.

"Because of the obvious hysteria potential of such an order," Shriver continued, "OEO cancelled it immediately, but let it appear that we had allowed the order to stand so that we could find out

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53 UPI Newsclip, August 11, 1967; "Semper Paratus," Newsweek, August 28, 1967; "Strange Case of the Telescopic Sights," Houston Tribune, August 17, 1967; "Panel Bars Rifle Scope Testimony," Houston Chronicle, December 4, 1967; OEO "Case File Chronology," (undated).

54 One newspaper: "Even those unacquainted with the mechanisms of 22-inch telescopic sights were puzzled over their asserted value as a source for microscopes. One agency employee. . .assumed that what you did was look through the 'far end' and that those who did the looking would be kids. A university expert said a magnification of two to three times was all that could be expected from reassembly of the lenses. A manufacturer's spokesman said that at the least a conversion would be impractical." The New Orleans Times-Picayune, August 20, 1967.

whether any one or any group of a subversive character was involved." Thus, with the cooperation of OSI, OEO "carefully laid a trap in the remote possibility that the sights were actually intended for wrongful use." Shriver concluded:

> All of this had been done a full week before Houston's Chief of Police 'disclosed' the requisition to the public. The Houston police, without checking with the local poverty program, OSI, the FBI, or with OEO/Washington, evidently could not resist the temptation of releasing the information to the press. Fortunately, this didn't make any difference as there was no wrongdoing. But the incident illustrates once again how intemperate and ill-advised people can raise suspicions and doubts about perfectly innocent activities. Totally false charges are repeated and repeated and repeated. Hitler called this the technique of 'the big lie.'[55]

By December a Senate subcommittee staff investigation had cleared OEO of any wrongdoing, and satisfied Senator John McClellan, who refused to hear testimony in Committee on the incident.[56] But to other members of Congress the lessons of Nashville, Houston, and especially Newark had been clear: to impose stricter local official control over community action programs was a necessary and proper order of Congressional business.

The Labor and Public Welfare Committee reported a more comprehensive anti-poverty bill to the Senate on September 12.[57] It pro-

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55 Letter from Shriver to Honorable Ralph W. Yarborough, August 16, 1967.

56 With the release, on March 3, 1968, of the Report of the National Advisory Commission on Civil Disorders, every contention made by OEO before the various Congressional investigating committees regarding the relevance of anti-poverty programs as deterrents to riots was borne out, point by point. Significantly, not one OEO program was condemned while the Commission found much evidence that most on-going programs should be expanded, and that the effort underway was inadequate. See OEO fact sheet, "OEO and Riot Commission Report," and "Report of the National Advisory Commission on Civil Disorders: Summary," in the Appendices.

57 "Summary of Major Features of Economic Opportunity Amendments of 1967 (S. 2388) as passed by the Senate on October 5, 1967," OEO Summary (undated); Senate Committee Report 563, (Sec. 202), p. 76.

vided for a two-year authorization, with more than a $198 million increase over the Administration's FY 1968 request. The report also stated that "in hearings held by the Committee. . . a clear consensus emerged that jobs are the single most important way to combat poverty." Accordingly, the reported bill included an emergency job creation proposal, to be funded at $2.5 billion, administered by the Secretary of Labor, and designed to "provide meaningful employment opportunities in public service and other areas which will relieve severe unemployment and contribute to the national interest by filling unmet needs." The job program had been shepherded through Committee by Senator Clark.

It was reported that the Administration opposed the emergency job creation proposal, fearing it would jeopardize the entire bill when it reached the floor. On August 24, the Washington Post reported that a memorandum, allegedly drawn up by Shriver and special Presidential assistant Joseph Califano, had been circulated among all committee members except Clark. The memorandum reportedly stated that the "President has spent more time on the language of this bill personally than he has on any other domestic legislation that has been sent to Congress this year. OEO is trying to preserve what we have. You know the President has requested a tax increase. If this (job program) is going to be considered, it should be considered as a

separate piece of legislation." Califano denied knowledge of the memorandum, but conceded the accuracy of its message. He also indicated that the White House would oppose Clark's proposal, even if it were sequestered from the anti-poverty legislation. Clark's amendment was subsequently eliminated on the Senate floor.[58]

The anti-poverty bill had not fared well in the House where anti-OEO sentiment was building. The House, on October 11, by a standing vote, accepted an amendment to the federal pay raise bill singling out OEO as the only agency that would not receive pay raises.[59] A week later, the representatives voted to limit OEO spending to an annual rate of $1.2 billion. Representative George H. Mahon (D-Texas), chairman of the Appropriations Committee, was on record as saying that his Committee would not approve more than $1.6 billion for anti-poverty programs, and probably less. On October 16, Congressman Goodell introduced an amendment that would have limited OEO spending to $1.4 billion. The first two provisions were killed in the Senate, and Goodell's amendment failed in Committee.

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58 Congressional Quarterly Almanac, 1967, p. 1065.

59 Shriver informed OEO employees that "every man and woman in this Agency has my complete confidence," and that it was "unthinkable that yesterday's action will be sustained." Special Message to All OEO Employees, October 12, 1967; "The poor have always gotten the dirty end of the stick," said Shriver to the press. "Now even those working hardest to help the poor have gotten the same treatment." Another OEO official was less restrained: "The Congressmen must have needed a good laugh, they haven't had one since they voted down the Rat Control Bill." The Washington Star, October 12, 1967.

Fiscal appropriations for 1967 had, of course, expired on June 30. Thus, for nearly six months, OEO had to literally live on a hand-to-mouth basis. As the first months of the new fiscal year stretched toward fall, Congressional action on resolutions providing interim funding authority for Federal agencies (including OEO) who were technically without funds became less and less expeditious. Initially, a number of agencies were in the same position as OEO, while Congress dallied over their regular appropriations. However, the House and the Senate seemed to move faster to bring others onto a firm fiscal footing--OEO, like the people it was designed to serve, was left until last. Throughout the summer, OEO payroll obligations were kept generally intact; but, as Congress failed to act on the necessary resolutions, the situation became extremely critical. When the continuing resolutions were delayed, OEO was left without a credit line in the U.S. Treasury. No grants, contracts, purchase orders, or interagency agreements were permitted; issuance of new travel authorizations were curtailed; and no new employees were placed on the roll. From November 9 to the 28th, in the absence of a resolution, OEO was without authority to spend money on its programs; consequently, some community action agencies had to shut down due to exhausted funds, three Job Corps contracts expired, and the entire thrust of the anti-poverty programs was left in considerable doubt.[60]

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60 Memorandum from Bertrand M. Harding, Deputy Director, to all Assistant Directors, Program Directors and Office Heads, on the Continuing Resolution Guidelines, October 23, 1967; "Report on Economic Opportunity Act," November 9, 1967; Memorandum from Don I. Wortman to Herbert Kramer on the House Continuing Resolution, October 19, 1967; Memorandum from Theodore M. Berry, Director, CAP, to all Regional Directors, November 29, 1967; "OEO Begins Re-funding Programs Under New Continuing Resolution," November 29, 1967.

The times were, indeed, difficult for thousands of persons affected by the programs closing, including Head Start children and senior citizens, as well as individuals and families dependent upon and affected by such programs as Neighborhood Service Centers, Health Centers, Manpower Training, job placement, Legal Services, VISTA, and many others. In some cases foundations and individuals came forward to loan money and volunteer services, and in other cases city councils and state legislatures "picked up the slack." But each day as the Congress delayed, and as agencies spent their last reserves, more and more ran out of funds and had to shut down. OEO officials, gauging the full extent of the hardships involved, interpreted the impact as tragic if people became embittered and gave up in frustration.[61]

Congress's action barring OEO from the federal pay raise, and especially the postponement of the continuing resolution, may, ironically, have helped OEO during the latter part of the 1967 session. Public sympathy was aroused by the plight of VISTA workers housed by sheriffs in local jails and CAP agencies operating on a volunteer basis; stories of local support increased. People were incensed at the attack on OEO, the spokesman of the poor, those least able to afford adequate representation of their interest. Congressman Gurney (R-Fla.), who had sponsored the amendment removing OEO from the pay raise, was reviled. The House pay bar was reversed by the Senate. OEO was also aided by the rising tide of interest of private individuals, businessmen (e.g., Henry Ford and those involved in the Urban Coalition), and others who contacted their Congressmen and indicated interest in the continuation of OEO programs. Finally, on November 28, Congress renewed the funding resolution.

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61 "Grantees that are Expected to Close down due to Lack of Funds between November 1 and November 23, 1967," OEO position paper (undated).

On October 16, in an unprecedented move, taken after more than four weeks of closed meetings of the House Education and Labor Committee had yielded no progress in the mark-up of the poverty bill, Chairman Perkins announced that sessions would henceforth be held in public: "If they (the Republicans) want to kill this bill, then they're going to have to do it on the floor, out in the open and for the record. We're not going to let them do it behind closed doors."[62]

Goodell began the mark-up session with the charge that OEO had violated the Federal Criminal Law prohibiting government employees from lobbying Congress at the taxpayer's expense. Early in June, it was reported that "OEO is taking steps to protect itself by organizing potentially powerful groups to lobby Congress. . . new pressure groups of respectable middle- and upper-class Americans from such organizations as the League of Women Voters, the Jaycees and countless big businesses." Goodell singled out alleged solicitations by OEO of favorable comment from Republican mayors on the anti-poverty war, and stated that several mayors had "resented" pressure from OEO officials "to whom they must apply for funds." Goodell said that OEO had told them: "You want us to make money available to your community, now you do something for us. Urge Congressional leadership to expand the War on Poverty and to carry it on in its present form."[63]

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62 Congressional Quarterly Almanac, 1967, p. 1075.

63 Edward K. Shanahan, "Drumming up Votes for the Poverty Program," New Republic, June 17, 1967, pp. 7-8; Release from the Office of Congressman Charles E. Goodell, October 17, 1967.

An OEO spokesman replied to the charges:

> Certainly if the Congressman feels that this agency has done something that violates federal law, he has an obligation to make his charges available to the Justice Department. He must know, however, that the OEO is specifically charged with working with all groups of Americans in carrying out the mandate for total war on poverty. In dealing with these groups, it is our obligation to communicate with them and to reply to the questions they have, especially in a time when legislation is in progress. We have made available to all segments of society the facts of all legislative recommendations, including the Opportunity Crusade. Our purpose is to inform, however, not to propagandize.[64]

The critical point of the four day mark-up session came with the introduction of what became known as the Green Amendment.

The Administration bill had proposed that the chief elected public official in a community be given a place on the governing boards of CAA's to strengthen the role of local government. Shriver, in his opening statement before the Senate Employment, Manpower and Poverty Subcommittee, had said:

> We have learned that Community Action flounders when it is not supported by expert administration--especially in the areas of planning, fiscal control, employment and evaluation. We have written into the bill strict standards for these practices based on the lessons of experience. We have learned that while organization for change is a vital ingredient of Community Action, lawlessness and partisanship can undermine the integrity of the program and destroy the faith of the community. And so we have written into the bill safeguards against the use of federal funds for illegal picketing or demonstrations or partisan political activity.

Some people, Shriver continued, regarded the Administration bill as a "sellout to the establishment," because of the provision for representation of locally elected officials on community action boards.

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64 UPI Newsclip, October 17, 1967.

But "the truth of the matter is that in nearly all cases locally elected officials already have representation." OEO had found that where local officials participated actively, "community action gets the best results."[65]

The impact of the Newark official's testimony, and the fact that in some cities, such as Houston and Nashville, there was conflict between city governments and local poverty groups,[66] evidently convinced such representatives as Edith Green, Roman Pucinski, and Sam Gibbons, among others, that the Administration provisions were insufficient protective safeguards. As far as House members were concerned, the Administration bill still had "too much Alinsky in it."

Local community action agencies, said Mrs. Green, "now have no responsibility; we just give them the money and they spend it the way they see fit."[67] Those charged with the spending of public funds, and responsible for initiating projects affecting the entire community, "should and must be accountable to their fellow citizens through the democratic process of an election. And the electorate must have the chance to reject those for who (sic) private gain or personal power is of greater value than public service." She continued:

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65 Senate Hearings, 1967, p. 2697.

66 For example, Mayor Louie Welch sent Shriver an eight-page inquiry about the Houston anti-poverty agency, in which he expressed deep concern about the conceptual and specific nature of the entire community action program.

67 Congressional Quarterly Almanac, 1967, p. 1076.

> The original legislation did not intend to create a new governmental structure of powerful political bodies with the luxury of millions of federal dollars to spend and none of the responsibilities of raising any of that money. Congress did not aim to create autonomous groups to displace the decision-making process of state, county, or local governments or to fund with federal dollars any group intent on reversing the decision of duly elected school boards or county or local governments. No one challenges the right of dissent, but many of us question the wisdom of requiring others to pay taxes to finance it. As I see it, the Congress clearly intended to attack this economic problem, but it did not intend to legislate a revolution in American politics by establishing another structure of government at the various levels of political action in the United States.[68]

Accordingly, she offered an amendment providing for immeasurably more local control than existed, or was contained in the Administration bill.

The Green Amendment was offered to the Committee on October 16. During subsequent debate, some Democrats and Republicans voiced strenuous opposition. Nonetheless, it was accepted by a vote of 18-11, at midnight on the 18th. The amendment required that a community action agency actually be the state or local government, or a public or private agency designated by the state or local government. The '66 provision (one-third of the board's constituency be representative of the poor) was altered; now one-third of the board would have to be public officials, one-third poverty area representatives, and one-third representatives of business, labor, civic or charitable groups. Included in the amendment was a "bypass" provision, which allowed the OEO Director to fund a private or public non-profit agency in the event the state or local government refused to be designated as the CAA.

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68 See: Edith Green, "Who Should Administer the War on Poverty?" National Association of Counties Magazine, January, 1968, pp. 8-10.

The bill, said Mrs. Green, "does not blunt the attack on poverty," nor did it relieve the OEO Director of his "duty to review and report violations of the stated purpose of this legislation." Rather, it ensured that locally elected "commanders" would be responsible for local successes and local failures, by providing for "home rule" under broad federal direction. OEO responded by issuing a statement declaring that the changes in community action were a "drastic revision" of the concept of encouraging the poor to participate in self-help anti-poverty activities.[69]

Congressional observers interpreted acceptance of the Green Amendment as appeasement of Southern Democrats, city mayors, and urban Congressmen who feared militant anti-poverty agencies threatening the status quo. The Green Amendment, characterized as the "bosses and boll weevil" provision, to some extent, provided those Congressmen with insulation they desired. Moreover, OEO had already recognized that compromises in Mrs. Green's direction were necessary to get the entire bill through. Chairman Perkins repeatedly insisted that the Committee's acceptance of the amendment was dictated by political necessity to assure continuation of the poverty program, a contingency similarly interpreted by OEO.

The strategy, in the end, paid off. In teller (unrecorded) votes, Southerners voted with the Democratic floor leaders out of loyalty, and helped retain much of the bill intact during the debate on amendments.

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69 Congressional Quarterly Almanac, 1967, p. 1076.

Having kept the bill intact in this way, they were then free to record themselves publicly in opposition (as was politically mandatory), since their votes were unnecessary to secure final passage. On the other hand, Republicans voted the party line, to kill OEO, in teller votes; subsequently, in public,when it was necessary to their constituency to maintain a favorable posture toward the war on poverty, Republicans supported passage of the bill.

The Committee also accepted another Green amendment tightening provisions governing the use of community action funds for political activity, including a prohibition against voter registration drives by anti-poverty workers. Sam Gibbons had earlier voiced the sentiment of those who were disturbed by community action activities: "The concept of the poor's involvement is good, but I think the concept got all messed up. . .especially with the protest-type of community action program." He did not think "you should turn over the whole war on poverty to the poor any more than you should turn the hospitals over to the sick." Community action had worked best where "the city government is responsible enough, strong enough and imaginative enough to put it to work."

In floor action in the House, Representatives Hawkins, Steiger, Quie and Goodell all attempted to amend Title II to modify or nullify the Green "city hall" provision, but to no avail. Goodell stated to the House that control of community action by public officials would

make "community action boards subservient to and the creatures of City Hall." He added: "If you think politics had been involved in this program up to now, when it is turned over to City Hall in the form in which it is included in the Committee bill, you will see the worst and most egregious kind of abuses." In defense, Edith Green said, "What a tragedy it would be if community action against poverty becomes perverted to an attack on local government--as though it were the cause or even held the cure for the problem."[70]

Green's logic prevailed, and community action was further hamstrung by additional amendments: Edward Gurney's (R-Fla.) barring the use of Legal Services programs to defend persons who helped organize unlawful demonstrations or civil disturbances; James Gardner's(R-N.C.) prohibition against anti-poverty workers engaging in partisan or nonpartisan political activity, picketing, demonstrations, and riots; B.F. Sisk's (D-Calif.) provision preventing demonstration projects without the approval of the local government or its community action agency (modified in Conference to allow Shriver to bypass local government vetoes); and John Erlenborn's (R-Ill.) elimination of the provision in the 1964 law encouraging anti-poverty beneficiaries to become registered voters.

House and Senate Conferees did succeed in broadening the so-called "bypass provision" of the Green amendment, allowing the Director of OEO to fund directly public or private non-profit agencies if the regular community action agency failed to carry out its programs in a satisfactory way. Moreover, the Conference Committee accepted a Senate provision allowing the poor to petition for better representation on a community action board if they believed they were inade-

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70 Congressional Quarterly Almanac, 1967, p. 1080.

quately represented.[71]

In the House Committee open mark-up session, members amended the bill to require that local communities had to increase their contributions of funding of community action programs from 10 to 20 percent. In addition, half the local share was to be in cash, not in services. Existing law allowed the local share to be in the form of non-cash contributions such as volunteer services, office space, utility expenses, teachers, etc. The Senate had made no such provision, and in Conference Senate members modified the requirement, permitting 100 percent of such non-federal contributions to be in kind rather than cash, as the House had stipulated. While OEO prepared position papers detailing the drastic effects the 80-20% requirement would have on local community action programs (the poorest counties, especially rural, would suffer most; resources would be redirected from the hardest-pressed areas to the wealthier sections--a trend that Congress opposed), anti-poverty officials also realized that Congressmen, sensitive to the often controversial nature of community action agencies, desired that the governing boards act more responsibly. With larger contributions culled from local taxes and less from the federal pie, such an aim would be accomplished.[72]

The Administration had requested $2.06 billion in non-earmarked funds for OEO for fiscal 1968. On September 12, the Senate Labor and

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71 Congressional Quarterly Almanac, 1967, pp. 1076-1086.

72 See "10 Percent Cash/Local Share," (undated); Also "90-10 vs 80-20" (OEO analysis, undated).

Public Welfare Committee reported a very generous bill, which gave OEO a two-year authorization, and included the emergency job program. $2.258 billion in earmarked funds was authorized for fiscal 1968, and a ceiling of $2.4 billion was granted for fiscal 1969. The job creation provision contained a $2.5 billion total for a two-year expenditure. On October 5, the full Senate passed S. 2388 authorizing $2.258 billion for fiscal 1968, but the job program was eliminated.

Not until October 20 did the House Education and Labor Committee report the Senate bill. The House version authorized $2.06 billion, the full Administration request, but required earmarking of funds. Furthermore, the House Committee required that a $2.06 billion ceiling be imposed on fiscal 1969 spending, as compared with the Senate authorization of $2.4 billion. Republicans on the House floor succeeded in passing an amendment which limited OEO's authorization to one year only, rather than the two years recommended by Committee and passed in the Senate. On November 15, the full House voted a $1.6 billion authorization, the result of a recommital motion made by Representative Ayres (R-Ohio), thus slashing $500 million from the Administration request.

OEO, in light of the recommittal action reducing authorization to $1.6 billion, prepared an analysis of the required cutbacks that would result.[73] Thirty-seven Job Corps centers would be closed, with more than 14,000 enrollees sent home. The NYC would have to

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73 "Impact on Selected OEO Programs of a "1.6 Billion Budget," (undated).

reduce In-School program assistance to 61,000 students from poor families, and eliminate 37,000 summer jobs for needy youth. Job training assistance for adults would exclude 136,200 hard-core poor adults in ghetto areas, while 185 Legal Services offices would close and 415 attorneys would be laid off. By the Administration authorization request, Head Start programs were to have served 190,000 children; the House action would allow for only 145,000, cost 4,500 non-professionals their jobs, and eliminate one of every five children who participated in 1967. Twenty-seven additional Health programs would be jettisoned. 135 CAA's would be eliminated; no special summer programs would be undertaken; and no programs for the aged would be initiated. The proposed House budget would result in 3,650 fewer VISTA volunteers, and would mean that VISTA's new regional training centers would be disbanded at a loss of $2 million and 1,000 applicants already invited to training would have to be turned down. Also, the substantial emasculation of the special impact program would have a serious effect on community action programs and a detrimental impact on the model cities program.

The appointed Conference Committee on S. 2388, however, revitalized OEO's hopes, and reported on December 7 a substantially increased authorization of $1.98 billion for fiscal 1969. But when the appropriations bill including OEO funds was considered by the House Committee on December 12, the funds were reduced to $1.61 billion, the identical sum appropriated in 1966. On the same day the full House approved the measure. On the 13th, the Senate Appropriations Committee restored

OEO's funds to the $1.98 figure. The following day, Senator John J. Williams, (R-Del.) attempted to reduce the amount to $1.78 billion, but his amendment was rejected, and the Senate ratified the Committee's action. The Conference Committee met on the same day, and finalized appropriations to OEO, reducing the sum again to $1.77 billion, Shriver had said that $1.78 was the minimum amount required to continue existing programs at their fiscal 1967 level.[74]

The 1967 Congressional session was prolonged and difficult. In view of its somewhat ambiguous accomplishments--severe administrative restrictions, potentially emasculating provisions, and meagre appropriations--OEO could take comfort in at least one notable victory. Despite bipartisan opposition, despite the Opportunity Crusade, despite the riots and scandalous incidents, OEO had remained intact as an agency, "the headquarters for the War Against Poverty and as the advocate for the justified aspirations and rights of the poor."[75]

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74 Letter from Shriver to Honorable George H. Mahon, Chairman of the House Appropriations Committee, November 14, 1967.

