

# American Government and Politics Today

## Chapter 3 Federalism



FIGURE 3.1 NUMBER OF GOVERNMENTS IN THE UNITED STATES



Source: U.S. Census Bureau, <http://p2.census.gov/gov/cog/2002cogprelimreport.pdf>



## Origins of the Federal System

- Under the Articles, the U.S. was governed by a **confederation**.
  - National government derives power from states
  - Led to weak national government
  - Framers remedied problems with a federal system
- Federal system**
  - U.S. was the first country to adopt a federal system of government
  - The national government and state governments derive all authority from the people.
  - Different from **unitary system**
    - The local and regional governments derive all authority from a strong national government.



## Take out a piece of paper

- Define:
  - Unitary System**
  - Confederal System**
  - Federal System**



## A Unitary System

- Central government gives power to sub-national governments (counties, provinces, etc.).
- Local governments typically have only those powers granted to them by the central government, rather than any reserved powers.
- Especially important is the central government's role of provider of funds.



## A Confederal System

- Power is retained by local or regional governments.
- Example: The EU (European Union). Each country has ultimate power within the system although there is an EU parliament and other institutions that set a common European policy.



## A Federal System

- Divides power between the national and lower level governments.
- Each government has distinct powers that the other governments cannot override.
- Examples: Australia, Brazil, Canada, Germany, India, Mexico, and the United States.

## Defining Federalism

TABLE 3.1

Authority Relations in Three Systems of Government

	UNITARY	CONFEDERATE	FEDERAL
Central government	Holds primary authority Regulates activities of states	Limited powers to coordinate state activities	Shares power with states
State government	Few or no powers Duties regulated by central government	Sovereign Allocates some duties to central government	Shares power with central government
Citizens	Vote for central government officials	Vote for state government officials	Vote for both state and central government officials

Copyright © 2009 Pearson Education, Inc. Publishing as Longman.

## Why Federalism?

- The authors of the Constitution wanted to combine a central government strong enough to maintain order with strong states.
- The large geographical size of a country.
- State governments have served as training grounds for national politicians and as laboratories in which new ideas can be tested.
- Federalism Allows for Many Political Subcultures.
- Arguments against Federalism.

## Defining Federalism

### Why Is Federalism So Important?

- Decentralizes our politics
  - More opportunities to participate
- Decentralizes our policies
  - Federal and state governments handle different problems.
    - States regulate drinking ages, marriage, and speed limits.
  - States can solve the same problem in different ways and tend to be policy innovators.

Copyright © 2009 Pearson Education, Inc. Publishing as Longman.

## Hot Issues

- Some of the hottest issues in American politics are, at their core, disputes over federalism.
- Some hot issues involving federalism today are
  - Gay marriage
  - Medical marijuana
  - Obamacare
  - Immigration enforcement



## Federal and State Powers

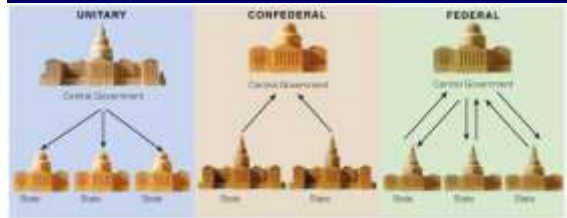
- In general, the federal government has power over economic issues, the military and defense.
- In general, state governments have power over social, moral, and family issues.



## Positives and Negatives of Federalism

- ❑ Negative view: Federalism blocks progress and protects powerful local interests.
- ❑ Positive view: Federalism contributes to governmental strength, political flexibility, and fosters individual liberty and the development of leaders.
- ❑ Federalist #10: small political units allow all relevant interests to be heard.

## The Flow of Power in Three Systems of Government



## Powers of the National Government

- Enumerated Powers
  - ❑ The Necessary and Proper Clause.
- Implied Powers—allow the national government to make decisions that fall outside the expressed powers.
- Inherent Powers—recognized by all sovereign nations.

## National Powers Under the Constitution

- ❑ Enumerated Powers
  - 17 specific powers granted to Congress
    - ❑ Article 1, section 8 of the U.S. Constitution
    - ❑ Taxation
    - ❑ Coinage of money
    - ❑ Regulation of commerce
    - ❑ National defense
  - Necessary and Proper Clause
    - ❑ Implied Powers
  - Supremacy Clause
    - ❑ Mandates that national law is supreme to all other laws passed by the states or by any other subdivision of government



## Powers of State Governments

- ❑ According to the Tenth Amendment, all powers that were not delegated to the national government.
- ❑ In theory states still retain all powers not delegated to the national government, but in reality the national government has expanded the scope of governmental action on a grand scale.

