The social pork barrel

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When the curtain opened on the 93rd Congress in January of 1973, the stage was set for battle. The usual spate of journalistic previews unanimously warned of an impending clash between the Executive and Legislative branches, with the lines of battle extending to numerous fronts, but most notably the federal budget. The then reigning Nixon Administration assiduously cultivated this climate, first by means of leaks and official pronouncements and, as the year got underway, through a series of dramatic, deliberately provocative policy actions.

Early in January it announced that HUD's multi-billion-dollar housing subsidy programs, which had grown from a mere conception in 1968 to nearly one quarter of the housing market four years later, would be abruptly terminated. When the FY 1974 budget was issued the following month, it contained eight finely typed pages listing more than 100 sacred cows slated for the fiscal butcher shop. Among these were the community action program, hospital construction, impact aid, library support, graduate traineeships, college student loans, and funds for mental health, alcoholism, urban renewal, school lunches, and a host of additional projects. Too impatient even to wait for Congress to consider this sweeping budgetary purge, the Administration aggressively pressed its case, unilaterally
halting spending for scores of these programs right during the middle of the old fiscal year. Moreover, the rhetoric emanating from the White House was no less determined than its actions. Referring to the Administration's plan to drastically revamp and curtail federal aid to education, Commissioner of Education Sidney Marland, for example, defiantly insisted that "we stand on ERS [education revenue sharing], live or die."

For once, Congress did not greet this challenge with its characteristic inertia. During the next few months it speedily approved more than a half-dozen resolutions reinstating terminated programs and imposing mandatory spending requirements on the administering agencies. Although the ensuing flurry of vetoes found Congress incapable of producing the two-thirds majorities needed to override, at least partial compensation was had in the form of a rhetorical outpouring from Capitol Hill, both as to the merits of the programs involved and the accompanying threat to the Congressional powers of the purse, that has few historical parallels in volume or intensity. For a time it appeared, at least from a distance, that a genuine debate over budget priorities, program effectiveness, and the proper role of the federal government in dealing with domestic ills might at long last be taking shape. At that point, however, Judge Sirica read James McCord's letter in open court, a brisk demand for Washington's attorneys developed at the White House, and the opening scene quickly faded in preparation for what was to become the main act.

Today, of course, this tempestuous "battle of the budget" has been long since forgotten, having given way to Watergate, the energy crisis, and now the recession. But it would be a mistake to attribute the utter failure of the 1973 budget control offensive to the subsequent, unrelated political demise of the Administration which launched it or to the fact that economic conditions have changed and other issues have come to the fore. Given the realities of fiscal politics in the 1970's, a serious effort at a fundamental reordering of the $300-billion Federal budget would have met with scant success even under the best of conditions. And it would be even more of a mistake to assume that abortive 1973 effort was addressed to a non-existent or exaggerated problem. Quite to the contrary. When the second Nixon Administration took office two years ago it found itself struggling mightily to hold FY 1973 spending below $250 billion. By the time of the next Presidential election, the Ford Administration will be grappling no less strenuously with FY 1978 budget estimates approaching $500 billion.
Moreover, that enormous growth will have occurred in a period in which none of the big new social spending programs now languishing on the national agenda will have been acted upon or implemented. Bogged down in Watergate, the 93rd Congress bobbed, weaved, and finally sidestepped multi-billion-dollar initiatives like national health insurance, welfare reform, and general aid to education. The 94th Congress, burdened with the problems of recession and energy, will probably also avoid these expensive social programs.

The crisis of the budget

Yet sooner or later these fundamental questions must be addressed, and it is that prospect which brings the true dimensions of the budget crisis into full relief. It is not just that the budget is heavily in deficit this year, as it has been during every year but one since 1965, or that almost three fourths of all outlays are now "uncontrollable" in the current year. The real problem is that although large, complex programs begin at relatively modest outlay levels and do not attain their full impact on the budget for a number of years, there is no longer anywhere near the margin of uncommitted revenues even three or four years in advance that would be needed to finance national health insurance or the incremental costs of a decent national income guarantee program. For some time now, the built-in momentum of the federal budget and the exigencies of fiscal politics have produced expenditure growth rates that not only outpace current-year revenues but also absorb the "fiscal dividend" of economic growth up to a half decade into the future. As a consequence, it has almost become fiscally irresponsible even to discuss enactment of these measures.

Nothing illustrates this point better than the fate of the Brookings Institution's annual forecasts on long-range budget prospects. In its first analysis of the federal budget in 1970, a $23-billion budget surplus was forecast for FY 1975, based on the assumption that the revenue structure would not change and that expenditures would rise only enough to cover built-in cost increases of existing programs. As it turns out, the actual budget for FY 1975 will be in deficit by at least that amount, and most likely by considerably more. The following year's projection was even further off target: rather than the $17-billion surplus projected by Brookings for FY 1976, there will be a deficit probably exceeding $60 billion. In 1973, an FY 1977 surplus of $13 billion was forecast, but recent computer runs simulat-
ing various anti-recession tax and spending policy alternatives now under discussion suggest that the FY 1977 budget deficit will range from a minimum of $35 billion under the Administration's plan to almost $80 billion under proposals favored by Congressional Democrats.

It will be objected, of course, that these Brookings projections were premised on normal inflation rates and conditions of full employment. While this may be true, it does not alter the fact that there is currently no medium-range budget margin to finance national health insurance, welfare reform, or general aid to education. More important, however, there is a clear asymmetry of errors in these Brookings forecasts. The 1970 predictions, for example, showed FY 1975 full-employment revenues of $276 billion and expenditures of $253 billion. Setting aside the effects of recession on both sides of the budget, the revenue estimate was about $30 billion short of actual FY 75 full-employment revenues and the expenditure estimate was nearly $60 billion short of expected outlays (other than automatic stabilizer outlays triggered by the recession). The revenue shortfall is just about exactly what Charles Schultze and others have estimated to be the inflation-induced "implicit tax increase," indicating that the error on the revenue side is solely attributable to unforeseeable rates of price increase. The fact that the shortfall in the expenditure forecast was double this amount suggests that inflation alone cannot explain the gap and that discretionary spending increases have played an important role. Since no major new spending programs have been adopted in the last few years, it can only be concluded that Congress abhors prospective budget surpluses, preferring to nickel and dime them into oblivion long before they appear.

