

# The Not Yet Complete New Turnabout in Dealing With Federalism: U.S. Needs and Problems

By David S. Broder

IT WAS HEADED by a President whose prime interest lay in foreign policy. It was harnessed to an economy whose rampant forces it never learned to discipline. It was hectoring and hampered throughout its life by an opposition-controlled Congress.

For all these reasons, and more, the Nixon administration was about as weak a contender to make a significant contribution to American domestic policy as any government in recent history.

And yet, historians of a future age may look back on Richard M. Nixon's 5½ years in office as a time when a significant turnabout occurred in the way the American people and the American government attempt to deal with their needs and problems.

It was a change designed to shift the initiative in domestic decision-making out of Washington and into the states and communities, the private institutions and individual families of America. It was what Mr. Nixon called New Federalism, or the New American Revolution.

It did not happen during his 5½ years, but if his successor, Gerald R. Ford, and the Presidents who come later find the beginnings made by the Nixon administration sound, it may yet yield him a place of significance in American domestic history.

Seated in his White House office this week while the President was composing his resignation speech, Domestic Council Executive Director Kenneth R. Cole Jr. mused on what had—and had not—been done in the Nixon years.

Both the man and his job said something about the Nixon approach to the domestic situation. Cole is a young advertising executive, one of many from that field recruited to the White House with what they all conceded to be a stunning lack of background in legislation, politics or the substance of social and economic issues.

The organization he headed—the Domestic Council—was a Nixon invention, one of several new White House agencies created to take the direction of domestic policy out of the hands of old-line Cabinet and agency bureaucracies and place it under control of the President and his aides.

That assertion of direct White House authority over domestic policy provoked most of the major political battles between Mr. Nixon and the Democratic Congress. It led many of his critics to assert that he was, at heart, a man who believed as much as any of his liberal Democratic predecessors that the government knows best, and the President knows better than anyone in government.

And yet when Cole was asked what he thought the historians might consider Mr. Nixon's most significant do-

mestic achievement, he gave an unexpected answer: "Ending the draft."

At first glance it seems an odd reply. Yet if one took seriously the line in Mr. Nixon's first inaugural address that "the essence of freedom is that each of us shares in the shaping of his own destiny," it was not illogical to argue that the end to the government's requisitioning of its citizens' time and bodies, was, indeed, a critically important change.

Then Cole mentioned a series of New Federalism legislative actions in the fields of transportation, agriculture, manpower training, education, housing and community development—all containing elements of eased federal directions and greater choice for individuals and local governments.

"Each one of these sets a direction for the future that is really a reversal of the past tendencies to make the decisions in Washington and hand them down the line," Cole said. "It will not be easy to continue in this direction, given the forces of opposition in Congress and the bureaucracy, but at least a substantial momentum has been built."

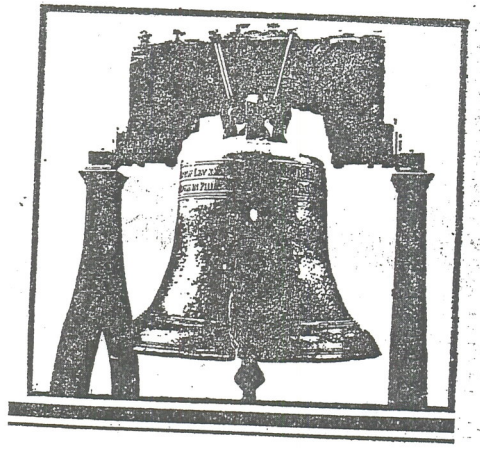
DOCTRINALLY, MR. NIXON set his goal to reduce the direct role of the federal government in American domestic life from the very start of his administration. "In this past third of a century," he said on that January day in 1969 when he took the oath of office, "government has passed more laws, spent more money, initiated more programs than in all our previous history . . . We are approaching the limits of what the government alone can do."

That message was framed in the classic rhetoric of conservatism. It was a tone that both circumstance and political inclination—his own inbred skepticism toward Washington bureaucracy and the country's weariness with the social programming of Lyndon Johnson's Great Society—made natural.

But the rhetoric collided with the reality of Richard Nixon's Washington—and produced an astonishing jumble of results.

His five years saw a 60 per cent increase in the overall federal budget, a doubling of domestic spending. There was a vast expansion in food and income supplements for the elderly and the needy, a significant budgetary shift from defense to domestic welfare purposes, and even the birth of the first major federal subsidy for the arts.

