

FEDERAL AID FOR RELIEF

BY

EDWARD AINSWORTH WILLIAMS

SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS
FOR THE DEGREE OF DOCTOR OF PHILOSOPHY
IN THE
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PREFACE

THE industrial depression which was heralded by the stock market crash of 1929 found the United States unprepared to meet a major relief problem. Poor relief was generally considered to be a state, and more particularly a local problem, with private charity playing a supplementary role. The basic relief legislation in 1929, the respective state poor laws, had not been much improved since the creation of the Republic. Their inadequacy prompted the establishment of public and private emergency local relief agencies in 1930 and 1931; by the close of the following year many state emergency relief agencies had been created. Finally, in 1933 the Federal Emergency Relief Administration was established to make grants to the states to assist in meeting the relief problem.

The primary purpose of this study in administration is to describe the gearing of federal emergency relief into the American system of government through an extension of the familiar grant-in-aid system, and to outline the new federal-state relationships which developed during the period that grants were made by the Federal Emergency Relief Administration. The opening chapter sketches the background of local relief activity from which federal grants for relief developed. The second chapter analyzes the statute providing for the creation of the Federal Emergency Relief Administration, outlines the administrative set-up of that agency, and indicates the size of the problem which was faced. The F. E. R. A. soon decided that it must exert its powers as a dispenser of federal funds to ensure the attainment of three main objectives: adequacy of relief, work for employable needy persons, and diversification of the program to fit the various groups requiring relief. The third and fourth chapters deal with these main objectives of the federal grant agency and the administrative techniques and control devices that were used in an attempt to attain the goals. In order to illuminate the F. E. R. A. grant system, the direct

federal method employed by the Civil Works Administration is also discussed for comparative purposes.

The working out of an equitable allocation of relief funds to the states, perhaps the most difficult administrative problem encountered by the F. E. R. A., is discussed in chapter 5. The concluding chapter is concerned with the liquidation of the F. E. R. A., an event resulting from a new and major redivision of governmental relief responsibility in 1935. During that year unemployables are returned to the care of states and localities (with federal assistance for certain classes provided under the Social Security Act) while the federal government inaugurated a large work program for the able-bodied. The sketching of this development leads to an evaluation, from the administrative point of view, of the advantages and limitations of the federal grant method as a means of meeting various aspects of the relief problem.

The writer owes much to several members of the faculty of Columbia University. To Professor Arthur W. Macmahon, grateful acknowledgment is made for his assistance and interest throughout the preparation of this study. Dr. Eveline Burns contributed many valuable suggestions as the study progressed. Sincere thanks are due to Professors Schuyler Wallace and Lindsay Rogers for a number of useful editorial suggestions.

Many helpful criticisms were made by V. O. Key, author of *The Administration of Federal Grants to States*. Paul V. Webbink, at present Director of the Committee on Social Security of the Social Science Research Council, graciously reviewed the early chapters of the manuscript.

In 1935 the author joined the staff of the F. E. R. A. at Washington as associate editor of the Monthly Report of that agency to Congress and is at present in the Division of Statistics and Economic Research of the Works Progress Administration at Washington. The writer wishes to take this opportunity to thank those of his associates who furnished data and gave him the benefit of their specialized knowledge and experience. Among those assisting in this connection were Assistant

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Administrator Corrington Gill; Emerson Ross, Director of the Division of Statistics and Economic Research; and Dr. Arthur E. Burns, Head of the Economic Analysis Section. Among his other colleagues the writer especially thanks Josephine Brown, Elizabeth Wickenden, Carl Borders, and A. Ross Fox. Valuable assistance on the important problem of allocating relief funds was given by Betsy Knapp, Anita Wells, and L. L. Ecker-R of the Municipal Finance Section of the F. E. R. A., and M. Riggs McCormick of the Grant Section. A special debt of gratitude is owed to Edith M. Curry whose wide experience with the federal relief agencies greatly facilitated the gathering of material for this study.

Finally, my fullest appreciation goes to my wife, Juanita Kerwin Williams. During the preparation of this work she has been a constant source of encouragement, advice, and helpful suggestions.

E. A. W.

WASHINGTON, D. C.,
DECEMBER, 1938.

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THE writer was born in New York City on April 20, 1907. He received a B.S. degree from New York University in 1928, an LL.B. from the Law School of Columbia University in 1931, and is a member of the Bar in New York State. Course requirements for the doctorate were fulfilled during 1931-1934 in the Department of Public Law and Government, Columbia University.

While in residence at Columbia, the writer performed research for the New York State Commission on Administration of Justice and for the Seabury Commission. In 1935 he joined the staff of the F. E. R. A. in Washington and served as Associate Editor of the *Monthly Report of the F. E. R. A.* to Congress. Since the advent of the W. P. A. he has been an Associate Economist with that agency at Washington, D. C.

Previous publications include "A Survey of Relief and Security Programs," in collaboration with Dr. A. E. Burns, published by the W. P. A., and a number of articles in the *Monthly Report* and periodicals devoted to political science.