This is almost precisely what has occurred during the past six years. While national health insurance and welfare reform have been time and again artfully deferred, Congress has not been loathe to add a billion here for black lung compensation, when the costs should properly be borne by the coal industry, or a billion extra there for disaster relief, when losses from building on a flood plain or raising crops in drought-prone areas should be the responsibility of the risk-takers. It has persistently refused to phase out federal funding for the community mental health centers program, to take another example, despite the fact that this effort was initiated in 1963 with the clear understanding that the federal support role would be completely terminated by the end of the decade. Like clockwork, it raises each year's appropriations request for the Na-
tional Cancer Institute, although the therapeutic preoccupation of the medical guild which operates the program has produced no noticeable improvement in cancer survival rates during the last 15 years of multi-billion-dollar research efforts. Although medical school subsidies and graduate traineeships basically represent a reverse redistribution of income, OMB-initiated efforts to reduce these outlays are rejected as mean-spirited attempts to shortchange "human needs." And so it goes. With revenues fully committed for years in advance, the federal budget process, potentially the basic forum for serious policy choices, has been reduced to a mere annual ritual of accounts juggling.

The illusory alternatives

These considerations might easily lead to the conclusion that national social policy has come to a dead stop, paralyzed by the apparently immutable tendencies of fiscal politics to close the door to any fundamental innovation in strategy well into the future. Yet since such a harsh conclusion does not go down well even in these bleak times, it must be conceded that there are alternatives which merit consideration, if not a great deal of confidence. Today, as yesterday, the conventional liberal wisdom is that the funds necessary for national health insurance or a decent income guarantee program are to be had merely by reordering domestic spending priorities or through sweeping tax reform.

An examination of this standard proposition, however, quickly suggests that the allure of these potential revenue savings consists of more glitter than gold. On the spending side, for example, liberals are very definitely not talking about reallocating funds from the so-called "human resources" sector of the budget, but about cutting traditional items like defense spending, highways, the space program, and farm subsidies.

Yet changes in spending patterns over the past few years may make the potential savings obtainable in this way modest to negligible. For one thing, White House incantations about the shift in expenditures from defense to "human needs" are not as phony as some of the statistics that have been used to demonstrate it. Whereas the four items cited above accounted for nearly 55 per cent of the unified budget in FY 1964, only 11 years later they amounted to less than 30 per cent.

A glance at each category individually provides even less reason to be sanguine about the vast savings allegedly to be gained by es-
establishing "new priorities." Now that the Highway Trust Fund has been breached, the currently authorized modest diversion to mass transit will likely soon enlarge into a torrent under the pressure of the energy crisis. That's fine for mass transit, but obviously will not release a single penny for new social spending initiatives.

Similarly, the shift from agricultural glut to worldwide scarcity and the accelerating erosion of the farm block in Congress will mean that farm subsidy outlays will decline from $5 billion a few years ago to close to zero within perhaps a year or two. Space spending has already been cut from $7 billion (1975 dollars) 10 years ago to just over $3 billion today; although there is room for further trimming, there appears to be little support for scrapping the program entirely. Thus, any savings here might be in the millions, rather than billions.

Realistically viewed, even that fiscal gold mine known as the defense budget has become a problematic source of savings, despite its current $95-billion price tag. The basic problem is that strategic weapons and other military hardware have always constituted the primary targets for cuts, but the share of the defense budget attributable to these items has dropped from nearly 50 per cent in 1964 to less than 30 per cent during the current fiscal year (or in 1975 dollar amounts, from $38 billion in the former year to $23 billion today). This rather pervasive shift is largely the result of the escalating costs of manpower under the volunteer army. Since the latter is probably invulnerable at present, the effect has been to narrow the target for defense budget reductions quite substantially.

Indeed, given the recent fissures that have developed in the structure of détente and the fact that U.S. spending for military hardware has been declining toward rock bottom for almost four years, it is highly unlikely that any deep cuts will be made in the defense budget—the new, liberal 94th Congress and the downfall of Chairman Hébert notwithstanding. The continuing tension in the Middle East provides a further reason for skepticism, since the set of highly pro-Israel Congressmen and the set of avid defense budget-cutters, to borrow a leaf from the new math, are largely identical. The only real prospect for even modest defense spending reductions lies outside the hardware area and would involve such steps as reforming the overly generous military retirement pay system, wholesale closing of scores of outmoded U.S. defense bases, substantial reductions in the national guard and the service reserve forces, and the imposition of far tighter managerial and operating efficiencies on the Department. Needless to say, reductions in these areas do not have
The same political appeal as does cutting the big hardware items, and, even more important, would cause serious repercussions right where it hurts Congressmen the most—in their own political backyards.

The limitations of tax reform

The prospects for large revenue gains from tax reform are not much more promising. To be sure, the appetites of some tax reformers have been whetted anew by Joseph Pechman's recent definitive study revealing that due to the accumulation of exemptions, deductions, and other special breaks, the personal income tax take has been eroded by $77 billion annually. But as Irving Kristol and others have pointed out, it takes little more than turning the study's cover page to grasp the political inhibitions to recouping even a fraction of this huge sum.

For example, the biggest single chunk of the total ($21 billion) is accounted for by the rate advantages of filing joint returns. Undoubtedly, America's 45 million husband/wife families would not be overly enthusiastic about a proposal to eliminate this "loophole." Another $20 billion is attributable to the exclusion of transfer payments and the standard deduction. Since no politician is suicidal enough to propose taxing social security checks, and none is courageous enough to explain to the electorate the monetary advantages of a tax credit in lieu of the current deduction from gross income, that portion of Pechman's billions is probably also beyond reach.

The great bulk of the remainder is accounted for by what might conveniently be termed the "middle-class deductions." Yet as Senator McGovern learned in 1972, should a candidate even be suspected of intending to tamper with the state and local tax deductions ($5.6 billion), health insurance preferences, pension and life insurance exclusions, consumer interest deductions ($9 billion in aggregate), or homeownership preferences, he'd better beat a fast retreat if he hopes to have any chance at all of gaining a victory on election day.

The latter item is particularly interesting. Pechman attributes a $9-billion revenue loss to homeownership preferences, but about half of that would be accounted for by taxation of what economists call "imputed rent" from homeownership. Any Congressman looking for a truly quixotic mission might set about to convince the average homeowner that he should pay hundreds of dollars in additional taxes each year on purely "theoretical" income!
Admittedly, tax reformers like Phillip Stern have pointed out that the dollar benefit per taxpayer for these middle-class preferences amounts to thousands for the rich and very little for the average family. Nevertheless, millions of middle-class taxpayers do benefit from these preferences and the bulk of the aggregate revenue gain would come out of their collective pockets. Seventy-five per cent of the $4-billion gain from repealing the health deductions, for example, would come from those earning less than $20,000.