Even more unexpectedly this conservative President, who carried to the Oval Office his own personal memo-



ries of the paper-shuffling frustrations of the wartime Office of Price Administration, found himself ordering and enforcing a system of peacetime wage-and-price controls which he later described as "discredited patent medicine."

The economy was the bane of Mr. Nixon's existence. An ill-timed recession embarrassed his political hopes for control of Congress in the mid-term election of 1970, and the rampant inflation, consistently underestimated by his advisers, forced him into policies he himself detested.

If the minimal standard of performance expected from a conservative administration is the protection of the dollar and the preservation of a degree of economic stability, then the Nixon administration was a failure.

"The only thing we learned," said Cole, "is that no one here is smart enough to manage an economy as big and complex as this one."

They also demonstrated that despite the rhetoric of law and order that marked the Nixon campaigns, the national government possesses relatively few tools that directly influence the safety of the cities' streets.

And they showed that there is a huge gap between announcing environmental and energy policies and accomplishing a reasonable accommodation between the needs of the nation for reliable fuel supplies and the desire for clean air, water and land.

Only some of these developments in the Nixon years came about because he willed them. Others represented his response—or his acquiescence—to political and economic forces beyond his control. For the same Richard Nixon who asserted his strategic command of the foreign policy area immediately upon taking office was never in 5½ years able to gain that leverage in domestic affairs.

But he had his moments. One of them came almost at the end. Just last

month the same Supreme Court that had sealed his fate by forcing disclosure of the devastating June 23, 1972, tape, handed down its decision on cross-district busing.

From the start of his 1968 campaign, Mr. Nixon had pledged himself to oppose busing pupils out of their own communities and neighborhoods for the purpose of integration. He made each of his Supreme Court appointments with that issue in mind — suffering rebuffs from the Senate twice on the confirmation of his nominees.

But in the end, the four he appointed justices comprised the heart of the 5-to-4 majority by which the high tribunal ended its 20 years of consistent pressure for desegregation. In the Detroit case, the court ruled that busing between cities and suburbs was not justified, as a general rule, in the cause of integration.

There were other good moments for Mr. Nixon in domestic policy. One of them in particular, at Independence Hall in Philadelphia, on Oct. 20, 1972, may not only prove a consoling memory for the deposed President but be marked as well as a date of significance by the historians.

That day Mr. Nixon signed the general revenue-sharing bill. He had sought it for three years, and finally obtained it from the Democratic Congress. It was the keystone of his New Federalism program.

Its purpose, he told the mayors, governors and congressmen who symbolized by their presence the three tiers of American government, is "to renew the federal system that was created 190 years ago" and to demonstrate that "we believe that government closest to the people should have the greatest support."

**G**ENERAL revenue sharing—lobbied through Congress by a bipartisan coalition of local officials—pledged

roughly \$6 billion a year of no-strings aid for five years to the 38,000 units of state and local government.

By itself, it was not much more than a few drops in the bucket—barely one-seventh of the total federal aid to states and cities.

But the concept, though originated by Democratic economists Walter Heller and Joseph Pechman, represented a sharp break with the underlying philosophy of past Democratic programs—the notion that federal dollars should be targeted to federal priorities and tied down by federal regulations, even if spent by state and local governments.

General revenue-sharing had quite a different premise. The assumption was that the national interest would be better served if the revenues generated by the federal income tax mechanism went back to states and cities. They, in turn, would use them at their discretion for objectives that seemed to them important.

Critics claimed this was a "cop-out" policy, one that would work against those citizens and groups who lacked political power in their own communities. But Mr. Nixon insisted it was the American way to achieve the goal of "returning power to the people."

In his view, this was part of a much larger design for the decentralization of domestic decision-making. He referred to this concept on numerous occasions as New Federalism or the New American Revolution.

Realistically, there was more slogan than substance to his grand design. Administration planners, preoccupied with the political problems of maneuvering revenue sharing through a skeptical Democratic Congress, did not raise the hard questions of which units of local government should share in the federal largesse—or how well-

equipped they were to handle their new responsibilities.

Many of the Nixon administration's companion measures to give local officials flexibility in their use of categorical grants-in-aid for housing, health, education and a hundred other purposes were delayed or defeated in Congress.

But as Cole sat in his White House office this week, he ticked off a series of legislative enactments that complement the basic philosophy of New Federalism. Transportation policy has been changed to allow cities some choice on using portions of highway money for mass transit.