## State Powers Under the Constitution

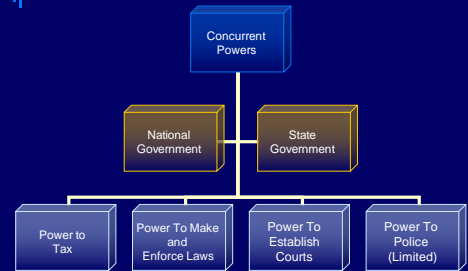
- ❑ Article 1
  - Allows states to determine time, place, and manner of elections for House Representatives and Senators
- ❑ Article II
  - Requires that each state appoint electors to vote for president
- ❑ Article IV
  - Privileges and immunities clause
  - Republican form of government
  - Protection against foreign attacks and domestic rebellion
- ❑ Tenth Amendment
  - States' powers described here
  - Reserve (or police) powers



## Powers of State Governments

- *Police power*, the authority to legislate for the protection of the health, morals, safety, and welfare of the people. In the United States, most police power is reserved to the states.

## Concurrent and Prohibited Powers



## Concurrent Powers

- Concurrent powers
  - Authority possessed by both state and national governments and exercised concurrently (at the same time) as long as that power is not exclusively within the scope of national power or in conflict with national law
    - Power to tax (states already had this one)
    - Right to borrow money
    - Establish courts
    - Make and enforce laws to carry out these powers

## Prohibited Powers

- Apply to both the national and state governments.
  - The national government is prohibited from taxing exports. State governments are prohibited from conducting foreign policy and from coining money.

## Denied Powers

- |   |  |
|---|--|
| <ul style="list-style-type: none"> <li>□ States cannot               <ul style="list-style-type: none"> <li>■ Enter into treaties</li> <li>■ Coin money</li> <li>■ Impair obligation of contracts</li> <li>■ Cannot enter into compacts with other states without congressional approval</li> <li>■ Denied the authority to take arbitrary actions affecting constitutional rights and liberties</li> <li>■ Cannot pass a bill of attainder</li> <li>■ No ex post facto laws</li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>□ Congress cannot               <ul style="list-style-type: none"> <li>□ Favor one state over another in regulating commerce</li> <li>□ Cannot lay duties on items exported from any state</li> <li>□ Cannot pass a bill of attainder</li> <li>□ No ex post facto laws</li> </ul> </li> </ul> |
|---|--|



## Supremacy Clause

- Article VI of the Constitution mandates that actions by the national government are supreme.
- Any conflict between a legitimate action of the national government and a state will be resolved in favor of the national government.

## The Constitutional Basis of Federalism

- The Division of Power
  - Supremacy Clause: Article VI of the Constitution states the following are supreme:
    - The U.S. Constitution
    - Laws of Congress
    - Treaties
  - Yet, national government cannot usurp state powers.
    - Tenth Amendment

## Vertical Checks and Balances

Federalism can be seen as an additional way of preventing government from growing too strong, beyond the division of the national government into the legislative, executive, and judicial branches.

## Interstate Relations

- Article IV of the Constitution attempts to resolve potential problems between states by stipulating the following:
  - Full faith and credit clause—states must honor actions of other states.
  - Privileges and immunities
  - Interstate extradition
  - Interstate compacts

## Relations Among the States

- Mechanisms for interstate disputes
  - Directly settled by U.S. Supreme Court under its original jurisdiction
  - Full Faith and Credit Clause
    - Ensures judicial decrees and contracts made in one state will be binding and enforceable in others
    - States can vary considerably on social issues- implications?
  - Privileges and Immunities Clause
  - Extradition Clause
  - Interstate compacts
    - Over 200 exist today
    - Contracts between states that carry the force of law - Drivers License Compact
    - Consent of Congress



## The Constitutional Basis of Federalism LO 3.2

- **States' Obligations to Each Other**
  - **Full Faith and Credit** – Article IV, Section 1 of Constitution requires each state to recognize the public acts, records, and judicial proceedings of all other states.

## Relations Among the States

- Mechanisms for interstate disputes
  - Directly settled by U.S. Supreme Court under its original jurisdiction
  - Full Faith and Credit Clause
    - Ensures judicial decrees and contracts made in one state will be binding and enforceable in others
    - States can vary considerably on social issues- implications?
  - Privileges and Immunities Clause
  - Extradition Clause
  - Interstate compacts
    - Over 200 exist today
    - Contracts between states that carry the force of law - Drivers License Compact
    - Consent of Congress



## The Constitutional Basis of Federalism LO 3.2

- **States' Obligations to Each Other** (cont.)
  - **Privileges and Immunities** – Article IV, Section II of Constitution requires states to give citizens of each state the privileges of citizens of other states.