At best, Pechman’s $77 billion reduces to about $14 billion of realistically recoverable revenue, but even that may be more apparent than real. Almost $2 billion is attributable to the exemption for municipal bond interest, yet no one has ever proposed a reform in this area that was not immediately offset by an equivalent direct interest subsidy to local governmental units. Similarly, the $4-billion savings from taxing capital gains at death is likely to melt down to less than half of that when a grandfather clause, small estate exemption, and the machinations of ever resourceful tax lawyers are allowed for. And since very few realistic tax reformers have called for a total repeal of the capital gains preference without at least a partially offsetting reduction of high-bracket marginal tax rates, the $9 billion theoretically to be gained by plugging this loophole would also likely be a lot less in practice.

Finally, despite all the demogoguery about “obscene” oil company profits, the prospects for a major revenue bonanza from this source are not very good either. Last fall the Ways and Means Committee estimated that even at today’s domestic oil prices, complete repeal of the depletion allowance (except for the small producer exemption) would raise only $2.3 billion annually. Of course, an additional windfall profits tax could raise considerably more—up to $12 billion, if coupled with the Administration’s proposed decontrol of domestic oil prices. But it should not be forgotten that a windfall profits tax is basically a mechanism for shifting petroleum investment decisions from private oil companies to government energy bureaucracies. The growing popularity of the proposal for an energy research and development trust fund, which would receive all windfall profits and other new energy tax revenues, suggests that these proposals would not add a penny to the general fisc.

Overall, then, the realistic limit on revenue gains from tax reform, including immediate repeal of the depletion allowance, is probably about $10 billion. While certainly not a negligible sum, this would not even begin to relieve the fiscal paralysis now gripping the federal budget.
Great society or social pork barrel?

Despite the bleak budgetary outlook there can be little doubt that the United States urgently needs a fundamental shift in social policy strategy. Since 1950, federal spending for what the Social Security Administration defines as "social welfare purposes" has risen dramatically—from $14 billion to nearly $170 billion, and from less than a fifth of the federal budget to more than half. If similar expenditures by state and local governments are included, it appears we are now spending substantially more than one-quarter trillion dollars for social programs.

Needless to say, we are not getting much bang for the buck. We are now spending $25 billion, for example, on the direct financing of health care for the aged, the poor, and the disabled but the suspicion is that a good portion of this total serves merely to exacerbate the deficiencies of our current inflationary, inefficient, badly unbalanced health care delivery system. In a small percentage of instances, the current panoply of cash assistance and in-kind benefit programs provides a comfortable income equivalent of more than $8,000 annually for female-headed families in areas like New York City, as demonstrated by the investigations of the Griffiths Subcommittee on Fiscal Policy. In most states and most instances, however, it is not this cumulative benefit package which is available, but instead a grab-bag of uncoordinated, gap-ridden programs that simultaneously provide both inadequate income maintenance and marginal tax rates that we shrink from levying even on millionaires. And as Elliot Richardson forcefully pointed out during his tenure at HEW, the explicitly service-oriented programs—compensatory education, community mental health centers, vocational rehabilitation, social services—that fall under the social spending umbrella have yet to demonstrate any clear effectiveness and are most notable for their almost random distribution of benefits among a tiny fraction of the formally entitled population.

Given current fiscal realities, there is equally little doubt how any fundamental policy redirection must be financed. A decisive shift toward alternative strategies—a comprehensive national health insurance program and universal income maintenance—can be accomplished only through a vast reprogramming of funds from within the social welfare sector of the budget itself. At current growth rates, federal social welfare outlays will range between $225 and $250 billion in FY 1978. At least in terms of sheer arithmetic, there is no reason in the world why a budget path, widening to something like the $30 to $50 billion in incremental financing that would be needed
for these new programs when fully effective, could not be carved out of the 1978 social welfare budget, were an effort now begun to pave the way.

Unfortunately, the billions that pass through the social welfare budget each year are anchored in place by political sinews probably as sturdy as those which line the Internal Revenue Code. In part this is attributable to ideological obsolescence. Having fed on a "starved public sector" rhetorical diet for so long, the dominant liberal forces in Congress are simply unwilling or unable to recognize that this perhaps once appropriate complaint has long since ceased to reflect reality, and that a major reordering of social spending priorities, rather than a further increase in total outlays, has now become imperative.

In the main, however, the essential impediment to reprogramming the social welfare budget is deeply political and structural. The care and maintenance of the social welfare spending pipeline that extends to each of the 435 Congressional districts in the nation have now become a central preoccupation of Members and their staffs. This task ranges from vigilance in committee and on the floor to ensure that allocation formulas provide maximum benefits to the district, to intervention before the agencies in behalf of local clientele groups or project applications, to ceaseless on-site inspections and the development of close working relationships with all manner of federal grantees at the local level.

Evidence of the manner in which concern for servicing the social spending pipeline shapes Congressional behavior abounds. For example, if there has been one single aspect of domestic legislation during the last few years that has gained the attention and intense interest of almost all Members, it is the increasingly common "hold-harmless clause," a device used to insure that regardless of changes in statutory requirements or allocation formulas there will be no actual reductions, at least for a few years, in the flow of funds to local projects. Indeed, this syndrome attained what can fairly be termed a peak of absurdity when Congress recently reorganized a number of urban development programs but attached a seven-year hold-harmless clause on funding for Model Cities, one of the major components of the consolidation.

Similarly, there has been an enormous increase in Member staff allowances over the past decade—it now costs more than $750 million annually to finance Congress itself. But most of the additional resources have been used for servicing constituent needs or problems arising in one way or another from the vast outpouring of federal
funds into each Congressional district. Although the federal bureaucracies are noted for becoming strangled in their own paperwork and regulations, there is one bureaucratic responsibility that is carried out efficiently and systematically: Each day hundreds of grant award announcements go out to Members representing the districts affected, where they are in turn translated into endless copy in the local press and volumes of good will among the benefited constituencies. Finally, the increase in the number of federal grant programs from about 200 in the early 1960’s to more than 1100 today has spawned an array of public sector interest groups which have become just as sophisticated and savvy in the intricacies of legislative maneuvering and influence as any of the old-line economic interest groups. Possessing tentacles that reach out into every part of the country and having fully mastered the art of legislative log-rolling, the health lobby, the education lobby, and the various organizational arms of state and local officials have in many ways become the real superpowers of Capitol Hill.

In short, the vast increase in federal social welfare outlays—from less than six per cent of national income in 1950 to more than 15 per cent today—has created in its wake a political maintenance system based in no small part on the cooption and incorporation of Congress itself. If Members were ever legislators and statesmen, they have more and more taken on the characteristics of constituency ombudsman and grant brokers. As a consequence, the aims of social policy have been subordinated to the exigencies of the new fiscal politics, and what may have been the bright promise of the Great Society has been transformed into a flabby hodge-podge, funded without policy consistency or rigor, that increasingly looks like a great social pork barrel. If proof be necessary, the legislative record of the last few years lends ample support to this unflattering appraisal.