75 An OEO release said the 1967 legislation "represents the strongest congressional support yet for the War on Poverty." "Office of Economic Opportunity 1967 Accomplishments" (undated); See also "Memorandum for Advisory Council Members," by Sargent Shriver, November 18, 1967.

Chapter Five
Summing Up

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Summing Up

Two harsh and intractable problems confronted OEO from the start: achieving enough money to do the job on the scale it wanted to; and, continuing political harassment. Both were to prove debilitating in various degrees and yet, considering the weight of each and the peculiar susceptibility of the agency to both, the fact remained that OEO became one of the most remarkable organizations in governmental history.

Just over six months after it was launched OEO was already straining and arguing for funds.

The Squeeze

In May, 1965, only six months after OEO had been operating actively, the Bureau of the Budget, citing instructions from the President, sent the first of a series of letters to OEO indicating the need, already, to bear down hard on its forthcoming budget request. Again, on June 22, and July 22, further letters were sent along the same lines. And, on August 27, 1965, a recapitulatory letter was received by Shriver.[1] "There is no question," the August communication said, "but that it will be necessary to find savings in existing programs of each agency to help finance increased spending for

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1 Letter from Elmer B. Staats, Acting Director, Bureau of the Budget, to Sargent Shriver, August 27, 1965. See Appendices for text.

higher priority programs." The rigorous action demanded applied to the 1967 fiscal budget, but it was already clear in the Agency's first year that, although the spirit--as spelled out in planning and enthusiasm, in programs and goals--was incandescent, the body--as represented by adequate financing to carry them out--was to be severely handicapped.

"This basic policy ('to find savings') underlines the importance of continued aggressive efforts by your task force to identify savings which can be considered with your budget submission," the August letter continued. "I am sure you understand the absolute necessity of identifying as many savings as possible in your September 1 report on cost reduction, required by the Bureau of the Budget Circular No. A-44."

Anti-Squeeze

On December 17, 1965, Shriver sent a nine-page[2] memorandum of appeal with a two-page "talking point" attachment, entitled "Recent Budget Bureau Decision," to Charles L. Schultze, Director of the Budget Bureau. In it, he minced no words. Running head on to the point of his message, Shriver said:

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2 See Appendices.

The object of this appeal is to request an increase of $440 million over your initial budget for the Office of Economic Opportunity in fiscal 1967. . .

There are two reasons for this request:

1) The War on Poverty cannot be held still. Either it goes forward or it goes backward; I feel, as I am sure you do, that it must go forward.

2) Less important but still significant is the fact that the FY 1967 budget as it has been presented to us marks an explicit abandonment of systematic budgetary and program analysis in favor of classical number juggling aimed at equalizing the agony.

Shriver continued:

We understand the reasons for extreme budgetary tightness this year. In anticipation of this situation we presented the Budget Bureau with a fully-analyzed $2.1 billion alternative in September. This alternative assumed that a tight defense economy would make our major job and transfer payment programs unnecessary at this time. Such an assumption apparently will be fulfilled and what we are now asking is thus a figure which will enable the War on Poverty to complement the tight economy and make the temporary "war-time" improvement stick, as did not happen after the Second World War and the Korean War.

OEO had originally proposed an optimum budget of $3.5 billion, but had also submitted a number of sharply reduced modifications, each of them carefully worked out, and including one for $2.1 billion

which, by careful pruning, Shriver said could be scaled down to $2 billion. Referring to these courses, he went on:

> The $1.5 billion you propose for Fiscal 1967 is not a standstill figure; it is a retreat figure, and will be recognized as such. By annualizing the Fiscal 1966 mid-year rate of obligation the Bureau is saying that the War on Poverty cannot expand into the poverty-stricken portion of rural America, which it is just beginning to reach. You are saying that because the program planning resources in poor areas are small, the 45 percent of the poor who are rural must be frozen out for the duration of the defense emergency. . .
>
> Similarly, you are saying that the mid-Fiscal 1966 build-up rate of expenditure in the urban ghettos must become the steady-state level. The planning for program expansion now going on in virtually every community will have to be brought to a halt. . .
>
> The poor of America have been given a hope by the programs of Fiscal 1965 and 1966; an apparent show of no confidence on the part of the Administration will chop this hope off short. It will inevitably engender group conflict over national goals and priorities at a time when pre-eminently we need increased national unity.

To try to demonstrate evaluated success of results in ending poverty, Shriver said, would be--at a time when the programs were much less than a year old--"recognizable nonsense." But, he added, OEO could demonstrate that the programs were taking hold where they were intended to take hold and this, he said, "is a necessary condition for future success. In any case, no one can demonstrate failure, because there has been little failure. Yet the proposed budget implies an evaluation of failure."

Increasing the tempo of his attack, he continued:

> There can be no doubt about two aspects of our current operations. First, these operations are reaching the people they are designed to reach--many of them for the first time. The ferment occurring in poverty areas, although it is troublesome, is nonetheless an indication that the poor are being excited

> by the creation of a new chance. The poor, and the rest of the citizenry as well, are being excited by the new chance provided by programs such as Head Start, by Job Corps and other training programs to bring them in a meaningful way into the job market for the first time, by neighborhood services brought where they are needed and have never before been. A program standstill at this time would not cause a standstill of this excitement but rather a reversal and alienation--or a search in entirely and perhaps dangerous new directions.

OEO had planned the next period to be one of disciplining and tightening generally, but he added, "we cannot discipline a dying program--which the War on Poverty clearly would be under the proposed budget. . .If the program appears to have been abandoned, such discipline will be nearly impossible to lay on. The much-vaunted War will take on the appearance of a ragbag collection of odds and ends."

The $440 million increase asked for over the proposed Budget Bureau figure, Shriver said, would represent an annualization of controlled growth rather than "an annualization of an intermediate build-up level. Our initial proposal requested $1.4 billion more than the roughly $2 billion we are now asking. That $3.4 billion was a figure which we can cut down; in part by drastic pruning of the job programs which are now much less necessary; and in part by foregoing some portion of the most desirable growth rate."

> But, both because of the real need to make the War on Poverty a continuing and successful effort, and because of the political implications of making it seem that the poor must bear the burden of defense, I feel strongly that we cannot do less than is necessary to demonstrate the Administration's continuing commitment to the ultimate defeat of poverty.

The sequence, which became standard in very short order, was clear. First, OEO would submit a budget to the Bureau of the Budget.

It would be cut. OEO would argue for more and, as in 1966, get a little bit more. Then, the Congress would cut that figure down, always, after what had amounted to a second major battle, led by Shriver, to find money to do the job OEO wanted to do.

At one point, after the Fiscal 1967 appropriations, on November 22, 1966, Shriver was so outraged by the actions of Congress that, long after it could do any good, but with his eye on the future, he bitterly and publicly lamented the Congressional cuts and went on to recount the better advices it had had. The consequences of its actions should not come as a surprise to those who had listened to the testimony of OEO, he said, continuing:

> On March 8, I said to the House Education and Labor Committee, 'This ($1.75 billion) is a conservative request--in light of these problems, which we are presenting to this committee.'
>
> On June 21, I said to the Senate Subcommittee on Employment, Manpower and Poverty, 'The $1.75 billion for the coming fiscal year will keep this program moving forward. True it is a budget for troubled times. And under other circumstances would have been larger but the essential point is this: Anything less would be viewed as scandalous by our constituents--the poor--and clearly harmful to the country.'
>
> On August 19, I said to the Senate Subcommittee on Executive Reorganization, '. . .I have testified today and previously that we could use more money in the War Against Poverty.'
>
> On October 3, I said to the House Appropriations Subcommittee, 'One and three-quarters billion is the minimum necessary to sustain already existing programs.'

On October 18, I said to the Senate Appropriations Committee, '$1.75 billion is necessary at the very least if we are to maintain our momentum. Anything less will thwart the hopes and aspirations of our neediest citizens in these times of unequalled prosperity.'

On October 21, Congressman John Fogarty, Chariman of the Subcommittee on the Departments of Labor, Health, Education and Welfare, and Related Agencies, said on the Floor of the House: 'This sum is grossly inadequate. It will not permit the War on Poverty to effectively pursue its enormously difficult mission. . . .In the context of the fantastic needs it is supposed to meet, it seems to me to be an example of the worst sort of false economizing. Mr. Speaker, over the next several months we are going to rue the day we failed to insist upon an adequate anti-poverty budget for fiscal 1967.'

As Governor Rockefeller, the Republican Governor of New York said, 'The federal anti-poverty program has stirred the poor in our great cities with great hopes. . .but these groups now find their hopes cruelly dashed by the failure of Congress to deliver on its promise.'

Shriver's necessarily expedient views on funding, learned experientially in the hardest way possible--by direct confrontation with the Bureau of the Budget and with the Congressional Appropriations Committees--were again amplified in a candid exchange on August 20, 1967, when he appeared on the CBS Television Network program "Face the Nation."

To the question: "Mr Shriver, do you feel that the amount of money that the Administration is asking for the poverty program is adequate?", Shriver replied:

> I just would like to get it and get on with the job. I testified before the House a couple of weeks ago and I said let's forget politics here, let's not worry about the small, nit-picking some people call them, aspects of this program. Nobody that has appeared before that committee in the Congress --and they have had over 300 witnesses--has said stop Head Start or stop Upward Bound or close down the Job Corps or stop the VISTA volunteer program. Nobody has testified to that. So I say to them as I say to you, really, now, let's get on with the job, let's get the money that we're asking for. If we get that then we can begin to think about bigger and better things. Our problem is to get even what we are asking for.
>
> Q. . . .The question is, is what you are asking for enough to do the job that has to be done?
>
> Shriver: I have said several times that it is not enough to do the total job that needs to be done. But I am desperately trying to get even that amount to get going. It is sort of like a fellow who asked you for $10, a loan. And you say don't you really need $100? And the fellow says, yes, I do need $100; frankly, I need $1,000. But would you let me have $10? And you say, well, now, I would rather discuss with you whether you need $1000. And the fellow says, listen, I'm hungry. I would like to have $10. Could you just let me have $10? And you say, no, I want to discuss with you a little bit further about whether you don't need $100.

Shriver was asked, in effect, whether he would lay the blame for financial malnutrition at the President's doorstep, and replied:

> I think that the President, especially President Johnson, would rather do more for health and more for education and more to eradicate poverty than probably any President, or certainly as much as any President we've ever had. . . It is also true that as Chief Executive he has to be worried about many things besides what I happen to be responsible for, namely the elimination of poverty. I think that, considering the pressures that he is under, considering the fact that we have this tremendous commitment in the war effort in Vietnam, that he gives a remarkable amount of time to the problems of the poor. So I am gratified at his consistent and regular admonishing to the Congress to give him what he has asked for on the domestic front so that we can get on with the job.

Such statements were a very far cry indeed from the assertion Shriver made--and was prepared to document--on June 21, 1966, to the Subcommittee on Employment, Manpower and Poverty of the Senate Labor and Public Welfare Committee. The Office of Economic Opportunity, he said, had set 1976--the 200th anniversary of the Declaration of Independence--as "the target date for ending poverty in the land." With "modest" expenditure levels, he went on, people officially classified as poor could be reduced "in the first five years to about 12 million, 20 million fewer than we have now, and in the second five years we virtually can eliminate it."

One year later, on June 22, 1967, Shriver returned to the theme before the same committee when he said that the most important lesson OEO had learned was "that despite the difficulty, despite the slowness, despite the errors, despite the politics and the divisions of human

temperament and group interests, we can defeat poverty in the United States in our time." He added:

> Twelve month ago, in testifying before this subcommittee, I said: 'Now we have the knowledge to set 1976 as the target date for ending poverty in this land.'
>
> Two weeks ago, in an article entitled "It Can Be Done: Conquering Poverty in the U.S. by 1976," James Tobin, Sterling Professor of Economics at Yale University, confirmed this prediction.
>
> He said: "We can win the war on poverty by 1976."
>
> Professor Tobin, who is one of this country's most eminent economists and a former member of the President's Council of Economic Advisers, does not look upon OEO as the whole answer to the problem of poverty.
>
> Neither do we.
>
> But we believe that the coordinating and unifying leadership of OEO and the programs it has implemented are an essential element in the total strategy.
>
> After two-and-a-half years of involvement in this immensely difficult task, I am even more convinced than I was at the outset that this nation can fulfill the promise to eliminate the paradox of poverty amidst plenty--if it has the will to do it.

The goal had already been outlined in a Five Year Plan, prepared by OEO, and delivered to the Bureau of the Budget in October, 1965.

Five Year Plan[4]

On April 25, 1965, Budget Bureau Director Kermit Gordon asked Shriver to prepare a study that would identify the anti-poverty program goals and objectives through fiscal year 1970. In June of that year, Shriver appointed Dr. Joseph Kershaw as the Assistant Director for Research, Plans, Programs, and Evaluation. Under Kershaw's

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[4] The following summary of the national anti-poverty plans is taken from: National Anti-Poverty Plan and 1967 Budget Request, October, 1965; National Anti-Poverty Plan FY 1968-FY 1972, June, 1966; and National Anti-Poverty Plan Program Budget Estimates Fiscal Year 1969, November 21, 1967, all of which are classified Administratively Confidential.

direction, the framework for the first National Anti-poverty Plan was developed. By August, 1965, the shape of the plan had been forged, and in two months the final draft was submitted to the Budget Bureau. The plan was highly commended by the new Director of the Budget, Charles Schultze, as a sound beginning in putting together a five year anti-poverty program, with viable alternative proposals.

Subsequent "Five Year Plans" were prepared and submitted to the Budget Bureau on an annual basis, and were instrumental in the formulation of the OEO budget estimates and requests. In July, 1966, Dr. Robert A. Levine replaced Kershaw, and supervised the preparation of the 1967 and 1968 National Anti-Poverty plans.

The Five Year plans were the result of thorough analyses of the nation's economic structure, taking into account such factors as the national rate of economic growth, aggregate demand, labor market arrangements, governmental social programs, transfer payments, and the like. The planners conducted a review of the indices of poverty, critically examining the validity of program definitions, the impact that current programs were having, the gaps in the anti-poverty strategy, and new proposals. The knowledge obtained by these evaluations led to the construction of new hypotheses, and the theoretical framework for a five year planning program was developed.

The first National Anti-Poverty Plan projected a four-year strategy, to fiscal 1970. In it, OEO requested the continuation and enlargement of "a program which we estimate can eradicate poverty in the United States (as currently defined) in a generation." The national

program, in combination with the Civil Rights program, would "make permanent changes in those economic and social factors that limit poor people's access to opportunity." The focus of the program was upon an expanded educational system, a substantial health care capability, the improvement of urban and rural America, the prevention of crime and delinquency, the eradication of slum areas, and the enrichment of the lives of families that were poor. The relevance of race to poverty was emphasized:

> Racial and economic integration are basic to each other and can only be achieved together. A fine educational system for the majority tends to create a caste system so long as the minority remain in slum schools. Poor people are disproportionately prone to crime and delinquency in part because they feel alienated. The integration of the poor into American society will assist in perfecting the democratic process so that every citizen may share in national decisions.

Insufficient as a tactic in the war against poverty was the sheer enlargement of money payments to the poor. Rather, the stress should be on "altering society so poor people are able to raise themselves above the level of poverty through their own efforts." Similarly, a healthy economy was insufficient: rapid economic growth was essential for victory in the war against poverty, "but if the victory is to stick, fundamental change is equally necessary." Finally, the national plan emphasized programs that "complement and reinforce one another; on growth, structural, and payment programs that fit together in an integrated War on Poverty."

The total anti-poverty plan stressed three interrelated programs--jobs, social programs, and transfer payments. In the first category,

the national plan focused on a Public Employment Program designed to provide work opportunity for those capable of gainful employment, and to complement the work training programs. As the covering letter stated: "Training is essential to a job program, but it would be meaningless to prepare people unless there are jobs in which they can fulfill their capabilities." Public employment would not be make-work or temporary, but a permanent, Federally-financed program for useful jobs, both urban and rural. The Public Employment Program was offered as an alternative to the less effective options such as a major housing program coupled with a restructuring of the housing industry, and a wage subsidy program.

Social programs focused essentially upon community action as a deterrent against the destructive effects of poverty on the poor. Community action was designed to change the environment of the poor, through training, education, counseling and guidance, and organization. A new element of Community Support would be a major program of housing rehabilitation and construction for the poor. As well as pre-school and pre-college programs, adult literacy, legal assistance, health and family planning, housing and counseling programs, the community action program was intended to generate more than a half-million jobs, 300,000 of which would be filled by the poor.

Transfer payments involved the proposal of "a universal negative income tax going to <u>all the poor</u> according to the single criterion of need." Need was defined by "the amount of unused deductions and exemptions on the regular income tax. For example, a family of four with a

$2,000 income pays no tax. It would not pay a tax until its income surpasses $3,000 so it has $1,000 of unused exemptions and deductions. We propose to pay back a substantial portion of these exemptions and deductions." The advantage of this program was that it was flexible, self-liquidating, based on a simple standard, easily administered, and had no deleterious effect upon incentives. In addition, it was equitable "because the last two tax cuts have gone almost entirely to the non-poor." The negative income tax was accepted as an alternative to a universal family allowance plan, and an increase in public assistance.

When correctly applied, the planners felt it could end poverty within a period of a generation. and that it would help fulfill other goals of the Great Society.

Based on the assumption that the Gross National Product would increase by approximately $40 billion, and result in additional revenue of $10 billion in fiscal 1967, the national plan would require in that year: an increase of $2.5 billion in OEO's budget for a fiscal 1967 total of $4.0 billion; an increase in other federal programs of $534 million; a decrease in revenues through the negative income tax of $4.7 billion; and an increase of $5.3 billion in Social Security payments to go to the aged and non-poor alike. If funds were not available for such a national plan, three alternative plans were offered, appropriately scaled down. In one case, where a "war" economy was assumed, job programs were reduced and the negative income tax was eliminated.

Given the acceptance of the plan, OEO projected a five year es-

timated budget in which two figures have significance: the total expenditure required for the national plan, and the OEO portion.

	FY 1966	FY 1967	FY 1968	FY 1969	FY 1970
TOTAL	*$1,428	$9,228	$12,065	$14,334	$16,924
OEO PORTION	$1,428	$3,994	$ 6,580	$ 8,487	$10,461

(*dollars in millions)

The 1965 National Anti-Poverty Plan was the first such submission by any civilian agency of the Government. However, in the fall the request was cut substantially in order to meet the constraints of the total Federal Budget, including Vietnam. OEO was cut to $1.75 billion, and most of the other proposals were rejected.

On June 30, 1966, OEO presented to the Budget Bureau their second National Anti-Poverty Plan. The goal was still to end poverty by 1976. Recognition was made of the ability of the United States to "end poverty at any moment we are willing to put up the resources to guarantee income at the poverty level," but the OEO approach remained that of an "income maintenance system," by which the present welfare structure would be displaced by an incentive system. The plan as a whole still would depend upon the economic health of the nation and its rate of growth, as well as the opportunity programs to "maximize the anti-poverty effect of that growth."

OEO planners estimated that the current incidence of poverty--one in six Americans--applied to the 1972 population, meant that there would be 35.8 million poor; economic growth "unaided" would diminish the number by 7.3 million. Another 16 million would be removed from poverty "by the use of the whole set of opportunity programs proposed in

this plan," as well as the phased income maintenance program. The remaining 12.5 million impoverished would be taken above the line by 1976.

The cost would be relatively modest:

> Building on the $24 billion base estimated by the Bureau of the Budget for fiscal 1967 anti-poverty expenditures, they would add in fiscal 1968, $6.4 billion for all Federal anti-poverty programs, which is less than the expected increase of Federal tax revenue from fiscal 1967-1968. The successive increments after 1968 would be substantially smaller--$3 billion from 1968-1969 and smaller amounts each year thereafter.

The 1966 National Plan was presented under somewhat different economic conditions than 1965. In 1966, the nation was operating on a "high employment" economy. Thus, while job creation, in the form of the Public Employment Program, was retained, it was not stressed; instead, the planners proposed a small program in geographic areas not reached by the general prosperity. Moreover, the current tight job market necessitated "a shift of emphasis from public to private employment. Sufficient private jobs for the poor cannot be created at non-inflationary economic levels without major training and other Manpower Programs." Thus, the plan proposed to increase training programs on a large scale, the bulk of which would be administered by the Labor Department.

The 1966 plan altered the 1965 program categories (jobs, social programs, transfer payments) to more precisely express objectives. They now included: Employment, Individual Improvement, Community Support, Income Maintenance, Basic Poverty Research, and General Support. The shift in emphasis from public employment to Manpower Training

was accompanied by an emphasis on a "vastly improved educational opportunity" to enable the youth of today to overcome the educational deficiencies of the past. Head Start would be complemented by an adult Parent Education program, operated by CAP, and expanded to include a follow-through program for early school years.

The major weapon of Community Support still remained community action, but a new element was added--an expanded school lunch program for those in school and a reorientation of the Food Stamp Program toward pre-school children and pregnant mothers. Income maintenance was stressed, and the planners expressed the belief that "the time is coming when the American people will accept a guaranteed minimum income at the poverty level as a right in a wealthy country and we propose to start moving in this direction now."