Copyright © 2011 Pearson Education, Inc. Publishing as Longman

To Learning Objectives

## The Constitutional Basis of Federalism LO 3.2

- **States' Obligations to Each Other** (cont.)
  - **Extradition** - Article IV, Section II of Constitution requires a state to surrender a person charged with a crime to the state in which the crime is alleged to have been committed.

Copyright © 2011 Pearson Education, Inc. Publishing as Longman

To Learning Objectives

### Relations Within the States: Local Government

- Local governments' authority not granted by the people but through state governments
  - States establish or charter their administrative subdivisions.
  - Local governments carry out or execute the duties of state governments on smaller scale.



### Federalism and the Marshall Court



- Two rulings in the early 1800s had a major impact on the balance of power between national and state governments.
  - *McCulloch v. Maryland* (1819)
    - Upheld power of national government and denied the right of state to tax national bank
  - *Gibbons v. Ogden* (1824)
    - Upheld broad congressional power to regulate interstate commerce



Mr. Beat  
presents

### *McCulloch v. Maryland* (1819)

#### Historical Context

-The state of Maryland brought an action against James McCulloch, a cashier in the Maryland branch of the Bank of the United States, for not paying a tax the State had imposed on the US Bank.




#### Issue:

Whether the state of Maryland had the right to tax a federal agency which was properly set up by the US Congress.



#### Decision:

The Court ruled that the “power to tax is the power to destroy” and that the federal government’s bank was immune to state taxation. The Court reasoned that Congress could set up a bank and write laws “necessary and proper” according to its constitutional power to coin and regulate money.



Mr. Beat  
presents



#### Gibbons v Ogden (1824)

Gibbons v Ogden (1824)- SC established broad interpretation of the federal government’s authority over interstate commerce



#### The Case

- Aaron Ogden filed a complaint in the Court of Chancery of New York asking the court to restrain Thomas Gibbons from operating on these waters. Ogden's lawyer contended that states often passed laws on issues regarding interstate matters and that states should have fully concurrent power with Congress on matters concerning interstate commerce.



#### The Case

- Gibbons' lawyer, Daniel Webster, argued that Congress had exclusive national power over interstate commerce according to Article I, Section 8 of the Constitution and that to argue otherwise would result in confusing and contradictory local regulatory policies.
- The Court of Chancery of New York and the Court of Errors of New York found in favor of Ogden and issued an injunction to restrict Gibbons from operating his boats. Gibbons appealed the case to the Supreme Court, which reversed the decision.

## The Decision

- The decision called Gibbons' federal license a legitimate exercise of the regulation of commerce provided in Article I, Section 8 of the Constitution. The New York State law creating a commercial monopoly was therefore void, since it conflicted with the regulatory power of the Federal Government in the performance of its constitutional responsibilities. The Court ruled that Gibbons must be allowed to operate within the waters of New York State.

## States' Rights and the Civil War

- The Jacksonian Era and the shift back to States' Rights
- The Civil War and the growth of the national government
  - Post Civil War amendments represented a serious enhancement of national power. The national government now abolished slavery, defined who was an American citizen, and attempted (with limited success) to provide rights to the freed slaves that included the right to vote.

## 13<sup>th</sup> Amendment

- ★ Ratified in December, 1865.
- ★ *Neither slavery nor involuntary servitude, except as punishment for crime whereof the party shall have been duly convicted, shall exist within the United States or any place subject to their jurisdiction.*
- ★ Congress shall have power to enforce this article by appropriate legislation.

## 14<sup>th</sup> Amendment

- ★ Ratified in July, 1868.
  - Provide a constitutional guarantee of the rights and security of freed people.
  - Insure against neo-Confederate political power.
  - Enshrine the national debt while repudiating that of the Confederacy.
- ★ Southern states would be punished for denying the right to vote to black citizens!

## 15<sup>th</sup> Amendment

- ★ Ratified in 1870.
- ★ *The right of citizens of the United States to vote shall not be denied or abridged by the United States or by any state on account of race, color, or previous condition of servitude.*
- ★ The Congress shall have power to enforce this article by appropriate legislation.
- ★ Women's rights groups were furious that they were not granted the vote!

## Dual Federalism

- Emphasized dividing the state and national spheres of power into entirely separate jurisdictions.
- Part of the Supreme Court's attempt to regain its powers after the Civil War.



## The Constitutional Basis of Federalism

### □ Establishing National Supremacy (cont.)

- **The Civil War** – Militarily the national government asserts its power over the Southern states' claim of sovereignty.
- **The Struggle for Racial Equality** – *Brown v. Board of Education* (1954) outlawed segregation in the public schools.

