THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE

WASHINGTON

Dear John:

I appreciate your letter of September 26, 1961, regarding the situation of public assistance programs in the country today, which was acknowledged during my absence. As early as my appearance before the Senate Finance Committee at the hearing on my confirmation, I indicated my determination to review thoroughly all of the welfare programs in the Department and to bring them into line with present day conditions. I have frequently expressed my determination in this regard and events since last January confirm, in my judgment, the need for significant changes in these programs.

Last spring I solicited the aid of a number of outstanding persons in the field of welfare who, after working most of the summer, submitted their report to me. I also requested and received a report from George Wyman, who has had extensive experience in public and voluntary posts in local, State, and Federal welfare operations. I am enclosing herewith a copy of each of these reports.

I have also held conferences with a number of other groups on welfare issues. The recommendations that have been received have been carefully studied within the Department and, on the basis of all of this information, I hope to make constructive recommendations for legislative changes to the next session of this Congress.

Meanwhile, I have come to the conclusion that a number of changes are necessary in our welfare programs which can be taken by administrative action. I will send you in the next few days a copy of the ten actions I am going to take in this area.

Actually there seems to be relatively little public concern about programs other than aid to dependent children. The proportion of the aged population receiving old age assistance has declined in the past decade from over 22 percent to slightly over 13 percent. The growth in the program of aid

to the permanently and totally disabled has not appeared excessive for a comparatively new program that was established by the 1950 amendments. The program of aid to the blind has remained remarkably constant in the number of persons receiving aid through the years.

In your letter you note the very substantial increase in Federal funds for the public assistance programs. An analysis prepared by our staff indicates that of an increase of $1,256,099,000 in Federal funds for public assistance between 1949 and 1961, 46 percent is attributable to new programs or program extensions made under Federal legislation enacted during the 12-year period. These include the new program of aid to the permanently and totally disabled (1950 amendments), the new program of medical assistance for the aged (1960 amendments), the addition of the needy adult caretaker in aid to dependent children, additional State plans received (largely the Pennsylvania and Missouri aid to the blind plans submitted under special 1950 legislation), provision of vendor medical payments (under legislation in 1950, 1956, 1957, 1958 and 1960), and the extension of aid to dependent children to children of unemployed parents (1961).

Another 48 percent of the total was found to be due to increases in the Federal share of the average monthly payment per recipient. This has been liberalized by Congress in 1952, 1956, and 1958.

Thus of the total, a net of only $84 million, or 6 percent is attributable to an increase in the number of recipients reflecting primarily growth in the child population since 1949.

The foregoing analysis in no way minimizes the need for us to take proper steps to see that public assistance programs, and particularly the aid to dependent children program, are not exploited. None of us, I am sure, wishes to see harsh or precipitate restrictions imposed by States and localities which result in suffering for those who need assistance most. Certainly in many aspects of the aid to dependent children program there is a tendency for society to make the program a whipping-boy for much more wide-spread behavior of which communities do not approve.

We have to face frankly the fact that there are many answers we do not know. Some of these answers are going to have to come from research; research in depth as you propose. I believe that you have received a listing of the various grants that have been made under the cooperative research program which supports projects in the field of social security and social welfare. Early this year, the Commissioner of Social Security appointed an advisory group to review the entire research program of the Social Security Administration. Their report urges that we accept responsibility for carrying out and stimulating the support of long-range research in the broad field of human resources and social welfare. It mentions specifically a number of the areas needing research to which you refer in your letter. We are giving careful consideration to the recommendations of this group with the view of adopting as many of them as possible.

I believe, however, that we must provide for an expansion of services to children if we are to prevent dependency and rehabilitate families, and restore persons to independence. I am deeply disappointed that the Appropriation Act for 1962 failed to include funds for the training of public welfare personnel which would have started us on the way to meeting part of this need. As you know, the President recommended funds for this purpose, but the Conference Committee cut out this important program.

You may be sure of my deep concern about the matters raised by your letter and of my determination to develop and propose satisfactory solutions as rapidly as possible.

Sincerely,

Secretary

Hon. John E. Fogarty
House of Representatives
Washington 25, D. C.

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