The planners concluded:

> These proposals and others we make add up to a very large sum of money. They would, if adopted, end poverty in the United States as we define it today by 1976, 200 years from the declaration that the pursuit of happiness is among the inalienable rights of Americans. They would end poverty not merely by providing enough money to take all Americans out of poverty--although this is part of the program--but by putting into economic opportunity programs all the monies needed to correct the basic short and long-run deficiencies which cause poverty. These deficiencies--lack of jobs and job training, lack of education, and the environment of poverty--cannot be changed by eye-dropper methods. . .It cannot be honestly said that current funding levels have provided more than the necessary conditions for beginning."

By 1967, with the submission of the third National Anti-Poverty Plan, OEO admitted frankly that the resources, necessary for the success of the plan, were not readily available; but, as a covering memorandum said, "it is important to plan now in order to be able to take

advantage of opportunities should they arise."

The 1967 Plan called for the expansion of current programs, either operated by OEO, delegated by OEO, or not directly connected to OEO, in fields such as housing, nutrition, and economic development. Most of the recommendations for new directions concerned the latter. Major policy suggestions included the expansion of the Concentrated Employment Program (CEP), a new program of incentives to private business to train the poor, a public employment program for those who "prefer a job to an unearned payment," expansion of compensatory educational programs such as Head Start and Follow Through, continuation of CAP with additional emphasis upon rent supplement and "turnkey" housing construction and rehabilitation approaches, and a major expansion of nutritional programs. The Negative Income Tax concept was retained but rephrased, becoming the Graduated Work Incentives Program. "We realize," Shriver wrote to the President, "that until you receive the report of your Commission on Income Guarantees, implementation of such a program is not likely. Nonetheless, we think this or some similar scheme is an ultimate necessity as part of the War on Poverty. . ."

For the first time, perhaps, in the history of the federal bureaucracy, policy demanded at least the recognition of the doctrine of national economic planning and social transformation through federal assistance. Moreover, the Five Year Plans incorporated all the elements of total war against poverty, and to some extent demonstrated OEO's willingness to come to terms with its critics, whose dissatisfaction

with the Administration's anti-poverty effort had led to similar proposals: housing, slum rehabilitation, compensatory education, rent supplement, public works, job creation, negative income tax, guaranteed income or income maintenance, expanded social security and nutritional programs, reform of presently inadequate bureaucratic administration, and a vastly expanded budgetary allocation. The Five Year plans clearly set the war on poverty as a top priority item, and illustrated the scope and capability of OEO as a research, planning and coordinative agency.

"The only thing wrong with Shriver's goal," said Washington Post columnist Hobart Rowan on July 10, 1966, "is that 10 years may be too long to expect the poor to wait, docile and patient." The economic basis for the ability to do the job, Rowan said, lay in the expectation that the United States would enjoy a one-trillion dollar economy in 1976. The trillion dollar estimate had been substantiated by Walter W. Heller, former chairman of the Council of Economic Advisers; Undersecretary of the Treasury Joseph W. Barr; and the National Planning Association. Heller had calculated, according to Rowan, that, given a 3.5 percent growth rate, the GNP in 1976 would be $978,000,000,000. If a 4.5 percent growth rate was achieved, the total would be $1,078,000,000,000. A trillion dollar economy in 1976 would be twice the size of the economy in 1960. Said Rowan:

> If on that basis, then, enough can't be spared to eliminate poverty, there's something wrong somewhere. The National Planning Association warns that everything can't be done at once. True. But as Heller sayd, 'nothing else should have a priority higher than eradicating poverty.'. . .The Minnesota economist is certain that Shriver's 1976 goal is realistic. 'We ought to be ashamed of ourselves, considering our affluence, if we plan on anything else,' Heller told me.

During the four years of OEO's operations[5] the Congress had not, at any time, seen fit to appropriate either the full authorizations or the President's recommended budget figures "despite vigorous leadership on the part of OEO and substantial support from all segments of our society."[6]

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5 As of October, 1968.

6 Attachment to a letter from OEO Director Bertrand M. Harding to Ralph David Abernathy, President, Southern Christian Leadership Conference, June 18, 1968.

Politics and Purviews

The facts--and effects--of political life accompanied OEO from its inception. Introduced in a pre-election year, the program was passed (its Republican opponents said "railroaded,") in August, 1964, just three months before a Presidential election. Accordingly, from the very beginning, the Act was viewed by the majority of Republican Congressmen as a political measure designed for partisan advantage. And, thereafter, reacted to as such.

In time, as the programs became operative throughout the country, there were local political repercussions which affected Democrats as well as Republicans; complaints reached all the way to Congress and the White House.[7] But, in 1964 it was the Republicans primarily who were plunged into an irritating and difficult dilemma. As one Republican Congressman put it, "War on Poverty is a terrific slogan, particularly in an election year. It puts doubters under the suspicion of being in favor of poverty."[8] Although, and probably because of that pertinent point of view, no Republican attacked the purposes of the bill at its foundations, many did press charges against it as being hastily drafted and irresponsible, violating the structure of State's rights, wastefully duplicating existing programs, creating an omnipotent poverty "czar," and generally being nothing more than an adventure in political maneuvering by the Democratic Administration.

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7 See Chapters Three and Four

8 Cited in Sundquist's chapter, ibid. Rep. Charles B. Hoeven, Congressional Record, Vol. 110, p. 18315, August 6, 1964.

One Republican, Peter H. B. Frelinghuysen of New Jersey, the ranking member of the House Education and Labor Committee, went so far as to draft an entire substitute measure which would have provided for a State-operated program budgeted at half the cost of the Administration's program. It would also have required the States themselves to pay half the costs by the third year of operation, a stipulation which probably accounted for the total absence of support from the States. The measure died quickly. A number of Republican approaches to Southern Democratic dissidents were fruitless, again, probably because they had nothing substantial to offer. The banner of State's rights was raised, only to be lowered when a provision offering a gubernatorial veto was provided. Democratic Representative Howard Smith of Virginia, a Republican coalition partner, told his colleagues that anti-poverty funds could be disbursed to the NAACP, as well as to the Ku Klux Klan or a "nudist colony."[9] The argument was unavailing, as were Republican appeals to anti-parochial school sentiment, and then to Catholics by contending that grants could be made to support birth control clinics. "They reminded mayors that grants could be made to local private organizations that would by-pass city hall. They tried to fan bureaucratic jealousies, during the hearings, by suggesting to Cabinet members that a poverty 'czar' would be giving them orders. They appealed, similarly, to jurisdictional jealousies on Capitol Hill by suggesting that the omnibus

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9 Congressional Record, Vol. 110, p. 18199, August 5, 1964.

bill should be split up and handled by various committees."[10]

"The frustration of the Republican leaders," says James Sundquist,[11] "in trying to find reasons why the Congress should reject a bill whose objective they were compelled to endorse is evident throughout the five months' record of the Congressional debate." Their frustrations, however, were eliminated in time, and by 1966 they had mounted a campaign which could have eliminated OEO entirely.[12] A year after the program began, in August, 1965, the nation's leading Republican, Senator Everett M. Dirksen, spoke for the majority of Republican legislators when he said on the Senate floor:[13]

> . . . I will vote untold sums to cure the disease of poverty; not to make war on it, but to cure the disease, if that is the better term for it; but I will vote nothing for the kind of program that is now being diffused all over America and that will become probably the greatest boondoggle since bread and circuses in the days of the ancient Roman Empire, when the republic fell. I will be no party to it.
>
> I am ready, as the great Bard has said, to accept all the slings and arrows of outrageous fortune. I am ready to accept the criticism. I am ready to have people say, 'You are against the poor.'

Senator Dirksen went on to describe the program as "the very acme of waste and extravagance and unorganization and disorganization." He called it a "colossal disgrace, and in some cases, an absolute fraud upon the taxpayers of this country." And, said in conclusion,

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10 Sundquist, p. 147.

11 Ibid.

12 See Chapter Five

13 Congressional Record, August 19, 1965, p. 20372

"Mr. President, we are on a binge. It cannot last. . ."

Said Sundquist: [14]

> While the national decision of 1964 was confirmed in each of the two succeeding years, the significant aspect of the vote lay not in the aggregate margin but in the continued united opposition of the Republicans to the EOA as written, and the weakening of southern Democratic support. In the 1966 House vote, Republicans registered a majority of 105-15 against the bill and southern Democrats a majority of 46-28 against. Unlike the Manpower Development and Training Act, as an example, or the economic development programs, the War on Poverty as then being conducted had not yet become part of the national consensus. The program which had been pushed through Congress in a singularly partisan atmosphere was fated to remain a partisan symbol, and it would accordingly find itself in special jeopardy whenever the swing of the political pendulum restored a conservative majority in the House. [15]

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14 p. 150.

15 Sundquist notes that in 1967, after such a conservative swing, the program survived, and attributes this to the "city hall" amendment designed to give local elected officials control over CAA's. "With the (Green) amendment," he says, "a majority of House Republicans, for the first time, voted for the EOA. . . Perhaps the poverty program, in 1967, did finally enter the national consensus--although the Republicans appeared committed at least to reassigning it."

The Hill - 1968

Expectations that the passage of the two-year authorization for the poverty program contained in the EOA Amendments of 1967 would logically guarantee that there would be no attempts to spin-off OEO programs--at least for the circumscribed period specified--were severely upset in 1968. It quickly became apparent that Congressional opponents of OEO prerogative had at their disposal two convenient vehicles for implementation of plans to dismember the organization. The second session of the 90th Congress was to consider the Higher and Vocational Education Amendments and, therein, lay, once again, OEO's vulnerability.

Senate hearings on the Higher Education Amendments began on March 12, and continued through April 2. Senator Wayne Morse, Chairman of the Subcommittee on Education, declared at the outset that the committee was concerned with the entire field of education and that the hearings would not be restricted to consideration of the Higher Education Amendments alone. The Committee would, he said, "accept testimony on the whole broad area of education."[16]

Transfer of Upward Bound

The Subcommittee's examination of the Higher Education Amendments soon developed testimony on one of the programs authorized under the poverty amendments, Upward Bound. Commissioner of Education Harold Howe was questioned on the similarities between the Office of Edu-

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16 Senate Labor and Public Welfare Committee, 90th Congress, 2d Session. Hearings on S. 3098, Higher Education Amendments, and S. 3099, Vocational Education Amendments, March 13, 1968 (part 2), p. 477.

cation's Talent Search program and OEO's Upward Bound. Howe referred to extensive testimony he had already given on that point in the House, said his office would submit a substantiating memorandum, and went on to "just observe now. . .that I think some misunderstanding exists about these two programs, in the sense that some people who aren't intimately acquainted with them assume that they are similar in nature. Actually they are quite different."[17] The memorandum which Howe later submitted concluded by stating:[18]

> The question of merging these programs should actually be looked at in the much larger context of coalescing or re-aligning a wide variety of educational programs carried on by agencies outside the Office of Education.

Nevertheless, the bill reported by the Labor and Public Welfare Committee on July 11, transferred the Upward Bound program to the Office of Education, effective July 1, 1971. The Committee Report on S. 3769 stated:

> The basic philosophy behind the EOA when it was enacted in 1964 was that the Office of Economic Opportunity would initiate new programs and as they developed into stable operational programs, those which are successful would be transferred to existing agencies. The committee is of the opinion that Upward Bound has the necessary stability to merit transfer at this time.[19]

The Higher Education Amendments of 1968 authorized a new program of "Special Services for Disadvantaged Students" and found that a coordinated approach for Federal programs was necessary to

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17 Ibid., part 2 of Hearings, March 26, 1968.

18 Ibid.

19 Higher Education Amendments of 1968. Report of the U.S. Senate Committee on Labor and Public Welfare on S. 3769, Amendments to the Higher Education Act, July 11, 1968, p. 45.

enable schools to "carry out the task of bringing more and more high-risk students into higher education."[20] The Senate Committee gave OEO until fiscal 1971 to transfer its program, in order to provide for smooth transition.

The House was not as kind. Although Howe had testified at great length before Representative Edith Green's Special Subcommittee on Education, objecting to a transfer, the Report of the Committee contained strong language on the point. Presently, it said:

> There are two programs which focus on youngsters who have academic potential but who have suffered educational deprivation; that is, the U.S. Office of Education's Talent Search and OEO's Upward Bound. While these two programs' goals are largely the same, they remain artificially separated.[21]

The Report recommended the "consolidation and revision" of the two programs. As reported by the Committee, the amendments transferred Upward Bound to the Office of Education, effective immediately upon passage of the bill.

At one point Mrs. Green charged, "in my considered judgment" that "we are actually financing with Federal tax dollars the activities of revolutionaries and I do not say these words on the floor of the House without having considered them very carefully."[22] In two lengthy speeches on the House floor on July 24 and 25, Mrs. Green went on

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20 Ibid., p. 46.

21 Higher Education Amendments of 1968. House Committee on Education and Labor Report on H.R. 15067, July 8, 1968. p. 29.

22 Congressional Record, H7408, July 24, 1968.

to present a series of indictments against Upward Bound and its former director, Richard Frost. The allegations were, according to a summation drawn up by Upward Bound Director Thomas A. Billings,[23] that 1) Frost, by serving as a consultant to Upward Bound and as an assistant in the Oregon Prison Upward Bound program, was acting improperly, if not illegally; 2) Upward Bound was a national program to train revolutionaries; and, 3) Upward Bound's involvement in the Experiment in International Living was a violation of Congressional mandate and a reward for drop-outs.

Billings listed the charges, along with a reply, and sent them in a covering memorandum to project directors across the country, along with the assertation that "I am particularly proud of Upward Bound's success record; we have absolutely nothing about which we need be ashamed or defensive."

Billing's point by point rebuttal to Mrs. Green's charges were released to the press on July 29, with his covering statement that "these charges have done a great disservice to the many dedicated participants of Upward Bound programs across the country; to teachers, parents, students, college undergraduate tutors and community groups and individuals who have volunteered time and energies to the programs."

A sampling of the charges and replies is given below as being representative of the tenor of charges OEO had leveled against it in Congress each time it was considered there:[24]

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23 Memorandum to all Upward Bound Project Directors, August 20, 1968.

24 See appendices for full text.

Charge: Mr. Richard Frost, who happens to live in my Congressional district, was the first National Director of the Upward Bound program. He resigned from that program on August 1, 1967, and we find him as one of the members of the advisory board for Educational Associates. (Educational Associates was a private, non-profit corporation retained by Upward Bound to advise on various projects.)

Reply: Dr. Frost has never served on the advisory board of Educational Associates or on the board of any organization that now has, or previously had, a contract with the Office of Economic Opportunity.

Charge: This same gentleman, at the time he is a $100 a day consultant for the Educational Associates and making recommendations for the approval of the Upward Bound projects, is also a $75 a day consultant for the program in Oregon, and he is also a full time professor at Reed College, at a salary of about $16,000 or $18,000.

Reply: Although Mrs. Green is careful not to state that Dr. Frost was in conflict of interest in these roles, the implication of such misdeeds is so strong that the press covering the session used this as the lead story for the day. At no time was there any conflict of interest in any of Dr. Frost's activities. . .His activities as a teacher in the prison program, and as an occasional consultant to Upward Bound, in no way conflicted with his responsibilities to Reed College and his students, as was publicly stated by the Acting President of Reed College, Ross Thompson, in response to Mrs. Green's allegations. Dr. Frost's income for the calendar year since he left OEO on August 1, 1967, is $20,000.

Charge: I believe that one of the reasons that Upward Bound should be transferred to the Office of Education is that the original intent of the legislation is not being followed by the Director of Upward Bound or OEO.

Reply: The intent of the program has been carried out far better than even the highest expectations of the original planners. . .Eighty per cent of the high school students who have completed Upward Bound are going on to college, and 82.6% of this year's Upward Bound freshmen completed their first semester in good standing.

Charge: No one from the OEO ever requested funds for Upward Bound so that dropouts could enjoy a summer abroad at the taxpayer's expense. . .Is it not high time that we had a few Federal programs to help those who show initiative, who work hard

and who obey the rules. But this is not the criteria by which one is judged for spending the summer abroad.

Reply: There are no 'dropouts' going abroad on OEO money. The 57 students selected to participate in the Experiment in International Living's Latin American program this summer, in lieu of the regular campus program, were chosen by Upward Bound project directors, and not by the national office, and the criteria used in selection were exactly those deemed praiseworthy by Mrs. Green. All 57 participants have completed their Upward Bound studies and are prepared to enter college in the fall. In fact, far from dropouts, these students had to work at their studies much harder than most to attain college admittance. The average Upward Bound student cost for a summer is $750; the cost for students in the Latin American program was $1,000.

Charge: In my considered judgment we are actually financing with Federal tax dollars the activities of revolutionaries. (To support this charge, Mrs. Green inserted into the Record inflammatory letters, speeches, articles, a list of publications, instructions for constructing a molotov cocktail, an incendiary time bomb, how to set a fire, and how to sabotage automobile tires, and a poster and pamphlets opposing the Vietnam war.)

Reply: By not identifying the source of all the material presented, Mrs. Green has created the totally false impression that these are widespread practices in Upward Bound projects across the country. All the material submitted for the Record, however, emanated from one project, Reed College, and one staff assistant in the Oregon Prison Project. We also would abhor any Federal funds being used, directly or indirectly, for revolutionary activities. The Reed program was terminated in June, 1968, and the individual in the prison project was fired by the project director in April, 1968. A more balanced appraisal of the curriculums being offered in most of the 283 Upward Bound projects would have shown volumes of evidence from students, parents, teachers and community residents substantiating that the vast majority of students have been motivated to become constructive members of American society.

Commenting on the charges, former Cabinet member Arthur S. Fleming, chairman of the National Advisory Committee for Upward Bound, and President of the University of Oregon, said:

> There is no question in my mind but that the former national director, Dr. Richard Frost, rendered the nation outstanding service in developing and establishing the Upward Bound program on a solid foundation. The high tribute paid this program by the National Advisory Commission on Civil Disorders is due in no small part to his leadership. . . I regret that the nation, which is indebted to him for what he has done, has been provided with information that is factually inaccurate relative to these relationships and relative to Dr. Frost's income. Once again, it is going to be difficult for a reply to charges to catch up with the charges. This is a great disservice to an effective public servant.
>
> . . .Long after the dust settles as a result of this recent controversy, thousands of young men and women are going to be grateful for the kind of creative leadership that has resulted in despair being replaced by hope in their lives.[25]

Under the terms of the final bill, agreed to in conference, Upward Bound was to be transferred to the Office of Education on July 1, 1969.

Report Ordered on the Job Corps

Senator Morse's ire against OEO, apparently ignited by the recollection of the closing of a Job Corps center at Fort Vannoy, Oregon, the previous year--a decision which he was opposed to--reached its height on April 2. He was, he said, "one of the strongest supporters of the OEO programs, but I am rapidly becoming forced by realities to become a member of the disillusioned clientele." Morse called for a memorandum from HEW, the Labor Department and his own committee's counsel, dealing "with any jurisdiction in the field of vocational education in its broadest definitional sense; that is, components related to job training, job placement, and work study programs, and anything

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25 Included in a letter from Flemming to Billings, August 1, 1968.

in any degree which falls under the jurisdiction of the OEO." He also called for explanations from OEO, and concluded: "If any investigations made by counsel show that growing criticism of the Office (OEO) is justified then the sooner we look to the transfer of its functions to other agencies of the Government, and to the ultimate liquidation of this Office, the better."[26]

Despite Morse's dissatisfaction with OEO's administration of the Job Corps, the Vocational Education Amendments reported by the Senate Labor and Public Welfare Committee did not recommend a transfer or phasing out of the program. But the House Report on the bill, H.R. 18366, did direct that the "Commissioner of Education. . . study the means by which the existing Job Corps facilities and programs might be transferred to State or joint Federal-State operation in conjunction with the residential vocational schools program."[27] The Committee directed that the report be submitted no later than January 15, 1969. Later, appointed members of the House and Senate met in conference on the differences between the Vocational Education Amendments passed by each house and agreed to retain the Job Corps study provision, but directed that the date for the report be changed to March 1, 1969.

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26 Subcommittee on Education of Senate Labor and Public Welfare Committee. op. cit. (pt. 5), pp. 2138, 2139, April 2, 1968.

27 House Report 1647, p. 15.

The Move to Transplant Head Start

A strong move to transfer Head Start to the Office of Education arose on July 15th when Senator Peter Dominick (R-Colo.) offered an amendment to the Vocational Education Amendments to transfer the program effective July 1st, 1969. Dominick had offered a similar amendment during the 1967 debate on the two-year authorization bill for OEO, but it was defeated by a vote of 54 to 35. Again, in 1968, he attempted to introduce a similar amendment in Committee; again, it was turned down. But when Dominick brought it to the Senate floor, he was able to win approval of the amendment, a response entirely different than his previous efforts were able to obtain. The Dominick amendment was introduced on July 15th, but, because of other business, action on it was delayed until July 17th. In the intervening two days widespread publicity was given to "this latest effort to remove OEO's most successful program".[28]

The Agency was also given a brief period in which to submit its opinions and apprehensions on the transfer. Acting Director Harding, in a letter of July 16th to Senator Clark, summed up the agency's graver reservations and strongly expressed the opinion that such a serious step should be preceded by full committee hearings. Clark introduced Harding's letter to the debate over the amendment on July 17th.[29] OEO was not in favor of splitting-off Head Start at that time, Harding said, continuing:

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28 Internal "administratively confidential" memorandum from Richard Franzen, Special Assistant for Congressional Relations, OEO, to Bennet Schiff.