**Preserving the prize pigeons**

“Don’t close the money sluice no matter how outmoded the program”—that is the first principle of the new fiscal politics. Hill-Burton, one of the earliest large-scale federal grant-in-aid programs, embodies this precept perfectly. Begun at the close of World War II in response to a national hospital bed shortage estimated to be 40 per cent, it has since provided more than $12 billion for the construction of a half-million additional beds in nearly 4,000 communities across the nation. Although few students of federal health pol-
icy doubt the success of Hill-Burton in closing the nation's hospital bed gap, neither do many believe that the program ought to be continued at its current $200-million annual funding level. The reason is simply that the shortages of three decades ago have been transformed into a glut. It is not that a large number of hospitals stand empty, though in some rural areas where the program was especially generous, this is definitely the case. Rather, the problem is that the combination of an excessive supply of beds and the strong incentives in the private insurance system for in-hospital treatment have created a tremendous, costly over-hospitalization of the American public in place of less expensive alternatives.

The rather dramatic variation in per capita hospitalization rates from state to state underlines this point. In 1970, the hospital days per 1,000 population rate ranged from a low of 1.17 in Alaska, to 2.75 in Arizona, 3.71 in Illinois, 4.53 in Minnesota, and 5.64 in the District of Columbia. That range of better than five to one, of course, might be attributable to a number of factors including differences in per capita income, relative number of doctors, or hospital cost variations. Yet statistical analysis shows that when all of these possible explanatory variables are controlled, there is still nearly a perfect correlation (.92) between hospitalization rates and the number of hospital beds. Since no similar relationship between frequency of hospitalization and health status has even been uncovered, the only real effect of building more hospital beds is apparently to encourage excessive use.

This tendency for hospital beds to create their own demand has been termed Roemer's Law, after the medical economist who first posited the relationship. But when the annual Hill-Burton appropriation comes to the floor of Congress each year, it is not Roemer's Law but that colorful dispenser of the pork, Chairman Dan Flood of the Labor-HEW appropriations subcommittee, who carries the day. Referring to a recent Administration effort to slash funds for new hospital construction, Flood termed these grants "your prize pigeons" and assured his colleagues that his committee had dutifully kept the OMB budget-cutters out of the Congressional "backyard."

Although the Administration has been attempting to phase out Hill-Burton since 1970, the program has yet to be seriously disturbed. To be sure, Congress did approve a revision of the program in the waning days of the last session, but it is worth noting that the committee took pains to downplay the changes, describing them merely as "modest modifications" of the old program. For the most
part, Hill-Burton will continue at traditional funding levels for tradi-
tional purposes, and those "prize pigeons" will be coming home to
roost for many of sessions into the future.

Hill-Burton, of course, is not the only program that has weathered
the challenge of obsolescence. The notorious impact aid program
probably still ranks second to none in terms of political invulnera-
bility. Started during the Korean War to compensate for the influx
of students in about two per cent of the nation's school districts
heavily impacted by military bases and war-related defense produc-
tion, it has since been expanded to cover 25 percent of all districts
enrolling fully one half of the nation's public school children. The
fact that 90 per cent of all students aided are in the so-called "B"
category (their parents only work—and don't live—on federal instal-
lations) and that three fourths of the districts receiving roughly
$375 per student have fewer than 10 per cent eligibles in their total
enrollments, suggests that most suffer no crushing burden from fed-
eral activities. Indeed, given the unseemly manner in which many
city fathers scramble to retain existing federal facilities or attract
new ones, it might be questioned whether any real "burden" exists
at all. Certainly, now that all politicians seem to have become
Keynesians, it is puzzling that they applaud the multiplier effect of
federal expenditures at the national level but seem to ignore it en-
tirely when it comes to the spending associated with federal instal-
lations in their own bailiwicks. The unspoken cynicism underlying
this convenient inconsistency was revealed with surprising candor
by Congressman Tom Rees who recently admitted to the Los An-
geles Times, "Each year I think I've cast my last vote for the pro-
gram. But what can I do when the district superintendent in Los
Angeles comes with tears in his eyes and says he needs the money?
I vote for it again." So do most other Members, satisfied that how-
ever great its deficiency in terms of policy rationale, the impact aid
program does keep the social spending pipeline flowing to the tune
of $500 million annually.

The social insurance myth

A second important characteristic of the social pork barrel can
be best expressed as a politician's adaptation of the old utilitarian
maxim: "the greatest goodies for the greatest number." This ten-
dency to disburse benefits widely rather than concentrate them on
those in genuine need begins first and foremost with the social se-
curity system, which now costs $65 billion annually. To be sure, cer-
tain shortcomings of the system, including the regressive tax from which it is financed, its long-range funding difficulties, and all sorts of minor inequities among beneficiary classes, have become increasingly recognized. But these are merely technical deficiencies that obscure the more fundamental problem: Social security now departs so widely from any recognizable principle of insurance that the "social insurance" mythology surrounding it ought to be discarded once and for all, thereby permitting policy decisions—especially those dealing with the benefit structure and benefit increases—to be based on straightforward income transfer principles.

Needless to say, this conceptual breakthrough remains light years away because the political logic of retaining the time-worn veneer of social insurance is too compelling to resist. It permits Congress to reflexively grant across-the-board increases at least every election year, an action which assures incumbents the undying gratitude of some 30 million beneficiaries on election day. Indeed, between 1972 and 1974 Congress employed this device three separate times for a cumulative benefit rise of 33 per cent. Unfortunately, when these flat-rate increases are applied across a benefit schedule that currently ranges from $94 to $305 per month, the results are highly inequitable. Despite the rampant inflation of the last two years, those on the bottom end of the scale gained $300 per year in additional income from these increases, hardly enough to cover the rise in the cost of the minimum food budget as determined by the Bureau of Labor Statistics. Meanwhile, those on the upper end, far less in need in the first place, have had their benefits boosted by more than $1,100. And now this flat-rate benefit increase pattern has been institutionalized with the adoption of an automatic cost-of-living escalator which, in effect, provides double compensation for inflation.

Were all social security recipients equally situated in terms of outside sources of income from private pensions, asset earnings, and the like, even these absolute dollar disparities might plausibly be justified. Yet the most recent data available (1969) show that more than two-thirds of those receiving maximum benefit payments had both private pension income and property income, often amounting to many thousands of dollars annually. By contrast, less than seven per cent of those receiving minimum benefits received private pension income and less than a third had property earnings. These flagrant inequities persist because, more than any other program, social security has been treated as, and is frankly acknowledged by many Members to be, a matter solely within the realm of fiscal politics.
For that reason, what is essentially an income transfer program will never really be reshaped according to the "needs" or "means" criteria which are the only appropriate standard for this kind of government spending. Meanwhile, social security will continue to ingest increasing portions of the public fisc, thereby indefinitely prolonging the current fiscal crisis.