The 40 years of direct farm subsidies from Washington were ended by the Agricultural Act of 1973. This year's manpower, education and housing bills contain elements of the kind of decentralization and flexibility that Mr. Nixon was seeking.

But to the extent that New Federalism was part of a grand design for the reorganization and reorientation of domestic government, it was still in its infancy when Mr. Nixon was driven from office.

**H**E HAD HOPED for and proposed the reorganization of the Executive Branch to make it a more capable partner—if a less domineering one—in the federal system. He wanted to merge the old-line domestic Cabinet departments, with their strong constituency interests, into four functional "super departments," addressing human needs, energy, the environment and natural resources, the economy and community development.

Congress and the interest groups were cool to the idea, and Mr. Nixon kept improvising new White House coordinating agencies, in the process building the largest presidential staff in history.

## THE NIXON YEARS/

In addition to the Domestic Council and its myriad subcommittees, there came to be a Council on Environmental Quality, an Office of Telecommunications Policy and a Council on International Economic Policy. The old Bureau of the Budget became the Office of Management and Budget—but none of these devices necessarily left the government more manageable than Mr. Nixon had found it.

Similarly, Mr. Nixon was unable to score the breakthrough he had sought in transforming the character of the federal government's relations to individual citizens in need of help in meeting their human needs.

Mr. Nixon came to office with the belief that the turmoil of the 1960s—and particularly the wave of urban riots—had been provoked by the government's habit of promising more than it could deliver.

Moynihan, the revisionist liberal Democrat he recruited for the White House, suggested an escape from this dilemma might be found in the policy of other industrialized nations: supply direct cash assistance, on a sliding scale, to all those who fall beneath a defined standard of income.

After intense debate within the administration, Mr. Nixon in 1969 committed himself to the Family Assistance Plan—a bold and expensive proposal to put a floor beneath the income of every family, in every state, not just those on welfare but also, and importantly, the "working poor."

The legislation was caught in an immediate crossfire between those who insisted its benefits were degradingly low and those who argued it was creating additional millions of handout dependents.

It passed the House once in Nixon's first term, but the negotiations for compromise in the Senate were never completed—largely, many participants felt, because Mr. Nixon himself had had second thoughts about the wisdom of the scheme. One of the White House tapes shows him telling an aide, "There ain't a vote in it."

Some associates saw in this off-again-on-again pattern a reflection of Mr. Nixon's own intermittent attention to domestic issues. Others said it was because he never found among his set of domestic advisers—Patrick Moynihan, Arthur Burns, George Shultz, Caspar Weinberger, Elliot Richardson, Kenneth Cole or Melvin Laird—the single compatible, systematic approach that he drew from Henry Kissinger in foreign affairs.

**D**ESPITE THIS, the Nixon years did see—partly, or even largely, as a result of congressional initiatives which he was persuaded to accept—great increases in payments to the elderly through Social Security, and a significant expansion of food distribution to the needy.

While full reform of the welfare system, as envisaged by the Family Assistance Plan, was not accomplished, the federal government did take over from the states full responsibility for the aged, the blind and the totally disabled.

What else might have happened, had he been given another 30 months, or had he ever had the cooperation of a Congress controlled by his own party, is, of course, a matter of speculation.

At the time of his re-election in 1972, with a 49-state mandate and a massive popular-vote majority, Mr. Nixon moved boldly to assert his own concept of domestic policy.

He laid down a series of impoundments of congressionally appropriated funds that told the Democratic legislators, in effect, that he would not sanction spending in the domestic field for purposes he did not approve.

He challenged Congress to a "battle of the budget," and seemed, in the wake of the truce in Vietnam in early 1973, to have popular support for pressuring the Democrats to accept his own sense of national priorities.

But that turned out to be but a brief interlude. Within weeks, he was embroiled in the long fight to save his administration and himself from the spreading scandal of Watergate. His energies were diverted from domestic legislation to that battle. The resurgence of inflation, spurred by the Middle East oil embargo, added further to his woes.

Congress and the courts rallied to reject his claims of authority to impound funds or reorganize whole departments.

At the end, he left his successor a Congress newly aware of its own prerogatives and newly equipped with a budget-making mechanism of its own.

He left him a nation more tranquil on the surface, but more disturbed at its depths, than he had inherited in 1969.

But he also left Gerald Ford with the germ of an idea—an idea that the full resources of American institutions, state and local governments, as well as private individuals and institutions, might be mobilized to meet the needs of the nation.

And if that idea proves fruitful, Mr. Nixon may be more kindly remembered for his domestic policies than seems likely today.

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