29 Congressional Record, July 17th, 1968, p. S 8804.

> . . .Further, I believe that proposal, regardless of its merits, which would transfer a program of Head Start's magnitude and complexity should be given serious and careful consideration in Committee hearings in which all interested persons would have the opportunity to express their views. I do not mean to assert that the Head Start program should remain permanently within OEO. However, should it be proposed for transfer to some other agency, I believe that such a proposal should be given the most careful and thoughtful consideration. For example, there are some who believe that Head Start might be more appropriately administered by the Children's Bureau (of HEW).

Harding went on to list a number of "serious" reservations about the proposed amendment, pointing out that: a) most school systems were not yet ready to carry out a program of such comprehensiveness; b) communities which had Head Start programs carried out by churches, private school systems and non-profit agencies would be denied the opportunity to continue, and thereby deprive the program of one of its greatest strengths; c) there were school systems where state laws prohibited pre-school programs within public school facilities which would deprive some communities of the program; d) with about 30 percent of all Head Start programs in the day-care category, most schools wouldn't be prepared to take them over; e) the amendment made no provision for parent-participation, one of the most important aspects of the program and a stipulated part of the EOA; f) the amendment made no provision for training, technical assistance, evaluation or research; and, finally, said Harding:

> The amendment is unclear as to whether the Federal assistance it authorizes for pre-school programs should be for the economically deprived. . .or the educationally deprived. This is a crucial difference. Head Start is directed toward the poor; at least 90 percent of the children enrolled in Head Start

must meet the economic poverty line established by OEO. We strongly believe that until funding for Head Start is considerably larger, any legislation affecting Head Start should continue this concept.

That same day Clark introduced letters from Commissioner of Education Howe and HEW Secretary Wilbur J. Cohen, both strongly opposing the move.[30] Howe wrote: ". . .Similar proposals have been made from time to time and when my opinion has been sought I have expressed the view that there is no need for such a shift. Head Start operates well where it is. . . My recommendation is that the Senate would be wise to reject the proposed change." And, said Cohen, ". . .we are not requesting nor do we seek the reassignment of Head Start to us at this time."

Clark added his own opinion opposing the move as well:

> It may be that one day it will be desirable to transfer Head Start to the Office of Education. But we cannot do it now without injuring the program. It is too late for this year, and too late for next year. Next year, let us meet the issue head on again. Next year, let us see whether we wish to change that 54-to-35 vote by which we refused to change Head Start last year. But let us not put through a shotgun wedding now, with a vote coming up in 30 minutes and only 10 Senators present in the Chamber. I beg my colleagues to leave this fine program which is dealing so successfully with hundreds of thousands of children--indeed millions, over the years--where it is, in the hands of a sympathetic agency which knows how to run it. I do not say anything in derogation of the Office of Education. . . But I am sure this old, shopworn agency would do its best to substitute its traditional methods of operation for some of the vision and imagination which the program is presently receiving.[31]

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30 Ibid.

31 Ibid., p. S8806

The Chamber also heard from Morse, who continued, with vigor, to pursue his attacks on OEO that year. Morse strongly supported the Dominick amendment. He followed up, the next day, with a vehement attack on Harding. The Dominick amendment passed the Senate by a vote of 60-29 on July 17. That afternoon Harding addressed a memorandum to all OEO employees, stating:

> The Senate today voted to transfer Head Start to the Office of Education effective July 1, 1969, over the strong objection of this office, the Office of Education, and the Department of Health, Education and Welfare.
>
> I believe this is most harmful to a coordinated approach to the problems of poverty. Such action, taken without hearings or full discussion, does not provide the proper safeguards to insure dedication of the program to the best interests of the poor. For this reason, we will continue to oppose this action with all the means available to us.
>
> I will continue to keep you informed of new developments.

On September 25, Harding addressed another memorandum, again to all OEO employees. This one said:

> House and Senate Conferees agreed today, Wednesday, September 25, that the Head Start program should remain in the Office of Economic Opportunity. The action was taken on an amendment to the Vocational Education Bill which would have transferred Head Start to the Office of Education.
>
> The Conferees also asked the President to recommend to Congress by March 1969 whether Head Start should be transferred to another agency.

On July 18, Morse bitterly assailed Harding for his "presumptuous" and "inexcusable" memorandum of the previous day, and went on to call for his resignation.[32] Morse said he would "give Mr. Harding the benefit of the doubt in assuming he is capable of good judgment, and only lapsing in respect to it now and then," and then went on to excoriate him for not being "aware of the rights and prerogations

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32 On October 9, Morse withdrew his objection to Harding's confirmation, then being considered, as Director of OEO.

and duties of the Congress of the United States to tell the Executive Branch of the Government where the administration of legislation passed by Congress shall be voted."[33]

Harding, when he was Deputy Director of the Internal Revenue Service, had served as Chairman of the Joint Management Survey Team which examined OEO for four months, from February through May, 1966. Shriver had requested the review in a January 26, 1966, letter to the President. The Team was designated by Shriver, the Director of the Bureau of the Budget, and the Chairman of the Civil Service Commission. Its report was submitted on June 3, 1966.[34]

What it was essentially was a catalogue of existing functional arrangements in OEO, and suggestions as to how its operations could be improved to streamline the organization and eliminate troublesome areas. The report surveyed each office and function of OEO, and made 66 recommendations for improvements or changes in the organizational patterns of the agency. The majority of the recommendations were aimed at "tightening up" the administration of the agency, eliminating paper work, backlogs, duplication of function, and the like.

When the President announced Harding's appointment as Deputy Director, his mandate was to implement the recommendations of the survey his team had made. Shriver had worked as an innovator, organizer and spokesman for OEO. It was Harding's task to attend to detail in management and budget areas, to give attention and guidance in rules and regulations. Many of the subsequent changes made in OEO were based on the

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33 Congressional Record, July 18, 1968, p. S8938.

34 Joint Management Survey of the Office of Economic Opportunity, OEO, BOB, and CSC, June, 1966.

findings of the management survey. When, in June, 1967, a final report on implementation of the team's recommendations was made, a substantial number of the recommendations had already been put into effect. Harding's expertise in these areas had been signaled by a number of citations and awards for outstanding efficiency and the high regard with which he was held by the corporate structure of official Washington. As Acting Director of the Agency he was also a strong advocate of its programs and defender of the organization.

The temper of the legislature in 1968 might be explained in the light of its being an election year in which both houses of Congress were probably trying to reflect what they felt was the more conservative mood of the electorate. The change of so many votes was subject to a variety of interpretations, but one could speculate on the impact of the riots and OEO's alleged involvement with "fringe" groups. There was, for example, the explanation Senator Lausche (D-Ohio) gave for his vote:

> Mr. President, I have listened to the exchange between the Senator from Oregon and the Senator from Pennsylvania and I find myself, at this point, in a balance of thinking. Neither one has convinced me of what should be done. Therefore, I approach my thinking on the basis of what I should do in a situation where the scales of evidence are equal.
>
> I have to decide whether this program will be operated by the Department of Health, Education, and Welfare, or by the OEO.
>
> Within the past 2 or 3 weeks, I have read about the operations of the OEO in Chicago, Illinois, which spent $1 million in a program which was under the guidance and control of thugs, thieves, hippies, drug addicts--the worst elements of the community there.

> When such a condition is allowed to exist and goes unobserved by the heads of agencies, there is something radically wrong.
>
> Now, then, with my thinking supposedly in balance, what shall I do?
>
> Shall I resolve the doubt in favor of giving it to HEW, or shall I resolve the doubt in giving it to OEO?
>
> With the past performance of the OEO scandalous, shameful, and indefensible, I will vote for the transfer and I will feel content that I am right.[35]

The Senate conferees on the Vocational Education Amendments, including the Dominick Amendment, were quickly named but it was not until September 24 that the House conferees were designated. Between the naming of the Senate and House conferees, a period of over two months, there was an intense amount of speculation about what modifications would occur in the Dominick Amendment as a result of conference compromise. The period was filled with rumor and doubt.

> It was reported that Mrs. Green was determined to get on the conference. It was reported that (Rep.) Pucinski had both said he might accept the transfer of Head Start and that he was adamantly opposed to it. Airline conversations were reported in which Senator Morse was said to be softening in his attitude.
>
> The period also saw the emergence of various proposals intended to be substitutes if the Dominick Amendment failed in conference. All told, there were at least half a dozen proposals being discussed and circulated among staffers on the Senate and House sides.
>
> . . .While all this was going on, Chairman Perkins (of the House Education and Labor Committee) continued to play a waiting game. In conversations with Acting Director Harding, he insisted he would not accept a transfer of Head Start in any form. His rationale: He had gone to the House in 1967, assuring Members that he was presenting them with a two-year authorization, he had al-

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35 Congressional Record, p. S8811, July 17, 1968.

> ready seen one program spun off (Upward Bound) and he was 'simply not going to walk down that hill again.'[36]

When, on September 24, Perkins revealed at the conference that he had Rep. Green's proxy, supporters of the Dominick Amendment knew they could not win. The conference dragged on until well after midnight. Finally, Morse, committed to get away to campaign for reelection in an extremely tight contest, yielded to Perkins' proposal for a Presidential study plan to be due March 1. At that point the conference ended. The Senate gave final approval to the Vocational Education Bill on October 2, and the House followed suit the next day. The measure then went to the President for his signature.

While OEO expressed reservations about the wisdom of certain spin-off actions, it should be noted that in some instances OEO either gave no opposition to, or even voluntarily recommended, transferral of specific programs, as in the cases of College Work Study, Adult Basic Education, Small Business Loans, and Foster Grand-parents. The decision to transfer the Foster Grandparents program to the Department of Health, Education and Welfare was the product of a meeting in 1968 at the Bureau of the Budget between C. Robert Perrin (Acting Deputy Director of OEO), Wilbur Cohen (Secretary of HEW), and Genevieve Blatt (Assistant Director for the Office of Older Persons, OEO). The legislation was drafted by OEO in conjunction with HEW, and HEW sent the bill to the Hill.

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36 Internal "administratively confidential" memorandum from Franzen to Schiff.

The Amendments to the Older Americans Act of 1965, as introduced by Rep. Dominick Daniels (D-N.J.) and others, on June 13, 1968, provided a new title, "Service Roles in Retirement" (Title VI). Section 601 of the bill, H.R. 17867, authorized the Secretary of HEW to make grants or contracts with public and private non-profit agencies and organizations to pay up to 90% of the cost of development and operation of projects designed to provide opportunities for persons 60 and over to render supportive services to children and older persons having exceptional needs: for example, 1) services to children receiving resident institutional care in hospitals or homes for dependent or neglected children; 2) act as aides or tutors in day care centers or nursery schools for children who are from low-income families; 3) provide services for older persons in need of specialized, personal assistance.

Section 602 stipulated that contracts or grants must be submitted to State agencies for review and recommendations, and that preference for participation in the program be given to older persons of low income, who should (under the terms of any grant) constitute 90% of the participants. The bill also provided that the Secretary of HEW consult with OEO and Labor, as well as other relevant federal agencies, in administering the program.

On June 24th, Senator Harrison A. Williams (D-N.J.) introduced S. 3677, the companion Senate bill to amend the Older Americans Act. The Special Subcommittee on Aging (of Senate Labor and Public Welfare Committee) held hearings on the bill on July 1, 1968, but it was not considered by the full Senate prior to 1968 adjournment.

The House, however, did pass the amendments to the Older Americans Act during the second session of the 90th Congress. On September 25th, the House Education and Labor Committee reported the Amendments, in the form of a "clean bill," H.R. 19747. That bill retained most of the provisions of the original, but lowered the mandatory percentage of poor participants in a foster grandparents type program from 90% to 75%. The original bill had provided for the continued role of community action agencies in foster grandparents programs. The House Committee retained that provision of the bill. Their report stated:

> Special recognition will be given to the role of the community action agencies established under Title II of the Economic Opportunity Act of 1964 in the case of projects undertaken in a community served by such an agency. Generally, the Community Action agency will have an opportunity to serve as a sponsor of the project and to receive funds and to administer or supervise the administration of the project.

On October 3rd, the Amendments to the Older Americans Act passed the House by voice vote after brief debate. However, the transfer of the Foster Grandparents program from OEO to HEW has not yet been accomplished in 1968 because of the Senate's failure to enact a similar or identical bill.

Appropriations

The President's State of the Union Message that year did not devote many words to the poverty program, but he did make it clear that he wanted full funding for OEO. "I shall recommend programs to strengthen and finance our anti-pollution efforts and fully funding of all of the $2.18 billion poverty program that you in Congress have just authorized in order to bring opportunity to those who have been left far behind," President Johnson said. The President's Budget Message, sent to the Congress on January 29, included the $2.18 billion expenditure for the War Against Poverty.

The House rejected the request and appropriated $1.873 billion. At that time, it was presumed that the usual increase by the more liberal Senate would take place. It was believed that the Senate might even agree to the full authorization, thus allowing the conferees to settle on a figure somewhere around $2 billion. The optimism was not well founded.

Harding had, on July 8, appealed to the Senate to repair the damage inflicted on the OEO budget in the House. In a letter to Senator Lister Hill, the Chairman of the Appropriations Subcommittee considering OEO funds, he requested that the full $2.18 billion be restored by the Senate. If the cuts were not restored, Harding emphasized, OEO would have to make a substantial reduction in on-going programs, or "seriously curtail" the new JOBS (Jobs Opportunities in the Business Sector) and Head Start Follow Through programs. Harding detailed the effects that the reduced appropriations would have on present and new OEO programs:

> The House reduction amounts to 14 percent of OEO's request. This compares with a target reduction of the overall Federal Budget of a little over 5 percent in the Revenue and Expenditure Control Act of 1968, Public Law 90-364. When the President asked me to act as Director upon Sargent Shriver's departure, he directed that I pursue vigorously the full appropriation of $2.180 billion authorized by Congress for the coming fiscal year. In continuation of that directive I have been authorized to make this appeal.
>
> The House's action, if left to stand, presents an odious choice: any new step toward helping people escape from poverty can only be taken by withdrawing assistance from other poor people, and there is little enough now being done. Unfortunately, even full funding at the authorized level would not be as great a step toward eliminating poverty as we would all want to take.
>
> The War on Poverty has had its successes, and we wish to continue them. But the President's budget recognized that what is now being done is not yet enough. I urge the Senate to restore the $307 million eliminated by the House, so that our commitment may be more nearly proportionate to the need.

Harding's appeal was unheeded. First, the Senate subcommittee agreed to the House figure. And then the full committee did the same, and included in its committee report specific earmarking of funds.[37]

Such earmarking had always been opposed by the Agency because it restricted its discretion in allocating funds to meet developing needs of the poor. Previously, it had been the House which had threatened to earmark and it surprised many that the earmarks developed in the Senate.

OEO fared somewhat better with the full Senate. During the floor debate on the Appropriations bill, Senator Pastore offered an amendment to increase OEO appropriations by $215 million, to $2.088 billion. The amendment was adopted by a 37-26 roll call vote, and provided (according to Pastore's analysis) for an additional $59 million to maintain existing programs at their 1968 levels, $26 million for Head Start, $121 million for job training in the private sector, and $9 million for rural areas.

The Conference Committee appointed to resolve the differences in appropriations voted by each house settled on $1.948 for OEO for fiscal 1969, on September 26. The House approved the conference committee report on October 3, and the Senate followed suit the following week.

The amount finally allocated, in light of Harding's statement, could only mean that re-funding or expansion of existing OEO programs would be difficult and that efforts to innovate and develop new programs would, again, be limited.

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37 Senate Report No. 1484, pp. 86-87.

Presidential Nominations Unfulfilled

In July, 1968, President Johnson made three nominations affecting the key structure of OEO. They were:

On July 15--Bertrand M. Harding, Acting Director since March 22, was nominated as Director of OEO to succeed Shriver;

On July 22--Padraic M. Kennedy, Deputy Director of Volunteers in Service to America since 1965, was nominated as Director of VISTA, to succeed William Crook who resigned to become U.S. Ambassador to Australia;

On July 29--Robert Perrin, Acting Deputy Director of OEO since May, was nominated as Deputy Director of OEO to succeed Harding.

The nominations were submitted to the Senate but were never acted upon by the Senate Committee on Labor and Public Welfare which has jurisdiction over the Agency's substantive legislation.

On October 1, Senator Wayne Morse, by telephone from Oregon, told an OEO representative that he had withdrawn his objection to having the nominations go to the Senate floor without a hearing. Senator Morse's decision represented clearly his understanding that time was drawing very short and his opinion that the nominations should be approved.

Then, also recognizing the critical shortage of time before Congress adjourned, and the complexity of Congressional business as

the national elections drew closer, Senator Lister Hill, Chairman of the Labor and Public Welfare Committee, requested that the minority members of the committee be polled to determine if unanimous consent could be obtained to send the nominations directly to the Senate floor. But, by October 8, it became apparent that Republican Senator Peter Dominick, of Colorado, whose amendment submitted in July to transfer Head Start to the Office of Education was met head-on by Harding, could not be persuaded to withdraw his objection to the move to bring the nominations directly to the floor. Senator Hill then moved to place the nominations on the agenda for the final meeting of his committee in 90th Congress, scheduled for the following day, October 9.

Harding, Perrin and Kennedy made themselves available to the committee October 9 but were not called for review because only six members of the committee were present. A quorum of nine was required for consideration.

The failure of the committee to act precluded the possibility of consideration by the Senate of the nominations prior to its adjournment on October 14.

Points of View - 1968

> The President has failed the War on Poverty no more than it has failed him, for it never became the popular cause he had wanted. Its opponents do not march or demonstrate. They ride the tide of indifference, convinced that time and the Congress will reduce this war to suitable inconsequence.[38]

As the program entered its fourth year--in the summer of 1968--there was a remarkable unanimity of assessive and interpretative opinion by the handful of distinguished men who, because of their early association with it, were particularly knowledgeable and responsible critics. Moreover, their opinions were particularly substantive ones because, despite the fact of their evident concern and regard for OEO, their points of view constituted nevertheless the most compelling--and caring--criticism of it. Unlike the political charges, the superficial ones, the irresponsible ones and the ones which appeared in headlines and columns and lapel buttons ("I fight poverty--I work"), unlike the compendium of fallacies and half-truths, as in the book, for example, Pass the Poverty Please! ,[39] this was criticism of concern and regard. They spoke with responsible authority. They had been part of the program. They had helped to put it together. Now, removed from it in fact if not in spirit, they were able to assess it with the calmness added by perspective. They were men like Daniel P. Moynihan, Sanford Kravitz, Richard Boone, James L. Sundquist,

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38 "Can Johnson Win His Other War?", Look, June 13, 1967.

39 Patty Newman and Joyce Wenger, Pass the Poverty Please! , published by Constructive Action, Inc., P.O. Box 4006, Whittier, California.

Adam Yarmolinsky, and John G. Wofford.[40] Their criticism was, substantially, not of OEO itself, but for the over-riding concept of the program; the shortcomings which had been built into it from its inception; the necessary provisions, in their views, which had been left out.

The generic complaint that the program had never received enough money to attack a problem of such monumental proportions and ramifications ("The Act has always been starved," said Richard Boone)[41] could be broken down to apply to four general areas:

- There was no massive jobs provision for adults;
- There was no forceful provision to alter general education;
- There was no basic housing provision; and,
- There was no income producing provision, or guaranteed income specification for people who could not provide for themselves under any existing circumstances.

Certainly, the Task Force which got together the package to submit to Congress and which eventually became the EOA of 1964, was well aware, at the very least, of the need to provide jobs for adults. An interesting, and internal, account of this was given by Moynihan:[42]

> . . .The one element that might have been expected to be a central feature of any large-scale anti-poverty effort, but which was nonetheless absent from any of the departmental proposals, was an adult employment program. Within the Shriver task force the case for such a program was made with some vigor and little opposition, and the final package, which Shriver presented to

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40 Again, this section must credit the American Academy of Arts and Sciences Seminar on Poverty, of February, 1968, for many of the opinions expressed in it. Moynihan's opinions are from his article, "The Professors and the Poor," Commentary, August, 1968.

41 Conversation, July 9, 1968.

42 Commentary, August, 1968. Moynihan notes that this section of his article was based on his own notes of the Cabinet meeting.

> a meeting of the Cabinet early in March, provided for a special 5¢ tax on cigarettes (originally proposed by Senator Gaylord Nelson of Wisconsin), calculated to produce something like $1.25 billion per year to be earmarked for adult employment. But the Council of Economic Advisors was anything but enthusiastic. The tax was a regressive one, the Council argued, that would destroy almost as many jobs as it would create, and with no guarantee that the newly created jobs would be 'on' the poverty target. (The Council staff was at this time especially impressed by analyses of the Accelerated Public Works Program of the Kennedy Administration which showed the various projects to have had only a minor effect on hard-core unemployment.) Even the most optimistic Labor Department analysis suggested a net increase of only 50,000 to 90,000 jobs. Shriver, however, believed that through various multiplier effects and other devices, a much higher number could be achieved, as many indeed as 500,000 jobs 'on target.' Even so, the President would have none of it. The Chairman of the House Ways and Means Committee (Wilbur Mills), he explained, was against earmarking. Besides, 1964 was the year for cutting, not increasing taxes--the great Revenue Act of 1964 proposed by Kennedy in the spring of 1963 was then on its way to enactment.
>
> The matter ended there, without protest and with no public knowledge. Yet it was a truly crucial decision.

The economist Leon H. Keyserling, a former Chairman of the Council of Economic Advisors, had pointed out before the EOA was passed that it was "dangerous" to lead Americans into believing that they would be fighting an "unconditional" war. Keyserling estimated that even if all of the OEO programs were successful, only "5 to 7 percent of what constitutes a full-scale war against poverty in the United States" could be accomplished without a comprehensive jobs provision.[43]

The community action program, said Wofford[44] "was not really part of a 'war,' and the military language--assuming victory at the end--was misleading." He continued:

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43 Quoted by Eve Edstrom, "Cease-Fire Near in 'Successful' Poverty War," Washington Post, August 18, 1968.