To Learning Objectives

## Intergovernmental Relations Today

### □ Dual Federalism

- Definition: a system of government in which both the states and the national government remain supreme within their own spheres, each responsible for some policies
- Like a layer cake
- Narrowly interpreted powers of federal government
- Ended in the 1930s



## The New Deal and Cooperative Federalism

- New Deal legislation vs. Dual Federalism
- Cooperative federalism emphasized an expanded role for the national government, and cooperation between the national government and the states.

## Intergovernmental Relations Today

### □ Cooperative Federalism

- Definition: a system of government in which powers and policy assignments are shared between states and the national government
- Like a marble cake
- Shared costs and administration
- States follow federal guidelines



## The New Deal and Cooperative Federalism

- Roosevelt's programs typically were funded by the federal government, but administered by states and local governments, thus creating a cooperative framework for federalist relations. Often called picket-fence federalism.



## FDR and the Three R's: Relief, Recovery, and Reform

- On Inauguration Day, FDR asserted, "the only thing we have to fear is fear itself."
- He called for a nationwide banking holiday
- first 100 days of FDR's administration were filled with more legislative activity than ever before
  - Copied a lot of bills that Europe had used to help itself during post-WWI depression

## 100 DAYS



- Roosevelt's **100 days** was very successful...FDR and Congress went to work providing for direct **relief**, **recovery** and **reform**.
- From March of 1933 to June of 1933, Roosevelt sent **15 proposals** to Congress and all **15 were adopted**
- Congress and President **tried anything reasonable** to overcome the Great Depression.

## NEW DEAL: ALPHABET AGENCIES

ACRONYM	WHAT IT STANDS FOR
AAA	Agricultural Adjustment Administration
CCC	Civilian Conservation Corps
CWA	Civil Works Administration
FERA	Federal Emergency Relief Administration
FHA	Federal Housing Administration
FSA	Farm Security Administration
HOLC	Home Owners Loan Corporation
NRA	National Recovery Administration
NYA	National Youth Administration
PWA	Public Works Administration
REA	Rural Electrification Administration
SSA	Social Security Administration
TVA	Tennessee Valley Authority
WPA	Work Projects (Progress) Administration

Part of FDR's **New Deal**.....Agencies created by the US Govt. to bring about the **3 R's**.....**Relief, Recovery, and Reform**.

## NEW DEAL: ALPHABET AGENCIES

**RELIEF**: Ease Suffering of the Needy

**WPA / 1933 to 1943**

### Works Progress Administration

Employed 8.5 million workers in construction and other jobs, but more importantly provided work in arts, theater, and literary projects.

## WPA



•Works Progress Administration (**WPA**), the **New Deals** main **relief** agency.

•People employed by the WPA at its peak was more than 3 million

•2,500 hospitals

•5,900 schools

•13,000 playgrounds

•125,000 public buildings



WPA



## NEW DEAL: ALPHABET AGENCIES

RELIEF: Ease Suffering of the  
Needy

**CCC / 1933 to 1942**

### Civilian Conservation Corps

- Sent 3 million young men to work camps to build bridges, replant forests and other conservation tasks.
- Develop job skills and improve environment.
  - Removed surplus of workers from cities, provided healthy conditions for boys, provided money for families.

## CIVILIAN CONSERVATION CORPS



- Created in April 1933.
- *Within 4 months, 1300 CCC camps were in operation.*
- 300,000 men in 1933 between ages 18 and 25
- *Signed up for 6 months and made \$30.00 a month.*
- 1933 and 1941 over 3,000,000 men served in the CCC
- **Goal** Keep teenage young men off the street and away from the job market.
- *Develop job skills and improve environment*

Planted trees, built public parks, drained swamps to fight malaria, restocked rivers with fish, worked on flood control projects and a range of other work that helped to conserve the environment.







## NEW DEAL: ALPHABET AGENCIES

**RELIEF:** Ease Suffering of the Needy

**FERA / 1933**

### **Federal Emergency Relief Act**

Distributed \$500 million of direct aid to unemployed workers such as food, clothing and grants of money to cities.

## NEW DEAL: ALPHABET AGENCIES

**RELIEF:** Ease Suffering of the Needy  
**HOLC / 1933**

### **Home Owners Loan Corporation**

Prevented mortgage foreclosures. US Govt. bought up mortgages and refinanced them so that homeowners could pay their mortgages.



## NEW DEAL: ALPHABET AGENCIES

**RECOVERY:** Begin Economic Growth

**NIRA / 1933**

### **National Industrial Recovery Act**

- Called the **National Recovery Act**....
- Created NRA to enforce codes of fair competition and minimum wages.

