

Because the taxpaying public has been assessed for vast sums in recent years for relief and assistance programs, and because sufficient time has elapsed for public officials to have passed the experimental stage in dealing with the problem, it is timely to ask "Is the present relief program—Federal, State and local—adequate and effective?" Such is the question which I am asked to attempt to answer in this discussion.

No one can help but regard the subject under discussion as one of major importance. We have witnessed during the past seven years an extension of government activity in this area and an increase in expenditures such as was unthought of in the late 1920's. The growth has been so rapid, the enactment of legislation has been so fast, as to make it almost impossible to keep abreast of nationwide developments. That the present holds many problems and questions for the future cannot be gainsaid. Therefore it becomes our responsibility to bring to bear upon this function of government the best critical analysis and planning of which we are capable.

There was a time within the recent memory of all of us when expenditures for relief to persons in need were but a small percentage of the total cost of government. Figures are lacking for the years prior to 1933, but we know that in the years before the depression public relief was largely a matter of local responsibility and few, if any, state budgets made any provision for this purpose. Federal appropriations were, of course, completely absent from the picture.

Today, the combined Federal, State and local governments spend for public assistance and earnings of persons employed under Federal works programs, around \$274,000,000 per month (February, 1940). And this assistance is extended to an estimated six and a half million households, comprising a number estimated to be 18,700,000 persons.

Estimates of unemployment during the 1920's show that during that period of relative economic prosperity there was already a sizable body of unemployed persons. It was not, however, until the downswing of 1930 and 1931 that the problem became so severe as to call for united national action. A few states led the way in providing funds for unemployment relief until finally, in July, 1932, the Congress enacted the first emergency relief act, authorizing the Reconstruction Finance Corporation to lend Federal money to the States for the relief of unemployment. Events thereafter followed in quick succession; the bank failures of 1933, the creation of the Federal Emergency Relief Administration, the overnight springing up of state emergency relief agencies to receive and expend tax money for the relief of distress.

Looking back over this period we cannot but become aware of the new principles of government which thereby became firmly established in our political life. In the first place, we witnessed the legislative creation of a new form of Federal grant-in-aid. Not that Federal grants-in-aid were new in themselves. We were familiar with them, through long experience, in the fields of highway building, agricultural extension, forestry, and so on. But the principle of Federal grant-in-aid had never been extended to the granting of relief. Secondly, we witnessed the introduction of sizable amounts into State budgets for the same purpose. The resources of the cities and counties would have been totally inadequate to meet the problem as it then confronted us.

Inherent in this broadening of the financial base was a widespread acceptance of the belief that the causes of human distress were not local but national,