**The federal three-for-one sale**

It is obvious, of course, that even the $80 billion in annual social welfare spending outside of the regressive social security system does not go to the poor or near poor. If it did, the officially estimated poverty gap of $12 billion could be closed seven times over, and the implicit $13,000 per family of four poor persons would make even the National Welfare Rights Organization look like pikers. The truth of the matter is that these huge sums are diluted across nearly the entire range of the income spectrum, a factor which both explains their political staying power and also why we still have 25 million poor Americans in a $1.5-trillion economy.

The rather interesting history of the federally funded social services program illustrates quite dramatically how assistance to the disadvantaged is frequently processed into social pork. Begun in the early 1960's at the instigation of former HEW Secretary Ribicoff, it was designed to "breathe a new spirit into our public welfare programs" by providing a broad range of psycho-social services to public assistance recipients. The aim was to replace dependency-producing, stigmatizing relief with a creative combination of rehabilitation services and cash assistance that would restore welfare families to independence, self-support, and a place in the mainstream.

Initially funded at substantially less than $100 million, it had ballooned into a $2-billion program by 1972, and threatened to climb to $4 billion during FY 1973. Although Congress did enact a $2.5-billion spending ceiling during the fall of 1972, the subsequent two years gave rise to a fiercely raging battle between Capitol Hill and the Administration over new HEW regulations designed to sharply pare down eligibility and reduce program costs.

Since such vigorous advocacy of the interests of the poor, especially in recent years, has not been a marked characteristic of Congress, the skeptic might be led to believe that there was more to all this sound and fury than a desire to preserve counseling services for AFDC mothers. Indeed there was. Along the way to 1973, ingenious state agency officials, first in California and soon thereafter in most
other states, found that the combination of a federal commitment to open-ended matching and putty-like eligibility definitions in the original Ribicoff amendments constituted a financial bonanza for state treasuries.

Since the statutory language provided that all "past" and "potential" public aid recipients were eligible and that any state activity that could be squeezed under the rubric "social services" could be funded, state after state undertook an effort euphemistically labeled "refinancing." In practice, refinancing meant that the whole array of non-means tested services (i.e., middle-class programs), ranging from mental health clinics to vocational education, customarily financed by state taxes could now be shifted to the federal government. Referring to the 75 per cent federal share of program costs, one enthusiastic proponent of refinancing proclaimed, "You can earn $3 for every $1 you put up; it won't cost you a nickel. You just have to amend your state [social services] plan."

Amend they did. By 1971, California, the pioneer of the refinancing movement, was receiving $221 million, a sum equal to $500 for every AFDC family in the state. The catch, of course, was that it was not only California's 450,000 AFDC families who were getting the benefits but probably a good portion of its entire 20 million population. By the time that Mississippi, a state not particularly renowned for its generosity to welfare recipients, weighed in with a projected two-year jump in expenditures from $15 million to $450 million, it was clear that the original Ribicoff program had sprung a gigantic leak: Rather than a rehabilitation and services program for the welfare poor it had become a multi-billion-dollar subsidy to the middle class.

Given this context, it is not surprising that the OMB-HEW reform effort, begun during the halcyon days of the Nixon budget offensive, and designed to refocus the program on the original beneficiary group, proved no more successful than the other initiatives. Under the prodding of the potent lobby of state and local budget officials and welfare bureaucracies, Congress twice delayed implementation of the new HEW regulations, with hardly a word of serious debate. Whereas most agency rule-making proceedings attract only modest attention from the interested public and virtually none from Congress, HEW was flooded with thousands of protests against the regulations and subjected to direct intervention by numerous delegations from Capitol Hill. After two years of keeping a stiff upper lip, the resolve of the HEW-OMB policy makers eventually collapsed, paving the way for Congressional approval late in the ses-
sion of a "compromise" settlement that largely maintained the status quo.

That there was little disposition on Capitol Hill to seriously disturb the program is attested to by the fact that the "compromise" passed the House on suspension calendar by a voice vote. That the program will continue to function as a form of backdoor revenue sharing, despite its anti-poverty characterization, is made clear by the fact that families with incomes up to 80 per cent of the national median will still be eligible for free services in the larger urban states, and that almost all families up to the actual national median income will be eligible in the others. As before, just about anything that can be described as a social service will still receive funding. Moreover, having had two years to indulge in righteous indignation against the Administration's assault on the poor, Congress can now rest assured that the social spending pipeline is still flowing, and that neither "human needs" nor the powerful lobbies that minister to them have been shortchanged.

Subsidizing the haves

If most federal social programs scatter benefits over a much wider portion of the income spectrum then their avowed objectives would suggest, a few deliberately redistribute economic resources to the top, and with hardly a word of protest. The federal health manpower programs are probably the most conspicuous example. In response to the widely advertised national physician shortage, Congress has steadily increased funding for medical and other professional health schools over the past decade. At present, health training institutions receive $1.3 billion annually, more than half of which is devoted to direct subsidization of student education costs.

There is little doubt that these programs have been successful in increasing the output of the nation's medical schools: Since 1963 the annual number of graduates has increased from 7,600 to more than 11,000, or by 45 per cent. These programs have been no less effective in easing the financing problems of the institutions and students involved. In combination with state aid, they have permitted the tuition share to drop to a minuscule four per cent of overall medical school revenues and to just 10 per cent of purely educational costs.

Amidst the general plaudits the health manpower programs have received for helping to alleviate the physician shortage, the fact that they fly directly in the face of fundamental principles of sound
fiscal policy has been hardly noticed. Yet there are essentially two justifications for government subsidies of this type and the facts of life in medical education represent the inverse of both.

The first rationale is that there be insufficient output or supply, at least in terms of what is thought to be desirable compared to what the market actually provides. While the alleged shortage of practicing physicians is often blithely assumed to fulfill this condition, it actually does not because the relevant considerations are the potential supply of students and of financing for their education costs. And in regard to these factors there can be little room for argument. The medical school acceptance ratio is only 33 per cent for all applicants and barely 50 per cent even for those deemed to be fully qualified for training. The fact that these ratios have remained essentially unchanged for decades suggests that there is little need to induce additional entrants into the market. Similarly, an incredible 95 per cent of first-year medical enrollees—a ratio far higher than for any other profession—eventually graduate, and such graduates can presently expect an annual income somewhere in the range of $50,000. It requires little familiarity with economics to recognize that with success ratios of that order, private loan financing would be readily forthcoming to cover even the admittedly high costs of medical training, were no alternative sources available. That U.S. medical schools were deemed to be producing too few graduates in the 1950's and 1960's, therefore, reveals more about the entry control practices of the medical profession than about the economic justification for large-scale government subsidies.