## NATIONAL INDUSTRIAL RECOVERY ACT

**WE DO OUR PART**

- Also called the **National Recovery Act**
- Helped businesses organize codes setting prices and minimum wage.
- Put people back to work at decent jobs, wages and working conditions.
- Businesses were not forced to join this.
- Declared **unconstitutional** by the Supreme Court in 1935 because it violated **laissez faire**.



**NEW DEAL: ALPHABET AGENCIES**  
RECOVERY: Begin Economic Growth  
**AAA / 1933**  
**Agricultural Adjustment Act**

- Protected farmers from **price drops** and **over production**.
- US Govt. **Paid farmers** (subsidies)
  - not to grow crops, produce dairy products such as milk and butter or raise pigs and lambs.
- Prevent another **Dust Bowl**, teach farmers methods of preventing soil erosion.

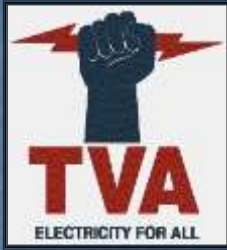


**NEW DEAL: ALPHABET AGENCIES**  
RECOVERY: Begin Economic Growth  
**TVA / 1933**  
**Tennessee Valley Authority**

- Federal government built a series of dams to prevent flooding and sold electricity.
- First public competition with private power industries.



## TENNESSEE VALLEY AUTHORITY



- Develop a poor section of the Southeast U.S.
- Stimulate the economy and produce cheap electricity.
- Control floods, planting new forests.
- Bring this section into the 20<sup>th</sup> century.

- **94 percent** of property owners and 98 percent of tenants did not have electricity.
- **30 percent** of property owners and 41 percent of tenants had no toilet facilities whatsoever

## TENNESSEE VALLEY AUTHORITY



- **65 percent** of property owners and **78 percent** of tenants had to travel at least 300 yards to get their household water.



- **8 percent** of property owners and **3 percent** of tenants owned radios (usually battery operated).

- **39 percent** of property owners and **23 percent** of tenants had phonographs (including record players that were operated with a hand crank).

## TENNESSEE VALLEY AUTHORITY



- **50 percent** of property owners and **25 percent** of tenants read newspapers.

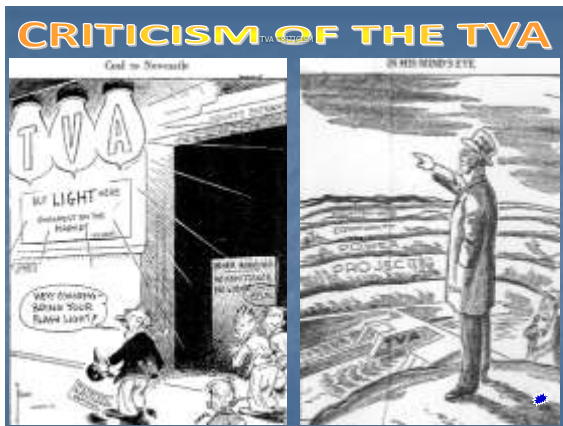


- **26 percent** of property owners and **16 percent** of tenants owned automobiles.

- **7 percent** of property owners and **4 percent** of tenants owned trucks.







## NEW DEAL: ALPHABET AGENCIES

REFORM: Prevent Another Depression

### **FDIC / 1933**

**Federal Deposit Insurance Corporation**

**Glass-Steagall Act created federally insured bank deposits (\$2500 per investor at first) to prevent bank failures.**



## NEW DEAL: ALPHABET AGENCIES

REFORM: Prevent Another Depression

### **SEC / 1934**

**Securities and Exchange Commission**

**Regulated stock market and restricted margin buying, and frauds.**

## NEW DEAL: ALPHABET AGENCIES

REFORM: Prevent Another Depression

### **Wagner Act / 1935**

**National Labor Relations Act**

**Reaffirmed labor's right to unionize, prohibited unfair labor practices, and created the National Labor Relations Board.**

## The National Labor Relations Act

### ■ The National Labor Relations Act

- also called the Wagner Act
- It guaranteed workers the right to organize unions without interference from employers and to bargain collectively.
- The National Labor Relations Board (NLRB) which organized factory elections by secret to determine whether workers wanted a union.
- The NLRB then certified successful unions.
- The new law also set up a process whereby dissatisfied union members could take their complaints to binding arbitration, in which neutral party would listen to both sides and decide issues.
- The NLRB was authorized to investigate the actions of employers and had the power to issue "cease and desist" orders against unfair practices.