44 Wofford, p. 49.

> It was more like a game--a local political game--in which the poor were beginning to learn the rules and play their part with others in a community effort to bring about institutional, psychological and educational change. This is an important objective, but not one which will eradicate poverty if nothing else is done. Clearly some form of public employment is needed . . .and, clearly, major changes are needed in our welfare system to provide an adequate income to the majority of poor who cannot work, either because of age or disability or the need to bring up children.
>
> Assuming that such a larger strategy is developed, however, there is an important role for community action agencies. In establishing these agencies, communities have been through a political exercise that was both intense and useful. And the structure that emerged is worth preserving and encouraging; if more anti-poverty funds are ever made available at the federal level, a viable entity exists at the local level with a real potential for working, in conjunction with other programs, toward the elimination of poverty.

There evolved, said Sundquist,[45] a "crucial ambiguity" concerning the place of the War on Poverty in the roster of the nation's goals. "Did the nation," he asked, "establish an overriding objective to which other, and sometimes long existing objectives were to be subordinated, or merely adopt one more government program known as 'the poverty program' or something in between?" He went on:

> President Johnson's message to Congress on March 16, 1964, defined the war on poverty broadly. The economic opportunity bill was the 'foundation,' but the President mentioned other proposals--from area redevelopment to medicare to aid to education--and said poverty 'cannot be driven from the land by a single attack on a single front.' To avert 'a series of uncoordinated and unrelated efforts,' he was proposing to create in the Executive Office of the President the Office of Economic Opportunity headed by his 'personal chief of staff for the war on poverty. . .Sargent Shriver.'
>
> As the weeks went by, however, the concept underwent a gradual and subtle shift. Less was heard of the 'war on poverty' and more of the 'poverty program.'And the latter had a much narrower definition, usually confined to the activities that happened to be authorized in the EOA. Then the phrase 'war on poverty' began

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45 Sundquist, pp. 152-3.

> to take on the narrower definition. Facing innumerable difficulties in getting underway the three novel and controversial programs the OEO itself administered--the Job Corps, Community Action, and VISTA--Shriver had little opportunity to develop his role as coordinator of the 'war' as a whole, whatever its total scope was conceived to be. The centrifugal forces within the government were stronger than the centripetal. Even the programs authorized in the EOA but delegated to other agencies for administration tended to slip out of OEO's coordinating sphere. OEO became, essentially, one more among operating agencies of the government and the 'poverty program' one more (or three more) in the long series of government programs.

Even if--in a wildly unrealistic supposition--the government had dealt with unemployment by simply handing out money to those without it, the core of the problem would have remained unchanged. This would have amounted to treating the symptom. The cause was what Community Action proposed to address and change; self-generative poverty. The issue was to change the social setting. The correction of individual inadequacies and problems would be preceded by the creation of change in the conditioning structure of the community and, it would spread out from there.

In any event, in Moynihan's view, the failure to provide full-scale employment programs in the poverty act led OEO, necessarily, to concentrate on services for women and children, "marginal employment" and "some intensive training for late adolescents." The Neighborhood Youth Corps, a very large employment program (800,000 young men and women in training in 1968), was administered by the Labor Department from the outset. Most importantly, OEO concentrated on Community Action.

The most impassioned exposition of all, of why community action was fundamental and how it was to work, was probably given by Richard

and, in fact, basic to a more expansive organization involving many more people. But if anyone insists that, simply, little constellations of poor people can be organized as self-sufficient groups to demand locally what they need, I think that he's living in a dream world--particularly as we look at the future."

Two years after this speech,[47] Boone thought the "secondary effect" of Community Action had been the most interesting development. It has "introduced into the American consciousness" the idea of "citizen participation involving problems of local concern." But, he added:

> If the recent past is any indication of the future, it (OEO) will become less and less important as a device for bringing about change in the status of poor people.
>
> It need not happen. I would like to see OEO become the special advocate of the needs of the poor people and as an instrument to be used by the President. That way it would develop new programs which would be delegated, not spun-off, to existing agencies under contractual arrangements and under certain monitored standards including budgetary controls. It could act as an innovating agency and avoid becoming another bureaucracy. It could program, evaluate, monitor, budget, plan, and retain significant control. It is important to remember, in defense of OEO, that the Act is only half an Act. . .And yet, it became the War on Poverty because it was sold that way. . .there were built into it a system of massive holes.

Kravitz[48] saw the community action program as "a critical factor in awakening many communities to the deep rooted social, economic and physical problems of poverty. Important new services have been brought to hundreds of thousands of poor people." And continued:

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47 Conversation, July 9, 1968.

48 Ibid., Seminar on Poverty, "The Promise and the Criticism."

> By focusing attention on doing things in a new way, by involving poor people in programs as participants, rather than solely as program beneficiaries, there has been some narrowing of the gap between the poor and the rest of the community. The community action program has proved the catalyst for the development of leadership among those regularly excluded from leadership. Hidden issues, lying dormant for years, have been given viability. Critics of the program were awaiting the problems even before it was launched. The accumulated years of structure and tradition do not shift easily and without trauma. The rapidity with which the community action program moved its programs out across the country sparked visions of an ever increasing attack on poverty. Local communities were led to expect substantially increased resources in successive years of the program. These expectations were heightened by a campaign of 'maximum feasible public relations.' The image of a massive 'war on poverty' has instead become just the 'poverty program.' From the grand promise of the Economic Opportunity Act, funding and organizational problems have educed a series of specific programs aimed at selected areas of the problem and in almost every program instance having but a small portion of the funds required to really attack the problem.
>
> The program has been the victim of two enemies. The first has been its own rhetoric, in part created by the desire of all associated with it to believe that it was more than it was, and thus in turn to promise too much. It is not an income redistribution program. It is not a large scale public employment program. It contains only modest program elements to engage in a structural reorganization of the American community to more effectively serve the poor. It has only a small part of the responsibility for dealing with an immense problem that criss-crosses Federal, State and local responsibility and bridges both public and voluntary responsibility. . .The random efforts of the Community Action Agency have generally had little effect on the large bureaucratic health, welfare, education and employment structures, which receive the bulk of their resources independently of the OEO.

What lessons, asked Wofford,[49] could be learned from four years of experience with OEO's community action programs? And, answered:

> . . .the first conclusion is that not much can be learned from this particular period. The growth and development of Community Action was stunted after its first year when, in December, 1965, the White House imposed severe and unexpected budgetary limitations upon domestic programs for the period beginning July 1, 1966. The limitations were made more severe the next year when

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49 Seminar on Poverty, ibid., p. 48.

> Congress exerted itself to earmark large portions of community action funds for specific purposes. This double deceleration of the central community action program was particularly painful because of disappointed expectations around the country, right down to the neighborhood level in city after city. The limitations made it harder to recruit and retain capable local administrators and project directors--the presence of whom may turn out to be the single most important variable in the success of local programs. In other words, community action has been funded with too little money and for too short a time to determine whether it has been successful and it probably will not be permitted to survive in a form and at a funding level that can conceivably produce either success or a fair evaluation.

"The distinctive contribution of the 'War on Poverty' as an ideal," to Sundquist,[50] "lay less in what it added to the battery of governmental programs than in the unifying theme it provided for the activities of many governmental and private agencies and the coordinating devices that were created--OEO in the Executive Office of the President and the Community Action Agency in each community." He continued:

> If the national decision was for such a unified 'war on poverty,' what resulted has been something less. Under the pressure of program operations, the movement has been almost steadily from the broader to the narrower conception, from the 'war on poverty' to the 'poverty program'--threatening ultimately only to add to the 'series of uncoordinated and unrelated efforts' that the President had decried.
>
> Finally, the 'unconditional war on poverty' declared by the President has proven to be highly conditional--dependent on limited annual appropriations. When budgets are tight, the hardest-to-reach are not reached.

Sundquist went on to estimate that a "truly unconditional" war would cost from $30 to $40 billion a year, and concluded that: "While

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50 Seminar on Poverty, ibid., p. 154.

the ideal may be unobtainable, the question remains whether a war on poverty that falls so far short of the presidential rhetoric that launched it will not, ultimately, add the disillusionment of its supporters to the strength of its opponents."

Sundquist ascribed the weakening of Congressional support for OEO, as well as "the public at large" to the form community action, in particular, took in actual operation. This, coinciding with the rise of an activist civil rights movement created an opinion that the cause of much of the trouble was in the federally-financed anti-poverty program. "Useless to argue," said Moynihan, "that correlation does not establish causality: things had gone wrong and blame was placed with those whose task--and promise--it had been to put them right. Within only a few months of its founding, the poverty program was already in trouble with the White House and the Congress, and within three years it was severely restricted in its mission and methods, especially those involving community action, by a punitive legislature and an acquiescent administration."

Community Action, said Wofford,[51] was "attempting to reach community consensus at a time when race, politics, and poverty were pulling communities and the nation apart." But, he added:

> In retrospect, the consensus which CAP sought to build--and successfully so in many communities--appears both more difficult and more important. Indeed, the pulling and hauling, the alliances and counter-alliances developed in the course of creating a local community action structure may well have served to familiarize one set of leaders with another in a manner which will

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51 Seminar on Poverty, ibid., p. 46.

> prove ever more useful as both extreme elements enter the local picture. Those who have struggled over the structure and programmatic content of the local community action agency may find that they have more in common with each other than with those on the outside who say they want to overthrow the whole system. In this light, it is neither surprising nor insignificant that in the riots of 1967, local community action workers were prominent among the peacemakers.

For all the "restrictions and abuse" OEO suffered in the first session of the 90th Congress, said Moynihan:[52]

> . . .the essential fact is that it was continued, and on a basis that would suggest it will now become a more or less permanent activity of the federal government. Indeed, the widespread belief that the poverty program has failed may yet prove nothing more than a passing mood and one, moreover, that profoundly underestimates the nature and permanency of the commitment made by the Economic Opportunity Act.

And, in a strongly affirmative statement, Moynihan went on to draw a parallel between the launching of the war on poverty with the effects of the Reform Act of 1867 in England, cited by the sociologist Gertrude Himmelfarb[53] as "perhaps the decisive event. . .in modern English history."

The success or failure of the War on Poverty, in Moynihan's view, was "a question for historians, and the final verdict may be very different from the perception of the moment, not only as to what happened, but as to what was relevant. . ."

Meanwhile, there was the conclusion of the National Advisory Council on Economic Opportunity,[54] which included the stipulations that:

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52 Commentary article, p. 24

53 Victorian Minds, Knopf, 1968.

54 "Focus on Community Action," March, 1968.

- The OEO is an essential tool in the national effort to eradicate poverty;

- The OEO represents a unique governmental approach toward solving a major social problem. Its programs have been experimental and innovative, and they must remain so.

Important in the Council's recommendations were that:

- No reductions be made in the Office of Economic Opportunity appropriations and that appropriations for community action programs be substantially increased at the earliest practicable moment;

- Every effort consistent with the orderly operation of the legislative process be made to insure that the Office of Economic Opportunity and its community action programs are not disrupted by serious delays in annual appropriations; and,

- The nation maintain the integrity of the community action programs of the Office of Economic Opportunity for at least 6 years beyond 1968 in order to permit a full 10-year period of experience with community action programs.

Its premises were, the Council said, that there was no economic necessity for poverty to exist in America; that poverty was a tightly interrelated and mutually reinforcing set of economic, social, and environmental circumstances that denied equality of opportunity to some Americans; and, that poverty was vulnerable to social action.

The Publicity Issue

The charge of "maximum feasible publicity," in whatever form it was leveled--and, such charges ranged from the superficial and the irresponsible to the soberly concerned--was a continuing one. To the complaint that OEO over-sold its wares to the extent of promising goods it couldn't deliver, there was a formidable reply. It was essential and expedient to inform a country ignorant of the issue of poverty in its midst of the importance of dealing effectively with it.

It was to be a total program in that it was to attempt to enlist the support of each segment of society and OEO went about attempting to obtain total support to effectuate it. And, within itself, its fervor and sincerity were so strong, its dedication so apparent, that there was always the expectation that its goals, so exhaustively engendered, would be arrived at. In this sense, its public pronouncements were accurate reflections of the purpose and enthusiasm which characterized OEO from its beginnings to an extent and degree unparalleled in governmental administrative history, with the exception of the Peace Corps' early days. It could not be construed as mere coincidence that Shriver was in charge of both programs, each of them particularly remarkable for the explorative nature of their programs, the difficult natures of their tasks and the remarkable spirit which their administrators brought to work with them each difficult day.

In any event, the opposition to almost everything OEO announced at the start was so strong that it seemed clear that a highly developed and educative public information program was necessary; at first to inform the country of the nature of the problem and later, to answer in strength and openness the barrage of opposition it was constantly receiving in an effort to present the facts of its operation.

The term "maximum feasible publicity" first appeared as the title of an article by Erwin Knoll and Jules Witcover, at that time reporters for the Newhouse National News Service, in the Fall, 1966, issue of The Columbia (University) Journalism Review. Subtitled: "The War on

Poverty's Campaign to Capture the Press," it could be construed, itself, as an example of the hyperbole it went on to accuse OEO of employing. The article's general tone was predicated on the lead, which said:

> In the Johnson Administration's War on Poverty, nobody--not even the poor--gets more attention from Sargent Shriver's GHQ than does the combat correspondent.

Excepting the Pentagon, the article went on to say, "where more than 200 government publicists labor to explain or obscure details of the administration's other war, no federal command post puts greater emphasis and energy into psychological warfare for and against the press." Although it agreed that "a new and controversial" operation such as OEO, "probably requires more than the normal contingent of publicists to help explain it to Congress, the public, and the press," it added that "not since New Deal days has Washington seen a coordinated hard-sell for a relatively small program to match OEO's merchandising of the effort to combat poverty."

A minority report of the House Education and Labor Committee [55] came to a similar conclusion, although it began its critique with a pat on the back:

> Probably the most effective and efficient administrative effort in the entire OEO is in the area of public relations. A budget of $2.4 million is utilized in a furious churning out of beautiful brochures and tons of press releases which tell what a grand and glorious job OEO is doing to lift the poverty stricken up by the boot straps. OEO pays great attention to the press, and whenever articles are written which are favorable to OEO they are reproduced and sent to Members of Congress as well as to countless others.
>
> Many problems facing OEO today have been created from overselling a program which has in no way been able to fulfill the promises made.
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> OEO public relations efforts include the technique of swiftly issuing press releases rebutting any and all criticisms of the program, regardless of the facts. [56] Such "rebuttals" in the past have ranged from casting aspersions on a congressional report (as

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55 Economic Opportunity Amendments of 1967, 90th Congress 1st Session, October 27, 1967, p. 193.

56 See Chapter Three for examples of OEO rebuttals.

> in the press release criticizing the minority views of this committee on the 1966 amendment to the Economic Opportunity Act) to a complete denial of facts previously established.

The issue of information and public relations was taken up by Yarmolinsky as well,[57] who pointed out that, in the early days, "as the legislation worked its way through the Congressional committees, the public image of the program began to take shape. The tone of public pronouncements about the program had been heroic from the outset. In fact, some observers had characterized it as grandiloquent. But it did reflect a confident, embattled stance on the part of the poverty warriors, who saw themselves as true soldiers of the Lord." Developing the theme, and placing the responsibility for expectations not sufficiently realized elsewhere, Yarmolinsky went on to say:

> . . .Rather than having too little to show the Congress at the end of the first year, OEO found that it had created activities and expectations in more communities than it was able to persuade the Congress to finance during succeeding years, so that incipient programs were not funded, and existing programs sometimes cut back.
>
> This apparent underestimation of popular response may account, at least in part, for the impression that the Poverty Program has exacerbated tensions between the poor and the rest of American society. The impression is, I believe, false. If the Poverty Program has had to break some promises, it has by and large achieved an extraordinary record of rising to meet o'erleaping expectations--expectations created not primarily by the Poverty Program itself, but by the image of affluent America as portrayed on the omnipresent box in the darkened living room of the still darker ghetto.

Knoll and Witcover scolded OEO for employing language borrowed from "the military lexicon" which they cited as "running rampant through the speeches, Congressional testimony, press releases, and even intra-office memos. . ." They chided the agency for instituting an

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57 Seminar on Poverty, ibid., p. 10 and 21.

"inspector general's office. . .similar to those in the armed services" and for the use of "war maps replete with multicolored pins . . ." And, they charged, "the Pentagon's patented cost-analysis approach to administrative efficiency was adopted, complete with computerization." They decried "a certain fraternity-house" atmosphere, "particularly in the publicity office." And, they quoted OEO Public Affairs Director Herbert J. Kramer:

> In the kind of world we live in, in which the greatest part of our budget is going into a war, this war we're fighting almost has to be phrased in dramatic terms to get the public's attention. We can measure this war in terms of our victories, our defeats, our enemies.

In the beginning, Kramer told the reporters, "a tremendous promotion program had to be launched. The techniques of mass communication had to be used almost with a bludgeon effect. . .We had to create a market. We had to oversell."

Knoll and Witcover's most substantive charge was that "OEO merchandising has, in many instances, outpaced the agency's capacity to deliver the goods. Officials from Shriver on down now concede that many of their early projections were 'visionary' or 'unrealistic.'" But, they went on to say that the Head Start program, "which swiftly became the most popular phase of the War on Poverty, has been mired in delays and confusion because OEO lacked the funds to meet all the requests its promotion engendered. Big cities are curtailing anti-poverty community action programs because available funds must be spread thinner than anticipated." The time had come, they quoted Kramer as saying, to "cool" the promotion effort and "get it onto a mature stage."

They concluded:

> OEO's salesmen are, of course, aware of the problems posed by their proficiency. 'It may have gotten people to expect too much,' says Kramer, 'but it also was a massive communication effort to tell the American people about a new program.' That massive effort may be the greatest success yet achieved by the War on Poverty. And its greatest failure.

An objective, and sympathetic, summation was given by the Washington Star's Haynes Johnson at the end of a nine-article series reporting on a two-month tour examining the poverty program. He wrote: [58]

> . . .Everywhere people talk about the great sums being spent on the poverty program. The emphasis is always on the dollar. The public believes that the War on Poverty is a massive, expensive, federal attack on the problems of poverty in the U.S.
>
> It is not. It is only a small beginning. The picture of a free spending program is badly out of focus. To understand why, you have to go back more than two years when the poverty program was being planned.
>
> In those early planning sessions, no one involved claimed to be charting the final assault on the problems of poverty in the U.S. The attack was viewed as only a beginning, and an experimental one at that.
>
> Yet from the beginning the program was sold as if it were the remedy. The program has suffered from too much, and too effective salesmanship. As a consequence, it is, in part, a captive of its own promises.
>
> There is another dimension to that problem: from its birth, the poverty program has been trapped by the facts of legislative life. A great deal of time and energy had to be expended in selling the program to Congress and to the people. This early effort led to the Congressional approval of the money--and the expectations.
>
> . . .But quite obviously the distance between promise and final fulfillment remains great--not from lack of effort, not from incompetence or mismanagement or bad faith, but basically because the program at this state is too small to accomplish more than initial and limited goals.

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58 The Washington Star, March 11, 1966.

> . . .the real achievement of the war on poverty is more subtle and significant than any listing of figures or any laudatory speeches. The intangible gains are the most important.
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> The poverty program has become a part of American life. It has dramatized needs; it has forced an awareness that America has a considerable problem in its midst. And it has become accepted.

The question was put to Shriver on a television program, August 20, 1967:[59] "If you cannot fully keep the promise that has been made to the poor (because of budgetary limitations) would it perhaps be better not to have made that promise at all? Has the poverty program been over-sold and is this a factor in raising expectations which create disappointment?

Shriver replied: "Well, I think there is a possibility of that, yes. But, on the other hand, I think it would have been a tragedy not to start the poverty program. . .even though we haven't been able to do all that we should have done or would like to have done, we have made tremendous progress so that now we are ready to do a great many things we would not have been prepared to do before. . ."

Investigations

Probably no government agency had ever been as frequently or assiduously investigated as was OEO, almost from its inception. Between 1965 and 1968 no less than seven formal Congressional investigations of various aspects of the agency were undertaken. They included:

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59 "Face the Nation," op. cit.

- November 1965 - January 1966: Survey and Investigations Staff, House Appropriations Committee assigned six full-time Federal employees to investigate costs per enrollee man year in the Job Corps;

- 1966: Chairman, House Education and Labor Committee (Adam Clayton Powell) conducted a full-scale investigation;

- Spring of 1966: The Bureau of the Budget and the Civil Service Commission conducted full-scale internal investigations of OEO operations. Six Federal executives were assigned for a period of six months to these surveys. (Harding Task Force Report.)

- 1967: The Subcommittee on Employment, Manpower and Poverty of the Senate Labor and Public Welfare Committee examined the poverty program throughout the country in connection with their consideration of legislation authorizing a two-year continuation of the program; 60

- 1965-66: Senator John Stennis sent Senate Appropriations Committee investigators into Mississippi to investigate OEO activities in that state;

- Throughout the entire life of the agency both the Senate and House watchdog committees sent investigators into trouble spots where OEO programs were operating;

- General Accounting Office auditors had OEO under constant surveillance, almost from the first day of operations. The staff of GAO grew from the original three in 1965 to a resident staff of sixteen at one point. In one three year period GAO conducted 80 surveys and investigations.