The other argument for subsidization, of course, is the question of equity, in this case as it pertains to medical school access. In many instances it is undoubtedly true that even if accepted to medical school, and despite excellent graduation prospects, students with low-income or minority backgrounds might be unable to arrange for private loans. Yet the federal health manpower programs reveal little evidence of being based upon this rationale. More than 80 per cent of funds are distributed in the form of institutional aid, so that all students benefit equally; and even those funds which are offered in the form of direct student scholarships contain few stipulations as to need.

During the last year considerable controversy has developed over the future direction of these programs, with Senator Kennedy and other health care reformers insisting that each medical school assure, as a condition for receiving federal aid, that a fixed proportion of future graduates will practice in underserved areas. Despite their
good intentions, and leaving aside their probable unworkability in practice, the current distribution-oriented reform proposals largely miss the point. The fundamental problem is that we are subsidizing medical schools to enroll students with average family incomes substantially above $20,000, so that for the small fraction of the cost of their training represented by nominal tuition charges they can look forward to future earnings placing them in the top five per cent of the national income distribution. This is surely income redistribution with a vengeance, but unfortunately in the wrong direction.

Higher education and funding priorities

In some degree, these observations apply to the entire range of the federal higher education assistance programs, an effort that now amounts to more than $5 billion annually. As a result of literally scores of obscure authorizations for traineeships, fellowships and other forms of graduate assistance, to take one example, the federal government now spends more than $300 million annually to subsidize graduate-level training for such diverse professions as social work, psychiatry, public health practice, language teaching, and educational counseling. Given the fact that many of these occupations are now suffering from a serious oversupply and that most command handsome salaries by any standard, a strong case can be made that these costs might be more properly borne by those who directly benefit. Yet when HEW proposed severe cutbacks during the 1973 budget control offensive, the far-flung higher education lobby soon had Congress worked into a fever pitch, and the graduate training subsidies were spared.

Indeed, the entire debate over financing higher education has gradually witnessed a strange reversal of roles during recent years. Since the adoption of the higher education amendments of 1972, it has been a conservative Republican Administration that has strongly championed shifting aid away from institutional grants and toward direct student scholarships; and even in this sphere, it has sought to move away from the traditional middle-class direct loan and grant programs in favor of the new Basic Opportunity Grant (BOG) program, which is tightly scaled to family income and would concentrate assistance on the lower-end of the income ladder. By contrast, the Democratic-controlled Congress has persistently backed a set of funding priorities heavily weighted toward institutional aid and the older, more middle-class-oriented student programs. In FY 1975 for example, the Administration requested $1.3 billion for
BOG's and only about $160 million for institutional aid and the old student assistance programs. While the House appropriated the total sum requested, it reversed the internal priorities by authorizing only $660 million—just half the Administration request—for BOG's and more than $800 million for institutional aid and the other student assistance programs.

While there would be a potential case for broadly based federal support of undergraduate education if unlimited budgetary resources were available, it would be difficult to make such a case in light of current fiscal realities. Federal budgetary resources are severely constrained and, if anything, probably too large a share is already being devoted to higher education relative to other priorities. Even more important, the heavy institutional subsidization provided public schools at the state level argues strongly for an especially heavy low-income tilt in the distribution of the limited federal aid that can be provided. As shown by the studies of Weisbrod and Hansen and others, the effect of most state higher education funding programs, except in those few instances like New York where the tax system is relatively progressive, is to redistribute income from lower-income to higher-income families. At a minimum, the federal government should not compound this tendency.

Although much of the federal higher education financing effort, especially at the graduate and professional level, rests on highly dubious justifications, and its funding priorities have a generally regressive cast, it would not be fair to attribute this wholly to Congressional mendacity and willingness to appease the appetites of middle-class families and professional education interests regardless of the consequences. The deeper problem is that in this area, as in the case of most other social spending programs, Congress does not make policy; it simply distributes funds much in the manner of the old public works pork barrel, allowing "policy" to form implicitly and somewhat randomly out of the tugging and hauling of parochial interests and constituency needs. It is hardly surprising that the results of this kind of raw democracy in action are hardly optimal by any kind of disinterested standards.

Slicing the pie

As was suggested previously, the ubiquitous hold-harmless clause symbolizes much about the legislative priorities of Congress. The intense debate generated in the House and Senate chambers over Title I of the Elementary and Secondary Education Act (ESEA) in
recent years is probably the best single illustration of this phenomenon. Not less than four times in the House alone during the 93rd Congress, amendments affecting the program occasioned that rarity known only to elementary school civics books: a full dress floor debate with most of the Members present and scores of them vigorously participating in the proceedings—all culminating in a close vote of the full House.

The troubled history and equivocal results of this $1.5-billion per year compensatory education program suggest there is good reason for debate. Launched in 1965 as a prized division of LBJ’s army of anti-poverty programs, it was designed to raise the educational achievement level of the “poorest of the poor,” and thereby unlock the door to job opportunity for millions of disadvantaged school children who would otherwise remain trapped in the cycle of poverty. Since then, nearly $12 billion in federal matching funds have been spent on the program, but there remains considerable question as to just how much of this has been aimed at the truly impoverished, and even as to whether funds actually spent on their behalf have done much to close the achievement gap.

The heart of the ESEA problem is that, despite the outpouring of anti-poverty rhetoric which accompanied its enactment, it has always been vulnerable alongside the vacuum created by the absence of a federal general aid to education program. Since the social pork barrel abhors a vacuum, it is not surprising that in both design and practice, ESEA has been stretched to fill the gap. The troublesome parochial school aid question and the ever potent bugaboo of federal entanglement in local school affairs have stood in the way of direct, general aid to education, but Congress soon found in ESEA a perfectly serviceable means to the same end, conveniently disguised in the rhetoric of redistribution and aid to the poor.

Thus, although 56 per cent of the U.S. poverty population is concentrated in the 50 largest metropolitan areas, more than 13,000, or 80 per cent, of the nation’s school districts receive ESEA funding. The initial distribution of Title I funds to states, of course, is based on a strict count of the low-income and public assistance population. But once the funds reach the county level almost anything that ingenious school administrators can devise to serve as a proxy for the number of “disadvantaged” students within the county is allowed to be used in dividing up the funds among individual school districts. Moreover, the recent extension of the Act included no criteria at all for targeting funds within each school system.