## NEW DEAL: ALPHABET AGENCIES

### REFORM: Prevent Another Depression

**SSA / 1935**

## Social Security Act

**Response to critics (Dr. Townsend and Huey Long), it provided pensions, unemployment insurance, aid to blind, deaf, disabled, and dependent children.**

## SOCIAL SECURITY ACT



- One of the most important features of the New Deal.
- Established a retirement for persons over 65 funded by a tax on wages paid equally by employee and employer.
- Old age insurance
- Protect Americans who were unable to support themselves.
- Unemployment compensation
- Compensation to disabled workers and assistance to widows and children

## LEGACY OF NEW DEAL

### Criticisms of New Deal

- US government and President too powerful
- Violated laissez faire
- Supreme Court declared NIRA and AAA unconstitutional

• Deficit spending: Govt. spends \$\$\$ to stimulate the economy and help people even if it means US Govt. goes into debt.

• Welfare state---Created a population of Americans who relied on the US Govt. to live

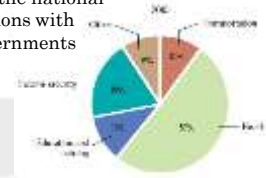
## Implementing Cooperative Federalism

- Categorical Grants
- "Strings-Attached" Federal Grants
- Block Grants
- Federal Mandates

## Intergovernmental Relations Today

### ■ Fiscal Federalism

- Definition: the pattern of spending, taxing, and providing grants in the federal system
- The cornerstone of the national government's relations with state and local governments



Copyright © 2009 Pearson Education, Inc. Publishing as Longman.



## Intergovernmental Relations Today



Copyright © 2009 Pearson Education, Inc. Publishing as Longman.

## Intergovernmental Relations Today

### Fiscal Federalism (continued)

- The Grant System: Distributing the Federal Pie
  - Categorical Grants: federal grants that can be used for specific purposes; grants with strings attached
    - Project Grants: based on merit
    - Formula Grants: amount varies based on formulas
  - Block Grants: federal grants given more or less automatically to support broad programs
- Grants are given to states and local governments.

Copyright © 2009 Pearson Education, Inc. Publishing as Longman.

## Intergovernmental Relations Today

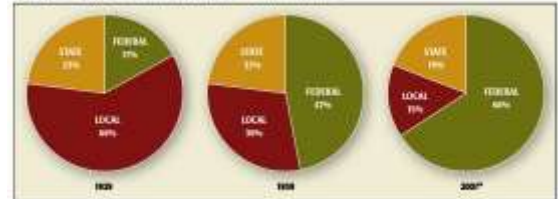
### Fiscal Federalism (continued)

- The Scramble for Federal Dollars
  - \$460 billion in grants every year
  - Grant distribution follows universalism—a little something for everybody.
- The Mandate Blues
  - Mandates direct states or local governments to comply with federal rules under threat of penalties or as a condition of receipt of a federal grant.
  - Unfunded mandates

Copyright © 2009 Pearson Education, Inc. Publishing as Longman.

## Central Government Spending

FIGURE 3-1 | THE SHIFT TOWARD CENTRAL GOVERNMENT SPENDING  
Before the Great Recession, total government spending accounted for 30 percent of all government spending, with the federal government accounting for only 11 percent. By 2007, federal government spending was almost two-thirds of the total.



Source: U.S. Department of Commerce, Bureau of Economic Analysis; Congressional Budget Office.

## Understanding Federalism

### Advantages for Democracy

- Increases access to government
- Local problems can be solved locally
- Hard for political parties or interest groups to dominate all politics

### Disadvantages for Democracy

- States have different levels of service
- Local interest can counteract national interests
- Too many levels of government and too much money

Copyright © 2009 Pearson Education, Inc. Publishing as Longman.

## Understanding Federalism



Copyright © 2009 Pearson Education, Inc. Publishing as Longman.

## The Politics of Federalism

- States' rights have been associated with conservatism, and national authority has been associated with liberalism. Why?
- Accomplishments of National Authority
  - Economic relief
  - Civil rights and the War on Poverty
- States favor the status quo

## Understanding Federalism

### Federalism and the Scope of Government

- What should the scope of national government be relative to the states?
  - National power increased with industrialization, expansion of individual rights, and social services.
  - Most problems require resources afforded to the national, not state governments.

Copyright © 2009 Pearson Education, Inc. Publishing as Longman.



A poster urging voters to elect Lyndon B. Johnson for president and Hubert Humphrey for vice-president.

## The Great Society

- Johnson used his talent in working with Congress to initiate many reforms on domestic issues.
- Johnson's programs on poverty aid, education, healthcare, economic development, and conservation became collectively known as the **Great Society**.