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60 Conducted by the Subcommittee on Employment, Manpower and Poverty. See Economic Opportunity Amendments of 1967, September 12, 1967, Report of the Committee on Labor and Public Welfare. In the Introduction, the Committee said: ". . .The Office of Economic Opportunity has been an essential national instrument for focusing attention on the problems of poverty, for serving as an advocate for the poor within the Federal Government, and for conducting and overseeing a number of useful programs. OEO should therefore continue in operation. . .As desirable as these new programs are, the United States has not yet committed sufficient resources nor developed all the programs needed to eliminate poverty in the foreseeable future." Its second chapter came to this conclusion: "The committee, in its examination of the poverty program, has considered these questions: Is the Office of Economic Opportunity (OEO) necessary? Is it desirable to have a separate agency in the Executive Office of the President as the command post for the 'war on poverty'? Or, should OEO be abolished and all its functions turned over to other Federal agencies? The committee's carefully considered answer is: Yes, OEO is necessary. It should not be abolished. Its programs should not be 'spun-off.'"

These investigations did not include the Congressional hearings themselves at which hundreds of outside experts testified; nor, did they include the scores of independent full-scale examinations of OEO operations by newspapers and magazines; or the internal, self-generated audits, inspections and investigations carried out by OEO itself in an effort, in the words of an internal executive memorandum, to find out "what we are doing right, what we are doing wrong and what we can do better."

Additionally, there was a Civil Service Commission review of OEO personnel management conducted at OEO Headquarters and in the seven regional offices, involving 25 to 30 full-time Civil Service investigators for periods of three to six months. And, there was the continuing surveillance and guidance of both the OEO Economic Opportunity Council and the National Advisory Council which observed operations, beginning in 1964, to insure that the best possible return was received for every dollar spent.

A Senate Committee report considering the Economic Opportunity Amendments of 1967 read:

> The Subcommittee has conducted 33 days of public hearings in Washington and around the country, heard 401 witnesses in 144 hours of testimony, made 11 inspection trips into the field, received and considered 18 staff reports and 15 consultant reports, and held seven meetings in executive session. The hearings took the subcommittee to Massachusetts, Rhode Island, New York, Pennsylvania, Illinois, Wisconsin, Mississippi, New Mexico, and California as well as the District of Columbia. Consultants retained in each of the seven administrative regions of the OEO conducted case studies of 35 community action programs and seven State technical assistance agencies, involving a sample of programs in 26 States and the District of Columbia and including

interviews with more than 1,000 persons. Six other consultants wrote special studies for the committee with particular concentration on statistical analyses of manpower programs. The produce of the subcommittee's efforts is contained in 18 volumes of hearings and eight volumes of consultant and staff reports."

The majority report was decidedly favorable (see previous footnote).

The report of the House Committee on the EOA Amendments of 1967 said:

> The Committee on Education and Labor had conducted an extensive investigation into the Economic Opportunity Act of 1964, as amended. This investigation extended over a period of approximately one year, included hearings in Washington by the committee lasting over two weeks, and on-the-spot and field investigations of 79 different programs in 22 States and the District of Columbia.
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> The investigations included visits to 15 Job Corps conservation and urban training centers. Also included were spot checks on the operation of Neighborhood Youth Corps and intensive investigations of 58 Community Action programs in large cities such as New York, Chicago, Los Angeles, Boston, and Detroit and rural communities in North Carolina, Texas, New Mexico, and West Virginia. The investigation covered the entire range of programs funded under the Economic Opportunity Act.[61]

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61 See Report of the Committee on Education and Labor, House of Representatives, 90th Congress, First Session, October 27, 1967, the introduction of which said: "The committee conscientiously endeavored to hear every witness who could throw light on the programs and their administration in acceding to the requests of both minority and majority members for witnesses. Particularly, the committee gave attention to the requests of Members who suggested the elimination of the Office of Economic Opportunity so that it could thoroughly examine all approaches to the creation of economic opportunities for disadvantaged people. Out of all the witnesses heard and the testimony received the committee found only one witness who advocated the elimination of the Office of Economic Opportunity. There appeared to the committee to be unanimous agreement among spokesmen representing business, labor, church groups, education, and other eleemosynary organizations and all levels of government that OEO should be retained as the central guiding mechanism for the war on poverty." The committee concluded, however, that "major changes in the act are necessary to increase its effectiveness, assure appropriate coordination, and enhance the ability of the program to reach persons in need."

The 1967 amendments provided for another broad examination of OEO by the General Accounting Office.[62]

The "Echo" Effect

By 1968 there could be little disagreement at least about one aspect of OEO. It had set an example and pointed a way for improvement throughout virtually the entire range of services and activities affecting the lives of Americans. OEO became a primary generative force in a variety of fields tangential to itself but primary and critical in any system addressed to the problems of society. The work of the agency, by example and design essentially, but often enough through the fortuitous recognition of others, had remarkable effects on government methodology, legislation, and the various professions. Its effects were felt and expanded in the fields of law and medicine, education, and social welfare, by business and industry, in civil and philanthropic life, in the labor movement, and in religion. From its inception its planners and administrators had emphasized the catalytic purpose of the agency. Clearly, it was evident as OEO proceeded into its fourth year that its so-called "side" effects were indeed major ones and of a dimension and relevance that would continually expand for years to come.

Although he did not contend that OEO was the sole cause, said

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62 Section 201 of P.L. 90-222 directed that the Comptroller General of the United States make an in-depth investigation of programs and activities financed by funds authorized in the Economic Opportunity Act in order to determine (1) the efficiency of the administration of programs and activities by the Office of Economic Opportunity and by local public and private agencies and (2) the extent to which such programs and activities achieve the objectives set forth in the Economic Opportunity Act of 1964 authorizing them. The Comptroller General's final report to the Congress was due not later than December 1, 1968. Section 202 further directed that such final report should contain a detailed statement of his findings and conclusions together with recommendations for additional legislation as deemed advisable.

Harding,[63] the fact was that "America has probably seen more institutional change in the past few years than in any similar period in our history." He added, "there can be no doubt that this agency and its programs have made a substantial contribution." When the definitive history of the War on Poverty was written, Harding said, "it will be in this area of institutional change--rather than specific innovative programs--that the most fundamental and lasting contributions will be seen. It is really only through the mobilization of the great resources of both the public and private sectors that the remaining 26 million poor can be brought forth from poverty. Much has taken place. Much more remains to be done. Institutional change has been--and, I think, will continue to be--our most effective weapon."

Harding went on to review some of the effects of OEO on the country's institutions. In 1968, there were 350,000 lawyers in the country, only one percent of them from minority groups. But, there was a real change taking place. One big change was that OEO had been joined by the American and National Bar Associations, and the American Association of Law Schools in actively recruiting minority group members into law schools. Not only had influential attorneys and law school deans joined in furthering OEO's proposals, but the legal establishment helped create a new program to carry out its ideas. OEO had recently funded the Council on Legal Education Opportunity for $500,000. The program had a five-year schedule for the entry into law

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63 At a seminar on urban affairs at the New School for Social Research, New York City, October 8, 1968.

school and graduation of at least 300 minority students, "not monumental--except in terms of the change it portends for the future."

Only several years before the question from students of law had been "what kind of courses do you have in corporation law, or real estate law. . .But today, more and more law school applicants ask a different question: what kind of courses do you have in poverty law?" In 1968 there were more than 90 U.S. law schools offering courses in poverty law. Many of them had set up neighborhood law offices and clinics, sometimes with OEO research and demonstration grants. The impact had been so great that 15 states had passed laws to permit second and third year law students to engage in some limited form of practice. "All of this represents a genuine upheaval in the legal institution," Harding said.

The Harvard Law Review had commented:[64]

> . . .With startling suddenness the legal profession has recently come to realize that a society can guarantee equal justice only by providing all citizens with effective access to the institutions by which justice is obtained and that for millions of Americans the unavailability of lawyer's services had made justice inaccessible. . .the New Wave in legal services is a recognition that the overriding interest of the poor is the elimination of poverty, an interest which lawyers for the poor must represent as advocates.

The OEO funded Legal Services program, which former American Bar Association President Edward Kuhn had called "the greatest project ever undertaken by the government and bar," had brought the poor to the attention of lawyers and law schools across the country.

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64 "Neighborhood Law Offices: The New Wave in Legal Services for the Poor," February, 1967.

A similar change had taken place in the field of health services and medicine where, said Harding, "some of the most creative social change in America is being brought about by doctors and medical schools who only a few years ago were quite disassociated from the problem of poverty." The health statistics of the poor were "almost unbelievable: for example, four times more heart diseases than the affluent, six times more nervous disorders and retardation, 10 times more eye trouble." That was why OEO was, in 1968, funding 41 comprehensive health centers, with the help and support of the medical profession. Examples were the health centers in Mound Bayou, Mississippi, being run by Tufts University, another in Watts, Los Angeles, operated by the University of Southern California. In the struggling town of Alviso, California, where several thousand Mexican-American migrant workers lived, the men of the town had built a health center themselves with the aid of an OEO grant and the Stanford University Medical School had come in to operate it. "Skeptics said we would never get doctors, medical school or county medical societies involved. But the record shows otherwise. The medical institution is now involved more than ever with the people who most need health care--the poor."

The effects on the vast field of education were extensive and ranged from the creation of new state and federal legislation to a new participating awareness by people everywhere throughout the country. When, three years earlier, Head Start had been proposed, there had been "some rather violent opposition--both to the proposi-

tion and to the procedure. Today after more than 2 million children have been served in more than 13,000 Head Start centers, few experts seriously deny the value of the program." And it had involved great numbers of persons outside the formal field of education but whose participation had proven to be immensely valuable, to themselves, to children and to their communities.

The use of non-professionals in a number of rigidified disciplines throughout the field of education and social welfare had introduced entire new concepts. The point had been made strongly, for example, by Dr. Frank Riessman of the Psychiatry Department, Albert Einstein College of Medicine in New York City,[65] when he wrote of "a new army of people" which had moved into "recently created jobs in social work and education." To Riessman the achievements "of these indigenous nonprofessionals are impressive, their talents unique and their future in social service and education very bright. . . If we can successfully capitalize on their special skills--combining them with those of well-trained and dedicated professionals--I believe we may be on our way toward producing a revolution in social work." Why the rapid rise of the indigenous nonprofessional, Riessman asked. And, answered: "Examination reveals quickly that the great majority of these new jobs are in low-income areas--'gray area' schools and 'lower class' high delinquency neighborhoods. In part, they merely reflect the increased concern for the poor and unemployed as expressed through the new poverty programs." A two-way bridge has been con-

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65 Trans-Action, November/December, 1964.

structed and "Across that bridge the social service network is learning who the disadvantaged are and what they need; and the poor are learning that help is available, and by what means and efforts that help can be made most effective." The nonprofessionals had "transformed depressed people into alive and hopeful ones; prodded angry people into becoming more active and organized; and made aloof professionals into involved, concerned citizens." The promise, some already realized, was that the movement could reduce the manpower shortage in the social service fields, provide better services more frequently for the poor, and potentially provide millions of new jobs for the unemployed in social service jobs which were not likely to be automated out of existence.

OEO had caused institutional change in the field of higher education as well, the prime example being the success of Upward Bound, active in 297 universities and colleges in 1968. The results had been "striking" Harding said, pointing to statistics which showed that about 75 percent of the students in the previous year's classes had completed their freshman year and that nearly 800 accredited institutions in all 50 states had admitted the Upward Bound graduates. "The facts of 1968 are that higher education is clamoring to help fight the war against inherited poverty."[66]

There was, wrote reporter Eve Edstrom in the Washington Post, "substantial evidence that the war on poverty is having an impact on

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66 Ibid., Harding.

public school programs for deprived children throughout the nation." according to the U.S. Office of Education.

> An analysis has been made of the first 500 projects to be financed by Title One of the landmark Elementary and Secondary Education Act of 1965. It shows that 70 percent of the project is aimed at beefing up services for very young children. The rest is used to help students at all levels through high school.
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> To Office of Education experts, this reflects a recognition of the need to mount preventive programs during early childhood years if cultural and educational disadvantages are to be overcome.
>
> . . .this awareness. . .is attributed largely to the poverty war's Head Start program for pre-schoolers and its focus on across-the-board services for the very young.
>
> . . .The chief focus of Title One projects is on meeting the most pressing educational needs of deprived children. This has resulted in numerous projects to improve reading, writing, and speaking skills.
>
> But to reinforce educational activities, Title One money can also be used for supportive health and counseling services. In many instances, this has permitted school systems to employ guidance counselors and to contract for the part-time services of psychiatrists for the first time.

The effects of OEO's emphasis on educational efforts devised to meet the needs of the neglected were felt not only in the classroom, but in state governments, many of which for the first time had passed legislation for mandatory kindergarten instruction. Colleges and universities were training teachers for the special field of poverty through special courses, internships and field projects. Educational institutions became, through the influence of various OEO programs--Job Corps Centers, Community Action Agencies, Neighborhood Centers--laboratories for research and the training of social scientists, teachers and other personnel to work in an area newly exposed.

Job Corps educational material was distributed to scores of educational establishments, including public, parochial and teacher institutions. The Department of Defense was using Job Corps techniques and materials as part of a new educational program for young men of limited educational background.

Within the Federal government, Congressional action on aid to education, health, housing, Social Security improvements, Medicare, and the problems of older persons was related to the heightened consciousness of the problems in these fields, consciousness brought about by OEO activities. The impetus of the war on poverty provided inspiration for enactment of other programs aimed at improving the quality of life for Americans. Agencies which had devised programs designed to assist the disadvantaged prior to 1964 began to find it easier in terms of official acceptance and increased funding to pursue such goals.

There was the example cited by Robert Brown,[67] Chief of the Human Resources Development Division of the U.S. Employment Service, and attributed directly to the influence of OEO's experience. OEO had made newer programs for the disadvantaged more acceptable, he said. The effect, in early 1966, was, he said, "of turning the Agency around. Good planning and good people" came to the fore in USES and increased resources were developed. USES began to work through and with groups developed under the CAP program, with programs drawing directly on OEO's experience. "Operation Outreach" was developed

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67 In a telephone interview, October, 1968.

to seek out persons not previously involved in the USES program.

Lee Lendt, Assistant Director of the Center for Community Planning at the Department of Health, Education and Welfare, emphasized the impact of "OEO principles"[68] throughout the fields of urban renewal and particularly on the Model Cities program introduced by the Johnson Administration. The poor had become vocal, he said, "you can't put programs into the neighborhood without having your visa stamped by them." Lendt cited the presence of citizen advisors on State Welfare Boards and HEW's attention to the role of the poor in health and welfare programs elsewhere. "In 1964, people were incredulous at what OEO was doing," he said, "but now it is accepted as a necessity."

The guidelines of the Model Neighborhoods in Demonstration Cities program, under Title One of the Demonstration Cities and Metropolitan Development Act of 1966 of HEW, for example, contained this language:

> In order to provide for the citizen participation called for in the ACT, there must be some form of organization structure, existing or newly established, which embodies neighborhood residents in the process of policy and program planning and program implementation and operation. The leadership of that structure must consist of persons whom neighborhood residents accept as representing their interests.
>
> The neighborhood citizen participation structure must have clear and direct access to the decision-making process of the CDA so that neighborhood views can influence policy, planning, and program decisions.

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68 Telephone conversation, October, 1968.

> . . .Neighborhood residents will be employed in planning activities and in the execution of the program with a view toward development of new career lines of occupational advancement, including appropriate training and modification of local civil service regulations for job entry and promotion.

"The concept of participation in program operation and decision making by residents of target areas, thought to be completely unworkable, has become an accomplished fact," said Kravitz,[69] continuing:

> Prior to this development, social welfare could be adequately characterized as a nobless oblige responsibility of one group for the less fortunate. In the three years of operation of the Community Action Program, many communities have faced major changes in the leadership and power alignments which affect the coordination and distribution of social services. There is a still to be completed democratization of social welfare that has seen a generation of change in 36 months. This change is impacting the social elite leadership of social welfare, the social work professional, educators and public officials, so that there can never again be a retreat to positions held before this program concept was introduced.

The OEO experience, in short, had its direct effect on agencies throughout the government. The National Housing Act, the Model Cities program, the Neighborhood Centers Pilot Program, the Concentrated Employment Program, the Elementary and Secondary Education Act, the United States Employment Service, and the Bureau of Indian Affairs, all utilized concepts and methods first brought into being by OEO.

Not the least remarkable example of involvement and change was evidenced by the participation, interest and involvement of the business interests of the nation. In Harding's view it was "perhaps the most powerful institution OEO has effected," of them all. When the war on poverty began, he said:[70]

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69 Poverty Seminar, ibid., p. 18-19.

70 Harding talk, ibid.

> . . .among our loudest critics were the U.S. Chamber of Commerce, the National Association of Manufacturers and countless private corporations. They saw it as another tax-consuming welfare-style program--one that the Democrats brag about and the Republicans pay for. Worse, they saw it as an attack on free enterprise and self-reliance.
>
> But then something happened. Last year, when it looked doubtful that the Economic Opportunity Act would get through Congress, some of our strongest defenders turned out to be the Chamber of Commerce, the NAM, people like Charles B. Thornton of Litton, Thomas Watson of IBM and Henry Ford.
>
> The reason for this turnabout was clear: the business world took a closer look at the war on poverty. They saw it was basically conservative in outlook. It was relatively inexpensive, it was run locally and programs were based on self-reliance--a virtue long espoused by this segment of American society.
>
> Most of all, the business world saw that it was to its own economic interest to end poverty in America.

The business community had largely joined in the war on poverty; by operating Job Corps Centers, by hiring Neighborhood Youth Corps graduates, by lending executives to CAA's, by lending money. A group of insurance companies had together pledged more than one billion dollars in loans for housing programs in the slums. The results of the past three years, said Harding, had shown that "business has made a very rational decision." In those three years, seven million Americans had moved beyond the official poverty barrier.

The Church had been effected. The National Council of Churches was operating migrant labor programs. Individual churches were running mental retardation programs. Ministers, priests, and rabbis were represented on CAA boards. Nuns were teaching in Head Start classes. Denominational colleges had Upward Bound programs.

Finally, more than 375,000 volunteers had joined the war on

poverty, giving their time, without pay, to help implement OEO programs throughout the country. There were nearly 250,000 helping in Head Start programs; VISTA had nearly 4,000 volunteers in the field and a supporting Citizen's Corps of 15,000. The United Church Women, National Council of Catholic Women, National Council of Jewish Women, and National Council of Negro Women joined to form Women in Community Service (WICS) and 10,000 of their members were working to recruit and screen girls for the Women's Job Corps. There were 100,000 other volunteers at work in the 1,100 CAA's across the country.

These were some of the observable and measurable effects of OEO programs outside the boundaries, no matter how latitudinous, of its directly administered programs. The immeasurable effects, already substantive and spreading out throughout all of American society, would be powerfully effective continuingly as a part of the structure and direction of the country.

Moynihan[71] had credited the historian-sociologist Gertrude Himmelfarb[72] for pointing out that the English Reform Act of 1867 (which Disraeli had called 'the great leap in the dark') while "perhaps the decisive event. . .in modern English history, was nonetheless a measure which few intended and fewer still comprehended." "Far from being," said Moynihan,"as G.M. Trevelyan would have it, an 'orderly and gradual' accommodation to 'social facts,' the Act was rather a jumble of responses to events of the moment which, however, ended with

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71 Commentary article, ibid.

72 Victorian Minds, Knopf, 1968.

a commitment near to absolute in its nature." He continued:

> 'It was this act,' Professor Himmelfarb writes, 'that transformed England into a democracy and made democracy not only a respectable form of government. . .but also, in the opinion of most men, the only natural and proper form of government.
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> '. . .To be sure, the Act of 1867 had to be supplemented by others before universal suffrage was attained. But once this first step was made, no one seriously doubted that the others would follow.'

Was it not likely, Moynihan asked, "that something not dissimilar by way of a commitment was made with the launching of the war on poverty?"

Coda - 1968

In the fall of 1968 as the nation approached the Presidential election, a rebellious Congress severely slashed one after the other of the Administration's requests for social welfare funds. In its closing weeks the second session of the 90th Congress cut funds for a number of programs to assist the poor in the areas of housing and health.

In late September, the House and Senate had given final approval for an increased authorization for the food stamp program. The bill extended the Food Stamp Act of 1964 through 1970, and raised the FY 1969 authorization from $225 to $315 million. (It also included $340 million for FY 1970, and $170 million for the first six months of FY 1971.) The House Appropriations Committee, however, on October 7, recommended only $20 million for food stamps, $70 million less than the additional $90 million authorized. During consideration of the measure on the House floor,

the bill was amended to provide a $20 million increase, but the final $40 million was less than half the amount authorized.

HR 17023, the appropriations bill for the Department of Housing and Urban Development, cut funds in a number of programs designed to assist the disadvantaged, primarily residents of city ghettos. Funds appropriated for Model Cities doubled the FY 1968 figure but, at $625 million, fell $375 million short of the $1 billion Administration request. Authority for new rent supplements contracts was set below half of the $65 million requested in the Administration proposal. (The final figure was $30 million.) During the period the nation mourned the death of Dr. Martin Luther King, Jr., the Congress had acted on the Senate's bill to insure open housing opportunities to all American citizens. But, in late September, Congress vetoed in conference the Senate's provision for $9 million for enforcement of the Open Housing Provisions of the 1968 Civil Rights Act.

On September 24, while taxation amendments (HR 2767) were being considered in the Senate, Senator Russell Long of Louisiana offered a "money-saving" amendment to eliminate medical costs under the Social Security Act. In proposing his amendment Long said:[73]

> This amendment affects the program where the State goes beyond the welfare roles, to provide medicaid to those who are not eligible for public welfare, and we simply say to the States, 'In that area we are not going to be as generous as in the other areas.'