The result of these loose distribution formulas is a substantial dis-
sipation of Title I funds across a broad range of the public school population, rather than the much smaller percentage of legal eligibles. A 1970 survey, for example, found that 65 to 95 per cent of the students participating in non-instructional Title I programs (which account for 50 per cent of total Title I expenditures) were judged by their own teachers to have no critical need for the health, food, cultural enrichment, and counseling services provided. Another study found that six times as many students were participating in health programs as needed assistance and that nearly two thirds of those participating in cultural enrichment programs were similarly without need. It is no wonder, then, that ESEA funds are so widely distributed as to provide less than one hour per week of remedial instruction for each student participating. Since there is some evidence that, to be successful, compensatory expenditure and effort per disadvantaged student must attain a "critical mass" far in excess of what ESEA actually provides, it is not surprising that the results of compensatory education have been highly disappointing.

ESEA's difficulties, however, reach far beyond the question of design and administration. Despite eight years of operation, there has yet to be assembled any convincing proof that compensatory education significantly closes the achievement gap between disadvantaged students and their more affluent peers. As one observer commented after reviewing the reams of studies commissioned by the Office of Education: "... the results of evaluations appear to be virtually random. Students in Title I programs do worse than comparison groups as often as they do better."

This conclusion, of course, has been latent ever since the Coleman report showed that variations in school resources have far less to do with achievement disparities than social class and family influences do. So long as this thesis was mainly, or at least most vociferously, propounded by neo-conservative critics, liberals had some justification for reserving judgment. But now that even the pedigreed left-wing scholar Christopher Jencks has weighed in with the same conclusion, the fact that (in Jencks's words) "giving children better schools is not going to eliminate inequality in cognitive skills [nor] eliminate poverty and inequality among adults" has become difficult to ignore.

The politics of allocation

Despite this array of evidence, the recent Congressional debates over ESEA have not been about better targeting of funds—whether
a critical mass of expenditures is needed to affect the achievement levels of the disadvantaged, or whether the poor might better be served by using the funds for some other purpose, such as income maintenance. Instead, the debate has dwelled almost entirely on the state allocation formula—in a word, over slicing the pie. Of some 19 amendments proposed in the House during last year's consideration of the Title I extension, fully 15 dealt with adjustments in the allocation formula.

Given the large expenditures involved and the obvious shortcomings of the program, it might be assumed that whether 1960 or 1970 census figures are plugged into the Office of Education computers, or whether the Orshansky index, a modified Orshansky index, or the latter plus the AFDC count is the appropriate poverty standard (all of these were heatedly debated alternatives), would be far down the priority list of concerns. The fact that they were nearly the exclusive preoccupation in the recent ESEA debate dramatizes quite clearly the limitations of Congressional social policy making. For a social program of the size and scope of ESEA, reaching into nearly every Congressional district in the nation, is, in the final analysis, an enormous political resource, as well as a mechanism for the delivery of government-financed services to selected beneficiaries. And given the atomistic character of the American political system, Congressmen inevitably find themselves treating social legislation more from the former perspective than the latter—sometimes by virtue of conscious choice and blatant opportunism, at other times as a sheer necessity of political survival.

Of course, to suggest that the pork barrel approach to social welfare spending is at least in part systemic does not mean that the very real element of individual culpability should be downplayed or excused. Not infrequently, undiluted cynicism reigns on Capitol Hill. Many Members openly admit to holding their noses when the annual $12 billion is appropriated for the veterans program—most of which benefits ex-servicemen who do not even have a hangnail to show for their harrowing experiences in uniform—or when impact aid funds are authorized for affluent school districts in whose plush auditoriums they have practiced their oratorical arts. Indeed, shortly before adjournment of the last session one Member was even aroused to public protest by the pork-barreling spectacle that marked Congress' hurried effort to pass a multi-billion-dollar public employment program. Whether due to haste or a flash of statesmanship, the House Education and Labor Committee had devised an allocation formula that very sensibly distributed most of the
funds (75 per cent) according to the relative severity of unemployment in local labor markets. But when one of the House's leading liberal lights pointed out during floor debate that his amendment would increase the level of funding in fully 37 states by diluting the relative severity criteria (thus making all unemployed workers count equally), the change was quickly agreed to without so much as a recorded vote. As a result, each unemployed member of the labor force in Dallas, where the jobless rate is three per cent, will now have the same weight in the allocation formula as his counterpart in Detroit, the site of a veritable depression.

In most cases, however, the pork barreling is less conscious, more benign. Out of an amalgam of local boosterism, susceptibility to popular myths (like that of the "doctor shortage"), and lack of time or incentive for serious analysis of the propositions before them, Members usually vote for hometown pork and feel good about it afterwards. But whatever the relative roles of personal culpability and institutional forces, the end result is a horrendously costly, frequently inequitable, and usually ineffective way of dealing with the nation's domestic ills.

The great ideological charade

If the programs which comprise and the rhetoric which surrounds the social pork barrel are liberal in paternity, this distinction usually fades with the passage of time. Indeed, the political maintenance capabilities of the system are so strong that all except the most extreme and idiosyncratic conservatives are eventually brought into the consensus. There is, however, a process of evolution that often leads to the erroneous impression that there are serious ideological differences in Congress on social spending policy. In reality, there are not.

At the christening of each new domestic program, conservatives loudly complain about yet another boondoggle, more federal red tape and confusion, and a further drain on the over-taxed budget. Most of them vote for gutting amendments during the initial debate, although considerably fewer vote "nay" on final passage. In subsequent years, the ranks continue to erode so that many who initially opposed the program quietly vote for reauthorization and even more vote for annual appropriations. House Republicans originally opposed enactment of ESEA in 1965, for example, by almost a three-to-one margin. When it came up for renewal in 1974, however, a bare 15 votes were cast in opposition.
By the time that the program has gotten into operation and become visible at the local level, nearly all of the potential "opposition" can be found—along with their Democratic counterparts—enthusiastically issuing press releases announcing grants and turning up for each cornerstone-laying or ribbon-cutting ceremony marking the kickoff of a new district project. Should some bespectacled budget analyst in the Executive Office Building propose that the program be reduced or eliminated, the retreat will be shown to have come full circle, as a chorus of reputedly conservative Congressmen gravely intone: "I'm four-square for cutting the swollen federal budget, but this is the wrong program at the wrong time in the wrong place." So many press releases sounding almost these identical words poured out of conservative Congressional offices during 1973's impoundment battle as to raise the suspicion that they all came off the same mimeograph stencil.