## WAR ON POVERTY



### Great Society

• Under President Johnson War on Poverty in the 1960s, the welfare programs of **FDR's New Deal** were greatly expanded.

• It was LBJ's **Great Society** programs that created the modern American **welfare state**.

### LBJ's Great Society

Head Start (1965)	Provided poor, disabled, and minority kids with extra academic assistance through pre-school in order to ensure educational success.
Job Corps (1966)	Provided training for poor, minority inner-city youth in order to cultivate job skills.
Medicare (1965)	Extended Social Security benefits by providing health insurance for the elderly.
Medicaid (1966)	Provides health insurance for the poor and disabled.
VISTA (1966)	Volunteers In Service To America; Organized youth volunteers to work in economically depressed areas.

## Great Society Programs

- **The Tax Cut** — Like Kennedy, Johnson believed that a budget deficit could be used to improve the economy. A tax cut caused the deficit to shrink, since renewed prosperity generated new tax revenues.
- **The War on Poverty** — Johnson initiated new programs such as Head Start, a preschool program for low-income families, and Volunteers in Service to America (VISTA), which sent volunteers to help people in poor communities.
- **Aid to Education** — The 1965 Elementary and Secondary Education Act, also initiated by Johnson, provided billions of dollars in aid to public and private schools.
- **Medicare and Medicaid** — Johnson helped Congress pass two new programs, Medicare and Medicaid. Medicare provides low-cost medical insurance to most Americans over age 65, while Medicaid provides similar services to poor Americans of any age.
- **Immigration Reform** — The Immigration Act of 1965 replaced immigration quotas with overall limits from various parts of the world. Immigration rose during the 1960s and 1970s.

## Great Society Programs, 1964–1967

<b>POVERTY</b>	
1964 Tax Reduction Act cut corporate and individual taxes to stimulate growth.	1965 Medicare Act established Medicare and Medicaid programs.
1964 Economic Opportunity Act created Job Corps, VISTA, Project Head Start, and other programs to fight the "war on poverty."	1965 Appalachian Regional Development Act targeted aid for highways, health centers, and resource development in that economically depressed area.
<b>CITIES</b>	
1965 Overdebt Housing Act provided money for low-income housing.	1966 Demonstration Cities and Metropolitan Area Redevelopment Act funded slum rebuilding, mass transit, and other improvements for selected "model cities."
1965 Department of Housing and Urban Development was formed to administer federal housing programs.	
<b>EDUCATION</b>	
1965 Elementary and Secondary Education Act directed money to schools for textbooks, library materials, and special education.	1965 National Foundation on the Arts and the Humanities was created to financially assist painters, musicians, actors, and other artists.
1965 Higher Education Act funded scholarships and low-interest loans for college students.	1967 Corporation for Public Broadcasting was formed to fund educational TV and radio broadcasting.

## Great Society Programs, 1964–1967

### DISCRIMINATION

- |  |  |
|--|--|
| 1964 Civil Rights Act outlawed discrimination in public accommodations, housing, and jobs; increased federal power to prosecute civil rights abuses. | 1965 Voting Rights Act ended the practice of requiring voters to pass literacy tests and permitted the federal government to monitor voter registration. |
| 1964 Twenty-Fourth Amendment abolished the poll tax in federal elections.  | 1965 Immigration Act ended national-origins quotas established in 1924.  |

### ENVIRONMENT

- |  |  |
|--|--|
| 1965 Wilderness Preservation Act set aside over 9 million acres for national forest lands. | 1965 Clean Air Act Amendment directed the federal government to establish emission standards for new motor vehicles. |
| 1965 Water Quality Act required states to clean up their rivers.                           | 1967 Air Quality Act set federal air pollution guidelines and extended federal enforcement power.                    |

### CONSUMER ADVOCACY

- |   |  |
|---|--|
| 1966 Truth in Packaging Act set standards for labeling consumer products.   | 1966 Highway Safety Act required states to set up highway safety programs.                                 |
| 1966 National Traffic and Motor Vehicle Safety Act set federal safety standards for the auto and tire industries. | 1966 Department of Transportation was created to deal with national air, rail, and highway transportation. |

## Effects of the Great Society

Chapter 22, Section 2

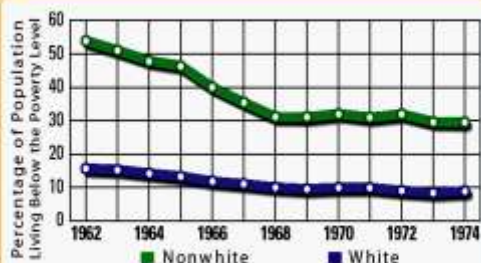
### Effects on Poverty

- During the 1960s and early 1970s, the number of Americans living in poverty in the United States was cut in half.
- However, some Americans complained that too many of their tax dollars were being spent on poor people. Others criticized the way Great Society antipoverty programs expanded the size of the federal government.