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73 Congressional Record, September 24, 1968, p. S11326.

The amendment, aimed at saving between $300 and $500 million, was adopted that same day by a 44-25 roll call vote.

In New York City on the evening of October 16, 1968, at a dinner held in the memory of Alfred E. Smith to raise funds for the needy "regardless of race, creed or color," President Johnson told the gathering that one great accomplishment of recent years was that Americans had become both aware and devoted to "the poor, the black, and the deprived." [74]

No matter who was elected President, he said, the poor "cannot be abandoned."

In his State of the Union Message, four years earlier, announcing the War on Poverty, the President had said: "It will not be a short or easy struggle."

It was not. In 1968 it was still going on.

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74 Quoted in the Washington Post, October 17, 1968.

Supplement

The Office of Economic Opportunity During the Administration of President Lyndon B. Johnson

November 1963 - January 1969

Supplement: November 2, 1968 - January 15, 1969

A general assessment of the state of the Office of Economic Opportunity at the beginning of January, 1969, roughly four years after it had begun operations under the sponsorship of President Lyndon B. Johnson, and only days before the Administration of President Richard M. Nixon was to take over, showed a remarkable consistency in what had become the life-style of the organization. Still another Congressional investigation was being mounted, there were more charges of waste, scandal and ineptitude; speculation as to the duration of the existence of the Agency was more heated than ever before--perhaps with more justification than ever before--and, as always, there was, for those who cared to examine facts, a compelling record of steadily mounting accomplishment and a spreading effect which was in evidence in every area affecting the civil life of the nation.

Considered this way nothing much seemed to have changed; except that there was this heartening fact, evidence that, in fact, a great deal had changed: in the three years between 1964 when the War on Poverty began, and 1967, seven million Americans moved out of poverty. OEO Acting Director Harding, reporting to the National Advisory Council on Economic Opportunity on December 4, 1968, recalled that he had reported this information to the President and members of his Cabinet on July 31 of that year. The figure meant, Harding said, "that people have been moving out of poverty since 1964 at more than two-and-a-half times the annual rate for the prior five-year period, and non-whites have been leaving poverty at nine times the earlier rate." He continued:

During calendar year 1967, almost three million people came out of poverty--1.9 million whites and one million non-whites. This is the greatest exodus from poverty in at least 10 years, and probably longer since comparable figures don't exist for earlier periods.[1]

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1 OEO's statistics on the number of people who had moved out of poverty were at variance with the figures reported by the Center for Policy Research. On November 14, 1968, Dr. Amitai Etzioni, a sociologist from Columbia University, and the Center's Director, released a study showing that the number of Americans in poverty had actually declined at a faster rate during the Truman and Eisenhower Administrations.

As reported by the Washington Post, in making this determination, the Center had utilized figures dating from 1947, whereas the Johnson Administration's interpretation of the movement from Poverty employed figures only as far back as 1959. Etzioni found that the number of poor families decreased by 1.05% a year between the inauguration of the poverty program (1964) and 1966, as contrasted with a 1.6% drop between 1949 and 1952 (Truman Administration) and 1.15% from 1952 to 1956 (first Eisenhower Administration). He indicated the largest reductions occurred in 1950, 1951, 1955 and 1956, when the percentage of poor families was lowered by more than 2.

The Center's report emphasized two significant factors: in Etzioni's opinion, 1) "the Nation's economic condition and employment are more important than any specific social programs; and 2) programs to provide jobs should get higher priority than programs 'to change people.'" He did not criticize the community action concept or OEO efforts to improve education, health, and housing, etc., but found economic expansion and increases in available jobs more effective means for moving persons across the poverty line. Etzioni did point out that the war in Vietnam had "deflected resources," and that a tremendously increased budgetary commitment would be required to substantially increase the number of American families escaping from poverty.

OEO responded to the study with a two page press release, which found the Center's report making "seriously misleading statements, as well as arithmetical errors," and reflecting "adversely on the current anti-poverty efforts." "In order to develop the percentage decline in poverty," OEO found, "the Center took the number of people coming out of poverty in any given year and divided that by the population of the United States. . . .When computed by the traditional method," a drop in the number of poor would be divided into the number of people in poverty for that same year. OEO found that the Center's conclusion that, at the current rate, it would take 51 years to eradicate poverty, was arithmetically incorrect.

In sum, the OEO response stated: "All this proves that simple arith-

Now much of this rapid improvement has been due to economic growth. But the earlier period was also characterized by economic expansion. And while no satisfactory technique exists for separating War on Poverty gains from economic growth, it is clear that a substantial share of the accelerating movement out of poverty is attributable to the War on Poverty programs.

Nevertheless, the predominating question as the nation moved into a new year under the direction of a new, and Republican, President, was what Mr. Nixon had in mind for the Agency. He had been severely critical of OEO operations during the campaign. And, Vice President-Elect Spiro Agnew had been even more denunciatory.

There was, overriding all of this, one hard fact to consider--on June 30, 1969, OEO would cease to exist as an organization unless Congress voted to continue it by authorizing funds for its continuing

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metic is hardly the way to look at poverty reduction anyhow. A little judgment shows that two things are clear: first, poverty has been reduced very sharply in recent years and this reduction has been most sharp since the War on Poverty began. Second, the job of eliminating poverty gets harder the closer we get to the hard-core poverty.

"Roughly, one-third of those people in poverty today will get out of poverty as a result of economic growth--another one-third can leave poverty as a result of economic opportunity programs, using government and private support. The remaining one-third--the aged, disabled, and unemployable--will require some meaningful income maintenance program to remove them from the ranks of the poor. The task is extremely difficult and is not aided by specious judgment and faulty arithmetic."

On November 30th, in a letter to the Washington Post, Dr. Etzioni defended the Center's findings, but concluded,". . .let us not lose sight of the main point we all agree upon; mass poverty is still with us. We need additional weapons to improve our score, along the lines suggested by Robert A. Levine of the OEO, the National Alliance of Businessmen, and others."

operation. The attitude of President Johnson's Administration was clear enough. The Bureau of the Budget was recommending a budget figure of $2.18 billion--the highest such recommendation in OEO's history--for Fiscal 1970.

Harding's December 4 report was a clear, cool and calm exposition of the Agency's progress and position, an expansion of his earlier report to the President and the Cabinet. It was probable that it had a great deal to do with President Johnson's inflexible position on the need to continue, with strength, the Agency's operations. Undoubtedly, it was the basis of the Budget Bureau's funding recommendation.

A highlight of the previous six months was, Harding said, the "overwhelming vote of confidence given Community Action Agencies by local governments under the so-called 'Green Amendment.' You can, no doubt, remember the dire predictions that CAP had been sold out to the establishment." One Congressman, Harding recalled, described the Green Amendment as the "bosses and boll weevils amendment," meaning "that the city hall bosses and the Southern conservatives would take over the poverty program, leaving the established CAA and the poor out in the cold. Well, that just did not happen. Instead, 96% of the local governments elected to continue operation of their poverty program under existing agencies. The anticipated take-over of Community Action by city halls

and by Southern public officials failed to take place. Out of 141 local communities making designations in the Southeast Region, for example, 135 opted to continue the existing Community Action Agency. . . .It is abundantly clear that the existing Community Action Agencies have the support of local governments. It is clear that they must be doing something right."

He was happy to announce, Harding said, that OEO would be able to continue existing levels of worthwhile programs and to make a few new starts:

> The Job Corps will continue to have approximately 36,000 training spaces available. Full-year Head Start will serve 218,000 pre-schoolers as it did last year. The Summer Head Start program will, as in Fiscal year 1968, provide opportunities for 477,000 children. Head Start Follow-Through is being expanded to serve 31,000 children, up 16,000 from last year. Some 26,000 young people will be directed towards college through Upward Bound, about the same number as in fiscal year 1968. The number of VISTA Volunteer man-years will increase from 4,275 to 4,900. The Health Services program will be serving 998,000, compared with 960,000 during fiscal year 1968. Legal Services will be available to some 600,000 poor persons, a sizeable expansion from the 475,000 served last year.
>
> We have taken great pains to meet special interests of the Senate in Comprehensive Health Centers, Senior Opportunities and Service systems, Family Planning, Small Business activities and Title IB programs for the Elderly. The Senate's report on our appropriation indicated that these programs were worthy of specific funding levels . . .Since our appropriation was $230 million short of our budget request, we have been unable to meet the specific allocations desired by the Senate. But we have (striven) to be as responsive as possible to the Senate's wishes.

The only major increase in spending, Harding went on, would be in the JOBS (Job Opportunities in the Business Sector), which would receive $162 million, up from the $70 million it received the previous

year. This, he said, would permit OEO to meet President Johnson's pledge of 100,000 new jobs for hard-core unemployed by July 1, 1969.[2]

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2 "To press the attack on the problem of the jobless in our cities" President Johnson announced the inauguration of the Job Opportunities in the Business Sector (JOBS) program in his January 23, 1968 Message to Congress on Manpower and Occupational Health and Safety Programs. He indicated a commitment of $350 million for FY 1968 and 1969 to support "a new partnership between government and private industry."

The National Alliance of Businessmen, headed by Henry Ford II, was organized to assist in the task of locating private industry jobs for the hard-core unemployed and training these persons for employment. Reporting on its efforts late in 1968, the NAB said private businesses in fifty cities had hired 84,000 hard-core unemployed as of September, 61,273 had stayed on the job, and the NAB expected to meet its mid-1969 goal ahead of schedule. The President had originally set a goal of 100,000 jobs for the hard-core by June 30, 1969. On January 29, 1968, OEO's statement on the President's FY 1969 Budget had also indicated an increased monetary commitment to adult employment programs.

"It would have been nice," Harding said, "to be able to report similar gains for the many other worthwhile programs administered by this office, but with the dollar squeeze and the Congressionally-mandated $6 billion expenditure cut, I feel that by maintaining the status quo we did about as well as could be expected."

Harding then enumerated a number of legislative stipulations which he said were of "great import" for the Agency. They included:

- The provision in the 1968 Vocational Education Act amendments calling for the Commissioner of Education to report on the feasibility of transferring the Job Corps to state or joint Federal-State operation in conjunction with the Office of Education's residential vocational educational program. The report was to be due on March 1, 1969.

- The same amendments required a study to determine whether Head Start ought to remain with OEO, be transferred to another agency, or be delegated to another agency. The same reporting date of March 1, 1969 was stipulated.

It was gratifying, Harding said, that the House-Senate conferees voted to study the matter of transferring Head Start rather than accepting an earlier amendment which would have transferred the program to the Office of Education immediately. "In both cases," he said, "OEO personnel are helping with the studies so that we will have a chance to contribute our experience and safeguard the interests of the poor."

In the case of the transfer of Upward Bound to the Office of Education, effective July 1, 1969, ordered by an amendment to the Higher Education Act, he was "reasonably satisfied that our criteria for making such transfers, namely, program maturity and safeguards to protect the poor, have been met by the Congress," even though, "a parent is always

sad to see one of its children leave home." Although transfers of programs to established agencies at the appropriate time had been a part of OEO philosophy since inception, departures nevertheless were often "occasions of sorrow," he said.

In a converse situation, OEO directly supported legislation which would have transferred the Foster Grandparents program to HEW for administration by the Administration on Aging wasn't acted on because Congress adjourned before the Senate could consider the measure. The proposed transfer language had been carefully worked out in advance by HEW Secretary Cohen and Harding and had received the approval of the House of Representatives.

The OEO Acting Director addressed himself to the issue of Senator McClellan's hearings on the Agency's demonstration grant to the Woodlawn Organization (TWO) on Chicago's South Side and which resulted, he said, in "probably the most damaging publicity" the Agency had suffered in some time. The Committee, he said, "went to great lengths to establish that the Blackstone Rangers and the East Side Disciples were a bad bunch of boys. During this extended expose of guns, dope, and wild parties, it was easy to miss the basic issues. When OEO was finally asked to testify in October, I pointed out that the two questions before the Committee were:

1. Should the Federal Government try tc salvage the hard-core alienated youth in our city slums; and,
2. Was the Chicago Pilot Project a responsible attempt to get at this problem?

"I told the Committee that I thought the answer was yes, in both cases." He continued:

> I explained that while mistakes have been made, we had honestly attempted to re-direct these youth back into society and that even though the experiment was unsuccessful for a number of reasons, we had learned much that would be useful in the future. I indicated that we would not fund a similar project again, pointing out that the project had not received the day-to-day supervision of professionals which I consider to be a fatal flaw in the design. On the other hand, I did re-affirm OEO's intention to continue to conduct research and demonstration projects aimed at reaching the hard-core poor--and particularly youthful poor--with constructive alternatives to violence. I pledged that we would continue our efforts to provide education and job training in an attempt to make productive citizens out of these wasted human resources.

OEO had increased its activities in rural areas, had appointed an Assistant Director for Rural Affairs, James Templeton, and had, for fiscal year 1968, reached a new high of more than $550 million for funding rural programs as well as a record 30% of all CAP money being allocated to rural areas. Additionally, OEO had stepped up training and technical assistance programs, increased the proportion of research and development funding, and promoted the use of cooperatives in solving problems of the rural poor.

The question he could not answer in any detail, Harding said, was "what lies ahead?"

On October 23, 1968, President Johnson had called Harding, Acting Deputy Director Perrin, senior staff members and the Regional Directors to the White House Cabinet room. The President reviewed highlights of the national effort to eliminate poverty in the country, listed a number of outstanding accomplishments and congratulated the gathered officials for their efforts. Each of them could justifiably say, the President said,

that "I was there. I helped to change the lives of men and women for the better." The work, the President said, "must go on." There were still 27 million Americans living in poverty, a fact that made it imperative for "that work to go on."

"Sometimes they tell us," the President continued, "in an election year, 'Tell it as it is.' Well, there it is, regardless of the kind of politics you preach--whether you preach the new politics, or the old politics, the politics of confrontation or whatever-you-want-to-call-it politics. So, there are two jobs, really, as I see it, that lie ahead that will face the man who will sit in the chair that I occupy on January 21.

"First, he will have to sustain what we have begun. He will have to make sure that those who have crossed the poverty line are not allowed to be neglected and slip back.

"Second, he will have to chip away at the remaining 27 million--not 35 million. He will have to do it slowly, patiently, and relentlessly. The easy case histories are pretty much behind us.

"When I took office in November 1963, I said we must continue. Now, after five years, that is still the best advice I can give you. We must continue."

The theme was stressed by Harding in his December 4 report, which concluded: "In summary, we have accomplished much during the past four years, and within the last six months. Much remains to be done. And I am confident that the next administration will have to devote itself to continuing this great effort."

That confidence was not, in any noticeable degree, the content of the flow of newspaper and magazine comment and speculation as to what the course of OEO would be in the Nixon Administration. It was true that there was not a great deal to go on, but what there was did not seem promising. It was an attitude based on a number of pointed indications, the most important being those statements made by the President-Elect himself. In his acceptance speech in Miami Beach, for example, Mr. Nixon said that government programs for the poor had raised "an ugly harvest of frustrations, violence and failure across the land." Rather than government inspired and aided job programs, housing and welfare projects, the country should enlist its "greatest engine for progress ... .American private enterprise."[3] And, during the campaign Mr. Nixon had declared of the Job Corps, "This is one program that has been a failure. It sounds good, but it costs $10,000 a year to train a man for a job that may not even exist. That's the government's way of doing it. As an alternative, I believe we should give a tax credit to private enterprise to train the unemployed for jobs that really exist. That's the way to cope with the youth unemployment problem in the nation, not a federal job corps program."[4]

The $10,000-a-year Job Corps training figure cited by Mr. Nixon (he also had used a $12,000-a-year estimate during the campaign), was con-

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3 Quoted in the New York Times, November 15, 1968.

4 Quoted in the Detroit, Michigan, News, November 21, 1968.

tested by Job Corps Director William P. Kelly. The average cost, said Kelly,[5] was about $6,725. The figure had decreased from a high of about $8,470 in 1966, shortly after the program began. Elsewhere,[6] Acting Deputy Director Perrin had pointed out that Mr. Nixon might have been unaware of the fact that American industry and business was already importantly involved in OEO programs and had been for some time. For example, he said, of 24 urban Job Corps centers for men and women throughout the country, 16 were operated by private corporations while the remainder were under the management of universities or social service agencies. American corporations carrying out OEO programs included, Burroughs, General Electric, Ford-Philco, International Telephone and Telegraph, International Business Machines, Litton Industries and Packard-Bell Electronics. It was a roster--and only in part--which not even the U.S. Chamber of Commerce--itself a supporter of OEO--could be expected to improve on. As for placement figures, Kelly cited statistics to show that about 123,000 of the 177,000 youths and young women who had enrolled in the Job Corps since 1965 were either working (93,000 earning an average of $1.70 an hour), or were back in school (12,000) or in military service (13,000).

The questions to be answered by Mr. Nixon's staff in considering OEO, said Perrin[7] were: would they recommend the continuation of OEO

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5 Quoted in the Chicago, Illinois News, November 30, 1968.

6 In an interview, the New York Times, November 14, 1968.

7 Ibid.

as an independent agency; to what extent should it be funded; and, if it were to continue, which of its programs should be retained.

Meanwhile, Mr. Agnew had made a number of statements which, if they represented the President-Elect's viewpoints and plans for OEO, held little promise for the Agency. On December 9, 1968, Mr. Agnew addressed the annual meeting of the National League of Cities in New Orleans, and, according to the New York Times, "tried. . .to assure the nation's city officials that they would have the cooperation of the new Republican Administration." The Times account said:

> He said that the immediate problem facing the country was 'to scale down the gigantic Federal establishment' and recommended 'transfer of many feasible functions to state and local governments.'
>
> In the last 10 years, he said, a number of programs of 'social significance' have been created by the Federal Government. He said that some had been administered by private agencies, later identifying those agencies as the community action programs of the Office of Economic Opportunity.
>
> He said that such programs had often bypassed state and city governments and had been administered by non-elected officials.
>
> Financing programs operated by individuals responsible to no one is an open invitation to disaster,' he said.

Asked by reporters after his speech if it could be taken as a blueprint for Mr. Nixon's urban policy, Mr. Agnew replied: "If he likes it when he reads it, yes."

The poor, Mr. Agnew said elsewhere during the same conference, should participate in the federal poverty program "where they can make an effective contribution. But let us not confuse the disclosure of symptoms as a substitute for the wisdom of trained professionals. All

too often participation of the poor has been construed to mean playing both patient and doctor, when all too often the unhappy result has ranged from protracted delay at best to extravagant boondoggling at worst."

Emphasis on a more intensive involvement of business in anti-poverty programs, under a system of tax credits and incentives, was a featured part of Mr. Nixon's campaign statements. A story by Scripps-Howard staff writer Ted Knap, in the Washington, D.C. News on November 26, however, said that the President-Elect "was under considerable pressure. . .from both conservative and liberal Republican leaders to retain the Job Corps despite his campaign pledge to abolish it. These leaders are also urging Mr. Nixon to avoid scuttling other government social programs in trying to fulfill his campaign promise to shift to private-enterprise efforts to solve urban and poverty problems." The story continued:

> Sen. Jacob Javits, R-N.Y., after talking with the President-Elect for an hour yesterday, said Mr. Nixon's campaign statements about how he proposed to fill job and housing needs had been misconstrued.
>
> To transfer these functions from public to private enterprise 'can't be done and shouldn't be done,' Sen. Javits said. He added, however, that government programs could put 'greater emphasis' on private business participation.
>
> Sen. Javits said he continued to favor the Job Corps and would oppose a Nixon move to abolish it 'unless I was shown some better

way to do it.'

> The liberal New Yorker said he sees 'no diminution' of government programs even if the next President persuades Congress to offer tax incentives to private business for manpower training and low-income housing programs, as he pledged in the campaign.

Three weeks later, on December 16, as reported by UPI in the Washington Post, Sen. Javits said he "may oppose any attempt by the Nixon Administration to dismantle the present war on poverty machinery until substitute programs are 'really working. I think what we have to guard against is a speedy dismantling of what we have. . .before other programs can come along and take up the slack.' Javits said he favored President-Elect Nixon's idea of granting business tax credits 'to bring business fully into the war on poverty' but he foresaw a need to extend the 10 percent income tax surcharge, obtained by President Johnson in 1968 after a great deal of effort, beyond the June 30 expiration date to pay for that approach."

The tax-credit financing approach for anti-poverty programs received strong support from Republican Senator Charles H. Percy in a speech before a seminar of the American Management Association, as reported in the New York Times on December 17. Percy told the group, meeting in New York City, that past programs designed to aid the disadvantaged were "inadequate" and that "business has made it quite clear that the tax credit is the form in which it prefers to receive subsidies. He said, however, that the new Congress would probably defeat such legislation. Conceding that existing poverty programs had met with some success, he said that "too often" they have failed "due in large part to inadequate thought and preparation. The present Administration has

too often over-sold its poverty program, and the Congress has too often undernourished its best parts."! He continued:

> As a result of our past history, the present status of urban programs is not as bright as we would like. In general they can be characterized as a hodge-podge of programs, some good, some bad, but most of them confusing and overlapping. The OEO, if not actually dead, as some believe, is certainly in need of a heart transplant.

Percy endorsed the Community Self-Determination Act, proposed during the last session of the 90th Congress, and which had the bi-partisan support of 34 Senators and 48 Representatives. The bill would establish community development corporations formed by ghetto residents. The companies would sell stock, own and manage businesses in the communities with profits being disbursed into social services. Community development banks would issue income bonds backed by a special Federal Reserve escrow fund and Federal tax incentives would be provided to outside companies to establish operations, train local residents and sell the businesses to the development corporations.