The life cycle of conservative incorporation into the social spending consensus is nowhere illustrated more dramatically than in the case of the community action program (CAP). At the time of its original adoption, House Republicans staunchly opposed the war on poverty, of which CAP was to be the main component, by a vote of 22-145. During the next few years, while local community action programs in many areas of the country were still in their militant "political action" stage, CAP became a rallying post for Republican opposition to the Great Society. As a consequence, the first extension of the Act in 1966 mustered only 15 Republican votes, with the program eliciting a torrent of denunciatory rhetoric from Republican orators during the fall elections of that year.

In the ensuing years, of course, CAP was gradually domesticized. This was in part a result of amendments which gave greater control to local governmental entities, and in part due to administrative decisions to channel an increasingly larger share of CAP funds through the so-called "national emphasis" programs—Head Start, Family Planning, Emergency Food and Medical Services, and Upward Bound—that were largely welfare and service oriented and posed little threat of disruption or controversy.

Since the delivery of "meals on wheels" is a far different proposition than dumping garbage on the steps of City Hall, the zeal of the Republican opposition steadily waned. Although by the late 1960's reams of studies questioning the effectiveness of the CAP program began to flow in, the chance to strike a solid blow against the program was foregone in favor of exercising a new-found opportunity to prime the social spending pump. In both 1969 and 1971, a
substantial majority of Republicans supported reauthorization of the program.

One last effort was made by the true believers on the Republican Right to reignite the old anti-CAP wrath in connection with the Nixon budget offensive. But in a maneuver laden with no small amount of irony, a coalition of anti-poverty organizations retained a $25,000-a-month Washington lawyer to press the case for extension on Capitol Hill in the best big-time lobbying style. The lawyer, former Congressman William Cramer of Florida, a conservative Republican who himself had been a vociferous opponent of OEO in earlier days, soon proved highly adept at explaining to his former colleagues that the program had become "safe" and that "meals on wheels" and summer recreation programs were not items to be discounted come election time. They hardly needed convincing. By a more than three-to-one vote House Republicans registered agreement, as the highly touted drive to abolish OEO dissipated before the pragmatic realities of the social pork barrel.

**The policy stalemate**

This ability to co-opt the potential opposition is in no small way abetted by the conceptual murkiness of what passes on Capitol Hill for liberal ideology. For one thing, this ideology rarely rises above the level of symbol and vague sentiment: Gestures and demonstrations of concern about social problems are all important; impact and effectiveness are only secondary concerns, if they are considered at all. This has certainly been the case with OEO and the other remnants of the War on Poverty. Whether the earlier political type of community action was productive is a debatable argument. That the program in its current incarnation largely duplicates scores of existing local, state, and federal welfare services, provides a large payroll for middle-class social work professionals, and does little about the real income needs of the poor, is hardly open to dispute. Yet since termination of the program would be tantamount to abandoning the symbolic commitment to the poor, hard analysis is not undertaken and alternatives are not even considered; the fact that the program has become just one more item on the social pork barrel goes unrecognized.

For another thing, Congressional liberalism contains only a vague notion of who really needs government assistance. Standard rhetorical terms like "the little guy," the "working class," and the "average American" can encompass almost the entire electorate, and in liberal
practice they usually do. During the 93rd Congress, for example, a coalition of liberal Senators, led by Senator Kennedy, attempted to attach a package of "tax reform" amendments to a minor bill that had already cleared the House. The Kennedy proposal, widely advertised in the press as a "redistribution" measure, included a stiffening of the minimum tax in order to increase the tax bite on the wealthy and an increase in the personal exemption for the purpose of compensating lower-class and working-class families for the rise in the cost of living.

Had it been adopted—which it fortunately was not—the actual impact of this proposal, however, would have been a complete caricature of its ostensible aims. In the first place, the revenue to be gained by stiffening the minimum tax amounted to only about one fifth of the loss from the increase in the personal exemption, so the primary effect would have been merely to compound the current budgetary squeeze and preclude increases in other liberal-favored programs. More important, the proposed $100 increase in the personal exemption would have meant a $14 break per dependent for the working-class family, compared to a $25 to $70 reduction for the upper-middle-class to wealthy family. Specifically, less than three per cent of the $3.5-billion revenue loss involved would have accrued to the benefit of taxpayers with adjusted gross incomes of under $5,000, because most of these already pay no income taxes; and significantly less than one third of the total would have benefited all taxpayers earning less than $10,000. By contrast, substantially more than $1 billion of the windfall would have ended up in the pockets of taxpayers with incomes of $15,000 per year and over. Obviously, vague rhetoric is a poor guide to policy formulation—but having long subsisted on it, and witnessed the political efficacy of the decisions which flow from it, Congressional liberals are not likely to adopt a more rigorous approach at any time soon.

Finally, the prevailing liberal faith in meeting unfilled "human needs" by means of social welfare programs largely ignores the fact that such government spending inevitably involves income transfers. Moreover, if this is to be anything more than a shunting of middle-class taxes through the public sector and back to middle-class beneficiaries, then some people have to be excluded from access to the goodies. But inclusion rather than exclusion is the normal liberal prescription. For example, Senator Humphrey, the patriarch of liberal pork barrellers, has long championed a universal, free school-lunch program, and even succeeded in getting it included in the 1972 Democratic platform. However, as most lower-income children
already receive either free or heavily subsidized lunches and breakfasts, it is difficult to see what this proposal would accomplish. Fully $2 billion of the $3.7 billion incremental financing cost would accrue to the benefit of school children from families above the median income. Since these same families pay at least an equivalent portion of the federal tax dollar, the only apparent benefit of the proposal would be the privilege of buying school lunches on an annual purchase plan every April 15th.

George Wallace's old charge about there being "not a dime's worth of difference" between the two major parties is not far from the truth in terms of social welfare policy. Conservatives may profess to be vigilantly watching at the gates of the federal treasury, and liberals may profess to be striving to insure that America's least advantaged are given their due; but in reality, neither side is doing very much of either task.

In fact, conservative duplicity and liberal ideology both contribute to the dynamics and durability of the social pork barrel. Yet the resulting social policy stalemate cannot persist indefinitely. Sooner or later conservatives are going to have to break with the system or acquiesce in fiscal policies and in a growth in the share of national income devoted to "social welfare" that are entirely incompatible with their basic beliefs. Similarly, liberals are going to have to acknowledge the essential futility of attempting to subsidize the preponderant portion of the electorate in order to improve the lot of those genuinely in need, or forever fail to achieve their goals. To be sure, such a change in course would cause more than a little political discomfort for both sides. Delaying the day of reckoning, however, will only magnify the huge costs, both financial and social, that the nation is already paying for the present system.