### The End of the Great Society

- Johnson received both praise and criticism for Great Society reforms.
- A conflict in Southeast Asia, later to become the Vietnam War, began to consume the resources Johnson needed for his domestic programs.
- The Great Society came to an end when Johnson failed to contain the Southeast Asia conflict.

## Poverty in America, 1962–1974



Source: Statistical Abstract of the United States, 1968–1975

## GREAT SOCIETY



Source: Compiled from U.S. Bureau of the Census, Historical Statistics of the United States, Colonial Times to 1959, Bicentennial Edition, Washington, D.C., 1975.

Figure 30.3 Federal Aid to Education, 1964–1970

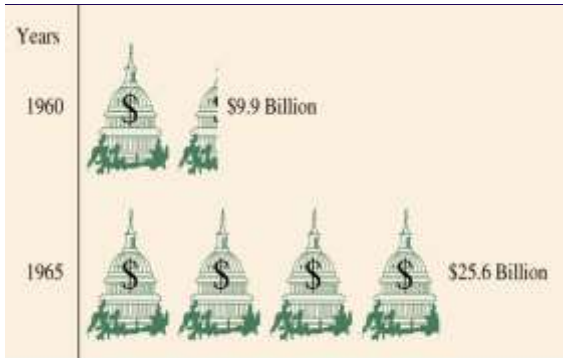
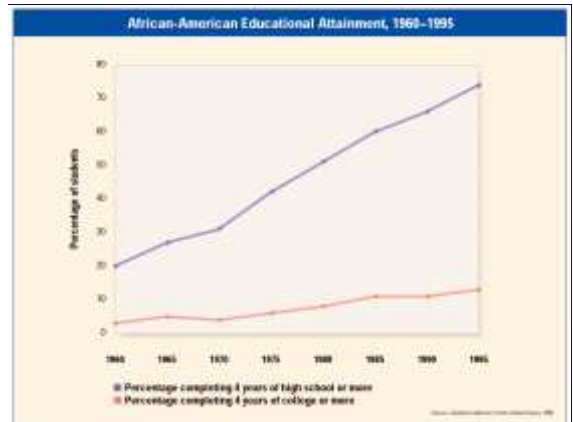


Figure 30.2 Federal Spending on Social Programs, Excluding Social Security



## Federalism Becomes a Republican Issue

- “New Federalism.” Beginning with President Richard Nixon (1969–1974), the Republican Party championed *devolution*, or the transfer of powers from the national government to the states. They called this policy *federalism*, a new use of the term.
- Under current conditions liberals may have pragmatic reasons to support states’ rights in some instances, such as in gay rights issues.

## New Federalism: Returning Power to the States

- New Federalism
  - Federal/state relationship proposed by Reagan administration during the 1980
  - Return administrative powers to the state governments
- Reagan Revolution
  - Block grants
    - Broad grant with few strings attached
    - Given to states by federal government for activity in specified area (education or health services, for example)

## New Federalism: Returning Power to the States

- The Devolution Revolution
  - Contract with America
  - Unfunded Mandates
    - National laws that direct states or local governments to comply with federal rules and regulations but contain no federal funding to help pay the cost of meeting those requirements
  - Personal Responsibility and Work Opportunity Reconciliation Act of 1996

## New Federalism: Returning Power to the States

- Federalism Under the Bush Administration
  - Budget shortfalls at federal and state level
  - States raised taxes and cut services; received aid from federal government
  - Federal government expanded post 9/11
    - Department of Homeland Security
    - No Child Left Behind
      - Example of preemption
      - Viewed by many as an unprecedented usurpation of state and local powers



## Federalism and the Supreme Court

- Reigning in the Commerce Power
- State Sovereignty and the Eleventh Amendment
- Tenth Amendment Issues

## Questions for Critical Thinking

- Name some examples in which the supremacy doctrine has practical effect.
- Discuss the importance of the case of *Gibbons v. Ogden* (and the cases that were based on its principles).
- What are some obstacles to devolution? Are there any disadvantages to the new federalism?

## Summary

- American federalism is a governmental system in which power is shared between a central government and the 50 state governments.
- The United States has moved from dual to cooperative federalism; fiscal federalism.
- Federalism leads to both advantages and disadvantages to democracy.

Copyright © 2009 Pearson Education, Inc. Publishing as Longman.