The proposals regarding anti-poverty programs to be considered by the Nixon Administration ranged then, from abolishing OEO entirely, to transplanting its programs to different government departments, to instituting a system of tax credits for business to take over ghetto projects and to establishing community corporations under autonomous funding arrangements. It had even been suggested by Rep. Albert H. Quie, a long-standing advocate of OEO reform, that the entire agency, or what was left of it after revision, might be transferred in its entirety to either HEW or HUD.[8] None of them were without critics and

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8 Congressional Quarterly, December 20, 1968, p. 3300.

none of them seemed assured of implementation in full, or even in part, without severe opposition.

A curious and problematical situation arose in mid-December soon after Mr. Nixon announced the creation of a Cabinet-level Council on Urban Affairs with Daniel Patrick Moynihan as its principal staff officer. The Council would be headed by the President Himself, as in the case of the National Security Council. Moynihan's position would be comparable to that of Dr. Henry A. Kissinger, the incoming White House Assistant on National Security Affairs.

The selection of Moynihan, a key member of the first top-level planning sessions for OEO, a highly regarded sociologist and intellectual with decidedly liberal-Democratic credentials, and a former Assistant Secretary of Labor in the Administrations of President Kennedy and Johnson, was widely interpreted as evidence of the catholicity with which Mr. Nixon regarded at least some of the most critical social problems facing the country. Although Mr. Nixon had said nothing programmatic concerning his plans in these areas, the appointment of Moynihan was considered to be a clear indication that, at the very least, he would be receiving knowledgeable points of view which, in the spectrum of national political factions, would be liberal as associated with a largely Democratic point of view and not conservative as was, generally, the Republican approach to social problems. This, at least, had been the Congressional record with regard to OEO, the War on Poverty, and Great Society legislation. Coming back to Federal service on a nominal two-year leave from his position as Director of the Joint Center for

Urban Studies of Harvard University and the Massachusetts Institute of Technology, Moynihan would bring to it the professionalism and up-to-date awareness of one of the country's leading centers for the study of urban problems.

While Moynihan had been critical of the manner in which the War on Poverty had been mounted, chiefly for its failure to include a comprehensive job program, his assessment of the EOA of 1964 was that it could be compared with the English Reform Act of 1867 which had been credited with nothing less than transforming England into a democracy.[9] And, he had ended the key article[10] in which this view appeared by stating:

> American social science can do better, and so it ought. An honorable and on balance honorably fulfilled, desire to be helpful has here and there succumbed to a fear of disappointing or to an alarm at contradicting. That is not the way science is done, nor in the end is it the way a republic can be governed. There are promises to keep. In the dark hours of 1964 a bright and shining commitment was made. That commitment stands, and intellectuals, having played a major role in its establishment, now have a special responsibility both for keeping it alive and for keeping it on the proper track.

Moynihan's views were of considerable interest to persons involved in the field generally and to anyone, in or out of government, connected with the War on Poverty, but they caused, at the time, very little reaction elsewhere. His appointment as chief advisor to President-Elect Nixon, however, quickly gave them an entirely different latitude and emphasis. So when, on December 19, the New York Times broke a release

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9 See the final chapter of the OEO History.

10 "The Professors and the Poor," Commentary, August, 1968.

deadline and printed extensive quotations from his forthcoming book[11] along with a page one story, his views became widely reported news. At the beginning, the Times story and excerpts were the basis for newspaper treatment across the country. About two weeks later, the Washington Post, on January 5, with the permission of the publishers, printed an extensive excerpt from the book. What was surprising was the vehemence with which Moynihan attacked not only the most essential part of the Community Action Program (itself probably the most essential part of the entire OEO structure) but social scientists and intellectuals as well. At the heart of Moynihan's contention was the insistence that the community action program had not only been ineffectual, but manipulatory, ill-conceived and misunderstood from its beginning. It had insisted on experimentation and confrontation with established government and institutions and had aimed at the excitation of the hopes of poor persons (and, predominantly the effect was on poor black persons), without offering them results in any measure to match their expectations.

Moynihan had said, upon meeting the press on the day he was appointed by Mr. Nixon, that while he was on the White House staff "my ideas belong to Mr. Nixon. Advisors have no views. Only the President has views."[12] For those interested in his ideas, however, there were the newspaper stories, the Commentary article, the Washington Post article, and, in February, his book.

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11 Maximum Feasible Misunderstanding, The Free Press, a division of Crowell, Collier, Macmillan, Inc., to be published in February, 1969. The title was a take-off on the bitterly contested and vigorously fought for basic concept of the Community Action Program that the poor of any community should be guaranteed maximum feasible participation in both the planning and the operation of social programs affecting their lives.

12 The New York Times, December 11, 1968.

On December 29, Secretary of Labor W. Willard Wirtz took issue with Moynihan's views on community action. On the American Broadcasting Company's program "Issues and Answers" Wirtz disagreed with the Moynihan contentions and insisted that Community Action Programs were "extraordinarily successful."

> The question is, it has not succeeded compared with what? If the question as to whether it has worked out perfectly (Moynihan) is absolutely right, it has not. If the question is whether we have now found out a great deal about the capacity of local communities, and especially the poorest parts of the local communities, to initiate their own programs for relief, it has.

Wirtz predicted that Community Action programs would be continued but thought they "will undoubtedly. . .be changed to carry the imprint of the new Administration."

On December 24 a prominent Negro leader, Dr. Thomas W. Matthew made public a letter he had sent to Moynihan. Matthew charged that Moynihan's theories would produce a black population of "kept citizens" and would conflict with the self-help policies espoused by Mr. Nixon himself. He called Moynihan's proposals for family allowances and extensive Federal employment programs "reactionary and mechanical."

> The direction employed by President-Elect Nixon's 'black capitalism' offers hope that riots may become obsolete. . .We must regretfully conclude that your understanding of the problem of the blackman in America poses a dangerous threat to the order you so correctly espouse.
>
> Your emphasis on employment and attack on community action misses the point and ignores the basic need of black Americans. People only help themselves when they have pride in themselves. . .
>
> Without community action the employment program you call for would only be a glorified WPA superimposed on the Negro by a 'big daddy' and not a means of stimulating the Negro to propel himself

into self-help. It is here that you contribute to the possibility of more riots.

It seems clear that controversy, born with OEO, would continue to attend it under the Administration of Richard M. Nixon as it had, continuingly, under the Administration of Lyndon B. Johnson.

Meanwhile, as the January 20 Inaugural Day drew closer, OEO was completing its fourth Five Year Plan.[13]

Like the previous Five Year Plans the most recent--and possibly the last--OEO prospectus for eliminating poverty in the United States was a reasoned, objective, candid and low-keyed brief. It would be difficult to discern, from the temper of its language, that nothing short of what could be one of history's greatest achievements--a society of 200 million persons, none of them poor--was being proposed

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13 For an account of the development of the OEO Five Year Plans see Chapter Four, pp. 617-626 of the OEO History.

as distinctly realizable, as well as the steps necessary to achieve it. And although a target date for the goal was not 1979, the period in which it could be reached, given the implementation of its proposals, remained constant.[14] "We believe that these recommendations will achieve the national goal of raising all persons over the presently-established poverty lines during the next ten years," said a memorandum, which summarized the recommendations of the Five Year Plan, from Harding to President Johnson. "The major weapons are economic growth, opportunity programs (manpower, education, etc.) and income maintenance. Each will contribute about equally to removing poverty in the desired time frame. Thus, opportunity programs coupled with a continuing high level of economic growth will treat effectively about two-thirds of the poverty problem. However, a residual group--mainly persons in aged and female-headed families--will remain who will not be helped by growth or opportunity programs and will instead need continuing and increased transfer payments."

The opening section of the memorandum continued:

> It should be noted at the outset that the tools of the program presented below go beyond 'mere' elimination of income-defined poverty over a ten-year period; after all, money transfers alone can eliminate poverty. But the opportunity programs are designed to help the individual and family to gain the capacity to stay out of poverty through their own efforts. Further, the programs attack intergenerational poverty. Pre-school programs, for example, will have little direct effect on poverty in the next ten years, but they are needed if poverty-producing conditions are not to reproduce themselves. And, programs such as Head Start may well continue after 'income' poverty has disappeared. However, our program estimates concern only the poverty population. Finally, programs like Community Action complement the direct earning op-

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14 The Five Year Plan for 1966, for example, had proposed a target date of 1976, the 200th anniversary year of the Declaration of Independence.

portunity programs. Although their stress on such matters as community participation and self-determination are not directly related to earning capacity, they are essential to changing the underlying conditions which perpetuate poverty.

In short, our primary standard for measuring the effectiveness of programs is the capacity to eliminate income-defined poverty over the next ten years but other standards involve more fundamental change and human dignity.

The recommended programs would cost, the Plan estimated, $8.8 billion more than the existing FY 1969 total national anti-poverty budget of $30.4 billion in the first full year of their operation. The costs "are less than the annual increase of tax revenues at present rates." Subsequent costs were projected as being $39.2 for FY 1970; $42.3 for FY 1971; $44.6 for FY 1972; $45.7 for FY 1973; and $46.2 for FY 1974, (all in billions of dollars). Preliminary estimates were that the second five years of the ten year goal would involve "no more than minor increases beyond FY 1974."

It had to be recognized, the report said, "that there are tremendous gaps in our knowledge in a variety of areas. Among these, two stand out: educating ghetto children; and, community relations between the city and its minority groups.

In the former case, we must begin a well-conceived and well-designed research and development effort to find ways of coping with the learning problems in the ghetto. One thing we do know is that we can no longer lay the money on the stump and run, as under the Elementary and Secondary Education Act, and ever expect to find out new ways of educating children.

The area of community relations is so complex and volatile that there is little we can say definitively. It does seem reasonable, however, to plan programs in this area with two basic components. First, the programs need great flexibility to respond to local needs and demands. Second, and this does seem very clear, increasing the knowledge available to residents of poor neighborhoods is going to improve the effectiveness of the programs which they recommend. Hence, there is strong emphasis in our programs on developing a knowledge base flowing from legal services, VISTA Volunteers, and training and technical assistance in community relations.

The Plan went on to strongly recommend Federal implementation of a negative income tax as the foundation of a nationwide effort to help those beyond the reach of opportunity programs. And, through its positive work incentive features, it would also provide a major link to the opportunity programs. "Since our recommendation of a Negative Income Tax in our first Five Year Plan, our belief has not diminished that a national Negative Income Tax with eligibility based only on income is a high, if not the highest, priority item in a meaningful war on poverty."

The Plan went on to examine and to recommend programs in manpower, education, housing, health and nutrition. It was pointed out that the JOBS program, funded largely with OEO and MDTA funds, had become the primary private sector vehicle. While it was too early to have accurately measured its effectiveness, results already indicated nevertheless that funds for JOBS should be increased materially. "Right now JOBS appears to be the best manpower program for the future. Given the new Administration's stated preference for the broad business incentives exemplified by tax credits, it is important to note that the JOBS financing arrangements have broadened." New JOBS contracts, the Plan pointed out, allowed employer reimbursement varying with wages paid to the employee, plus a fixed amount for supportive services. "So we have a fixed amount plus the formula amount based on wages--very close to a tax credit." In addition to the JOBS program in the private sector the Plan recommended a public employment program combining

relatively low level subsidized public employment and programs, intended to lead directly to regular public service employment, a kind of public sector version of JOBS. OEO would continue to work for greater coordination and consolidation of the entire manpower effort at the local level.

In the field of Education, the Plan said:

> The point is patently clear that our educational research, evaluation and demonstration efforts must be restructured and redirected. How to do this is not going to be an easy task. Educational research, evaluation, and demonstration programs must be made a national effort with a primary focus of finding better means of educating the disadvantaged, and our detailed plan provides specific recommendations for doing so.
>
> As a start, the HEW educational research and development evaluation efforts need to be redirected and restructured. First, a much greater proportion of the research and development funds should be directed toward the improvement of compensatory education. Such funds while infinitesimal in terms of expenditures for operational programs are vital to and should precede larger operational undertakings. Second, the function should be established as the high priority activity of the Office of Education, with this priority reflected in a very high level staff. We must immediately build with the Office of Education a staff capable of designing statistically and conceptually sound methods for studying means of improving compensatory education programs.

With regard to health programs the recommendation was, given the facts of "political reality," not to "push expansion" generally. This was because "all we really know about health is that we know nothing whatever about the effects of the health programs in doing anything to end poverty through increasing a person's earning potential."

> We believe that bad health, at least among some categories of the poor, had something to do with causing poverty and we are pretty sure that our health programs have something to do with improving health for those people we reach. We do not know if those people are the people who can be helped out of poverty through health and thus we do not know, really know, whether our health program has any causal effect on reducing poverty.

> We do know that--perhaps surprisingly--health already has the lion's share of the 'active' anti-poverty budget, outside of transfer payments.
>
> . . .We are very much in favor, however, of expanding the OEO Comprehensive Health program and Federal family planning efforts. . .We feel that these programs merit rapid expansion within the health category, but that the health category overall need not increase in proportion to the total anti-poverty budget. Family planning in particular has a high benefit cost ratio, and should be pushed hard.

The generalities which applied to health were true as well in the field of housing:

> We do not really know what connection bad housing has to earning potential--the connection may be even more tenuous than that between bad health and poverty. We suspect that maybe it is necessary to get decent housing and to desegregate in order to achieve direct anti-poverty effects, and we are pretty sure we can't desegregate on any scale now without a massive Federal commitment. While housing is not a major income generating weapon, it is also true that fairly small income increases to above the poverty line will not necessarily allow persons to obtain adequate housing. And, decent housing itself is a desired goal. The supply is short and, unaided, is not going to increase as low level incomes rise.
>
> Our recommendations essentially involve following the Ten Year Housing Program and utilizing the tools provided by the 1968 Housing Act. We have recommended changes, however, that would further open the new supplemented home ownership and rental programs to poor people. We also recommend that racial and economic desegregation be the paramount feature of the public housing program and other housing functions of the Federal government.

Bad nutrition was considered to be in a different category than health and housing, despite the fact that very little was known about its effect on poverty. There was basic research, however, which indicated that nutrition deficiencies might be the cause of permanent brain damage. There was also "very tentative, scattered evidence that

diet deficiencies may impede a child's learning."

> Thus, we propose priority attention be given to 'special package' programs to reach mothers-to-be and the very young through the family institution; and expanding those phases of child nutrition programs targeted to poor youth and schools in poorest neighborhoods. Beyond this, preventing hunger would seem to have such a high goal value as to have an equal claim with proven poverty-reducing programs on federal outlays. Should major new income maintenance and public employment programs not develop, the outlays for nutrition would need to be expanded much more massively than our suggested levels to meet the end.

The Plan's comments on Community Action, which it viewed steadfastly as a "catalytic" program, were of particular interest in the light of OEO's intensive years of experience with it, and Moynihan's harsh commentary. In a special section, the Plan's view was:

> OEO's community action strategy rests on two basic concepts:
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> 1. The residents of concentrated areas of poverty (be it rural county or an urban ghetto) should have a major role in determining programs and policies that affect them directly. This statement is not only normative, but also positive--resident participation makes for more effective programs. Clearly, this major role for the poor presents a dilemma. It is reasonably likely that a milieu can be established in which concerned residents at the neighborhood level can have a significant policy voice. However, once such 'bottom up' initiative is developed, the nature of the program and policies chosen becomes difficult to predict. Precise planning is much more compatible with a 'top down' structure. The inherent problem of predicting what programs will emerge is further complicated by the ferment in the ghettos. OEO, just as everybody else, is befuddled by the nature of black-white relationships in the central city.
>
> 2. Neighborhood groups should have available sources of expert knowledge to help in their decision making, and such knowledge should make the group's effort more effective. Put simply, if a poverty area neighborhood group is concerned with urban renewal, it will be more effective if it gets advice on city ordinances relevant to urban renewal. So for that matter would a non-poor group (and in fact that is the way such groups do behave).

> . . .The first concept needs further comment. Poverty as it is perceived in the United States is largely a group problem. That is, it is a key social problem because of the high incidence of income poverty in certain demographic groups. Community Action as a process is an attempt to attack directly this group poverty, and the objective of Community Action in this sense is to build and to change institutions. It is to build institutions within the groups which have a high incidence of poverty, and it is to change the institutions which have been keeping these groups down. It is an aid to groups which want to help themselves. In this sense the oft-quoted statement that the OEO program is a hand-up rather than a hand-out is particularly germane.
>
> The Community Action program is an attempt to build the institutions which will enable members of these poverty groups to aid other members--which will aid the groups themselves to aid other members. And it is an attempt to change the institutional structure of the overall society in which these groups exist in order to reallocate resources to these groups.

Based on these concepts, the Plan called for a large-scale increase in the program to develop neighborhood institutions under the Community Action Program. And, to support the emerging neighborhood organizations OEO planned to emphasize three "knowledge-base" activities--Legal Services, VISTA, and CAP Technical Assistance. It added, "it must be clear that these activities are viewed as primarily sources of knowledge not of leadership."

The extraordinary thing about the Five Year Plans was that, from the very first one, each had included recommendations for the very programs which critics of OEO (excluding those whose solution to poverty in the United States was to abolish the only Agency ever to have been devised to deal with the problem), had, much later, blamed the organization for not having. What the impact of OEO would have been had they been accepted, as early as 1966, remained one of the more

cogent questions confronting anyone interested in the situation of poor Americans in 1969.

No one could know if the projection for the conquest of poverty in the United States by 1976 would have seen fulfillment had its programs been carried out. Nor, in January, 1969, could anyone know if that goal might be reached in ten years' time, according to that formula compounded in uneven parts of hard knowledge, science, experience, and hope, unless it were to be tried.

On December 1, 1968, OEO announced its program allocations for the fiscal year 1969. Most notable was the increase of employment programs for hard-core unemployed funded by OEO. Out of the $1.948 million appropriation approved by Congress in October, $937 million had been allocated to employment program as compared to $807 obligated the previous year. Other OEO programs for FY 1969 were generally to continue at existing levels. The largest increase in allocations was for the JOBS program with the allocation rising from $70 million the previous year to $162 million. Other employment programs to be increased slightly were the Concentrated Employment Program up to $83 million from $74 million, and the Special Impact Program, up to $22 million from $20 million. The out-of-school Neighborhood Youth Corps Program would go from $96 million to $130 million; Operation Mainstream from $22 million to $41 million; summer Neighborhood Youth Corps from $114 million to $125 million; New Careers from $8 million to $19 million.

The increased allocations were expected to provide greater in-

vestment in programs serving the elderly poor and more assistance to the poor in rural areas. Head Start appropriations would remain at $318 million; Head Start Follow-Through would go from $15 million to $30 million; Comprehensive Health Centers from $33 million to $60 million; Family Planning from $9 million to $13 million; Emergency Food and Medical services from $13 million to $17 million; Legal Services from $36 million to $42 million; Local Initiative from $321 million to $332 million; and Upward Bound from $32 million down to $30 million. The Job Corps would drop from $282 million to $280 million; Migrant programs would go up from $25 million to $27 million; and VISTA up from $29 million to $32 million. The Job Corps and Upward Bound allocations did not reflect a reduction in the level of activities; because of carry-over funds, the programs would carry the same or an increased number of slots for FY-1969.

In terms of persons served, these were the figures:

- Full-year Head Start would remain constant at 218,000
- Summer Head Start would remain at 477,000
- Job Corps would remain at 36,000
- VISTA would rise from 4,300 slots to 4,900
- Upward Bound from 25,000 to 26,000
- Comprehensive Health Centers from 960,000 to 998,000
- Legal Services from 475,000 cases handled to 600,000.

On the night of January 14, President Johnson in his farewell State of the Union Message to a joint session of the Congress reaffirmed his belief in the nation's anti-poverty efforts. "Nothing is clearer," he said, "than our commitment to end poverty." Quoting the preamble to the Economic Opportunity Act of 1964, that: "It is the policy of the United States to eliminate the paradox of poverty in the midst of plenty in this nation,"[15] the President warmly recommended its continuation. While the anti-poverty program had had "many achievements, and some failures," the country should not grow impatient with it, "after only three years of trying to remedy human problems that have been building for generations." He thought the Congress would want to "improve the administration by reorganizing the anti-poverty program--and continue it until we have broken the back of poverty in our land."

The following day, on January 15, the President submitted his final Budget Message to Congress and recommended that OEO be funded with a budget of $2.18 billion for fiscal year 1970. He also called for legislation continuing the agency for two years.

"The Economic Opportunity Act," he said, "has been successfully administered by the Office of Economic Opportunity, and should be ex-

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15 The country, the President said, was close to full employment with the unemployment rate down to 3.3 per cent; the number of jobs had grown by 8½ million in the preceding five years, more than double the total of the preceding 12 years; there was to be a $2.4 billion surplus for the fiscal year ending June 30, 1969, and one of $3.4 billion for fiscal 1970; and, the country achieved a surplus balance of payments for 1968, better than in any year since 1957.

tended for two more years." Most of the increase in the budget recommendation, he said, should go toward manpower training and community action programs, moves which OEO had already outlined for its 1969 ongoing programs.

While it seemed clear that the individual programs engendered by OEO would continue, the form of the agency which brought them into being would depend on the recommendations of the Nixon Administration and the determination of the Congress.

On January 6, 1969, in the first session of the 91st Congress, Rep. Carl D. Perkins, Chairman of the House Education and Labor Committee, had introduced a bill to authorize the continuation--for five years--of the poverty program under the direction of the Office of Economic Opportunity. It was designed to provide for the continuation of programs authorized under the Economic Opportunity Act of 1964, to provide for adequate lead-time and for planning and evaluation in such programs, and for other purposes."

The measure was given the title H.R. 513.